



FOUR NEW MEMBERS IN 2007



OPENING THE CENTRE

In 2007, the International Centre for Local Credit welcomed four new financial institutions as proof of its desire for openness as stated during the last General Meeting held in Paris in November 2006.

Europe consolidated its position by welcoming the public finance specialist institution from a not yet represented country, **Municipality Credit Iceland**. Africa made its first appearance in our association with one institution from North Africa, the **Fonds d'Equipement Communal** from Morocco, and another institution from South Africa, **Infrastructure Finance Corporation Limited** ("INCA"). Finally Asian presence, already represented by the Japan Finance Corporation for Municipal Enterprises "JFM", was reinforced with the arrival of a Chinese giant, the **China Development Bank**.

It is a great honour to welcome these new institutions to our Centre and I invite them to exceedingly share and benefit from each others' experience.

The richness of the International Centre for Local Credit comes as much from the diversity of its institutions - established

in contrasting geographical, political and institutional environments - as from their convergence to our central objective, the financing of local development.

This 6th Newsletter is mainly dedicated to a presentation of our new partners and of the organisation of the local sector in their respective countries. It will thus serve as an introduction to the exchanges we expect to have at the next conference of members. This conference is already planned for June 26th and 27th, 2008 in Oresund, a region of Denmark and Sweden, at the invitation of our colleagues from KommuneKredit and Kommuninvest i Sverige AB.

The conference will deal with the role of the regions. The progress made towards decentralisation and the advance of urbanisation have in fact devolved a major task to the regions, to guarantee the consistency of town and country planning. Given their increased financial powers, regions are led to facilitate partnerships with other local authority levels in order to optimise the impact of public investments on regional economic and social development. Their role varies from one country to another depending on how far they have gone along the path to decentralisation, the competences of the other local authority levels, and the

size and institutional organisation of the central state. It is proposed to analyse the modes of organisation adopted, the nature of the resources that can be mobilised and their effect on local development.

We will have the opportunity to debate these matters with local players involved in regional policy and with other international players. I do strongly express my wish to greet you all on this occasion.



*Axel Miller,
Secretary General of
the ICLC
CEO of Dexia*

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- Has the Italian local sector a real autonomy ?
- Infrastructure - A challenge that needs to be tackled (Austria).
- Tensions on the housing markets in the European Union.
- Economic Outlook 2007 on sub-national public finance in the European Union.

NEXT MEETINGS

- Staff meeting, "Funding in changing markets", 26-27 March 2008, Oslo
- Executive Committee Meeting, 25 June 2008, Copenhagen.
- Conference and General Assembly, 26/27 June 2008, Denmark/Sweden.

PRESENTATION OF NEW MEMBERS



CHINA DEVELOPMENT BANK (CHINA)

CHINA IN BRIEF

CHINA DATA

Total population: 1,318 million
Urban population: 40%
Capital City: Beijing
Local currency : Renminbi Yuan
Total Area: 9,584,000 km²
GDP growth rate : 10.7% (2006)

The People's Republic of China (PRC) has been created on October 1, 1949.

China is a unitary republic. Its organisation forms a highly centralised network organised into a hierarchy. The Chinese Communist Party (CCP) is organised along the same lines as the State apparatus, and involved at all levels of institutional decision making and throughout the country.

Within this centralised tradition, the local authorities have a degree of autonomy, on account of the country's vast size and its geographical and cultural diversity.

In fifty years, the country has moved from a planned economy to a socialist market economy, and joined the World Trade Organisation (WTO) in 2001.

Administrative units are currently based on a four level system.

The first tier comprises :

- 23 provinces,
- five autonomous regions,
- four municipalities under the direct authority of the central authority (Beijing, Shanghai, Tianjin and Chongqing),
- two special administrative regions (Hong Kong and Macao).

The second tier comprises the autonomous departments and the cities with administrative areas (335 entities).

The third tier comprises the districts, the autonomous districts, the cities without administrative areas, and the administrative areas including cities (2,142 entities).

The fourth tier comprises the market towns, townships and ethnic townships (48,000 entities).

In all, there are around 50,000 local authorities which refer to the central government and the hierarchical level immediately above them.

THE 8 MAJOR CHINESE CITIES

China now has 668 cities, of which 13 have populations of more than one million each; 24, between one and two million; 48, between 500,000 and one million; 205, between 200,000 and 500,000; and 378, less than 200,000.

Beijing, designated in 1949 as the capital of the PRC has now a population of 7.34 million. It is not only the nation's political center, but also its cultural, scientific and educational center, and a key transportation hub.

