Non-financial barriers to investment
-
EIB 2020 Municipality Survey

Peter McGoldrick
EIB Economics Department
at
ECON Secretariat
Committee of the Regions
Infrastructure investment 2017-2019

by asset, per cent of municipalities

Source: EIB Municipality Survey 2020

Question: Still thinking back to between 2017 and 2019, did investment in your municipality increase, decrease or stay around the same in each of the following areas?
Investment gaps persisted

**Source**: EIB Municipality Survey 2020

**Question**: Would you say that within your municipality the level of investment in infrastructure projects between 2017 and 2019 was broadly adequate, slightly lacking or substantially lacking in each of the following areas?

---

**EU**

*per cent of municipalities by asset*

**Less developed regions**

*per cent of municipalities by asset*

---

Source: EIB Municipality Survey 2020

Question: Would you say that within your municipality the level of investment in infrastructure projects between 2017 and 2019 was broadly adequate, slightly lacking or substantially lacking in each of the following areas?
Gaps – social infrastructure

EU per cent by asset

By cohesion region

Source: EIB Municipality Survey 2020
Question: For each of the following would you say that the quality of infrastructure is satisfactory, slightly lacking or substantially lacking?

Social housing

Healthcare

Care for elderly

Childcare

Substantially lacking
Slightly lacking
Investment plans – 2021-2025

Source: EIB Municipality Survey 2020
Question: And for each of the following areas, over the next five years, does your municipality expect to increase, decrease or have around the same level of spending on infrastructure investment?

pre-COVID-19 per cent

post-COVID-19 per cent
Investment barriers

Source: EIB Municipality Survey 2020

Question: To what extent is each of the following an obstacle to the implementation of your infrastructure investment activities? Is it a major obstacle, a minor obstacle or not an obstacle at all?
MFF and NGEU – EU funding cycle 2021-2027

Cohesion and RRF funds, in % of GFCF

Source: EIB calculations based on data from European Commission and Eurostat
Notes: MFF 2021-2027 Cohesion funds and NGEU funds relative to 2019 GFCF.
Non-financial investment barriers

Source: EIB Municipality Survey 2020

Question: To what extent is each of the following an obstacle to the implementation of your infrastructure investment activities? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Question: Thinking of green or climate related infrastructure investment, which are the two main obstacles to this type of investment?
Tackling the twin challenge: administrative capacity

Source: EIB Municipality Survey 2020

Question: For your municipality’s infrastructure investments, have you included, do you plan to include or do you have no plans to include in the next 5 years, any of the following considerations or types of projects?
Conclusions

- Municipalities looking to close infrastructure gaps:
  - Climate and digital transition challenges;
  - Cohesion involves addressing basic infrastructure needs;

- COVID-19 emphasizes digital and social infrastructure needs;

- MFF/NGEU funds duly focused on digital and green ... 

- ...but drawing these down places increased demands on technical and administrative capacity.

- Municipalities have unique roles in articulating and implementing local responses to system-wide twin transition challenge.
Additional slides
Financing

Source: EIB Municipality Survey 2020
Question: Can you tell me approximately what proportion of your infrastructure investment activities in the last three years were financed by each of the following?

Source: EIB Municipality Survey 2020
Question: In the last three years, has your municipality benefitted from EU-funded financial instruments such as subsidised loans, guarantees and other risk bearing mechanisms?
Public infrastructure investment driving GFCF recovery pre-COVID, esp. local.

Share of infrastructure investment in EU GDP by institutional sector, in %

Source: EIB calculations, EPEC, Eurostat, IJ Global
Notes: Annual infrastructure investment in EU27 by institutional sector as a share of GDP, expressed as a percentage. Data missing for Belgium, Croatia, Lithuania, Poland and Romania. Slight deviations from the 2018 results are due to a refinement in the estimation of depreciation of infrastructure investment.