

Peterson Institute for International Economics

Europe's moment: Building bridges to shared prosperity

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[00:08:52.13] - Cecilia Malmström

Ladies and gentlemen, welcome to all of you online as well. Welcome to another great event at the Peterson Institute for International Economics. My name is Cecilia Malmström. I'm a nonresident senior fellow here. Today we have the great honor to welcome President Nadia Calvino, who is the president of the EIB Group, the European Investment Bank, since December 2023. EIB is the financial arm of the EU, owned by its member states and tasked to deliver on strategic investments inside and outside the European Union. Nadia Calviño has a long career in public policy, economics, and finance. She has served as First Vice President of the Spanish Government, Minister of Economy, Trade, and Enterprise, and she has also been Director General of the DG Budget in the European Commission and has a long story both in the Commission and in public service. And she is now currently the President of the Bank. So President Calvino will talk about how Europe and the EIB can play a role in providing stability with partnerships as a good way to guarantee peace and prosperity. Certainly things that we need to hear about in these days. And after the speech, we will have a short conversation up here and then we'll have a couple of minutes for questions from the audience as well. So President Calvino, the floor is yours.

[00:10:23.05] - Nadia Calviño

Thank you very much, Cecilia. Thank you to the Peterson Institute for this very, very interesting exchange at a very timely moment. We are here during the spring meetings of the IMF and the World Bank, and we're going to be witnessing and being at the heart of the changes. Which are going on in the world. I suppose, Cecilia, you must be thinking a lot and remembering those times when you were negotiating free trade agreements across the Atlantic and trying to create the largest area in the world with no tariffs, with free commerce. And so many things are changing these days. We are undergoing a massive shake-up as a new world order is emerging. In these times of intense volatility and uncertainty, it is very important to go back to basics and to look at those things that don't change. And what remains constant is Europe's commitment to a rules-based order, to open economies and open societies. And I would say

this is not born from naïve romanticism at all. Actually, free trade is part of the DNA of the European Union. As you know very well, at the beginning, there was a customs union. At the beginning, it was precisely the idea of bringing down barriers and creating a common tariff for the whole union.

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And at the beginning, it was also some common policies which seek to put at the central level all those elements which are key for war, starting with coal and steel, following with nuclear energy and agriculture. It's very important to think about the very origin of the European Union to understand how important the project was and how visionaries there were, those persons that were designing the European Union, so that this fusion of markets, in the words of one of the founding fathers, Robert Schuman, this fusion of markets would become the foundation of peace and prosperity in Europe, making conflict not merely unthinkable but materially impossible. Isn't it interesting to think about how economic cooperation can actually serve as a key driver for peace, how talking to each other and building on what unites us is the basis for peace going forward too. So at the time, and this was part of the wisdom of the founding fathers, they also created the European Investment Bank, one of the success stories of the European Union. As you said, the EIB is owned by the 27 member states. We have been profitable since the creation of the EIB. And our scope and the way we act, both inside the EU financing investments in large energy grids, in very innovative startups, in key infrastructure, social infrastructures protecting the European way of life, and also outside the EU as a proud member of the Multilateral Development Bank family.

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As I was saying, our approach and our mandate has been enlarging in scope since the creation of the EIB. But the logic underlying the bank continues to be the same. It's the idea that 2 + 2 are more than 4 when we work together. Now, in the last 80 years, as we have seen the dividends of peace benefiting the EU and benefiting even more so the United States, what we have seen is hundreds of millions of citizens, of persons emerging from poverty. and becoming not just consumers of goods, but also active investors in US assets, in European assets. Our economic links are not just based in trade, they're also based on investment, cross-investment, which brings our economies so tightly inter-knit around the world. In the meantime, Europe became a trade powerhouse by setting the global standards for manufacturing excellence and striking more free trade agreements than any other major economy around the world. This is also part of the DNA of Europe. Europe, and this is, I would say, alive and kicking these days as we see the EU closing deals with Mercosur, engaging with the Emirates, or with parts of Asia, in the strong belief that zero is not a zero-sum game.