Beijing emerged as a city as far back as the Western Zhou Dynasty (11th century – 770 B.C.) then known as Ji. In the early 10th century, it became the secondary capital of the Liao Dynasty under the name of Yanjing. Between 1115 and 1911, it served in succession as the capital of the Kin, Yuan, Ming and Qing dynasties, which leave many superb historical legacies, such as the Tiananmen Gate tower, symbol of Beijing as well as of China, Tiananmen Square (the largest city square in the world) the former Imperial Palace (the "Forbidden City")...



Shanghai: Bund avenue along the Huangpu River

Shanghai, has a population of 9.54 million. Advantageously located, the city is halfway down China's mainland coastline, where the Yangtze River empties into the sea. An important comprehensive industrial base and harbor, Shanghai plays an essential role in the national economy. Major industries include metallurgy, machine-building, shipbuilding, chemicals, electronics, instruments and meters, textiles and other light industries, in addition to its highly developed commerce, banking and ocean-going shipping industry. The Pudong New Zone, separated from the old city by the Huangpu River, is now undergoing vigorous development and construction, intending to build it into a modern, multi-functional, export-oriented district, on a par with the world's best.

Tianjin is a major industrial and commercial city in north China, with a population of 5.21 million. About 120 km from Beijing, Tianjin is an important port for ocean-going and offshore shipping, and foreign trade. Tianjin gathers traditional industries and benefits from rising industries such as shipbuilding, automobile manufacturing, petroleum exploitation, processing...

Chongqing is the largest industrial and commercial center in southwest China and a hub of land and water transportation in the upper Yangtze valley, with a population of 6.14 million. Located at the juncture of the Yangtze and Jialing rivers, its city proper is surrounded by these rivers on three sides and stands on a mountain, like a peninsula. Hence the name "Mountain City". Chongqing is a comprehensive industrial city with advanced iron and steel, chemicals, power, automobile manufacturing, machine-building, shipbuilding, construction materials, textiles, foodstuffs and pharmaceuticals industries and become more and more important in China's strategy for the great development of western China.

Guangzhou, the capital of Guangdong Province, spans the Pearl River. It is the largest and most important gateway in south China, with an urban population of 4.17 million. As the oldest trading port in China, Guangzhou was a foreign trade hub as early as in 200 B.C. The Huangpu Port, where ocean-going ships can anchor, has navigation lines reaching all continents in the world. Since 1957, a bi-annual Chinese export commodities fair has been held here, one in Spring and the other in Autumn.

Xi'an, capital of Shaanxi Province, is the largest city in northwest China, with an urban population of 2.72 million. Originally known as Chang'an, Xi'an is a famous ancient city in China and was the starting point of the ancient Silk Road. From the 11th century B.C. on, it served as the capital of a dozen dynasties. Hence Xi'an boasts a large number of historical sites, such as the life-size terracotta horses and armored warriors excavated from sites near the mausoleum of Emperor Qin Shi Huang. Xi'an now is both a tourist city and one of the rising industrial bases in China, known for its advanced machine-building and textiles industries.

Wuhan, the capital of Hubei Province, consists of the cities of Wuchang, Hankou and Hanyang, with a population of 4.28 million. As the largest city in central China and the hub of land and water transportation on the middle reaches of the Yangtze river, Wuhan has advanced iron and steel, machine-building, ship-building, textiles, chemicals and foodstuffs industries.

Shenyang, the capital of Liaoning Province, is the largest city in northeast China with population of 4.4 million. As a heavy-industrial city, Shenyang takes pride in its machinery, electrical equipment and heavy-duty machines industries.

CHINA DEVELOPMENT BANK (CDB) IN BRIEF

China Development Bank (CDB) is a 100% public-owned bank whose mission is to strengthen the competitiveness of China and to improve the living standards of Chinese people. CDB's main business is thus to provide LT funding for medium and large size projects in selected sector of the economy, such as a.o. electric power, highway, railway, public infrastructure, high tech industries, Chinese SME, rural sector or social services. Today, CDB represents EUR216bn of total assets and EUR189bn of loans outstanding.



H.E. Mr. Chen Yuan
Governor of CDB

Ownership and short history

China Development Bank (CDB) is the largest of China's 3 policy banks and enjoys a very close relationship with the Chinese government. It was established in 1994 under a special decree of the State Council, that specified:

- that the MoF is the only eligible owner of the bank,
- that its mission is to strengthen the competitiveness of China and to improve the living standards of Chinese people.

Indeed, CDB reports directly to the State Council, China highest executive organ, which addresses major strategic issues confronting the bank and directly approves the bank's annual working plan. The State Council appoints the bank's governor (of ministerial status), vice-governors and the entire Board of Supervisors.

