

Comments Template on EIOPA-CP-15-003 Discussion Paper on Infrastructure Investments by Insurers		Deadline 26.April.2015 23:59 CET
Company name:	Global Warning	
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<p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ <u>Do not change the numbering</u> in column "Reference". ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies. ○ If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment itself. <p>Please send the completed template to CP-15-003@eiopa.europa.eu, in MSWord Format, (our IT tool does not allow processing of any other formats).</p> <p>The paragraph numbers below correspond to Consultation Paper No. EIOPA-CP-15-003.</p>		
Reference	Comment	
Question 1	SII initiative launched in 2005 was not designed to promote infrastructure financing, but liquid investment vehicles as market bonds (or shares). I&PF (Insurers and Pension Funds) need instant evaluation of these assets ; when infrastructure loans, by definition, are illiquid and supposed to be hold to maturity. Marked to market accounting, IFRS, are fundamentally antagonistic with infrastructure financing.	

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When J. Faull writes (DG MARKT feb 2015 [call for advice](#))“Institutional investment by insurers play a crucial role in supporting the real economy”, it is of course a misleading understatement. DG MARKT target is “maximizing the benefits of capital markets and non-bank financial institutions for the real economy”. What is real economy ? and “non real” economy ?

I&PF in Europe have been massively investing in the “non real economy”, being mostly invested in bonds, and the bond market being mostly composed of sovereign and financial institutions (corporate bonds being only 20% of global outstanding).

The majority of capital from I&PF is allocated to capital markets (i.e. listed equity and bonds) and accordingly, the majority of their infrastructure investment is indirect investment through listed companies such as power or water utilities and owners of transportation assets. They are the most significant providers of capital to those companies. But is it always « real economy» ?

Being invested in corporate (shares and bonds), institutional investor have no information on the precise use of the money they invest. For instance, it is well known that a large part of corporate cash (and of corporate bond money) has been used to buy-back their own shares since the 2008 crisis.

A few large I&PF have engaged in direct (traceable) ownership of infras. They have also increasingly provided infras debt, most commonly through project bonds and project finance.

There is no traceability of investment in bond and share. Developing direct infra investment is a huge revolution for most I&PF. A revolution that is happening at a critical moment:

- when we are entering an amazing economic terra incognita, often called SECULAR STAGNATION
- when we are entering a totally unpredictable financial terra incognita, beyond the ZERO LOWER BOUND

The only worthy question for EIOPA is how to lead a radical change in the industry, with investment really directed in the XXIst century toward the real economy.

And the real economy needs transformative projects of the energy transition.

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	<p>UN secretary Jim Yong Kim said in 2014 at a world Bank Conference :</p> <p><i>« <u>Financial regulators need to lead, as well. Sooner rather than later, they must address the systemic risk associated with carbon-intensive activities in their economies, made clear, of course, by price signals.</u> Start now by enforcing disclosure of climate risk and requiring companies and financial institutions to access their exposure to climate-related impacts. The so-called "long-term investors" must recognize their fiduciary responsibility to future pension holders who will be affected by decisions made today. Corporate leaders should not wait to act until market signals are right and national investment policies are in place. «</i></p> <p>DG MARKT and EIOPA aim should not just be tinkering the Solvency II fragile framework. It should be a global strategic manifesto designed to monitor a total overhaul of the financial investment industry. And show the way for long-term investors that know now they must enable the energy transition in this century.</p>	
Question 2	<p>Infrastructure project finance, as a traceable financing operation, should always focus on physical, engineering, and real economy constraints. Especially because there are very long term projects, sometimes being built for a century or even more. The three following key issues are at the heart of most infrastructures projects, directly (energy utilities and transport) or indirectly (telecom).</p> <p><u>The real economy and the physical world</u></p> <p>When EIOPA sister regulatory agency, the EBA writes :</p> <p><i>« Much less attention has been paid on the interaction <u>between financial regulation and the real economy</u> as well as on the effect of banks' behaviour and business models on the macroeconomic cycles. While in the last years, several regulatory changes have been introduced in the Basel framework for complementing the microprudential goals with a macroprudential perspective, the research in this field is</i></p>	

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still relatively limited. »

Mainstream economists seem too far from physical realities, and probably fascinated by mathematics apparatus and models, too far from the real world, the real economy. For the first time ever, Finance is even capable of handling negative interest rates !...

