INVESTING IN THE FUTURE

Putting the Long Term at the Heart of our Decisions

Report of the Commission
Chaired by Bernard Attali
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Introduction

While the necessity for an extensive, long-term vision has never been more paramount, the emphasis on today's immediate needs often eclipses such future-oriented planning. **Our long-term perspective is undermined by the tyranny of urgency, as we grapple with urgent economic, social, climatic, and geopolitical challenges**.

Yet, such a long-term vision is critically needed and must take into account Europe's position in the world and its commitment to openness. This requires looking beyond borders and staying competitive in a competitive, rapidly evolving world. To accomplish this, it is imperative to define and implement a lucid strategy of external competitiveness that suits the current global landscape and promotes the balanced growth of Europe in the future.

Uncertainty and a risk aversion hinder our ability to accept this paradigm shift. It is imperative to break away from the beaten path and draw inspiration from international best practices, such as those exhibited by the United States, where investment levels considerably surpass those in Europe. **European countries, some of which heavily burdened with debt, must face massive investments – whether to ensure Europe's sovereignty through military rearmament efforts or to align the economic model with ecological challenges**, while continuing to foster private European innovation. We are currently reaching the limitations of the model that was established over four decades ago, a model predicated on debt financing and the associated creation of money.

In order to construct a new model that is safer, fairer, and more sustainable, we identify a pressing need - even more so than in 2022 - to devise proposals that place the long-term at the heart of our decisions. We must genuinely "invest in the long term" to serve our currently destabilised society. **Such a return to long-term thinking involves establishing a competitive and sovereign European financial system capable of better allocating European savings to finance the needs of the European economy.**

Let us turn our attention to the investment needs: **Europe needs 7 trillion euros over the next 7 years**. It is not merely about extending the duration of investments or escalating their risk profile. The prospect of doubling financing capacities also appears unlikely. The more profound question is that of reallocating savings towards key future priorities in Europe and establishing a competitive and sovereign European financial system that effectively channels savings to support the continent's needs. **This shift requires integrating long-term thinking into the actions of all stakeholders involved: citizens, financial intermediaries, and public authorities.**

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01

What has changed in the past few months[1]? An acceleration of time under the pressure of crises

[1] Here we outline the changes that have occurred in the ensuing months subsequent to the publication of the report "Investing for the long term, a short-term emergency", January 2022.

1.1: Geopolitically, the globe has been fragmented by conflicts

War has resurfaced at Europe's doorstep, leading to a general rearmament and a resurgence of economic and commercial tensions, with a significant increase in volatility on the energy and commodity markets. Indeed, in a global landscape where major geopolitical risks are proliferating (war in Ukraine, conflict in the Gaza Strip, tensions between China and Taiwan), uncertainty is at its peak; this uncertainty is reflected in the considerable volatility that the markets, particularly the energy market, are currently experiencing. This present geopolitical climate has precipitously escalated the investment requirements in the defence sector and even more in the energy sector. This involves adapting infrastructures to organise new transient supply sources, or hastening the transition towards an energy production that is not reliant on hydrocarbons, such as renewable energy, hydrogen, and nuclear power.

The 'deglobalization' accompanying this resurgence of tension is increasing the fragmentation of international trade. This prompts a reconsideration of themes such as strategic autonomy, economic and financial sovereignty, and the security of supply.

In this highly uncertain situation, the wait-and-see attitude regarding investment is prevailing, leading public authorities to implement incentive measures (such as the Inflation Reduction Act (IRA) in the United States and the European contemplations regarding a strategic investment fund) - in a logic far removed from free trade agreements such as those of the World Trade Organization (WTO).

These developments are unfolding against the backdrop of a global economic context where growth dynamics have been significantly altered in recent years, as evidenced by China's ascent to power and Europe's relative decline. There has also been a concerning change in global value chains and the distribution of added value.

The question we posed in 2022 - how to invest long term in an environment of uncertainty and risk aversion? - is therefore more relevant than ever.

1.2: Climate urgency

As our societies grapple with the impact of extreme weather events, current investment efforts appear insufficient to meet the set goals in terms of greenhouse gas emission reductions and to limit temperature rises to 1.5 degrees. The financial implications of adapting to an unavoidably changing climate are becoming increasingly pertinent.

In order to attain carbon neutrality, France must augment its annual investment by an additional 66 billion euros per year by 2030, amounting to over 300 billion euros and 2.3 points of GDP (Pisani-Ferry/Mahfouz 2023). For the European Union, I4CE estimates the investment deficit in the transition at over 400 billion euros per year. Bridging this "investment gap" requires collaborative efforts from all economic actors, both public and private.