The government supports CDB's operations through measures that are not commonly available to commercial banks. The MoF provides CDB with annual tax rebates and a modest indirect interest subsidy for some of its loans. Unlike other Chinese financial institutions, CDB has unconditional access to short term liquidity from the Central Bank to support the debt service and to bridge timing differences between the receipt of debenture proceeds and project loan payments. Other forms of government support include the provision of guarantees

on a small portion of CDB's loan portfolio. CDB is thus a strong supporter of the State's macroeconomic policies. The bank supports the development of the state's key projects and construction in the infrastructure sector, basic industries, pillar industries and high technology industries. In support of the state's policies to implement disciplined development and build a harmonious society, CDB's funding efforts also go to constrained sectors, including urbanisation, SMES, agriculture, rural communities and farmers, education, medical and health care and environmental protection.

CDB operates through a network of 35 branches and 1 rep office, and employs around 4000 staff, 1000 of them working in the headquarter in Beijing.

The China Banking Regulatory Commission (CBRC) is currently working on a new law to better define CDB's role and status. This law is expected to spell out the bank's role and legal status and the regulatory environment governing it. Furthermore the government announced that it would gradually require policy financial institutions to operate on commercial basis. The CDB was highlighted as being the institution that would pave the way.



Office Building of CDB

Lending Operations

CDB provides LT funding for medium and large size projects in selected sectors of the economy (infrastructure sector, basic industries, pillar industries, Chinese SME, agriculture & rural sector of the economy, high tech industries, Chinese SME, agriculture and rural sector and social services). In 2006, loans to infrastructure construction, basic industries amounted to RMB 696bn (EUR 65bn) or 98,8% of the bank's total loans.

Investment banking operations

-Investment Advisory Service: CDB leverages financial advisory services to

identify opportunities, build its project reserves and expand the potential for its futures business development. CDB is the first underwriter to have qualifications to underwrite both corporate bonds and short-term bonds. In 2006, the bank acted as lead underwriter or co-underwriter and successfully completed the underwriting of 41 corporate and short-term bonds for RMB 11.69 bn (EUR 1.1 bn).

- Equity Investments: In response to the State's debt-to-equity-swap strategy, the Bank began to engage in debt-to-equity investment operations in 1999. Currently, the Bank has equity investments in 11 projects.

- Investment Funds: since 1998, the Bank has established four investment funds; Sino-Swiss Partnership Fund (SSSF) , ASEAN China Investment Fund L.P (ACIF), China-Belgium direct equity Investment Fund (CBF) and Bohai Industrial Development Fund.

Other operations

- In recent years, the government has been issuing special bonds to fund railway, highway, transportation & distribution, urban development and environmental protection projects. CDB provides co-financing for many of these projects.

- Since 1999, CDB has been accepting deposits from corporate customers and provides limited payment & settlement services.

- Another role of the CDB is to act as an on-lending agent for external loans extended by the World Bank and Asians Development Bank. This task was previously undertaken by MoF.

- In 2001, CDB entered the loan syndication business. The bank started selling loan participations to other banks in 2002.

- The bank also gradually entered into wholesale and corporate banking, as well as project advisory.

- CDB has also expanded into asset management and asset securitisation.

- Last but not least, CDB can compete with commercial banks on banking services.

Funding

CDB's funding plans are determined by PBOC and NDRC, but implementation is increasingly left to the bank's discretion. The bank raises most of its funds through the issuance of debt securities in both Renminbi and foreign currencies and is the largest issuer in China's securities markets. CDB's international credit rating being the strongest among domestic banks (Moody's: A1/S&P: A/ Fitch: A), it allows it to maintain funding cost at relatively low level.

Sources :
Chinese Ministry of Foreign Affairs, CDB, Dexia



MUNICIPALITY CREDIT ICELAND (ICELAND)

ICELAND IN BRIEF

ICELAND DATA

Political system :

Parliamentary Republic

Total population : 313,000

Capital City : Reykjavik

Urban population : 98 %

Local currency : Icelandic krón

GDP growth rate : 4.2% (2006)

Inflation rate : 5.0% (2007)

Public debt : 5.2% of GDP (2007)

Budget surplus : 5.1% of GDP

(Official source : ministry of finance)

Iceland is a republic with a population of about 300,000. Located at the North Atlantic, the Icelandic economy was by enlarge based on the fisheries, whereas today the financial sector, intensive-energy consuming industry and IT development are steadily increasing their share of the economic growth. Iceland is a highly modern nation with a living standard that generally compares with the best in the world.

Parliamentary and municipal elections are held every four years. The current government of Iceland is a coalition of the conservative Independence Party and the Social Democratic Alliance, who hold a clear majority in Iceland's parliament, the Althingi, under the leadership of Prime Minister Geir Haarde. Presidential elections are also held every four years and the incumbent President of Iceland is Dr. Ólafur Ragnar Grímsson.

Notwithstanding its location literally at the middle of the North Atlantic, Iceland is a European country, a member of the European Economic Area and the defense alliance, NATO. Recent years have seen major changes in Iceland with increased general liberalization and privatization, and adjustment to EU procedures through its EEA membership.