Mainstream economists do not see 3 key issues regarding macroeconomy and the real world economy : (1) energy is key : energy is not just a “commodity”, it is not “just” a factor of production. It has always been and still is the blood of world economy.

Spokesperson of the Secular stagnation school, Lawrence Summers, the former US Treasury secretary, has pointed out in January 2014 at an IMF Conference that when connections are lost in power cuts, economic output falls rapidly – and that the effects of financial crises are analogous.

“There would be a set of economists who would sit around explaining that electricity was only 4 per cent of the economy and so if you lost 80 per cent of electricity you couldn’t possibly have lost more than 3 per cent of the economy”. But “we would understand . . . that when there wasn’t any electricity, there wasn’t really going to be much economy”.

GW does think this statement is much more keen than a simple joke by analogy. This comment is much cleverer than his author ever thought of, comparing electricity and financial flows.

Mainstream economists focus on two factors of wealth (GDP) production: work and capital, with substitution between them. They discuss about sharing production benefits among them. This was and this is an illusion because, for more than 200 years, energy – 80% of primary energy being from fossil origin- had been abundant, and had been used without any constraint. And it has been the main driver of economic growth.

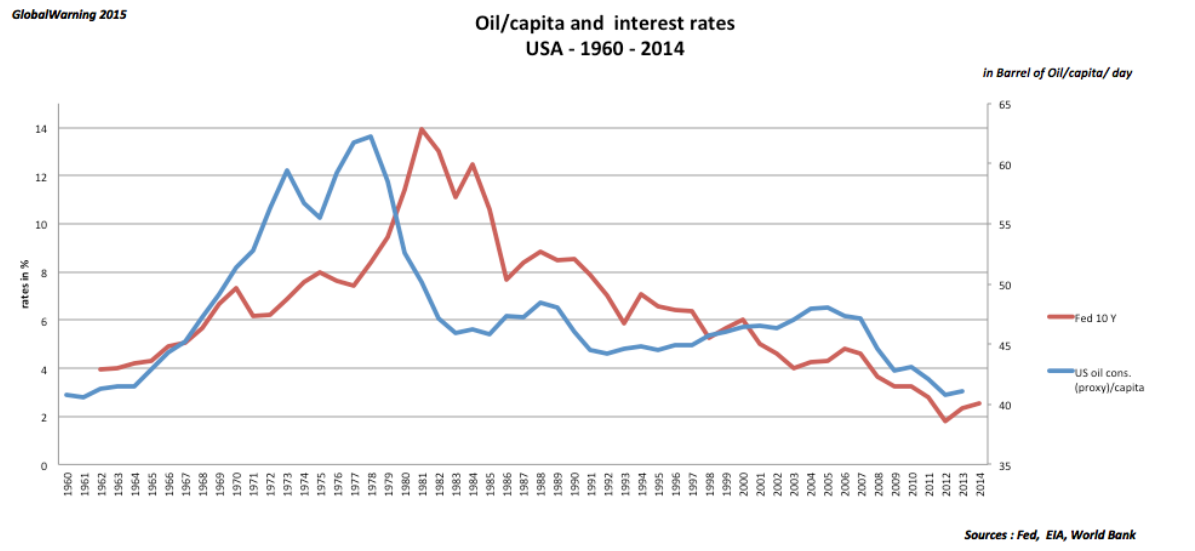
(2) Energy most powerful kind of carriers is oil. Crude oil is under a growing long-term scarcity constraint. There are concerns about cheap crude oil worldwide now. And the halving of oil price since mid-2014 cannot hide this growing constraint on cheap oil. It cannot hide the dwindling new oil discoveries figures. Among the variety of energy carriers, in 2015, oil is now less substitutable than any other : 95% of

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transportation is oil-based. Nearly 50% of oil consumption is for transportation.