Such investments should facilitate a transformation of the energy system, a change in the mode of production, an adaptation of transport network infrastructures and increased sobriety in uses - all these changes constitute a new industrial revolution.

Given the overall cost of mitigation and adaptation policies, the question of their sustainability is twofold: financial sustainability, on the one hand, as public and private debt already reaches high levels and social sustainability of a transition that has strong redistributive impacts, on the other hand. The cost of the transition will only gain political acceptance if it is fairly distributed.

These environmental transition issues become more complex in a context of rapid scarcity and inadequate security of supplies in certain raw materials, notably metals and rare earths, which are becoming indispensable considering our energy mix choices.

The environmental transformation of our societal and growth model, alongside the inclusion of externalities in long-term investments (LTI), need to be addressed with an increased urgency.

1.3: In the technology sphere, a cluster of innovations related to artificial intelligence and data exploitation has emerged

Rapid developments in the data industry and artificial intelligence (AI) have recently facilitated significant breakthroughs in solving real-world challenges. As "large language models" - the type of AI that powers ChatGPT - have been scaled up, they have astounded even their creators with their potential.

However, the discourse on AI often focuses on its hazards: algorithmic bias and mass job destruction. Regulators are under pressure to keep pace. Nonetheless, this technology has strong growth potential: generative AI (artificial intelligence capable of generating new content from learning data) raises massive hopes for economic growth in terms of productivity gains, radical acceleration of the pace of scientific discoveries, and contributions to the energy transition in the service of sobriety...

Faced with this cluster of innovations, we are confronted with a question that our previous work did not address: what long-term investments are needed to contribute to this new cycle while ensuring safe, sustainable development that respects the public interest, social cohesion, and individual freedoms?

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Why do we need the Long-Term?
Offering new perspectives

2.1: A Wall of Investment

Multiplying challenges confront us with a colossal investment wall. While the cited amounts of financing needs may seem excessive, they pale in comparison to the scale of the hurdles that await us: transitioning to a green economy, establishing an abundant and independent European system of decarbonized energy production, facing demographic and public health challenges, preserving social and territorial cohesion, and affirming Europe's sovereignty. Significant efforts in these fields are already underway across the Atlantic.

Multiple estimates align on the requirement for an additional annual commitment of approximately 2.5% of the European GDP by 2030, equating to a total of €400 billion, to sustain the trajectory towards climate neutrality. Adding up sums for the digital transition, former European Central Bank (ECB) President Mario Draghi assesses the investment barrier at an additional €500 billion per year. The European Commission projects that "in total, supplementary investments exceeding 620 billion euros annually will be essential to fulfil the objectives of the Green Deal and RepowerEU, and investments of 92 billion euros by 2030 to accomplish the aims of the Net Zero Industrial Act". It further adds that the digital transition will necessitate 125 billion euros by 2030.

This projected "investment gap" for the dual transition of approximately €800 billion annually does not take into account the substantial supplementary investment requirements related to fortifying our defence systems and the relentless escalating pressure on general social protection expenditures.

However, our resources are finite. **The constraints of public finances remain intractable, despite a relaxation of the rules.** Indeed, the updated EU budget regulations offer increased autonomy to member states, are more suitably adjusted to the context of high debt, and permit enhanced flexibility for strategic investments. Yet, the budgetary room for manoeuvre remains insufficient to amplify investment funding to the required scale. **We are entering a prolonged period of intense pressure on public finances.**

As Pisani-Ferry and Mahfouz (2023) contend, in the long term, the redirection of technical progress could yield stronger green growth than what we have experienced, or would have experienced, with traditional growth. But by 2030, the transition will be financed by a decrease in productivity gains and potential growth, even though the additional investment will have a positive impact on growth through demand, assuming it is supplied by the European economy. There is an urgent requirement for a multi-sectoral approach to estimate the comprehensive macroeconomic effect. The quantified prediction of the impacts of digitalisation and its AI component on employment and productivity also necessitates a new macroeconomic model.

In terms of health, we also face considerable challenges: demographic trends of populations, doctors, care professionals, and expenditure dynamics. However, relatively few methodical foresight studies are currently available.

