

## Public Hearing on “*The role of the European Investment Bank in the EU response to the COVID-19 outbreak and the post-crisis recovery*” – European Parliament

- Honorable members, ladies and gentlemen, I am really **pleased to be here today** to discuss with you about the **role of the EIB in the EU response** to the **Covid-19 outbreak** and the **post-crisis recovery**.
- First of all, let me spend a few words on **CDP Group**.
  - As you know, CDP is the Italian National Promotional Institution and has been operating for **170 years** with the same **mission: supporting Italian economy**, using responsibly the **postal savings** of about **27 million citizens** to foster **growth** and sustain **employment**.
  - Today, we are a **unique Group** in Italy with roughly **450 billion** of **total assets**, **265 billion** of **postal savings** and **34 billion** of **equity participations**.
- In 2018 we launched a new **Business Plan** with the aim of **activating** over **200 billion** of resources to support **Italian economic growth in the next 3 years**.
- The plan was focused on 3 concepts: **innovation, sustainability** and **territory**:
  - On **Innovation**, we recently launched the **Italian Innovation Fund** in order to accelerate the **growth** of the **Italian VC ecosystem**, reducing the gap with other European countries.
  - On **Sustainability**, we launched many **innovative projects** on **circular economy** and **renewable energy**, involving **key strategic companies**; and all these activities have been outlined in our first **Sustainability Report**.
  - On **territory**, our aim was to increase **our presence at a local level** through the opening of **new offices**; and we launched a **new advisory unit** for **infrastructures**, in order to **support the public administrations** in the process of **planning and designing infrastructure investments**.
- The **proximity** allows us to **better understand local needs** of both public and private counterparties and in this way to promptly respond through **dedicated measures**.
- Our **strategic role** in supporting the Italian economy has progressively benefitted from a **growing cooperation** with the **European Institutions**.
- Being the **Italian National Promotional Institution** we have been the **entry point** for the **Juncker Plan**, which worked very well, as CDP promoted the **largest number** of **Investment Platforms in Europe**, not only to support **SMEs**, but also to finance **infrastructure** and **innovative projects**.
- In the context of this **unprecedented pandemic**, CDP announced a **wide range** of extraordinary **initiatives**.
- More specifically, significant measures have been adopted in order to **guarantee liquidity** and **facilitate access to credit**, both for **companies** and **local entities**.
- **For companies**:
  - We made available **3 billion** to provide indirect competitive funding to **SMEs** and **Mid-Caps**, which will be backed soon by a **1.5 billion EIB liquidity line**.
  - We launched a **new credit line** of **3 billion** to directly fund Italian **Mid-Caps** and **Large Corporates**.

- Moreover, we provided **1 billion loan** in favour of a leading Italian bank in order to **support SMEs and Mid-Caps**, operating in sectors highly affected by the emergency.
- **For local entities**, we approved **the renegotiation of 34 billion of loans**, with potential **savings for municipalities** for approximately **1.4 billion**.
- In this context of crisis, it is crucial to exploit all the possible **synergies with European Institutions**, in particular EIB.
- Regarding our relationship with **EIB Group**, I am really glad to say that on a business level, the relationship is **strong and fruitful**.
- In the **Juncker Plan** we activated a **wide range of initiatives** to support **Infrastructures, Innovation and SMEs**.
- Regarding **Infrastructures and Innovation**, we launched **4 investment platforms**, for up to 9,4 billion of **investments**.
  - These initiatives achieved **significant results**, such as the construction of **strategic infrastructures** (like highways) and the funding of **important projects** in the field of **R&D**, with particular focus on the South of Italy.
- Concerning **SMEs**, we launched **4 platforms, for up to 15 billions of investments**, that sustained **growth, technology transfer** and **social entrepreneurship**.
- **CDP and EIB** also cooperated to **support companies and territories** heavily **affected by natural disasters**, through several **liquidity plafonds**, for a total of **3 billion**.
- Finally, we effectively joined forces to promote the **modernization of Italian schools**, leveraging on **EIB dedicated funding** for about **2.4 billion**.
- However, there is always **room for further improvement**. In particular, in my opinion, under **two perspectives**:
  - Access for NPIs to **competitive funding**;
  - Ways in which **resources are channeled towards the real economy**, leveraging more on NPI's local footprint.
- Concerning the **first point**:
  - The funding costs of NPIs are usually higher compared to the EIB group, especially for those NPIs like CDP from non-"triple A" countries.
  - In this perspective, we highly recommend a **growing support from EIB to its national partners**. This could allow to provide **more competitive funding**.
  - The **1.5 billion dedicated EIB liquidity line** is a very appreciated measure, but we hope this is a **first step in the provision of more sizeable competitive funding**
- Concerning the **second point**,
  - Leveraging on **consolidated relationships with local entities and companies**, we believe we are in privileged **position to channel available resources**.

- In this respect, we really appreciate the **direct access to guarantees granted by the European Union under InvestEU**.
- This will allow developing **innovative financing solutions** in order to properly support **sectors with specific dynamics**.
- In addition, this will also allow us to better **promote** the **inclusion** of **less-favoured areas of our country**, such as the **Center** and the **South of Italy**, where we can make a difference thanks to our relationships and deep understanding of the local peculiarities.
- Thank you for your attention. I look forward to hearing your views.