

13th July

### ICMA and AFME release a 'stock-take' on the state of European infrastructure financing

ICMA and AFME today release "European infrastructure finance: a stock-take". This is a review of the state of infrastructure financing, investment and related initiatives in Europe, and an assessment of how to further advance and encourage private sector finance for infrastructure projects. The review was undertaken as a follow up to the 'AFME-ICMA Guide to Infrastructure Financing' published by the two associations in June 2015.

Studies show that a substantial increase on current investment levels in infrastructure is required to support future expected economic growth. Since the financial crisis, institutional investors have substantially increased their investment in infrastructure, but this welcome trend requires further encouragement, which may be achieved via a mix of financial instruments, innovative financing solutions and familiarity with the different risk and return profiles of individual projects. The review highlights some of the other measures which could help to generate a positive environment to boost private sector infrastructure investment, including:

- understanding, structuring and allocating risk, including country-specific risk
- the importance of coherent and trusted legal frameworks to ensure long-term regulatory and political stability, and the equal treatment of foreign, local and institutional investors
- developing expertise and standardisation of best practice
- more and better-quality disclosure of information on infrastructure projects and on ongoing infrastructure debt performance
- a review of regulation to ensure that investing in infrastructure does not become punitive as against other asset classes

Commenting on the review, Martin Scheck, Chief Executive of ICMA, said: *"The publication of this detailed picture of the European market for infrastructure financing brings us up-to-date with progress made both since the publication of the Guide two years ago and the advent of other government and non-governmental initiatives. ICMA remains committed to exploring with its members ways in which further progress can be made in creating optimal conditions for the private sector to finance infrastructure development"*.

Simon Lewis, Chief Executive of AFME, said: *"Europe needs to expand private investment in long-term infrastructure projects as a means of unlocking economic growth. AFME remains strongly supportive of the European Commission's European Fund for Strategic Investments (EFSI) and its planned extension, which is currently under discussion. Our latest 'stock-take' publication is a follow-up to the 2015 'Guide to Infrastructure Financing' and is one of a number of industry actions in support of the European growth agenda with a view to actively supporting and promoting a better understanding of financial markets."*

Click here to access the guide or go to the AFME and ICMA websites.

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## **About the International Capital Market Association (ICMA)**

ICMA represents institutions active in the international capital market worldwide and has over 520 members located in 60 countries. ICMA's market conventions and standards have been the pillars of the international debt market for almost 50 years, providing the framework of rules governing market practice which facilitate the orderly functioning of the market. [www.icmagroup.org](http://www.icmagroup.org)  
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## **About the Association for Financial Markets in Europe**

AFME promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website, [www.afme.eu](http://www.afme.eu)  
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