



News from the COVID front

LTIIA has been affected, like all other organizations, by the COVID-19 crisis and the subsequent two-month lockdown imposed in Paris, our HQ, from March 16th. Thankfully, no member of the Board or the Secretariat were contaminated by the virus (as we hope has also been the case for our members/readers). As for the activity, the very nature of our association, spanning over 20 countries in 4 continents, was already conducive to using remote communication, through emails, phone calls, audio and videoconferences. The impact has, thus, been limited to our participation to physical events, with the systematic cancellations or deferral of conferences, fora or seminars which we had scheduled or planned to participate in. Working groups have been held virtually as have bilateral discussions. Having now reintegrated its Paris offices, our permanent team is ready to welcome any LTIIA visitor and looks forward to receiving many of our members when we hold our Annual General Meeting come October.



LTIIA Participation in Industry Events

Recently convened

Over the last weeks, LTIIA's scheduled event participation was limited to virtual events, taking place by video or audioconference due to the coronavirus crisis, as could be expected. Among the events which we took part in over the last 3 months:

14-15 May 2020: European Infrastructure & Renewables Finance Exchange 2020 (video-transmitted discussions only; physical meeting rescheduled in Lisbon on 1-2 Oct)

LTIIA moderated the panel on **"Infrastructure Investor Make-Up Changing in Europe?"** with a focus on the first impact of the COVID crisis on the Infra investor landscape. Among the takeaways, a widely shared consensus that infrastructure so far has lived up to its defensive status and weathered the current crisis better than other sectors, with a few exceptions..

19 May 2020: OECD Task Force on Long-Term Investment on Collaboration with Institutional Investors & Asset Managers on Infrastructure (OECD HQ, Paris, France)

This meeting, organized by the **OECD Task Force on Long Term Investment** on how to promote private investment in infrastructure, is the last to take place in a sequence of similar consultations by the **OECD & the G20 IWG (Infra Working Group)**. LTIIA has been closely involved since the beginning in this dialogue on behalf of and along its members. This discussion was conducted in the specific context of the pandemic, with the main points being:

- the key-enabling role infrastructure will have to play in the economic recovery,
- the increasing investment gap in infrastructure, particularly in health and social infra highlighted by the crisis,
- the importance to attract private investors with appropriate risk-sharing and risk-mitigation instruments, in the context of crisis-induced increasing public debt levels,
- the need to focus, to provide the right incentives to asset owners for long-term investment, to promote infrastructure as an asset class,
- the need to continue focusing on quality and sustainability of infrastructure,
- the increasing importance of digital infra highlighted by Covid-19.



Upcoming events

Having had to cancel or reschedule its participation in physical events over the last 3 months, LTIIA now plans to partake in the following events (some of which it co-organizes or co-sponsors) from September onwards:

22 Sept 2020: Joint LTIIA-Marsh event on Political Risk Coverage for Investors in Emerging Markets (Paris, France)

LTIIA and Marsh JLT are hosting a panel discussion at the Westminster Hotel Paris on 22 September. A panel of experienced specialists will consider some of the important risk factors in the development and financing of infrastructure projects and how political risk and special risks insurance products (both public and private market) can help mitigate these.

1-2 Oct 2020: The European Infrastructure & Renewables Finance Exchange 2020 (Lisbon, Portugal)

The conference will cover all the current issues investors are talking about including digital infrastructure growth, continued commodification of Europe's fast maturing renewables market and a diversifying LP investor base seeking ESG and sustainability-driven strategies.



5-9 October 2020: 4th Paris InfraWeek (Paris, France)

A full week of must-attend events dedicated to **Infrastructure Finance** will be held from 5 Oct to 9 Oct. The global infrastructure value chain - investors, policy makers, regulators and academia from around the world - are expected to join this ever-expanding executive gathering for a global debate for greater transparency and efficiency in the marketplace. This year's discussions will focus on **Shaping the Post-Crisis Infrastructure World**.

As in 2019, the Long-Term Infrastructure Investors Association will sponsor the Paris Europlace International Infrastructure Forum on Oct 5th and convene its **Annual General Meeting** in Paris during this forum.