As some economists, GW promotes the idea that secular stagnation (see Q 52), and the slowdown starting in the 70's with the first twin oil shocks, was caused by less abundant crude oil availability. Crude oil production worldwide –except for North America +3M Barrel/day - has been almost flat between 2005 and 2015 from 76M Barrel/day to 79M.



And the volatility of [shale oil production recent boom](#), largely based on very cheap credit and a unique and efficient US reaction to price signal, will perhaps be not sufficient to change King Hubbert 1971 US peak oil forecast.

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(3) Energy – 80% from fossil origin- is under a consumption constraint, if we want our planet to survive CO2 emissions and man-made climate change, probably the XXIst century top challenge. The concentration of CO2 in the atmosphere has reached in 2015 a level last seen 3 million years ago.

It is GW recommendation that I&PF risk teams, as well as EIOPA's, should be strengthened on this very crucial issue. It is GW conviction that most I&PF risk management resources are much too limited to tackle the global infras risk management in its very large scope.

In 2015, on this planet, there are social needs for all kinds of sectorial infrastructures. For instance, water is of course a key issue in many countries. But given the above argument, it is a GW recommendation that for most I&PF energy infrastructures, in all their dimensions (production ; transport ; consumption ; efficiency ...) should THE key subject of this century. And EIOPA should focus regulation on these infras, in order to enable climbing the learning curve by risk teams.

Focus on the SFTE project

See [SFTE synthesis report](#)

Because energy is key, and because Europe need a real macroeconomic new "Marshall plan" for the energy transition, GW has conceived, designed and promoted the SFTE project (June 2013 – November 2014), supported by a large number of large French corporates. Against the EU deflationary depression, SFTE proposed a macroeconomic program of energy transition projects for Europe, specialised on the energy retrofit of Europe public buildings.

N.B. This program of projects is one among many infras projects that could enable the EU energy transition. For instance, development of renewable energy power plants would be another one, and would share with SFTE some of its characteristics.

Main characteristics of the [SFTE](#) program regarding EIOPA and infras projects :

- it became the N°1 example put forward by the infras EU [Juncker](#) Plan
- it is macroeconomic with its 120 G€ size, and its short lead time

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	<ul style="list-style-type: none"> - it is compatible with the Maastricht treaty, by design of the PPP structuring - it can be financed by I&PF, (as brown field) by design of its structuring - it has countless positive socioeconomic impacts - it will use the EFSI guarantee mechanism, by design of its structuring <p>Needless to say, EIOPA should join and help the non-profit organization AFTER which produced the SFTE proposals with the support of GW.</p> <p>GW suggests that :</p> <ul style="list-style-type: none"> - most I&PF - safe largest ones- should be constrained in their scope of infra investments - only standardized energy transition infra projects (like SFTE public building energy retrofit, maybe some ENR segments) should be fostered - they should be subscribed in the framework of the Juncker Plan, and with the guarantee benefit it provides <p>For the following questions, GW will mostly focus on these infra projects and no others.</p>	
Question 3	<p>Financial markets have seen a huge development following the first oil crisis in the 70', with the end of Bretton Woods, broad disintermediation, and the risk evaluation "outsourced" to credit rating agencies. That fundamental crisis has started the secular stagnation symptoms of a prolonged decrease of interest rates , and CPI. Meanwhile public and private debts were growing out of control.</p> <p>SII was supposed to send the signal that liquidity and long duration on the liability side of balance sheet was incompatible and unsustainable. And that policy decision makers were supposed to remedy this obvious mismatch with long term financing. For instance in France, were life insurance is 100% liquid (the only incentive being tax penalties).</p>	