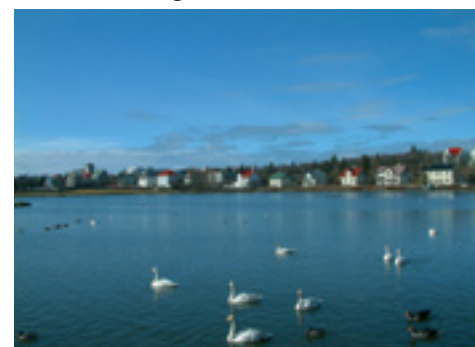
THE LOCAL GOVERNMENT SECTOR

The Icelandic public sector is a two-tier system consisting of the central government and 79 municipalities. The greater capital area, including Reykjavik City and six surrounding municipalities, constitutes about 60% of the total population.

The Icelandic municipalities are responsible for approximately 35% of

all public spending. Reflecting State policy of strengthening Icelandic local government and consequent transferring of new responsibilities to the municipal level, local government budgets have grown from an average of 7% of GDP in the early eighties to around 13% of GDP today. The specific rules regarding self-government have been laid down in the Local Government Act and in the Constitution.

Since 1996, the local authorities in Iceland have assumed full responsibility for all primary and lower secondary schools. Consequently, education represents the largest expenditure item, ranging from 35% to 70% of municipal expenditures. This is followed by expenditures on various welfare services (in particular for the elderly excluding healthcare), culture, recreation, and partly the road works and traffic. The municipalities are also responsible for local planning and most of their infrastructure. They also take responsibility for the housing needs of low-income households and provide supplementary assistance to general programs of pensions otherwise run by the central government. Major items, for example healthcare and social security, however, remain the direct responsibility of the central government.



Idyllic Reykjavik City Center

These responsibilities are financed from a number of sources, although tax dependency is rather strong. On average, 60% of local government revenues come from municipal income taxes, followed by proceeds from real estate taxes and contributions by the Equalization Fund.

MUNICIPALITY CREDIT ICELAND

The Municipality Credit Iceland PLC (MCI) (Lánasjóður sveitarfélaga ohf) was established in 1967 and is the funding agency of the Icelandic municipalities. MCI is an intra-governmental agency in the form of a statutory limited liability company, owned by all 79 Icelandic municipalities. With its

non-competitive status, lending is limited to projects of general economic interest. The share capital of MCI is ISK 5bn (EUR 50 million). Shares may only be owned by Icelandic municipalities and organizations or enterprises fully owned by them. Iceland's capital city, Reykjavik, is the largest shareholder with 17.5% of the total shares. By mid year 2007 MCI equity totaled EUR113 million and the Capital Adequacy Ratio was 112.6%.



Egilstadir village in the East

1. Organization and objectives

MCI became a fully-fledged financial institution in 2005 and is supervised by the Financial Supervisory Authority and bound by the regulations of the Central Bank. For capital adequacy purposes, loans to the municipalities carry a 20% risk-weighting.

MCI's mission is to secure capital on favorable terms to Icelandic municipalities, their institutions and enterprises. A principal condition for granting loans to municipally-owned enterprises and institutions is that such enterprises and institutions are fully owned by the relevant municipality or jointly owned by municipalities and the State Treasury, which act as guarantors for the loans.



Thorsteinn Thorsteinsson
Managing Director,
Municipality Credit Iceland

MCI's added value is also entailed in how it, by its intermediation, assists smaller and financially weaker municipalities to access the domestic and international financial markets in financing their social infrastructure investments, thereby lowering their financial expenses. This contributes to reducing regional imbalance in Iceland.

2. Financial overview

By the end of 2006, MCI covered 18% of Icelandic municipalities' total financing needs. Excluding Reykjavik City, this percentage is about 32%. Corresponding figures for 2004 are 10% and 16% respectively. MCI's five-year

plan anticipates MCI increasing its market share significantly, even as high as 50% to 60% of municipal financing needs, again excluding Reykjavik City.

At the end of 2006 borrowing had increased significantly compared with 2004. Due to its limited size, MCI has so far not borrowed at the international capital markets; hence has not applied for a formal rating. Foreign funding has been limited to loans from financial institutions on a bilateral basis.

The funding agency of the Icelandic municipalities – MCI - has undergone major changes in recent years from granting loans predominantly against its capital to becoming a fully-fledged financial institution. With its new strategy of increased activity, the loan portfolio increased threefold since 2003, and its market share is expected to reach 50% to 60% of municipal financing needs over the next few years.

Thorsteinn Thorsteinsson, Managing Director.