2.2: The Price of Time

Following an extended period of price stability, inflation is making a comeback, prompting the end of zero-interest-rate monetary policies (the refinancing rate of the ECB has risen by 450 basis points since January 2022). **This return of rates to a positive area is ultimately just a return to normal: money is not free because time has a cost.** However, despite the persistence of ample liquidity, this upward adjustment in rates exerts pressure on fiscal policies, especially in the backdrop of considerable public debt prevalent among a majority of the European Union member states and at the European Union level itself. The latter is evidenced by the dramatic escalation in the financing cost of the EU recovery plan. In the case of France, deficits in external payments are eroding the country's overall financial capabilities.

Furthermore, the resurgence of positive nominal interest rates poses a threat to business models that have hitherto relied heavily on significant leverage effects. Consequently, the excesses of a global economy that has grown increasingly dependent on debt, in the aftermath of successive crises, are now being severely corrected.

Some economic agents have significant savings, invested short-term in a highly uncertain economic context.

This shift in the monetary landscape prompts an examination of the consequences of the termination of easy money on long-term investments within Europe. This concern is particularly pertinent given the historical inadequacy of such investments during periods when money was, in essence, free.

2.3: The Reign of Uncertainty

In an era of instability, marked by fluctuating geopolitical dynamics, nascent energy sources, and innovative technologies, France finds itself grappling with an array of unprecedented challenges as it simultaneously faces acknowledged hazards and risks. At the same time, transformative changes are redrawing the global landscape at an ever-quickening pace. According to philosopher Hartmut Rosa, acceleration is the hallmark of modern society, sparing no one, nor any sphere of our lives. Consequently, policy-makers and economic players are compelled to navigate these turbid waters where the scale of risk is equally matched by the size of opportunity.

Innovation in artificial intelligence predicts the advent of a new industrial revolution. Within this frame, the illustrious Schumpeterian principle of 'creative destruction' takes on a particular resonance with the establishment of a new technological cycle of innovation and obsolescence. Here, antiquated industries and technologies are superseded by their newer, more efficient counterparts. This dynamic serves as both a catalyst for progress and a source of instability.

We are thus faced with an intense sense of radical uncertainty, rendering long-term forecasting both an impossibility and a necessity. This dichotomy renders the identification and planning of long-term investments particularly challenging as they must contend with the constant evolution of variables.

Nonetheless, by projecting ourselves into a distant future, perhaps perceived as dystopian, we may attempt to redefine our approach to development and investment. Through the contemplation of extreme scenarios, we can gain a deeper understanding of present and potential trends, thereby formulating more robust strategies in the face of uncertainty. Foresight literature should, within this context, aspire to delineate actionable principles that might steer investors and decision-makers in enhancing our future capabilities: to act differently and brave risks.

In a rapidly changing environment, it is of paramount importance to maintain agility, to ensure a degree of autonomy that fosters innovation, and to diversify investment portfolios to mitigate risks. In this scenario, France, with its historical resilience and adaptability, possesses the potential to channel these uncertainties towards a future underpinned by creativity and innovation.

2.4: The Impossible Reform

In the face of the escalating climate crisis, alongside environmental needs, pervasive social inequalities, and digital challenges that all call for decisive actions, it is impossible to reform without taking into account social acceptability. This concept, which emerged in the 1970s, plays a significant role in the design and implementation of today’s public policies.

Policies that are not explicitly linked to economic advancement or collective prosperity often encounter a degree of scepticism. It becomes a daunting task for citizens to acknowledge the long-term advantages of reforms that do not provide immediate returns.

The equitable nature of reforms is an essential factor for their acceptance. Excessively pronounced redistributive effects, regardless of whether they occur among individuals, territories, or over a period, can trigger feelings of injustice and resistance. Therefore, it is of paramount importance that reforms are devised in a manner that adequately compensates for potential losses and distributes costs and benefits in a transparent and balanced way.

To circumvent this paradox and secure citizen support for transformative changes that significantly impact their daily lives, it is indispensable to develop policies that not only address urgent needs but are also established with a commitment to inclusivity and dialogue. The journey towards social acceptability of reform necessitates a comprehensive education approach and a consultative effort.

03

Engaging all stakeholders into a long-term approach

3.1: Citizens and Consumers

We live in a paradoxical era: despite the overwhelming scientific evidence of the impending climate catastrophe, the necessary momentum required for adequate investment in environmental infrastructures is not manifesting on a corresponding scale. Economic actors seem incapable of spontaneously considering the long-term implications of their actions, leading to often opportunistic and short-sighted choices. This short-sightedness, often increased by extreme individualism, as already highlighted by Alexis de Tocqueville who described an exacerbated individualism, is today worsened by a proliferation of available data that hinders information and decision-making.