Current workstreams

LTIIA is leading/participating in the following methodological working groups, set up with the intent to provide feedback from players, table proposals and participate in consultations with public decision-makers at regional or global levels

Global Asset Owner's Advisory Council (AOAC): A Framework to Measure the Impact on the SDGs for Infrastructure

LTIIA has been invited to participate in this initiative of the **CFA Society New York** (created in 2018 to bring members' perspectives from the most influential asset owners and local market decision-makers & representing over \$60tn of assets under management and advisement).

Having identified the dearth of information available to measure the impact of Real Asset portfolios on both ESG and



12-15 October 2020: Global Summit Berlin 2020 (Berlin, Germany)

This year again, LTIIA is among the sponsors of the upcoming **Infrastructure Investor's Global Summit Berlin 2020**, now rescheduled to mid-October 2020 at the Hilton Hotel in Berlin, Germany. LTIIA will maintain a customized exhibition stand. The Summit now spans 7 specialist forums covering every theme from ESG to debt. This is an opportunity to gain connections with the entire global infrastructure industry

Mid-October 2020: Global Infrastructure Facility (GIF) Advisory Council Meeting (Washington DC, USA)

As a member of the **GIF Advisory Council**, LTIIA will take part in the meeting organized during the World Bank/IMF "Annual Meetings" on the theme **"Investing in the Future of Infrastructure"**.

End of Oct 2020: 5th OECD Forum on Governance of Infrastructure (Paris, France)

This year again, LTIIA will participate in the Forum **"Investing for the future: the increasing role of infrastructure governance"** to voice the views and concerns of the institutional investors in Infrastructure community. The event will be held at the **OECD Conference Centre in Paris**.

9-10 Dec 2020: Global Infrastructure Dialogue 2020 (Frankfurt, Germany)

Forum for senior representatives of the infrastructure industry to get together in a series of interactive sessions, 1:1 meetings and fireside chats to discuss the latest trends in infrastructure. Among the topics to be covered are the latest investment strategies, Global & European Infrastructure trends as well as insights from developers that secured funding for mature and emerging market projects.

the delivery of the Sustainable Development Goals (SDGs) as a key issue for asset owners & investors, it aims to align the various tools, frameworks & interpretations recently developed to assess the environmental & social impact of infrastructure, in particular, the alignment with SDGs.

LTIIA will work as part of a high-level **"Brain Trust"** with several large professional organisations (Like GRESB and PRI - both members of our Action Circle - or GIIN...) to investigate the creation of a framework, narrative and benchmark for asset owners to measure impact of infrastructure assets on delivery of the SDGs and ESG, and promote adoption amongst their respective asset owner networks. Our members will soon be invited to participate in a consultation to provide specific feedback when the draft framework is ready.

FAST

LTIIA has been approached by the promoters of **FAST-Infra** ("**Finance to Accelerate the Sustainable Transition-Infrastructure**") with a view to contribute to this marketplace, industry-led initiative. FAST-Infra was developed under the auspices of the One Planet Lab by CPI, HSBC, IFC, GIF and OECD, and aims to explore the development of sustainable infrastructure as an asset class.

FAST-Infra is designed to help scale up the financing of sustainable infrastructure in the developing world. It builds on the extensive amount of work advanced globally and the experience accumulated by multiple institutions and coalitions over the years. The framework proposes setting up an inclusive multi-stakeholder platform to help establish common principles around sustainable infrastructure and address the bottlenecks that have prevented the development and financing at scale of sustainable infrastructure, thus, facilitating its emergence as an asset class.

Strategic use of blended finance in an integrated framework will be needed to scale up private investment in sustainable infrastructure in emerging and developing countries. More specifically, FAST-Infra plans two actions to raise the supply of and demand for sustainable infrastructure financings (Equity & Debt) in developing countries:

- introducing a sustainable infrastructure labelling system
- undertaking targeted market interventions and financings

We see this new initiative as the natural extension of various working groups and forums to which LTIIA has been or is actively contributing. LTIIA, along with some individual members will participate in the 4 working groups set up with a view to provide a final report and recommendations on November 1st.