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	<p>It could be said that the I&PF industry has been lucky regarding the long decrease of interest rates in the last 45 years, enabling its members to provide a regular return for investors, with no rate spike accident. Liquidity on the customer side was not compatible with long-term investment, but such a large rate spike never occurred, because of the economic growth slowdown has been structural, even if speculative crisis have been happening at recurrent intervals.</p> <p>It is in fact no accident. Huge deficits (public and private) were created by most developed countries after the first oil shock, which led to the massive development of very liquid sovereign bonds markets, largely invested by I&PF.</p> <p>Non standardized infra investment cannot be liquid. Such projects have to be backed by a public entity (government, local authorities ...). GW call for «normalized» infras projects of small amount, as SFTE Public building energy retrofit ones. Being standardized, collected through pools, and benefiting of the EFSI guarantee, they could constitute a liquid market as soon as the volumes of this category of specific assets will grow. SFTE proposes a program of 120 G€ for the Juncker Plan. Massification and standardization will provide such a welcome liquidity for a large 120 G€ infras market, which could grow up to 420 G€ in the next 10 years.(see SFTE study).</p>	
Question 4	<p>Given the Prudent Person Principle, GW is alarmed to see that the regulator is still suggesting ECAI services for regulations...</p> <p>As stated above, GW thinks only the largest I&PF will be able to create a team in charge of global infras risk assessment, given the magnitude of the task.</p> <p>Besides, one can wonder how ECAI still propose smart infras insight, when their time horizon analysis is 3 years at the most, even for sovereign debt. Infra risk analysis time scale should be at least harmonized with sovereign long-term forecasts.</p> <p>Risk analysts need a large view about the project, its impacts. And because it will be mostly energy projects, a vision on energy scenarios and stresses, direct and indirect relationship between energy and sub-sectors ect ...</p>	

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<p>Question 5</p>	<p>Infras are structures essential for an economy, for public comfort, and more generally, for human capital development. Five sub-sectors are usually proposed : telecommunication ; utilities ; energy production and transports ; transportation ; social buildings (health, education ...). Infras are :</p> <ul style="list-style-type: none"> - Very long term, often trans generational project - Public collective good (so they need state regulation : security, cost, fees, tenders ...), and sometimes they are a natural monopoly, - Fixed capex - With often socio-economic benefit beyond strictly financial ones (e.g. energy independence) which implies public subsidy for their realization <p>So usually, public authorities get involved because</p> <ul style="list-style-type: none"> - Socioeconomic benefit is fair, but financial return is slow or risk too high - It has a coordinating role between many stakeholders. <p>N.B. Regarding CRR–Art147, GW underlines two features as previously:</p> <ul style="list-style-type: none"> - « Usually for large, complex and expensive installation » does not fit any longer with the new economic world under energy constraint, where scarcity will be one of the main theme - The question of the « collateral value of the project’s asset » is weird, regarding certain assets which have sometimes very low financial value by themselves, as a large part of public buildings for instance. What would be the market-based collateral value of a swimming pool ? <p>This is of course the reason why so many infrastructures are directly owned by local authorities, or by state companies.</p>	
<p>Question 6</p>	<p>SFTE has designed public building energy retrofit as infras projects. These should be eligible to the Juncker Plan in the coming months. SFTE based its proposal on EU definitions of PPP. For PPP, Eurostat accounting principles (VI. Public-</p>	

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	<p>Private Partnerships p 308) on the definition are remarkable, especially regarding risk type classification (construction risk ; availability risk ; and demand risk). See VI.4.2.2 Characteristics of PPPs. SFTE points out EPC-PPPs (Public Private Partnership with Energy Performance Contract) that would serve as the vehicle supporting projects within the meaning of ESA 2010 and Eurostat, whereby most of the risk would effectively be transferred from the public body to a private partner (e.g. an SPV) or a commercial local public company (e.g. an entity from the mixed economy), as per Eurostat recommendations.</p> <p>N.B. Some Eurostat interpretation on project financing should be reassessed. At present, renovations must account for more than 50% of the asset value after the operation to be considered as PPPs within the meaning of Eurostat. We have not been able to ascertain the basic logic or purpose of this provision. Many of SFTE European contacts seem sensitive to this issue, however. Several Member States also appear to be in favour of amending the European accounting framework to promote EPCs (Ireland, Slovakia, Czech Republic, Poland and possibly Spain).</p>	
Question 7	As proposed above, for most I&PF, a strict definition focused on SFTE public building energy retrofit, and maybe also some standardized ENR projects.	
Question 8		
Question 9	<p>Very long time horizon for infra is crucial for the energy transition. If deflationary trends are here to last, interest rates should be close to the ZLB for a long time. There are two consequences that must be taken into account by EIOPA :</p> <ul style="list-style-type: none"> - short time depreciation accounting rules do not fit this very low growth future. Residual value of such assets will be higher, and so the useful life of some of them. So financing duration for such an asset should be, must be much longer according to this new constraint of the real economy. - Interest rates will be close to the ZLB, where discounting rules change dramatically, and benefit 	