(For more information: <http://www.lanasjodur.is/>)



FONDS D'EQUIPEMENT COMMUNAL (MOROCCO)

MOROCCO IN BRIEF

MOROCCO DATA

Political system :
Constitutional Monarchy
Total population : 30 Million
Capital City : Rabat (1.6 Million of inhabitants)
Urban population : 55 %
Local currency : Moroccan Dirham
GDP growth rate : 8%
Inflation rate : 3.3 %
Public debt : 67.4 % of the GDP
Budget deficit : 1.7 % of the GDP

71 companies quoted on the Casablanca Stock Exchange with a total market capitalisation of EUR 52bn

(Source : 2006-FEC)

The Kingdom of Morocco is located in the western-most region of North Africa. Diversity is the key word for this country, both in terms of its geography and people. Strategically positioned at the crossroads of the world, Morocco is ambitiously trying to develop a new model of society based on tradition and modernity.

Since his enthronement in 1999, the King Mohammed VI started a new era marked by the consolidation of democratic acquirements, the consecration of rights and liberties, the substantial reform of the Code of the family and the woman's statute as well as the strengthening of the main institutions. These political headways were consolidated by the holding of regular and transparent elections last September.

On the economical level, the Government has set up the plan "Emergence" in 2007 to upgrade industry branches, its modernization and the consolidation

of its competitiveness. The plan "Azur" is another national plan, set up by the Government to host about 10 million tourists by the year 2010 and raise the tourism contribution to 20% of the GDP.

In 2006, the GDP was nearly EUR 52.1bn and the growth rate reached 8% (5.2% over the three last years). The GDP is distributed as follows:

- Agriculture (15.3%),
- Industry and mines (29.6%),
- Services (37.7%),
- Administration (16.7%).



Marrakech, Ménara

The new Reign is also marked by the conduct of important legislative and economic reforms that led to a real trust of the foreign investors in the Moroccan economy and have made it one of the most attractive and competitive economies in the region, notably through :

- A great political and institutional stability;
- An institutional support and attractive legal framework;
- A policy of structural reforms and liberalization of the economy;
- An educated population benefiting from a very satisfactory technical training;
- A geographical proximity to Europe;
- Free trade agreements with Europe and the United States.

Moreover, several Regional Centres of Investment have been created in each Region in order to allow the simplification of the administrative procedures

of investment as well as the reduction of delays concerning projects implementation. Therefore, Foreign Direct Investments represented a totalized amount of EUR 2.3bn in 2006. This level confirms the trust that Morocco is expecting from its international partners and investors.

Besides these reforms, the financial and banking sectors experienced a new regulatory environment over the last few years. This new environment was characterized by the implementation of new measures to dump and secure the financial and banking markets in order to meet the challenges imposed by economic liberalisation.

On the social level, the King launched the National Initiative for Human Development (NIHD) in 2005 which is a national project on integrated public policies being part of a global project to which all society components should adhere to attack the social deficit by making the basic social services more accessible and promoting activities that are likely to create employment opportunities and stable incomes.

The official language in Morocco is Arabic. French is fairly prevalent especially in business.

The main cities are "Casablanca", "Rabat", "Tanger", "Fès", "Marrakech" and "Agadir".

THE LOCAL GOVERNMENT SECTOR

Since its independence, Morocco opted for the Decentralization as a political choice and a public affairs management framework. This choice was made concrete by two major texts, the Communal Charter of 1960 which put down the milestones of Decentralization and the 1976 Charter which has given a considerable impulse to this process by reinforcing the Municipality status both at the institutional and economic levels, notably the enlargement of the field of its attributions and its interventions.

The introduction of the new Communal Charter in 2002 improved and energized the Decentralisation process. This new Charter brought some changes within the former system which was based on a relating central policy towards a system of local governance that is based on democracy, sharing authority and giving responsibility to the local elected representatives.

Local Authorities of the Kingdom of Morocco hold a growing place in the

local development policy. They are organized on three levels of authority and are constituted of :

1. 16 Regions,
2. 12 Prefectures and 49 Provinces,
3. 1497 Municipalities (199 Urban Municipalities and 1 298 Rural Municipalities),



Office Building of FEC

The Region, established as a Local Authority in 1992, coordinates the planning and development of its Provinces and Prefectures. Regions also operate in job promotion, sport activities and socio-cultural actions.

The Prefectures and Provinces, created in 1963, have the dual status of state-delegated and decentralised entities. The Governor is the executive entity of the Assembly.

The Municipality is the ground level of Decentralisation. The Municipal Council must promote the «economic, social, and cultural development» of the Local Authority.

Prior approval is thus required for decisions in the key fields of local management (municipal budget, loans to be taken out, and guarantees to be given, general rules on roads, construction, and health...).

Local Authorities employ 147 000 agents of which 60% work in Urban Municipalities and 23% in Rural ones.