[00:15:02.09]

Again, the two plus two can be more than four if we work together. Trade leads to win-win outcomes, and this is an important element that we should be building on as we look forward. And that is why the European Union will work relentlessly in this spirit of cooperation to reinforce our relationship with the United States. That's our biggest partner. We have more than €5 trillion invested in each other's markets. Millions of jobs are depending on this cross-relationship. There are trillions exchanged between the EU and the US every day, and that is a very strong basis for a strategic partnership. Let me close precisely with this idea, because this is the top priority for the European Investment Bank as we kick off the Spring Meetings weeks here, reinforcing our strategic partnerships for peace and prosperity around the world. And that is because commercial ties are a mirror of our common values. Which bind us together as allies. These values are laid out in a very solid system of multilateral institutions that we built together at the end of World War II, and on which Europe and the United States together have the strongest voice, something that the Peterson Institute is very, very well aware of.

[00:16:26.22]

And this includes the IMF and the World Bank, and of course, it includes the World Health Organization, the World Trade Organization. We need the commitment, the expertise, the independent advice and the wisdom of these institutions to help us bring us together and to have a rules-based system which benefits all around the world. Because the challenges we're facing cannot be just handled by one single jurisdiction. Starting with the pandemic, I think, you know, if we had any doubt before, we know now very well that pandemics cross oceans, that they don't stop at political borders. And it's the same when we're talking about climate change, pollution, of course, financial stability. Only today we have been announcing a very important investment into a private equity fund, LeapFrog Climate Fund, with the name of deploying \$500 million in green technologies in Asia and Africa. And we have signed this commitment and this investment together with the World Bank's International Finance Corporation, with the Temasek Fund, with the Swiss Development Finance Institution. I mean, this is cooperation between multilateral development institutions. This is public-private partnership at its best. And this is bringing value not only to the investment fund, not only to the beneficiary countries, it is bringing value to all of us and showing how cooperation leads to better outcomes for all.

[00:18:04.00]

We are very actively participating and investing around the world. We will be announcing new investments in the course of the week together with the EBRD, with the World Bank, with the

Arab Bank for Economic Development. That is what we do. That is, again, within our DNA to cooperate and to work together with other public and private institutions to try to build a better future. Because we are convinced that prosperity cannot be ring-fenced behind walls, that actually what we need to do is build bridges. To flow across oceans and to make sure that we all build a better future on the basis of peace, stability, and cooperation. Let me close my introductory remarks here. I think you have very clearly seen the leitmotif that goes through my speech, and I will not give you any surprises in our exchange. I am sure it's going to be very lively, but my main message will be this one: Let's work together. Let's build on our strengths. Let's try to coordinate our policies, provide certainty and clarity to investors, to businesses, to citizens, because when things make sense, they go in the right direction. This is Europe's moment. I am persuaded that that is the case, and from Europe, we will always try to build this stronger multilateral system to benefit us all. Thank you, and looking forward to the exchange.

[00:19:30.29] - Cecilia Malmström

Sorry about this. I'll try not to make any noise. Thank you very much, Nadia, for this optimistic and visionary introductory speech. You come directly from the Spring Meetings. How is the mood? Is it reflected what we— I mean, we are constantly bombarded by social media and traditional media on recessions and the bad mood and everything, trade wars and inflation and everything. How is the mood at the meetings?

[00:20:08.15] - Nadia Calviño

Well, I think that we're all aware that we're meeting in a very different atmosphere. This is the first Spring Meetings after the change of administration. A number of assessments are ongoing by this new administration. And there are a number of areas which are no longer considered to be a priority by the main shareholder of these international institutions. At the same time, I think there is a sense of confidence that the multilateral system is so valuable to all of us that there will be a very strong support to its continuation and the reinforcement of this multilateral system. As I was arguing in my introductory remarks, it has served the EU well, but even more so the US. So the multilateral institutions will continue to be at the center of the new world order, but I think it is fair to say everybody is aware of the fact that we are not going back. There is a new world order which is emerging. It will reflect the new realities on the ground. And it will require all of us to be constructive, at least from the European perspective. We are ready to work on a strong Europe, a strong European voice in this new world order.