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	very long term loans.	
Question 10	<p>SFTE :</p> <ul style="list-style-type: none"> - energy price risk is not, cannot be taken by the long-term I&PF investor. All revenues are stable ones. - Energy efficiency is not high tech technology. But EPC (Energy Performance Contracting) must be mastered by the off-taker private company in charge of the very long term contract with the public entity. 	
Question 11	<p>1- There is a growing consensus about the importance of including a carbon price in projects. It would be indeed accurate to evaluate any kind of infra project (even water utility, or telecom network) at this gauge. The energy key issue is about energy volumes, not about energy price. But price is what finance is about, and money is the mark used for financial contracts. Volume (of energy/carbon) should always be at the heart of infrastructure project impact assessment, be it production or consumption monitoring. Technology risk (and performance achievement) must be on the private side ; regulatory, and taxes risks are on the public side.</p> <p>2- Infra projects are risky, because most of them are complex projects. One aspect of complexity is the intertwined nature of public and private interests, risks and rewards, in these projects. I&PF do not have the possibility to master these « public» risk assessment issues, on a large number of countries. GW suggests that these « country » risks should be assumed (100% or first loss) by a European institution like the Juncker Plan EFSI, mutualizing the analysis costs and the financial risk. I&PF of a certain size should not be induced to invest in infras outside their home country without such EFSI guarantee.</p>	

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Question 12		
Question 13	SFTE : Solvency II is risk-based and even more complex than Basel III for the banking sector. Most I&PF will – if at all - only moderately increase their investments in loans to the real economy. Where insurers increase direct financing of long-term projects, banks could become important cooperation partners by taking on parts of the credit processes such as origination, structuring, intermediary services, and administration.	
Question 14	Stress analysis : GW hope that stress scenarios which are of paramount importance given previous comments on this century main macroeconomic trends, will be better designed than EIOPA 2014 stress test . Its « Japanese-like scenario » could seem optimistic in comparison with the reality ... Duration of the credit : see comment on Q9	
Question 15		
Question 16		
Question 17	SFTE : Political risk : EFSI guarantee. Structural risk : SPV separated from the sponsor Monitoring : CPE are monitored on an annual basis. Investor must be involved for problems, but also for new developments on the same building (higher level of energy efficiency could be required e.g.), which means flexible PPP contract enabling simple restructuring for enhancement.	
Question 18		

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Question 19		
Question 20	<p>SFTE :</p> <p>The SFTE proposal is to clearly distinguish between an initial construction phase involving the banks without any guarantee; and a second phase as of which the guaranteed receivables can be transferred to I&PF, without affecting the existing solidarity between the members of the group beyond the work acceptance phase. The reassurance provided by this take-out financing is a prerequisite for the involvement of the banks, which anyhow cannot currently retain such long-term receivables on their balance sheets.</p> <ul style="list-style-type: none"> • Phase one would cover the work period, the highest-risk phase. • Phase two involving I&PF would cover the energy operation of the building following work acceptance. <p>No material project or construction risks</p>	
Question 21		
Question 22	<p>Guarantees like that provided by EFSI play a crucial role, at least initially, in reassuring I&PF – especially international ones – by enhancing the readability and understanding of the relevant assets and simplifying the investors’ own risk analyses. That is why we have proposed that the EFSI guarantee should not apply at all during the initial work phase of energy renovation projects (as the credit risk is 100% borne by the banks).</p>	
Question 23	<p>SFTE :</p> <p>Revenue risk will be very low, given the guarantee provided by EFSI, and given the nature of PPP-CPE projects, and its stakeholders. By itself, the agreed performance failure alone will not put the I&PF</p>	

