Public Banks, Public Water
Exploring the Links in Europe

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Rationale for Research

- Massive investments needed
- Insufficient gov’t spending
- Cost recovery inadequate
- Limited private sector investments
Why public banks?

- Public mandates
- History of financing public water
- Massive potential
- ...but no research
Eight case studies in the European Region

- Geographic spread
- Different types of banks
- Availability of researchers
- Links with EAPB and APE
List of Case Studies

Nordic region
- MuniFin
- Kommunalbanken
- KommuneKredit
- Kommuninvest

France
- Caisse des dépôts et consignations (CDC)
- Agence de l’Eau Seine-Normandie (AESN)

Netherlands
- Dutch Water Bank (NWB)

Portugal
- Caixa Geral de Depósitos (CGD)

Spain
- Instituto de Crédito Oficial (ICO)

Turkey
- Ilbank

Germany
- KfW (in Latin America)

EU
- European Investment Bank
Research methods

- Interviews
- Background documents
- Planning workshops
- Working with EAPB and APE
Outputs
Public Banks + Public Water

... the potential

- Patient, low-cost, appropriate finance
- Universal lending to public sector
- Democratic ownership and governance
- Expertise in infrastructure
- Pursue social mandates
- Collaborate with other public banks
- Persist through political cycles
- Recycle returns back into public sectors
Public Banks + Public Water

... the pitfalls

• Not a ‘silver bullet’
• Susceptible to cost recovery models
• Still massive gaps in infrastructure
• Risk of debt traps
• Power of ratings agencies over public policy
• EU competition laws and state aid rules
Next Phase

Public Banks + Public Water Globally