The Decentralisation process is being reinforced through current reforms as for example the financial and local taxation laws and the continuous improvement of local Governance practices, which contribute to promote new local investment projects. According to the laws of 1976 and 1989, several State Taxes have been transferred to Local Authorities. The resources of Local Authorities come from :

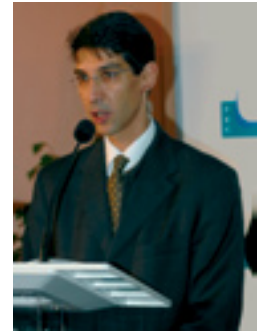
- VAT transfer, in purpose of adjustment : 53 %
- Local Taxes : 42 %
- Borrowing : 5 %

These resources experienced a substantial evolution from EUR 340 million in 1988 to EUR 1.3 bn in 2006 representing 4.5 % of the GDP and 13.5% of the global resources.

FONDS D'EQUIPEMENT COMMUNAL

The Fonds d'Equipeement Communal (FEC) was created in 1959 as a government agency specialized in the funding of Local Authorities. In 1996, it obtained the status of a bank while remaining a public agency. Since its creation 50 years ago, the FEC has developed an expertise and capitalized a know-how that position it today as the technical and financial partner of Local Authorities and local investment contractors.

As a bank with a public utility mission, FEC provides its customers with a variety of products and services adapted to their needs and bring them necessary assistance to reinforce their capacity of having a structured vision of their territory development strategy. An Assistance Fund has been created and is managed by FEC in order to help Local Authorities study and select suitable projects and programs for their actions. Within the framework of its interventions, FEC organizes thematical meetings all around the Kingdom. These meetings give Local Authorities an opportunity to consolidate local skills in planning and project management. Therefore, FEC holds an important role in the promotion of Local Development and the improvement of Citizens' living standards.



Karim Mansouri,
General Manager,
Fonds d'Equipeement Communal

The FEC operates in different sectors especially: drinking water, public lighting and roads, water supply and sanitation, solid waste, municipal roads, specialized equipment, recreational and sport centres, commercial equipments, urban and rural civil engineering works and urban transportation.

Along with national partners, FEC takes part in the funding of national sector-based programs in many sectors such as rural lighting and liquid and solid waste...

In terms of Governance, the FEC has a seventeen-member Board, mainly representing Ministries and Municipalities. The Board is chaired by the Minister of Interior.

The Credit Committee who gives the final decision in terms of credit has a seven-member board. It includes FEC's

Managing Director as a Chairman, two members representing the Ministry of Interior, two members representing the Ministry of Finance, and one member representing the “Caisse de Dépôt et de Gestion” (CDG).

As a bank, FEC’s financial statements are audited by 2 international auditing firms. Moreover, an Audit Committee was introduced in 2003 to ensure that the internal control system is efficient.

The FEC’s resources come mainly from the banking and financial markets (credit

lines, bonds, certificates of deposit). But FEC cannot receive deposits from Local Authorities because, by law, they have to keep their deposits within the General Treasury. In addition, FEC does not have any State financial support.

To obtain a loan from FEC, Local Authorities (LA) have to fill certain number of criteria.

Loans are given for a maximum period of 15 years and the maturity depends on the capacities of the Local Authority to reimburse the loan.

THE LOCAL GOVERNMENT SECTOR

Local public sector organisation is ruled by the Local Government Transition Act of 1993, amended in 1995, and by the new constitution of 1996.

The first nation-wide local government elections were held in 1995. The local entities elected were «amalgamated» communities of white-populated zones and black-populated zones, and they were termed «transition local governments.» The delimitation of the new local authorities was completed in 1999, under supervision from the Municipal Demarcation Board; it came into application with the local elections of December 2000. As a result of this process of restructuring the communities, the number of municipalities was reduced from 800 to 287 in 2000.

The country has two administrative levels: province and municipality. :

- 9 provinces: they can be likened to federated states, with the Constitution of 1996, without having all of the characteristics of such states. There are: Gauteng, KwaZulu-Natal, Eastern Cape, Northern Province, Western Cape, North-West, Mpumalanga, Free State, Northern Cape.

- 284 municipalities belonging to 3 types :

- 6 metropolitan municipalities: Johannesburg Metropolitan Municipality, Tshwane Metropolitan Council (Pretoria), Ekurhuleni Metropolitan Council (East Rand), Durban Metropolitan Municipality, Cape Town Metropolitan Municipality, Nelson Mandela Metropolitan Council (Port Elizabeth), 47 district municipalities, 234 local municipalities.



