



## **The Communicator's Role in Boosting Investment** **20<sup>th</sup> October 2016**

**Speakers:** Matteo Maggiore (Director of Communication, European Investment Bank), Raymond Frenken (Head of Communications, European Banking Federation, EAB), Kiril Velitchkov (Head of European Projects and Financial Institutions, CIBANK Bulgaria), José António Pacheco Sequeira (Invest Porto, Municipal Division of Economic Development and Investment of Porto, Portugal)

**Moderator:** Michele Cercone, European Committee of the Regions

The Investment Plan for Europe is an ambitious and new way of boosting investment and the key project of the Juncker Commission. Areas such as energy, transport, broadband, education, research and innovation should all benefit from the new investment facilities available to foster further development. The communication part, however, may not be so straightforward. The objective of the workshop was to share and understand the best practices of ongoing investment campaigns in Europe with a view to finding the merging points between information channels from the EU and tailoring communication to the needs of stakeholders locally.

**Matteo Maggiore** opened the session by stating that a project is only a success if it is well communicated. He argued that the role of communicators is to take the blame when something goes wrong, and pointed out that 'investments' is for many people a difficult and boring word that does not concern them. Consequently, we need good, trustworthy stories to tell. When communicating investments to the public, there are some key challenges. Firstly, the complexity – a story about investments is not easy to simplify and explain. Secondly, the delay between the investment and measurable impact.

Mr Maggiore described four tricks of the trade that can be deployed to overcome these communication challenges: 1) making marketing tools available and understandable to the communicators; 2) considering what people want to hear – all narratives should come from the perspective of the audience; 3) transforming the dry data into interesting stories; 4) demonstrating impact: trust cannot be gained unless we demonstrate that the investment has created more jobs and made a difference in a macroeconomic way. Mr Maggiore further pointed out that when it comes to communication, we are under the pressure in terms of both speed and accuracy. This is a challenge, as we need to spend time collecting the meaningful data which will allow us to establish trust.

The second speaker, **Raymond Frenken**, stated that communication strategies are a part of the wider work of both EIB, which distributes the funds, and the European banks, which help the different investment projects to achieve results. In the current economic situation, companies are looking to invest in projects that give them a better yield than what they would achieve with a bank account at a low interest rate. Interesting investment areas today include social society investments,

such as creating jobs and reducing impact of climate change. Investors seek balanced portfolios where they can de-risk by diversifying their investments.

Mr Frenken believes that the strategic factor of communication is undervalued. The investment plan for Europe is complex and we need specialist knowledge to understand international funding. For the person on the street this is not comprehensible. The strategy must include clearly defined target audiences, clear messages and goals. The impact must be measurable, e.g. through social media, and you need a good story to obtain good results. Your story simply does not exist unless it is visible - and it cannot be measured if you do not tell it. However, it takes time before benefits become visible.

**Kiril Velitchkov**, the third speaker, referred to the 'Juncker Plan' that supports Bulgaria with a substantial amount of EU money through schemes where payments are subject to certain conditions, e.g. JEREMIE, COSME and other SME initiatives. However, the beneficiaries need help to understand the benefits of these systems in comparison to receiving grants with no commitment. Compared to 'normal' investment loans, the loans from the EU guarantee programs are offered at a low cost and with up to 50% reduction in the collateral requirements. In addition to benefits for the customer, the programmes increase the banks' efficiency and decrease their risk. They also commit the customer in a way that increases the overall success rate for the investment project.

However, it has been difficult for CIBANK to convince the receiving companies of the benefits of these programs over grants. They would rather be given (for example) 50% of the amount as free EU grants and then apply for a normal investment loans for the rest. It took Mr. Velitchkov and his team 12 months to build awareness and understanding of the added value of the JEREMIE program. In the end, it became a brand name and they have signed 465 SME investment projects for a total of 64 million EUR. In 2016 EU launched a new grant system, COSME. CIBANK once again met with difficulty, but have found it easier to convert the customers this time. So far, COSME has been presented to over 700 companies and has signed over 360 SME investment projects for 68 million EUR. He concluded that banks have a broad role to play, not only providing financing but also ensuring that customers properly understand the function of these investments. Internal and external communication is key to this endeavour.

The final speaker was **José António Pacheco Sequeira**, who explained how the Municipality of Porto has created a specialised online platform where they invite entrepreneurs, investors and businessmen to evaluate investment opportunities in the city. On this platform, Invest Porto has collected information on all building sites and opportunities in the city. Investors can choose the things that are important to or relevant for them, and based on their choices the system creates a report. Invest Porto wants to make potential global investors aware of the social and cultural advantages of Porto, such as job creation; venture capital; non-regular tax regime for non-regular residents and a Portuguese golden visa residency permit. Since the end of 2014 they have signed 57 national projects and 32 international projects, for an estimated total investment of around 200 million EUR. The project has created approximately 3000 new jobs to date, and they expect 6000 more over the next 2 years. Invest Porto knows what sectors it wants to develop and they are therefore able to focus their communications towards both national and international businessmen.

**Michele Cercone** then opened the floor to questions. The discussion covered topics such as fragmentation and/or coordination of information and how to reach the right target audience. **Mr Maggiore** noted that the Juncker Plan is less than two years old, so even within the institutions there are different lines of information. He emphasised the importance of focusing on the recipients of messages, especially as people's first response is often that the EU exists to distribute money. Meanwhile **Mr Velitchkov** noted that in Bulgaria, telling companies that the systems are EU funded

lends the project additional weight. **Mr Frenken** added that cross-border communication is challenging with 28 Member States, and that the success stories are more visible at the local level – which is where our efforts to inspire one another should be focused. Finally, **Mr Sequeira** also noted that fragmentation is a difficult problem because every company must translate information for its own needs. To do this in a trustworthy manner you need well-informed people who can communicate on a personal level with citizens, and not only via the internet. The key is to identify the problems people are facing and attempting to change the scenario.