As we jump from a public health crisis into a geopolitical one, navigating critical issues like supply chain, inflation and accelerated energy shifts in the process, and all the while trying to address the climate change background, some key dimensions of the investment universe still provide visibility: this is the case for investing in unlisted infrastructure, a category of assets that has if anything demonstrated its overall resilience over the last period, notwithstanding limited sub-sectoral setbacks. This may seem pretty clear for most observers, but would gain to be better substantiated and illustrated through an in-depth study: this is what LTIIA has embarked on, by funding and supporting EDHEC-Infra research on *Role of shocks in relation to the performance of unlisted infrastructure equity investments* – a study to be released and disseminated by June.

This study will serve to emphasize the good resilience of Unlisted infra in the wake of the COVID crisis and potentially to an impending inflation & interest rate-shock, thus supporting the asset class status. It should also serve to feed into the debate for upcoming adjustment to the regulatory framework Stability. Simultaneously, we have embarked on addressing the ways and means to *Scale up private investment in Climate-resilient infrastructure projects*, an internal report bound to be published by summer. Researching such themes, based on their relevance for our members, is part of our DNA, and LTIIA takes pride in producing such content for the benefit of its members and the broader industry.

F.Bergere, Secretary General
LTIIA registers a new member : Eurazeo Infrastructure

Based in Paris, Eurazeo has a long and diversified track record when it comes to investments in alternative assets. The first Infrastructure fund, raised in 2022, covers three sectors:

- **Renewable energies**: sustainable energy production (wind, solar, hydroelectric, geothermal, hydrogen, biomass, biogas, bioenergy), along with waste management, water/wastewater and circular economy projects;
- **Energy transition infrastructure**: energy storage, smart grids, smart meters, smart city infrastructure, e-mobility and clean transport infrastructure;
- **Digital infrastructure**: data centers, fiber-optic networks, telecoms towers, subsea cables and IoT (Internet of Things).

Eurazeo will invest in the sustainable infrastructure through small and medium-sized companies operating in the digital and energy sectors. All assets will contribute to a low-carbon economy, meet ESG (Environment, Social and Governance) criteria and are aligned with the EU taxonomy for sustainable activities, the Paris Agreement and the European Green Deal.

LTIIA participation in Industry events:

With the gradual improvement of the COVID sanitary crisis, physical (or hybrid “Phygital”) events are starting to be rescheduled, allowing for better interactivity and quality of exchange between participants.

The events which we took part in over the last months were still mostly in a digital format:

- Finance in Common (FiC) Executive Committee (27 Jan)
- OECD-D20 LTIC Stakeholder engagement group (3 Feb)
- GIH-LTIIA cooperation: Joint webinar presenting GIH tools such as Infra Monitor or innovative funding to LTIIA members (Feb. 23)
- WAPPP-LTIIA coordination meeting (15 Mar)
- Paris Infraweek 2022 preparation-steering committee (17 Mar)
• Berlin infrastructure investor global summit -and in particular the Social Infra forum (Mar 21-24)
• World Bank Africa Community Forum on Climate-smart Infra PPPs (29 Mar)

We now plan to reengage in physical/in-presence events, starting with a new edition of our Private (by-invitation only) Regional infra Forums, the next one to be held in Stockholm (on June 16th) with the support and of our regional members Skandia Mutual and InfraNode.
⇒ Members interested in setting up other such regional Forums with us should contact LTIIA.

**Marketplace initiatives:**

LTIIA is participating in 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. Of particular importance are the following two:

- **FAST-Infra Initiative: LTIIA part of the Paris EUROPLACE offer to host the Label secretariat**
  
  Having been actively involved since the beginning in the FAST-infra (“Finance to Accelerate the Sustainable Transition- Infrastructure”) working group and having endorsed officially the initiative at Glasgow COP26 in November, it was only natural that LTIIA should try to contribute to the hosting/support of the future FAST Label secretariat in Paris. LTIIA therefore supported Paris-EUROPLACE (the Paris financial services-led body, in charge of developing and promoting Paris as an international financial center) and French Treasury in putting together a comprehensive financing and technical support offer in response to FAST-Infra request for proposals. Final decision by FAST-Infra is expected in April.