The Cape of Good Hope

Following the restructuring of the municipalities, the number of local councillors decreased from 12,000 to 8,000. In the

FEC FINANCED 4000 PROJECTS SINCE IT'S CREATION

DATES	LOAN COMMITMENTS	DISBURSEMENTS
- In 2006	- EUR 160 million	- EUR 90 million
- In 2007	- EUR 170 million	- EUR 144 million
- Since 1976	- EUR 2,2bn	- EUR 1,6 bn

- Net income in 2007 : EUR 20 million
 - Total Asset in 2007 : EUR 580 million
 - Shareholder’s equity in 2007 : EUR 140 million (EUR 24 million 10 years ago)

Source : FEC

(for more information : www.fec.ma)



INFRASTRUCTURE FINANCE CORPORATION (REPUBLIC OF SOUTH AFRICA)

SOUTH AFRICA IN BRIEF

SOUTH AFRICA DATA

Political system : Unitary state
Total population : 48 million
Capital City : Pretoria (1.5 million)
Urban population : 59.8 %
Local currency : Rand (ZAR)
GDP growth rate : 4,9%
Inflation rate : 5%
Public debt : 30% of GDP (2006)
Budget surplus : R 12.5 bn

(Source 2006 INCA)

South Africa counts 48 Million of inhabitants, which is composed of 76% blacks, 9% coloured, 12% white from European roots, and 3% Asian. The economy of South Africa is diversified: besides its raw materials (gold, platinum, diamonds, and coal), the GDP results mostly from services.

By UN classification South Africa is a middle-income country with South Africa having the fourth highest per capita income in Africa. A decade of continual economic growth has helped lower unemployment; however it suffers from large income gaps and a dual economy, marketing it as a developing country.

Current South Africa politics are dominated by the African National Congress (ANC) which received 69, 7% of the vote during the last 2004 general election and 66.3% of the vote in the 2006 municipal election. The current (2004 - 2009 term) President of South Africa is Thabo Mbeki. The next elections are scheduled for 2009 and a new head of State will probably be nominated by the ANC.

At the start of 2000, president Thabo Mbeki vowed to promote economic growth and foreign investment by relaxing strict labour laws, stepping up the place of privatisation and cutting unneeded governmental spending. South Africa is also the continent’s largest energy producer and consumer.

The South Africa rand (ZAR) is the world most actively traded emerging market currency, and has joined the continuous linked settlement (CLS), where forex transactions are settled immediately, lowering risks of transacting against time zones. The current CPIX is 8,6% (December 2007) and the prime rate is 14.50%.

metropolitan councils and in the majority of the major municipalities, an executive municipal council system has been put in place. The council is responsible for appointing the mayor, a spokesperson, and about ten executive councillors, all of whom are full-time salaried staff of the municipality.

The new legislation as regards local institutional organisation is captured in: the Structures Act, the Systems Act and the MFMA (Municipal Finance Management Act 2003).

South Africa has developed municipal borrowing market. In September 2006, the overall outstanding debt capital in the South Africa municipalities amounts to ZAR18.2bn.

Municipalities focus their investments on the formerly neglected areas. The reducing of the infrastructure backlog, relies particularly on the Municipal Infrastructure Grant (MIG)



Mr Attie Van Zyl
Chief Executive Officer,
INCA

that provides grants to the municipalities to provide basic services.

Debt capital also contributes to this effort. The provinces and the communes can resort to loan so as to finance some infrastructure's projects. Loans can only be contracted in local currency. As regards the provinces, they require the approval of the Minister of Finance to do so.

Debt capital is used to finance projects in various sectors of infrastructure, in townships and urban areas, partly reducing the backlog, partly enhancing infrastructure provision levels. A large part of the debt capital flows as general obligation just into the capital budget.

Sub-national borrowing positively impacts on local governance in terms of transparency, accountability, and financial management. This takes place via different processes: external assessments, tenders, monitoring.

The regulatory framework in South Africa facilitates sub-national borrowing in several ways. Particularly by encouraging the actors to borrow or lend, by imposing rules that give municipalities clear guidance and provide the lenders with predictability, clarity and confidence, and by regulating potential crisis and preventing those. Additionally, a functioning implementation of the law completes the success story of South African regulations on sub-national borrowing.

INFRASTRUCTURE FINANCE CORPORATION (INCA)

Infrastructure Finance Corporation Limited, trading as INCA, is the only infrastructure debt fund in South Africa that is 100 per cent privately owned and operated.

INCA was established in 1996 by First National bank (now part of the first Rand group) to fill the gap in the municipality finance market following the 1994 political changes in South Africa and the new government's initiative to restructure the country's development finance sector. INCA was established in response to the South African government's call for increased private sector involvement in infrastructure funding. As a result of its unique position INCA has become a primary mobiliser of funds for lending to infrastructure providers.

Over the past 10 years INCA provided more than ZAR 8,000 million (US\$ 1,143 million) in funding to mainly local authorities in South Africa. It has issued bonds with a duration of between 12 months to 15 years to the value of ± ZAR 6 200 million (US\$ 886 million).