[00:21:29.23] - Cecilia Malmström

Yes, and you gave some examples of what the IBE is doing in partnership with others, but multilateral organizations are not very fashionable today, as we know. But still, the need is really strong. So do you still think that despite the changes and the different mode, you still think that multilateral banks, for instance, that they still have a role and that they can maybe step forward and do even more things in the future?

[00:21:55.21] - Nadia Calviño

I think in the last couple of years, we have been reinforcing the way we work together as a system, developing new tools, for example, mutual reliance, so that we can reduce red tape and accelerate the process, whereby through agreements whereby we rely on each other in doing the procurement process or the assessment, the climate assessment, climate impact, or other social impact assessments. And we are signing these kind of agreements most recently with the EBRD, the European Bank for Reconstruction and Development. But I have just arrived from a meeting with the CAF, that's the Latin American Development Bank, where we are also seeing how to deepen our cooperation. We are going to be signing agreements with the World Bank. We signed an agreement today with the International Finance Corporation. So generally, I think we are working better together as a system, and the results are showing in the more efficient management of the projects and better financing conditions for the very important infrastructures and other essential projects which are taking place around the world. So I do think that this reality will prevail. And going forward, we will continue to build a strong network, at least from the European Investment Bank.

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This is one of our top priorities, building stronger partnerships for peace and prosperity and working hand in hand with the other multilateral development institutions and the private sector to deliver results on the ground.

[00:23:29.05] - Cecilia Malmström

That's inspiring and hopeful to hear. And you were telling about some of the international projects that you are engaged in. And if we look at Europe, of course, apart from trade wars and other concerns, there are two main issues there. There's, of course, the green transition and there's the war in Ukraine. And I know that the EIB is very active in both of them. Could you tell us a little bit more how the EIB is investing in the green transition and in the fact that we need to also see how the decarbonization can become profitable and that can be a subject for growth.

[00:24:05.22] - Nadia Calviño

Yeah, you're absolutely right. We need to make the green transition a success by bringing together climate and competitiveness as two tandem, you know, working in tandem, two parts of the same coin. And from the European perspective, it's a no-brainer. I mean, it's not only a matter of thinking about the environment for future generations, it's a matter of security and strategic autonomy here and now. Europe cannot continue to rely on fossil fuel producers. That is part of our security. And so we need to invest in our grids, in our infrastructures, in the deployment of renewables. We have to invest in new technologies, net-zero technologies, the decarbonization of industry. And we are doing it. We are scaling up our support to the green transition. And the market sees this as— I mean, the European Investment Bank is already the main issuer of green bonds. We were pioneers of this market in the past. We have issued more than €120 billion in green bonds, but this was the first issuance under the green— the European Green Bond Standard. We issued €3 billion. We had a 13 times oversubscription by financial markets, international investors. So there is a very strong interest and confidence in this being a profitable operation.

[00:25:27.22]

And so, you know, whereas climate seems to be a banned word in some quarters, I have to say we are proudly carrying the flag of being the climate bank and we will continue to do so.

[00:25:40.08] - Cecilia Malmström

Will you also be there to finance— I mean, there's a lot of new technologies emerging. Some of them are more risky than others. Others are promising, but still will need a lot of investment. I talk about fusion, green hydro, and so on. Will the bank be there to participate?

[00:25:57.10] - Nadia Calviño

Well, we are already there, and the specificity of the European Investment Bank is that we are a patient, long-term investor. So some projects may not be successful. Northvolt is an example. We're seeing and participating in the restructuring and in the future of that investment, but many others are profitable and are a very good investment. And so by diversifying our portfolio, we are present in traditional renewables, Novail hydro pumping storage systems in Europe, green hydrogen, green methanol, all the new fuels, fusion, fission, small modular reactors, you name it, we're going to be present in all of these new technologies. And I tell the people in the bank, just as we had invested in the basic research that led to the vaccines against COVID, I am quite sure that the EIB is currently investing in those breakthrough technologies that will make a difference and lead us to the new green economy in the future. And it is already happening as we speak. These technologies are being deployed. So yes, we will be at the heart of these

investments and some will not be so interesting. Well, that's what a public institution risk-taking means. Absolutely.