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	investor at risk directly.	
Question 24		
Question 25		
Question 26	SFTE : Because such project would not be specific, but on generic technology and methodology, off-taker default should not result with high loss for the investor, provided the SPV can find a substitute in capacity to deliver the same technical energy volume performance.	
Question 27	SFTE : Given the very low risk profile of Public building PPP-EPC projects, GW suggests as low a capital ratio as possible.	
Question 28		
Question 29		
Question 30	See Q9 comment	
Question 31	SFTE : Flexibility with PPP means that prepayment must be possible. But given the small amount for each individual project (around 1 M€), this should have only a statistically limited impact on I&PF assets under management. N.B. GW would be ready to help EIOPA, and national supervisors as well, in studying how long term P&C insurance contracts could support the development of new technology, even in the field of mature domains as energy efficiency for buildings. Given today macroeconomic climate of long term insecurity, any contribution from the P&C insurance industry providing security and trust would be welcome. Long	

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	term construction quality insurance create that feeling of trust that could trigger new projects.	
Question 32	France insurance industry has a P&C construction quality insurance expertise.	
Question 33		
Question 34		
Question 35		
Question 36	<p>SFTE :</p> <p>EPC (Energy Performance Contracts) were conceived as legal contracts in France in 2007, and one can imagine that equivalent formulas are as innovative in other EU countries. Several EPC-PPP are running in 2015, and more will come, enabling to confirm the low risk profile of these infras.</p>	
Question 37		
Question 38		
Question 39		
Question 40		
Question 41		
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Question 46		

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Question 47		
Question 48		
Question 49		
Question 50		
Question 51	<p>SFTE :</p> <p>Projects will be analysed by the EFSI expert teams, by the bank teams originating the projects (which will keep 5% of the risk, according to securitization rules), and by the LI&PF risk experts.</p> <p>The structuring of the EFSI guarantee (senior/junior) should enable to limit the « sovereign » risk (direct or indirect with local authorities) for the I&PF.</p> <p>For the off-taker risk, ECAI should be avoided, so that only a small number of large corporate (which will eventually subcontract to SME for operating the infra) should be selected for the second phase of EPC-PPP, under EFSI Guarantee.</p>	
Question 52	<p>As mentioned above, GW propose that most of I&PF investors restrain their infras investments to SFTE infras program (or the likes, labelled through the Juncker Plan).</p> <p>The depressed money markets are leading investors towards more and more risky assets, that they did not master or even knew just a few years ago.</p> <p><u>The macroeconomic environment and its long-term structural trends</u></p> <p>There is a growing consensus among macro economists that, since 2008:</p> <ul style="list-style-type: none"> - Worldwide investment is sluggish - Global gross is anemic: global GDP growth is disappointing year after year 	