**LTIIA internal working groups:**

**EU Taxonomy survey**

LTIIA launched a survey of our EU-based (Or active in Europe) members to assess how the EU Green Taxonomy will impact their operating and reporting frameworks, as well as their expectations regarding a future Social or “Brown” Taxonomy. The document captures LTIIA members’ stand with regard to the new EU Taxonomy Regulation applicable from Jan 1st, 2022. While too limited a sample to offer a representative view of the investing community, it provides many relevant comments and illustrations of the issues at stake on the qualitative side.

A recap of the main results is available on our website:
In link with our partners from ELTI, we plan to include this topic in a proposed event of the European Parliament’s Intergroup on Sustainable finance expected to take place in September 2022, through an intervention of a LTIIA member, to bring highlights on the implementation of the EU Taxonomy.

For Fiscal year 2022, two new priority working themes were selected:

- **Role of shocks and extreme risk measures in relation to the performance of unlisted infrastructure equity investments (study commissioned to EDHEC-Infra)**

This study will serve to emphasize the good resilience of Unlisted infra in the wake of the COVID crisis and potentially to an impending inflation & interest rate shock, thus supporting the asset class status. It should also serve to feed into the debate for upcoming adjustment to the regulatory framework (such as Solvency2 & EIOPA prescribed Capital charge requirements for insurance companies,...) in the EU.

The paper structure will cover:
1. Risk drivers of unlisted infrastructure performance (setup)
2. Measuring extreme risks in unlisted infrastructure (method)
3. The impacts of macro shocks and rate regimes changes (results)
4. Implications for the regulation of infrastructure investments

**Calendar:**
- Paper publication: early June 2022
- Joint LTIIA-EDHEC Infra Webinar: Mid-June 2022
- Dissemination of the paper through LTIIA and EDHEC infra respective events and newsletters in H2-2022

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**Beyond mitigation: How to scale up Private Investment in Climate Adaptation projects? (LTIIA internal working group)**

This choice stems from the realization that Climate Adaptation finance gap is even bigger than the General Infrastructure gap, and Private financing flows remain to date negligible.

By tapping the wealth of experience of our membership, we expect to identify barriers to private investment in adaptation, instances of effective incorporation of innovative best practices, and come up with possible appropriate business models and recommendations.
for the stakeholders.

The expected added value comes from adopting the private sector’s standpoint, thus complementing existing reports from the public, institutional side. The study is being conducted internally, but with a view to complement existing literature by relevant think tanks and multilateral institutions (CPI, CCRI, GARI, GCA & WBG..) as well as in link with strategic Partners like D20-LTIC or ELTI.

Calendar:

- First full draft for LTIIA feedback – May/June 2022
- Paper publication: July 2022
- Joint Webinars: summer 2022
- + Dissemination/Communication from summer 2022 onward

Internal Governance: LTIIA Board meeting- Jan 12th, 2022

- LTIIA held a Board meeting on Jan 12th: beyond the latest activity updates, the Board members discussed the scope and priorities of the various themes envisioned to be covered by LTIIA working groups, eventually selecting the 2 themes listed above. Ways and means to better disseminate and convey our studies and surveys takeaways, and involve more our members in the process were also discussed. Next Board meeting is scheduled for April 26th.
On 12th January 2022, WAPPP (World Association of PPP Units & Professionals-https://wappp.org) and LTIIA have entered into a strategic partnership to raise awareness among infra investors & government institutions of investment opportunities, particularly in emerging markets, and of corresponding requirements of infrastructure investors. Our joint collaboration with the global WAPPP network will allow us to jointly promote and structure Next Level public-private partnerships as a key tool to promote new opportunities in sustainable infrastructure for institutional investors.

The MoU is intended as a framework for joint cooperation actions. Parties will organize virtual events – and in-person meetings, when feasible – that bring together investors, public officials, and PPP practitioners to network, exchange knowledge, share experience, and identify areas and projects of mutual interest among participants.