[00:27:24.13] - Cecilia Malmström

The other question, also important, is of course Ukraine. And Europe is right now trying to build an alliance of the willing or a coalition of the willing or whatever you want to call it, to see how we can continue supporting Ukraine, of course, but also filling gap from American military assistance and also bringing a more long-term European focus on security and investment. And I know this is a subject very dear to you. I heard you speaking about this not long ago at the Council of Foreign Relations. So can you tell us a little bit how the bank can come into this?

[00:28:13.27] - Nadia Calviño

Know that the EIB has a very large 600 billion balance sheet. As such, it is the largest multilateral development institution, and we have a very strong AAA rating thanks to the portfolio, but also thanks to the guarantees we have from the European budget. That is what allows us to be the main investment partner to Ukraine. And preserve our AAA rating, that we are working on the basis of a number of guarantees from the European budget. I wanted to flag this because many people say, how can you take these extreme risks? Well, we take these extreme risks and we keep the AAA rating because of this symbiosis with the European institutions and with the European budget.

[00:28:55.24] - Cecilia Malmström

So these are investments you're making in Ukraine? Absolutely.

[00:28:58.22] - Nadia Calviño

So we are financing right now in Ukraine The railway interconnections, energy infrastructures, the municipal services from water to district heating, the repair of schools, hospitals. We're also building bunkers for schools and kindergartens. This is something I said it in an interview this morning because I was thinking it's important for the American public to understand that this is what we are building in the country. We're trying to protect the kids. So that they can have school, helping the underground infrastructures to serve as schools, you know, during the war. And so this is very much the reality on the ground. Now, we hope that very soon we will be focusing on the reconstruction of the country, you know, when the peace is regained, stable peace. But in the meantime, we are supporting Ukraine very strongly and we are accelerating our deployment on the ground. Now, on security and defense, well, it's not dear to me, Cecilia.

[00:30:02.16] - Cecilia Malmström

No, Ukraine, the support for Ukraine.

[00:30:05.01] - Nadia Calviño

Support for Ukraine, yes.

[00:30:07.01] - Cecilia Malmström

I wish we could invest in other things than weapons.

[00:30:10.02] - Nadia Calviño

Exactly, I wish we could be not having to do this, but it's clear that Europe needs to step up its capacity in the area of security and defense. And so the EIB last year already extended the scope of our investments in this area, and this year again, Now, in March, we have extended them so that we will, from now on, we are financing pure military infrastructures and projects, for example, having to do with military barracks, military mobility, space, cybersecurity, research, all demining, decontamination. We have a very solid pipeline of 22 projects which we're currently assessing and I hope will be approved between now and the end of the year. And so we are part of the solution for Europe to become more independent and to have stronger capabilities in this area. As we were saying about energy in the area of defense, it is also clear that this scenario has changed and we need to invest further in these capabilities.

[00:31:17.17] - Cecilia Malmström

You get a lot of questions about this here in Washington. Well, yes, but what's happening in the defense area? I mean, we have the loans, we have the discussions on how Europe is going to defend finance, all this, the role in NATO, the role national and how the interoperability, and I think that's what you refer to where you can come in to facilitate the existing structures as well to work better. But this is, of course, something that other countries pay grand attention to as well.

[00:31:46.25] - Nadia Calviño

You know, we had a discussion in the last ECOFIN, precisely under the Polish presidency. ECOFIN is when the EU finance ministers the Council of Finance Ministers, the 27 finance ministers, they gather once a month in this council formation. And in the last meeting, which was the informal meeting taking place in Poland, because it is the Polish presidency right now, we had a discussion on how to finance it. And one of the finance ministers wisely said, we are rich, we are able to finance this. We need to find the most efficient ways for procurement, the most

efficient ways to bring all these capabilities together. But we will be able to step it up. I have full confidence in the capacity of Europe to develop the necessary technologies and to scale them up to the necessary level.