In the face of this challenge, **one of the potential solutions to encourage a long-term vision among citizens and consumers is to accept a strengthening of the price signal**, particularly through a carbon tax. This aims to internalise environmental costs, thus encouraging economic actors to make more sustainable choices. However, for this measure to be effective and socially acceptable, it must be accompanied by concrete measures: allowing the possibility of substitution between products, clearly explaining the use of the proceeds of this tax, ensuring that access to fewer polluting products is assured for low-income households so as not to exacerbate inequalities. However, such a system raises questions about its impact on the EU's external competitiveness.

The transformation of the economy towards a more sustainable model must operate on a logic of fairness. This implies correcting the negative redistributive impacts, whether on a social or territorial level. The economic cost of this transition, which can be significant, will only be politically acceptable if it is perceived as fairly distributed among the different actors in society. It is essential to propose risk-sharing mechanisms, so that the risks of transition are also equitably shared.

Moreover, increasing the political acceptability of these changes inevitably involves financial education and explaining the challenges related to the transition. It is crucial for citizens to understand how these measures fit into a project to support the European economy. **An informed public is more likely to make choices that prove beneficial for long-term collective well-being.**

3.2 : Financial intermediaries

Technological advancements and changes in individual behaviours are two pivotal factors for the transition of our society. However, the third necessary aspect is the capacity to meet the significant investment needs of the future.

The monetary tightening in the Eurozone marked by the end of easy money has raised questions about the implications for long-term investments in Europe, already insufficient in the past.

In 2023, the European savings surplus over domestic investment amounted to about €370 billion, or 2.6% of GDP. This surplus represents a significant resource, yet it is currently largely underused to finance the long-term and primarily invested in the United States when invested in shares or bonds. This emphasizes the significant gap between the structure of savings and the financing needs of the economy. European savings are often poorly allocated, exported or not mobile within the euro zone. The 'Savings and Investments Union', recommended in E. Letta's report, involves setting up transformative actions not only to retain in Europe the capital flows from savings that are invested today in other geographical areas, but also to increase the amount of available savings (by promoting growth through better allocation of available capital and thus fighting against the 'forced insufficiency of savings') and attract additional resources from abroad. Placing the competitiveness of the European financial industry at the centre of political priorities and new regulations should thus enable the effective mobilization of private capital to finance the EU economy.

Today's European financial landscape suffers from an overabundance of capital market infrastructures and, in particular, an excess of central securities depositories (CSDs). **This**

fragmentation makes European capital markets smaller and less liquid than they should be, negatively impacting the cost of capital, economic innovation, and growth. Moreover, this situation reinforces strong domestic biases in investment decisions, as highlighted in E. Letta's report on the future of the Single Market in April 2024.

Addressing the aforementioned challenges necessitates the establishment of appropriate signals that do not engender conflict between intermediated and market finance. This involves harmonising suitable incentives with the pre-determined long-term strategy, as well as mobilising funding and fostering the transmission of these signals to all stakeholders. This can be accomplished, in part, by completing the Capital Markets Union (CMU).

National promotional banks and institutions (NPBI), such as the Caisse des Dépôts (CDC), play an integral role in this process through their public interest missions and their mandate to support public policies, in identifying projects with high externalities but still unsteady economic models by removing the obstacles that hinder their deployment (high costs, demand-related risks, structuring sector...).

It is also imperative to redirect household savings towards long-term investments, particularly in shares of European companies, especially SMEs, listed or unlisted. This can be achieved by providing them with the right incentives (standardisation, simplification and improvement of the quality of available financial and extra-financial information, appropriate regulatory framework, financial and tax incentives if necessary), while ensuring the necessary protection in return for this increased risk taking.

The creation of a European label for savings products invested in Europe, as recommended in C. Noyer's report this year, would allow the EU to move towards common principles by taking advantage of the existing characteristics of savings products. For the deployment of such a label, a European framework is necessary so that reliable, accessible and affordable information on companies as well as a common ESG analysis methodology are available.

A better allocation of savings could be encouraged, for example, through product plans of the PEA type (equity savings plan for mid & small) and PEE/PER (instruments addressing demographic challenges). The ELTIF (European Long-Term Investment Fund) is a regulatory framework that aims to give private savers and non-professional investors direct access to alternative funds, including 'private equity' funds, private debt funds, and other long-term investment programs. **The new ELTIF Regulation (2.0), which rectifies many of the pitfalls that led to the failure of the ELTIF label, could potentially open these long-term funds to a genuine retail clientele at a time when the economy is in need of new financing sources.** As proposed by E. Letta, a new European program could integrate a national tax incentive for the ELTIF, under which the exact amount of the tax benefit could be left to the discretion of each Member State.

