



“The Long-Term Investments in the Age of Globalisation”

Second International Conference of the Long Term Investors Club

**Introduction by
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Mr President of the Italian Republic,
Honourable Ministers,
Ambassadors,
Ladies and Gentlemen,

I am extremely happy to introduce, with my friend Franco Bassanini, **the second International Conference of our Long term Investors Club.**

This conference has been organised by Cassa Depositi and I would like to start by warmly thanking you, Franco, and your team, for all the tremendous work that has been done to enable us to meet today. Having organised the 1st conference in Paris last year, I really know what I am talking about!

The fact that you succeeded gathering so many prominent experts, investors, academics and policy makers confirms that we had the right intuition two years ago and that the cooperation between Long term Investors is more than ever a priority to contribute to a stronger, more sustainable global growth.

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I would like to make 2 remarks to introduce this conference:

→ *first of all*, it takes place at quite an opportune time: Long term investment is now raising up on the European and International Agenda;

→ *second*, it allows us to present the results of our cooperation in the framework of the Club. And, these are impressive:

- the Marguerite and InfraMed infrastructure Funds belong to the most important fund raising in the field of infrastructure in the world;

- our cooperation on carbon finance or on the new economy of intellectual property are particularly innovative and emblematic.

1. This conference takes place at a crucial moment in the European and International Agenda:

➤ **The EU Heads of State and Governments** are meeting today in order to adopt the EU political priorities for the next coming 10 years (EU 2020 Strategy).

This meeting takes place at a time when our governments have:

- on the one hand, to mobilise investment in order to keep economic activity and fight unemployment,
- on the other, to deal with dramatically high levels of public debts (above 80% of GDP in OECD countries), that will constrain in the coming years the capacity to finance priority investments through public budgets.

Neither Governments, nor companies or investment banks can anymore take such risks and carry on investments that can only be profitable in 2 or 3 decades.

So the question is: how shall we finance today, tomorrow's growth drivers: research, innovation, infrastructures, etc. ?

Of course there is no miraculous solution. Nevertheless promoting a new financial engineering, mixing public and private funds, can contribute to achieve this target. **This is precisely where we, long term investors, have a specific role to play.**

➤ This role is starting to be recognised at the European level by the **Larosière** report; the **Monti** report and by Commissioner **Barnier**, who is very much aware of these matters.

➤ At the international level, the G20 of London or the G8 of L'Aquila recognised the importance of long term investments.

So, compared to last year, we can say that **the role of long term investment has been acknowledged. However, there is still much to do to create a regulatory framework that really encourages long term investments.**

Leaving aside the definition of a favourable international framework, **we must encourage cooperation between the different** long-term investors.

This is the spirit in which I initiated the **creation of the Long Term Investors Club**, which took concrete form on 20 April last year, at the prompting of *Caisse des Dépôts Group*, *Cassa Depositi e Prestiti*, *KfW* and the *EIB* and is now extended to 6 other long-term financial institutions, among the most solid in the world. The total assets of our institutions represent today more than 3000 billion dollars.

2. The first concrete results of the Long Term Investors Club

➤ *After only 1 year of existence, thanks to our close cooperation, 2 major long term investment funds could be launched in the field of infrastructure :*

- ***Marguerite: the 2020 European Fund for Energy, Climate Change and Infrastructure***

With a volume of EUR 710M at first closing and a target of EUR 1.5 billion by mid-2011, Marguerite represents among the most important fund raising in the field of infrastructure in 2009 (10% of the global fund raising).

Marguerite's success is such, that this Fund is becoming a model for other similar funds in the EU in view of the approach taken to combining market principles while still supporting public policy objectives.

- ***InfraMed:*** launched by *Caisse des Dépôts, Cassa Depositi e Prestiti, the EIB, Caisse de Dépôt et de Gestion and EFG Hermes* on May 26th, is the first financing facility of the Union for the Mediterranean.

With initial commitments of EUR 385 million and a target of EUR 1 billion, the InfraMed Fund will be the largest fund dedicated to investments in infrastructure in the Southern and Eastern Mediterranean region.

➤ *with some of these partners, as well as the Group AFD/ PROPARCO, we are also planning to launch a new carbon credit fund for the Mediterranean region.*

This initiative would support the development of projects in the framework of the Mediterranean Solar Plan, bringing additional know-how and financing to the countries of the Southern and Eastern side of the Mediterranean.

The size of this fund will be defined in proportion with the volume of carbon credits that could be generated by the projects led in the concerned countries and reach about EUR 200M.

➤ *I finally would like to mention the partnership we have concluded yesterday evening with the European members of the LTI Club on knowledge transfer and Intellectual Property Finance.*

The IP economy is undergoing major changes and relies on a growing need for exchange, transparency and security, both for research and for companies. Caisse des depots has taken a series of initiatives and notably created an investment fund in patents, France Brevets. We want to share this experience with our partners and tighten our cooperation in this field in order to provide the European innovation policy with concrete proposals.

After having launched all these initiatives mainly between European members of the Club, we really would now like to go further in this process by opening up our Club to other long term institutions, notably those **that signed up to the Santiago Principles**.

Our two initiatives are complementary and we must offer each other mutual support. This is why I express the wish that the Long Term Investors' Club and the Santiago Forum establish close and fruitful cooperation in the future.

Ladies and Gentlemen, **Long Term Investors' time has come**. The recognition of their role by European and International policy makers confirms it, the results achieved by our Club proves it.

This Second International Conference marks a step in a long and exciting process. I express the wish that it will open up the way to new forms of cooperation and that it will play a positive role in the global political agenda, in favour of growth, jobs and development serving the needs of human beings and environment.

Thank you very much.