[00:32:41.24] - Cecilia Malmström

This is quite a long journey from your introductory words. There were peace and prosperity. That's when the EIB was created to never, never again wars between European countries, to now financing defense and weapons. But the situation in the world has also changed very dramatically. I wanted to ask you a little bit more on the transatlantic relations, but we have an audience here and I'm sure there are questions to be asked. Some are already nodding. There's a microphone there. You can line up just a moment. Say your name. There are questions, not statements, but I wanted to ask you about the transatlantic relations. You spoke very warmly about that. Is there anything you in the European Investment Bank and your team can do to try to improve those relations that are tense today?

[00:33:32.17] - Nadia Calviño

Well, the US is not a country of operations for the European Investment Bank, so we don't—

[00:33:39.12] - Cecilia Malmström

But you have partners.

[00:33:40.27] - Nadia Calviño

But we do have very tight partnerships with with the UN agencies, as I mentioned, the multilateral development banks, and of course, we are happy to support the European— European country— sorry, companies and the European ecosystem that maybe is going to be also contributing to this trade relationship. It's very difficult right now to envisage how to come out of this if it isn't through continuing to stay our course in terms of defending free trade, defending the rules-based multilateral order, because this is what has brought us prosperity in the past. And so this should be our guiding principle. And from this point of view, the EIB will always help in every way we can.

[00:34:30.17] - Cecilia Malmström

Yes, Nicolas, and then the gentleman next to you.

[00:34:33.19] - Audience

Thank you very much. Nicolas Véron here at the Institute and also at Bruegel in Brussels. I have a question that takes us in a slightly different direction, with apologies for that, but the European Investment Bank is a big player in scale-up finance and development of capital markets, in private capital markets in the European Union, if only because it manages the European Investment Fund, which is important in that space. There's a lot of discussion in the European Union right now about capital markets union, savings and investment union, whatever you call it. Basically doing something about creating a bigger, more integrated, more powerful financial sector, also to support the kind of geopolitical and strategic objectives that you've been talking about. So can you guide us a little bit in, you know, what is real, what is just for show, for, you know, empty talk in that conversation, and what are your expectations? Thank you.

[00:35:34.19] - Nadia Calviño

That's a very, a very good question because indeed one of the areas where there is more divergence or a biggest gap between the EU and the US has to do with capital markets. So Europe has a vibrant ecosystem of startups, absolutely comparable to the US or to China, but the moment these companies need to raise \$500 million or euros, they need to go elsewhere to find this capital because Capital markets in Europe are fragmented, so there is no deep pocket, you know, that can actually finance this kind of scale-ups. And so what we want to do is to create this capital markets union so that there can be bigger tickets. Now, I've been a legislator and a regulator in a part of my career and trying to create the right regulatory framework for this. Now, at the European Investment Bank, what I'm trying to do is to build it bottom up. And indeed, as you said, Nicolas, the European Investment Fund is the main contributor of private—mobilizer of private capital, venture capital in Europe. The European Investment Bank is the largest provider of venture debt in Europe. So we are working together with the sectors, with the main investors, to see how we can to scale this up and contribute bottom-up, you know, really through real instruments on the ground to mobilizing the necessary resources so that European ideas, companies, technologies can remain and grow in Europe.

[00:37:11.18]

And it must be possible because, you know, it is interesting how an important number of the unicorns that then grow here in the US were born in the EU. So there is a potential there that we should be able to exploit, and I intend to really focus on this so that this year already we have these instruments ready to scale up the mobilization which we are already producing in European markets.

[00:37:39.19] - Cecilia Malmström

Thank you very much. Yes, the gentleman.