To make this mobilisation feasible, it is also necessary to amend the regulation of banks and insurers to allow them to intermediate savings, in the form that exists today, more in favour of long-term investments but also to strengthen the long-term investment holding structures that allow risk pooling within larger envelopes, offering subscribers significant liquidity, on the model of euro funds. This requires a real revision of Solvency II, maintaining the tax attractiveness of euro funds and all other formulas that secure citizens' savings while providing investment capabilities.

Shareholder foundations, which fulfil both an economic mission and a mission of general interest, should be encouraged as entities. By supporting shareholder foundations, we encourage an approach where the pursuit of economic performance is combined with the pursuit of general interest objectives.

In order to mitigate the impact of interest rate increases on financing dedicated to the green transition and thus allow its acceleration, **the implementation of differentiated interest rates for the refinancing of bank loans allocated to the ecological transition is a promising idea.** A lower, 'green' interest rate[2], and a higher, 'brown' interest rate would be applied, giving a price signal to

[2] Structurally green, greening, or adaptation.

financiers. Monetary policy could act on this differentiation, as well as on other discriminating factors (e.g., for bank refinancing: differentiated ‘haircut’ rules, consideration of extra-financial ratings; the same for its asset portfolio).

In addition, an adaptation of accounting rules could also favour green investments. For instance, an accelerated depreciation rule could be applied to assets that positively contribute to the environment, thereby enhancing their attractiveness to investors.

3.3: Public Authorities: Reasserting and Redefining Their Role

In current times, we are observing a renewed interest in the intervention of the state in the economic sphere, signalling a resurgence of a more proactive role for public authorities. The indispensable significance of public investment as a pivotal catalyst for economic growth has been copiously examined in economic literature.

It is acknowledged that **public investment induces a beneficial multiplier effect on the economy and serves as a lever for sustainable growth**: by renovating infrastructures, encouraging private sector spending, increasing productivity or promoting innovation.

In the face of escalating investment needs, the financial resources solely possessed by national public authorities are undeniably insufficient. **It is therefore imperative to use public expenditure as a lever for private financing.** This implies strengthening mutualisation and guarantee schemes, as well as directing abundant, available savings towards strategic investments. Concurrently, it is vital to protect households against cyclical fluctuations and inequalities.

In this light, **enhanced European fiscal federalism would allow addressing common challenges on a European scale and ending the damaging competition currently waged by different member states to attract new industrial establishments to their territories.** The expansion of the EU budget, supported by increased borrowing capacity under its signature, could rely on the issuance of European bonds, financed by increased transfers from national budgets made possible by the progressive substitution of community expenditure for national expenditure in areas of common interest (environmental transition, innovation, human capital, sovereign issues, defence).

This EU budget would support a multiannual EU strategy (in line with the approach already in place with the 7-year multiannual financial framework), the implementation of which should be decentralised, as far as national or cooperative projects are concerned, to the Commission's national Implementing Partners (promotional banks and institutions), which would thus amplify their significant roles as catalysts for long-term private financing, using national budgets, direct EU guarantees or the guarantees and equity of the EIB in a complementary manner.

In addition, **we are witnessing a proliferation of piecemeal approaches, sometimes contradictory, based on admittedly ambitious objectives but which do not commit the actors.** Several types of public policies and instruments - green planning and taxation, public investment programmes, standards and regulations, communication, training... - must be mobilised at the level of the European Union, member states, public authorities and regulators. The coordination between the monetary policy of the eurozone and the different fiscal policies of governments remains a complex subject.

To remedy this fragmented situation, a planning body endowed with a holistic vision is needed at the European level. Such a body, coordinated with those existing at the national level, would have the task of breaking down planning on a territorial basis, to create a coherent narrative that can truly carry the transformation to which both Europe and its member states aspire.

This body could define a long-term strategy, taking into account the interactions between various structural factors, and seeking to build a broad consensus. This would be based on regular exchanges between the various stakeholders and an appropriate communication timing, ensuring adaptive steering of planning.

