



Investment Committee of the InvestEU Fund

Meeting no 32 of 10-11 October 2024

Room Schuman, Foyer Européen

10, rue Heinrich Heine, L-1720 Luxembourg (Gare)

Sub-project (iGeneration) of Investment Platform for social infrastructure with CDP Real Asset SGR S.p.A. (CDP RA) (IEU – CDP Social Infrastructure) (INVEU-PCR- 0081-2023)

INVEU-ICR-0064-2024 – Sustainable Infrastructure Window (SIW), Social Investments and Skills Window (SISW)

Short description of the financing or investment operation and its objectives

Financial Intermediary	iGeneration FIA (the “Fund” or “iGeneration”)
Type of Financial Intermediaries	Infrastructure fund
Fund Manager	Investire SGR S.p.A. (the “Manager”)
Type of the final recipients	Special Purpose Vehicle/Project Company/Buildings, Mixed entities such as public-private partnerships (PPPs) and private companies with a public purpose
Country of implementation	Italy
Implementing partner	European Investment Fund

The EIF intends to invest in a specialist fund targeting affordable student housing. The Fund focuses on the refurbishment, and to a smaller extent on the development of purpose built student accommodation in Italy. The underlying investments of the Fund will target the social infrastructure in Italy.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 11 October 2024 for the above-mentioned operation.

The Fund addresses a number of market failures:

- Investments in affordable student housing promote access to tertiary education. Access to quality education creates positive externalities, which benefit society and the broader economy, mainly in terms of skill development and upgrading, which translate into economic growth and innovation. The existence of positive externalities justifies the use of public financing to ensure that investments are at a socially optimal level.
- EE investments in social infrastructure buildings suffer from a chronic lack of investment.
- The strategy of the Fund also addresses the market failures that limit the access to finance for energy efficient building renovation and new building projects, despite the pivotal role they play in contributing to the EU energy policy objectives and in the decarbonisation strategy to achieve Paris Agreement goals.



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- Through energy savings, energy efficiency projects reduce carbon emissions and air pollution (emissions of CO₂, NO_x and SO₂), increase comfort, air quality in the dwellings, and reduce dependency on energy imports, social and public benefits that are not fully internalised by private investors.

EIF is able to invest in the proposed Fund solely as a result of its ability to use of the EU Guarantee. At present, EIF would not be able to invest in the proposed Fund through its standard activities. The main factors contributing to that are the nascent market the Fund targets combined with its risk/return and long holding period, as well as the non-standard terms & conditions of the social infrastructure asset class, as compared to a more mainstream infrastructure strategy. At the same time, whilst there are infrastructure funds focusing on investments in social infrastructure assets with an operational track record, there is a significant funding gap for market players that have the capacity to develop and construct new or refurbish and expand existing infrastructure assets in the area of social infrastructure – particularly purpose built student accommodation. Greenfield social infrastructure has suffered from longstanding underinvestment from both public and private players, which has led to a wide mismatch between demand and supply of such infrastructure across the EU.

EIF's role is deemed critical to catalyse additional institutional private investors and to reach the targeted fund size, in particular given the nascent nature of the social infrastructure asset class. Furthermore, EIF has provided significant structuring input to certain terms & conditions of the Fund.