[00:37:41.05] - Audience

Hi, President Calvino, thank you very much. That was a very compelling, interesting briefing. And thank you to the Institute for hosting us. My name is Filim Kyne. I'm a reporter for Politico, and I'm going to evoke journalistic ethics here and try and get two questions, if I may. The first one being, you speak very compellingly of the fact we're in a new era and we need to strive for stability. How do you see the EU's relations generally, but specifically those of the bank's relations with China, changing in order to evoke or create this greater stability? What more could or should the EU and the bank do in this regard? In order to get that stability? And my second question, if I may, is that Beijing is styling itself as the natural successor to the United States, as the global defender of a rule-based global economic— rules— rule-based economic and trading order. I just wonder how convincing you find that pitch. Thank you very much.

[00:38:42.17] - Nadia Calviño

We could speak 2 hours about this. And this is a public exchange on the record, or is it?

[00:38:47.23] - Cecilia Malmström

Yes, it's on the record.

[00:38:53.00] - Nadia Calviño

Good, good. Well, starting with your second question, I think that, and it is linked, you know, the two are interlinked. What it's very, it's very difficult to say how this new world order is going to be shaped because it is coming up and emerging as we speak. What right now looks more likely to my mind is a multipolar order where we have different centers, different associations. Any world order needs to be based on some rules and some institutions. And thus my argument that the multilateral framework that we have can be improved, of course, but has provided prosperity to millions of citizens, hundreds of millions of citizens that have emerged from poverty and has provided financial stability for the last 80 years. And so we have a strong basis on which to build. And from the perspective of Europe, I think that it is very clear that we are interested in trying to build on the basis of this multilateral order and contribute to it playing an important role going forward. And I will reserve my more detailed opinions on some of the questions for a bilateral off-the-record exchange.

[00:40:24.18] - Cecilia Malmström

Thank you very much. Yes, please.

[00:40:28.03] - Audience

Thanks. I'm also a reporter for the Austrian Daily Standard. I have a question. You mentioned the importance of investments in energy transition. Could you give an idea of what role you see in this regard for growth in Europe? I mean, there's a very sluggish growth and what kind of role could this play? And could you also elaborate? I was listening today to the IMF and there, as you said a little bit, I guess you mentioned that climate change or investment in these regards doesn't seem to play any role anymore. Is that your impression as well? Thanks.

[00:40:59.14] - Nadia Calviño

As I was saying a moment ago, it looks like some words are no longer in vogue. But actually, it is unavoidable that we have to deal and adapt to this climate change. It's not only the right thing to do, it's the smart thing to do, because every euro invested, every dollar invested in prevention and adaptation saves \$5 to \$7 in repairs and damages, not to talk about the losses that are not repairable. So from this point of view, it's quite clear that we need to pursue this path. In the case of Europe, it's a no-brainer, and we are strongly committed to going in this direction. And as the European Investment Bank, we have stepped up our investments in grid infrastructures. Last year, we reached a record, an all-time record. We are financing 40% of the grid and interconnectors investments that are taking place right now in the EU, together with all the other areas that I mentioned a moment ago, the deployment of renewables, hydropower and storage, new fuels and research in all those areas and all those technologies that can help for this net zero transition. In Europe, the approach is clear, and I think markets agree that that is the right way forward.

[00:42:21.11] - Audience

Thank you very much for being here. Łukasz Kościusz Mierczak, Johns Hopkins University. My question is about the securitization framework in the EU. So the European Commission is planning to review this year, the legislative framework. Last year, the reports from Mario Draghi, Enrico Letta, and Christiane Weyhe highlighted that Europe needs to act decisively. My question is, what, as the head of the EAB, would you expect as part of this legislative package? Thank you.