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	<p>These trends seem to be structural : the « secular stagnation » debate is recurrent now. The slowdown is not dated from 2008. It started in the 70's, according to Pr. Robert Gordon famous academic research. And GW agrees with the statement, if not with his diagnostic.</p> <p>The finance industry has collapsed in 2008 and its healing –under the supervisory agencies- is very progressive. Shift in the financing world are deep, with a potential large impact on the life insurance industry, both on the asset side, on the liabilities.</p> <p>These constraints on the investments processes are worldwide. Public as well as private investments. The collapse of 2008 seems hard to recover from.</p> <ul style="list-style-type: none"> - public : the G20 and the IMF and other institutions have been pushing the idea of public infrastructure « new deal » (the Juncker Plan in Europe being one of its offspring) - private : the BRI itself is warning public authorities that ultra low rates are not enough (see BRI march 2015 (Why) Is investment weak?). CAPEXs seem to be weaker than before 2008, and the star CAPEX industry before the oil slump of mid-2014 was the Gas&Oil industry and its 700 Bn\$ CAPEX yearly investment in E&P. CAPEX which is just being cut drastically in 2015 ... <p>In both case, but it is even truer for private investments, the interest rates lever will not make it. The cure to slowing CAPEX and infrastructure investments cannot just be ultra low rates.</p> <p>SFTE program has been designed for this purpose. Long-term investors need reduction in economic uncertainty. In macro economic uncertainty. In geopolitical uncertainty. In risk and especially sovereign risk uncertainty.</p> <p>SFTE program of similar projects could be considered as routine investments by EU investors, given the potential size of the pool of such assets.</p>	
Question 53	<p>Given the key impact of the carbon constraint on a long term basis, and the importance of long term forecast for infra, it is necessary that all energy-related infra projects, which means most of them, are assessed with a carbon measurement tool.</p>	

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For instance, the CO2 assessment and measurement tool developed for AFD by Carbone4 could be such an example of carbon/financial tool enabling to evaluate the resilience of infras projects.

Question 54

Given the strong link between infras resilience and macroeconomy trajectory of the public authority (country), specific macroeconomic simulations should be used on a long term basis with various energy scenarios in order to fully assess the risks of the infras project.

[Riskergy](#) is a R&D project (2013-2016) designed and promoted by GW, which aims at providing financial markets with an expertise leading to a rational consideration of sovereign risks and the regulatory agencies with factual information as a basis for setting required capital adequacy ratios. The RISKERGY R&D project brings together research teams with international expertise to investigate the coupling of economic and financial models, energy and macro-economy, multi-criteria optimization and risk scoring. RISKERGY methodology, while translating energy risks into financial risks, will allow for a better anticipation of potential energy shocks and stresses. Such a price signal, currently unavailable to market investors, will foster long-term investments increasing energy resilience.

RISKERGY academics study the use of Minsky macro economic models, instead of inaccurate – mainstream- DSGE models.

EIOPA and other European regulatory agencies should join the RISKERGY project and support it.

Carbone 4/AFD CO2 assessment tool and RISKERGY macro model could be standardized. EU should lead the way and develop the appropriate methodologies and tools to assess long term critical and crucial energy risks.

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Question 55		
Question 56	If decarbonisation is a strategic goal for EU, and this seems to be the case in 2015, it should be relevant to ask for carbon impact assessment for each infras project investment.	
Question 57	There is a general common view on carbon assessment methodologies (and various national methodologies focused on different segments such as private companies, local authorities ect ...(see « Bilan carbone » in France)) ; but there is no consensus on a standard yet. For infras, especially energy related ones, it should be possible to target such unique EU methodology quite quickly.	
Question 58		
Question 59	see SFTE program	
Question 60	<p>See SFTE program</p> <p><u>Conclusion</u></p> <p>EIOPA and other regulators should provide the correct incentives for all the actors of the Money markets to have a strong interest and involvement in quality infrastructure investment. And to rely less and less on common bond, untargeted financing.</p> <p>SFTE program would be a fantastic step in this ambitious direction.</p> <p>Under control.</p> <p>GW suggests a new governance for EIOPA, in line with UN Secretary request for a leading role by financial regulators :</p> <ul style="list-style-type: none"> - EIOPA should have several experts in the fields of the carbon & energy transition (its physics ; its impacts ; its measurements tools ; its infrastructures ; its financing tools ; its public policy means) 	

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among its board members

- A sub-Committee should coordinate regulation with other financial regulators (MIFID ; Basel IV) so that key subjects like long-term finance and infrastructure finance –at the heart of the energy transition- are properly addressed globally.
- EIOPA should support the creation of an independent world energy agency (Intergovernmental Panel on Carbon and Energy Transition), shared with other financial regulators.
- every new regulation reviewed by EIOPA should have an impact assessment on the energy and carbon transition issues.