The Parties will invite each other to participate in each other’s events, conferences, and meetings, when appropriate, and to contribute to their publications, e.g., case studies, PPP review papers and other publications related to social, physical, and climate-resilient infrastructure and the role of PPPs.
News from our members & partners:

➢ GIH (Global Infra Hub) published:

- Latest Infra Monitor shows Private investment in infrastructure was resilient in the COVID-19 pandemic
- GIH analysis shows that the impact of COVID-19 on private investment in infrastructure was less significant than in other sectors. Private investment in infrastructure projects in primary markets – greenfield and brownfield infrastructure, as well as privatisations – was resilient to the COVID-19 pandemic overall in 2020, with data indicating a continuation of pre-COVID, longer-term trends. The resilience of infrastructure amidst the pandemic storm attests to its attractiveness as an asset class. As the world seeks to emerge from the COVID-19 crisis, there is no better time to mobilise more private capital into sustainable, resilient, inclusive infrastructure.

See: https://www.gihub.org/infrastructure-monitor/insights

➢ Arjun Infra Partners

Building on strong growth and the successful close of their €1bn European Infrastructure Fund, Arjun Infrastructure Partners have set up a new position: Head of ESG. The new ESG Head, Rhyadd Keaney-Watkins will coordinate research, investor and regulatory ESG reporting, and oversee the strategic direction and implementation of ESG across Arjun strategies. A Chartered Environmentalist (C.Env.), Rhyadd brings 15 years’ of sustainability experience within the global infrastructure sector. This strategic hire will strengthen Arjun’s in-house expertise and resource, in line with its commitment to ensure
that ESG is fully embedded across all stages of the investment process.

Infrastructure assets provide essential services to society and have a critical role to play in the fair and just transition to a net-zero and sustainable economy. Managing Partner Surinder Toor explains “We see this as not only an enormous responsibility, but a generational opportunity to position our Clients in the businesses and technology essential to delivering this transition”. In fact, Arjun’s investors are looking for responsible asset managers willing to support them in this journey and willing to adapt their business strategy to the new regulatory environment, including robust and EU Taxonomy-aligned ‘sustainable investment’ definitions, and scaling-up data collection and reliability as part of SFDR disclosure requirements.

- **InfraVia**

InfraVia Capital Partners has raised €5 billion ($5.4 billion) for its fifth infrastructure fund, exceeding its original €3 billion ($3.3 billion) target. InfraVia invests in all infrastructure sectors, including telecommunication, energy transition, healthcare, transportation and smart mobility. Fund V will target digital, social infrastructure (education and health), as well as green-energy investments and potentially freight deals. The fund is more than twice the size of InfraVia’s fourth infrastructure fund.

See: [https://infraviacapital.com/](https://infraviacapital.com/)

- **Meridiam**
Meridiam investment fund increased its already significant presence in Africa with the inauguration of 2 major projects in December: the official opening of the new terminal at Ivato international airport in Madagascar & the inauguration of Mauritania new container terminal in Nouakchott, and the signing of the contract for the first electric bus (BRT) in Africa in March in Dakar.

See: https://meridiam.com/news/

➢ CALPERS

At end-2021, CALPERS adopted a new asset-allocation mix that will guide the fund’s investment portfolio for the next 4 years. The new asset mix increases the current 13% target to real assets (incl. Infrastructure) to 15%, effective July 2022, in line with a general trend among institutional investors to increase the weighing of such assets (see EDHEC-Infra below).

https://www.calpers.ca.gov/
Released its latest Q4 2021 Index Data Release – showing a good performance of unlisted infrastructure equity investments with a 12.9% increase of its infra300® equity index over the full year 2021. Meanwhile debt faces the tough reality, with the infra300® Debt index return in negative territory in the second half of 2021 (local currency). EDHEC Infra also released its Infrastructure Strategies 2022 joint report with BCG on March 22, disclosing the rankings of 16 Infrastructure investor peer groups by risk-adjusted returns and discussing the future of allocating to infrastructure.

See https://edhec.infrastructure.institute/ /

NB: other members wishing to see some of their recent developments reflected here, or on our website, should contact LTIIA: please select key announcements, with 1 short presentation sentence + a link)