Paris Europlace Financing for Tomorrow Task Forces

LTIIA has just been admitted into **Finance for Tomorrow (FFT)** as an observer. The FFT initiative brings together all private, public and institutional players from various national and regional backgrounds present in the Paris financial centre and willing to commit themselves to a sustainable and inclusive finance. It combines long-term investment views with environmental and social consideration challenges to help propel Paris as a first-class financial centre on **Green and Sustainable Finance**.

Thierry Deau, Chairman of LTIIA since its creation in 2014, was elected as the new Chair of Finance for Tomorrow on the occasion of the 5th Climate Finance Day in November 2019, a leading international event organised by Finance for Tomorrow, concluding a week-long series of events devoted to sustainable finance and the financing of a just transition.

As part of its new member status, LTIIA engaged in 2 of the thematic workforces created by FFT to address current issues: a working group on the "**Impact of the European Green Deal and of the EU taxonomy and Financing of Development and transition in Developing Countries**", a group which F. Bergère, Executive Director of LTIIA, is co-leading. Within this club, LTIIA will bring its specific expertise in sustainable finance applied to infrastructure.

LTIIA also plans to take part in this year's edition of the **Climate Finance Day**, organized by Finance for Tomorrow - Paris Bourse on 29 Oct 2020.

D20-LTIC: LTIIA leads the work on "InfraTech"

LTIIA, as a member of the **D20-Long Term Investment Club** and leader of their **Infratech working group**, helped collect use cases from the combined membership of LTIC and LTIIA with a view to support the official **G20-IWG Infratech** agenda. Last month, it provided the contribution of the D20-LTIC working group (with inputs from LTIIA members such as Meridiam and Infravia), for G20-IWG to review and incorporate with:

- 9 use cases covering various sectors and intended to complement the Global Infrastructure Hub (GIH) Infratech use cases stocktaking Note,
- comments and thoughts regarding policy toolkits in response to the World Bank presentation.



Internal

LTIIA ESG Handbook



ESG Handbook

The document aims to promote, among a shift in addressing ESG issues, from process-driven to outcome-driven and a more pro-active approach of engaging with the broader community. Beyond a reminder of the latest developments occurred over the last 3 years, it sets out the issues, lists the actors and initiatives, standards and good practices drawing heavily from the inputs and contributions of our members network and illustrated by case studies and interviews.

As part of the process, a survey - designed to assess and provide us with an aggregate view of where our members stand (ESG-wise) in terms of internal organization, Investment & Management Practices and how they see the upcoming trends - was conducted with results shared in May 2020.

From mid-June, the **ESG Handbook** is to be disseminated to members and beyond through a multi-canal strategy (paper edition, website, social networks, webinars, and a presentation during the Paris Infraweek in October).

The next LTIIA Board Meeting will take place on 1 July 2020 and will address, in particular, the Budget for the next fiscal year (FY 2021, starting from July 2020) as well as the renewal of certain board members.

News from our Partners

➤ **InfraVia:**

InfraVia Capital Partners announces the first closing of **InfraVia Growth Fund** at €270 million, a new leading European Growth Equity fund dedicated to BtoB European tech companies bolstering the digitalization of the economy (in particular in the field of infrastructure).

Read more at <https://infraviacapital.com/>

➤ **Meridiam:**

“Integrating impact in infrastructure investment”:

A tribune just published by **V. Kientz**, founding Partner of ENEA Consulting & **Thierry Deau**, Founder-CEO of Meridiam and LTIIA Chair, argues that there has never been a better and more appropriate time to integrate impact into infrastructure investment strategies and operations, so as to create a more resilient economy for communities, and future generations. The authors argue that this is just the beginning of a major evolution, paving the way to a sector-wide transformation, with ESG-SDG impact assessment becoming a mainstream requirement for all infrastructure investment.

Read full text at <https://www.meridiam.com/en/>

(NB: Members who wish to see some of their recent developments reflected here or on our website should contact LTIIA.)



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AND STAY
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