



## PRESS RELEASE

**For immediate release**

### **Infrastructure investments lag significantly behind population growth trends**

According to Eurosif's Infrastructure Report, the major issues affecting the infrastructure sector include a growing population, under financing, security and climate change. Demand for infrastructure and public utilities is increasing, putting pressure on governments, infrastructure assets and resources. The OECD predicts that about €1.5 trillion will be required annually to finance world infrastructure by 2030. As governments struggle to make ends meet, private investors are filling in the gaps for these projects, and the implications for environmental, social and governance (ESG) factors on the sector are intensifying.

This sector report is the 12<sup>th</sup> in a series. Dexia Asset Management provided the research and a steering committee composed of representatives from CDC Climat, CM-CIC Asset Management and Threadneedle oversaw the project.

Today's augmented threats of extreme weather events and terrorist attacks require infrastructure assets to be more readily protected and secured. Preventative measures are crucial to ensuring that these structures are not damaged or abused. Infrastructure also has an effect on climate change as the power generation sector alone generates 37% of global greenhouse emissions. Resource scarcity and energy efficiency are other major issues that impact the development of infrastructure projects.

Isabelle Cabie, Head of Sustainable & Responsible Investments at Dexia Asset Management, highlights:

*"The path to sustainability is not without pitfalls. Especially where transport or energy choices are concerned, trade-offs between economic, social development and environmental best practices are often unavoidable. The proactivity and awareness of both public authorities and the private sector are therefore essential when dealing with the acceptance of such projects."*

The report highlights two case studies from South Africa and France discussing challenges and corresponding best practice approaches to ESG issues in the infrastructure sector. The case studies show that the sector is faced with key obstacles such as social acceptance, environmental impacts and access.

Eurosif Executive Director, Matt Christensen, comments:

*"Infrastructure assets are heavily affected by changes in environmental, social and governance (ESG) conditions and the sector has a critical role to play in addressing these issues. Infrastructure is a significant growth area of the future and private investors will play a key role in the absence of sufficient government financing for these projects."*

Infrastructure investment is also a priority of the European Commission (EC) for 2011. In its current [Single Market Act consultation](#), the EC proposes various initiatives for the improvement of energy and transport infrastructure globally. Eurosif will participate in a series of meetings to highlight the investor perspective and this sector report will be utilised as a base for discussions.

Eurosif (the European Sustainable Investment Forum) is a pan-European network and think-tank of national Sustainable Investment Forums whose mission is to Develop Sustainability through European Financial Markets. Current affiliate members of Eurosif include institutional investors, financial service providers, academic institutes, research associations and NGOs. The association is not-for-profit entity that represents assets totaling over €1 trillion through its Member Affiliates.

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