It is likewise pertinent to reconsider the multi-annual programming of public finances, which appears to have become an overly ritualised exercise but insufficiently focused on major public issues. It is possible to draw inspiration from the approach adopted at the European level, which includes a five-year work programme of the European Commission, the seven-year multiannual budget, and the multiannual strategies with legislative programmes. For instance, economic and financial assumptions could be provided by a high council for public finances rather than by national authorities, in order to ensure their impartiality and reliability.

Lastly, **the effective orchestration of the transition from planning to execution is of paramount importance.** This necessitates the establishment of a continuum and feedback cycles, in addition to a cross-sectoral approach. To exemplify this procedure, it could be proposed to instigate pilot projects where varying public policies would be coherently integrated, thus allowing for the testing and tweaking of strategies prior to their wider implementation.

Conclusion

Since the 2022 release of our report "Investing for the long term, a short-term emergency", **we have experienced an acceleration of time - under the pressure of geopolitical crises, the state of climate emergency and the emergence of a new technological cycle.** Geopolitical tensions have highlighted international fragmentation, making investments uncertain and calling for reflection on Europe's strategic autonomy and economic sovereignty. On the climate front, the imminence of extreme weather events calls for massive investments for the transition to carbon neutrality, at the same time raising questions about the financial and social sustainability of these policies. In addition, a new technological cycle, driven in particular by data and artificial intelligence, opens new opportunities but also poses challenges in terms of regulation, employment and respect for the public interest. In this environment of radical uncertainty, **the question of how to invest in the long term is more relevant than ever.**

In a monetary context marked by the end of easy money, **the multiplying challenges confront us with a colossal investment gap.** It is evident that European States, already heavily indebted, will not be able to cover it with their national budgets alone. As a result, **the mobilisation of private European savings becomes essential**, which is feasible given that it already exists. However, these savings are often poorly directed, preferring returns outside Europe and not sufficiently focusing on the long-term. To rectify this, **the creation of a real single European capital market becomes an urgency.**

Additionally, the contribution of public long-term investors, capable of bridging the gap between public policy objectives and financing by private savings by anchoring agents' expectations and market practices, also proves indispensable. All of this requires, of course, planning at the European level capable of bringing forth a holistic vision on needs and consensus on long-term priorities.

The list of reports in light of this year's European elections is long and varied. **The originality of our approach lies in its focus on the actors. A genuine transformation of our society requires the integration of the long-term into the behaviour of everyone: citizens, financial intermediaries, public authorities.** Education, innovation, cooperation, and the restoration of our external competitiveness are key elements to engage and encourage every actor to adopt this long-term vision and achieve this transformation. **While it is certain that the path will be fraught with uncertainties, it is essential to act and dare now to ensure a sustainable future for Europe.**

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Review of the 2022 report proposals

Proposals	What has changed for the better...	What has not changed...	What has changed for the worse...
Preserving and developing the public power's ability to promote long-term investment			
Adapting fiscal rules to long-term investment	An ongoing revision of Maastricht rules allowing more flexibility in the case of a "relevant" investment program...	Multi-year programming laws that remain non-binding	... increasingly complex implementation rules for modest flexibility gain
Increasing the economic multiplier effect of public expenditure	The implementation of the new European investment plan, InvestEU		A national recovery plan that relies mainly on "classic" budgetary expenditures with no leverage effect
Allowing financial intermediaries to transform savings into long-term investment			
Allowing financial intermediaries to assume the risk they are capable of bearing	Increased consideration of ESG risks in the banking prudential framework (Basel "package") Willingness to restart the Capital Markets Union (listing act for example, Letta and upcoming Draghi report)	No consideration of returns linked to positive externalities in the banking prudential framework Regulatory constraints on investment, still need for simplification cf. 2020 revision of Solvency II	
Allowing financial intermediaries to offer suitable products	Concept of European Sovereign Fund... Amendment of the regulation on long-term funds (ELTIF)	The community financing of the recovery (NGEU) has shown that European debt is possible, but it has a cost that many member states are not ready to assume	... European Sovereign Fund limited to an experiment (STEP) in the absence of an agreement on an increase in the European budget
For a shared evaluation of long-term risks and returns			
No fair evaluations without reliable information	Implementation of a nearly completed European framework for extra-financial reporting (taxonomy, NFRD, CSRD)		Great complexity of the extra-financial reporting framework, subject to the availability of data for small businesses and small projects, heterogeneity of approaches at a global level
Good information for all: from the saver to the most sophisticated players		No massive financial education program	
Prioritizing externalities		No single European body allowing to explain and prioritize externalities	

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