[00:42:55.21] - Nadia Calviño

All the expert reports that were published last year were quite clear in identifying the drivers and the the key levers for Europe's competitiveness: market integration, large-scale investment,

simplification, and I would add global partnerships. Now, the European Investment Bank is contributing in all these four areas. Market integration, I already mentioned, also reinforcing European projects when we're talking about security and defense, for example. Simplification—we're working together with the European Commission in the whole package of simplification, starting with green reporting standards but going through mandate management and all the other regulatory framework elements of the regulatory framework. Large-scale investment—obviously I have referred to this—and international partnerships. Now, when it comes to securitization, an area, by the way, where the European Investment Bank is a very active player, I am quite sure that we can build on the experience of standardized, simple, and transparent instruments. That can be a good basis on which to build a framework that can provide security and at the same time enable the mobilization of private investment also by the banking sector to the benefit of Europe's industries and competitiveness.

[00:44:23.09] - Cecilia Malmström

Reinhilde, please.

[00:44:26.25] - Audience

I would like to follow up on some of these previous questions by Nicolas and the previous speaker here. I'm Reinhilde Vogelous from the University of Leuven and Bruegel and Pietersen. So indeed, this problem of scaling up is a problem that has been identified for Europe already since a long time here. So it's really a persistent problem. And that's why I wanted to know, so what do you think needs to change in the future so that we can definitely target this problem much more effectively here? Does it mean more budget for the European Investment Bank? Does it mean a different way of allocating within your portfolio to these high-gain, high-risk type of projects here? More coordination with the EIF or with other instruments here? So, what do you think really needs to change over what we already have, such that at least in the longer term we will be more effective in dealing with this structural problem?

[00:45:17.24] - Nadia Calviño

Yes, and you know, the reply is all of the above. So you have well identified. So we need to see how to increase our risk-taking. As I explained a moment ago, that has to do also with the use of mandates and the efficient use of capital. So one of the first projects we have launched with the European Commission is mandate optimization, because the European Investment Bank has been managing and has many legacy mandates, which for the past 20 years have been setting aside reserve money in case there were losses. So what we are doing is bringing together all these reserves right now, and that will allow us to mobilize €50 billion more in investment. And

that is only for the mandates inside the Union. We're working with the European Commission to see about all the myriad of mandates that exist so that we can optimize the use of our guarantees, and we can also leverage more our own capital while preserving our very strong AAA rating. We are also working with the private sector and private investors, including long-term investors like insurance companies, pension funds. We are in constant dialogue to see how we can mobilize those savings in a manner which channels funds to Europe's startups and scale-ups.

[00:46:35.11]

We're also working with the Commission on how to close the gaps throughout the whole innovation cycle, because we are quite strong and well-placed in supporting startups, Gaps exist when we bring the products to the market, so moving from research to market innovation, and then the large gap exists when we need to scale up beyond these \$100, \$500 million I was referring to a moment ago. So we're working on an exit fund to cover that part of the market. This will require public-private cooperation, it's very clear, but the EIB group is very well placed because both the EIB and the European Investment Fund you were referring are already very strong players in nurturing the European venture capital and venture debt ecosystem. So again, we have a strong basis on which to build. We need to try to leverage our instruments to the maximum while preserving our very strong financing capacity.

[00:47:32.25] - Cecilia Malmström

Lots of instruments and lots of mandates. How do you prioritize in all that?

[00:47:38.17] - Nadia Calviño

It's a very good point. It's good that last year already in February we got a unanimous endorsement by our shareholders of the 8 strategic priorities for the EIB, starting with the climate bank, climate, number 1. Number 2 is technology, innovation. Number 3, security and defense. And then it continues, you know, with cohesion, agriculture, ending with strong international partnerships. So we have a quite clear compass, which has been unanimously endorsed by our shareholders. They are very strongly supporting our approach to security and defense. So I am quite confident that we're very well aligned with the national and European priorities, and that can create the right synergies, you know, when it comes to policy design and financing so that we can put the money where our mouth is, you know, in a nutshell.

[00:48:34.16] - Cecilia Malmström

President Calviño, I know that you have lots of meetings today. We're running out of time. Thank you so much for your your candidness on this and for so strongly standing up for the need of multilateralism and cooperation. Thank you all, those of you online and those who came, and a big hand for President Calviño.