International loans has been raised from Agence Française de Développement, Nordic Investment Bank and the European Investment Bank of ZAR 2 000 million (US\$ 286 million).

Through its success directly contributed to commercial banks today actively funding local authorities.

The main funding sources INCA draws on are local and international market funds, raised through a series of INCA bond issues (Provinces and communes have the possibility to resort to bonds, in local currency). Long-term loans extended to the corporation by international financial institutions. Another source of funding available to INCA is shareholders' capital.

INCA serves as an intermediary between the institutional investors and the public local authorities that have limited access to commercial finance.

INCA focuses mainly on balance sheet funding to the municipal sector and its appraisal and lending process was tailored to the needs of municipalities, water boards and other utilities.

INCA operates from one office and has a small number of employees. It maintains business relations with over 120 of the 284 municipalities and has a share of around one-third of the municipality finance market (DBSA has almost 50%).

INCA's main competitor in the municipalities lending sector is Development Bank of Southern Africa (DBSA) that has three times the balance sheet size of INCA and benefits from its government ownership, which helps it raise cheaper funding from the markets.

Currently, Absa Bank is the most active among the banks in the municipalities financing.



Office Building of INCA

INCA's two main partners are First Rand Group, with a 44.66% stake and Kagiso Financial Services Ltd, which is also a BEE partner in First Rand, holding a 43.96% stake in INCA. With a current share of 4,42% Dexia is the unic foreign institutional shareholder.

The infrastructure providers to which INCA has already lent funds include municipalities, water boards and other statutory institutions in South Africa whose main business is the establishment of social and economic infrastructure in South Africa. This funding has mainly been in the form of long-term fixed interest rate loans.

Attie Van Zyl
CEO

MEMBERS' CONTRIBUTIONS

FINANCIAL RELATION BETWEEN CENTRAL & LOCAL GOVERNMENTS IN THE NETHERLANDS

The financial relation between central government and the municipalities (and provinces) in the Netherlands is very tight. The largest part – app. 80 per cent – of the resources that municipalities have to their disposal, is transferred to them from central government. App. 50 per cent as a general grant from the Municipal fund, a grant that municipalities more or less can spend in accordance with their own view, and the other half as a specific grant. Municipalities are obliged to spend these resources to certain tasks and activities in accordance with the conditions set by central government. Municipalities have to give account to the central government about the way they used those resources. The budgets of all municipalities come up to app. EUR 40bn. The close relation between central and local government appears also from agreements that have been made, and in which has been laid down that the general grant grows and diminishes in proportion with the spending of central government.

The division of the resources of the Municipal fund has been laid down in the Finance Allocation Act. Starting point is, that municipalities have been brought in a position, which enables a municipality to create a level of facilities for its inhabitants that is as a whole comparable to that of other municipalities. To realize this point of departure, a number of characteristics has been defined, that determine the division of the resources. To give some examples: number of inhabitants, area, number of young persons, average income, soil structure etc.

The division of the general grant was in the past subject of criticism after which adaptations were made. In 1997, a fun-

damental reform of the Act took place. In 2007, so after ten years, the revised Act was reviewed.

In this evaluation by the Council for Financial relations, the experiences in practice were tested against the starting points of the revision, which main goals were that:

- the division system compensates for important external factors that cause differences in expenses, like regional function and differences in social structure;
- the system has more scope on the expenses of municipalities;
- the differences between municipalities in possibilities to raise taxes are compensated;
- the system is objective; similar cases should be treated the same;
- the system is not too detailed, in order to protect the autonomy of municipalities;
- the system is less vulnerable of merging municipalities or substantial correction of municipal boundaries.

The fact that after coming into force of the reformed Act in 1997, the critical sounds concerning the division system only were sparse, is a good indication that municipalities felt the system did justice to their financial needs. The Council observed that during these ten years, small imperfections of the system were easily redressed by minor adjustments. Differences in tax capacity were compensated to a large extent. In practice is it impossible for municipalities to have influence on the amount they receive by employing political decisions. The condition of objectivity has therefore been met. The number of characteristics that have influence on the division however, increased. As a consequence, the system became gradually more and more detailed, the other side of the coin of a good orientation on expenses. Another point of concern is the bad reputation of mu-

nicipal taxes. As a result of the activities of pressure groups, limits have been set on the municipal tax area. As a consequence, municipalities have less possibilities to compensate for anomalies in the system and to compensate for disruptions in their budget. Municipalities are therefore more vulnerable for adverse developments. The present government has removed the limits on individual municipal level in exchange for a limit for the total of municipalities.

Although the system, after some adjustments, has functioned as expected, the question arises, to which extent the system is ready for the future. From the review of the Council a positive answer arises. But some conditions have to be met. An important conclusion is, that in the case of new tasks for municipalities, the condition that they will be adequately financially compensated, is not fulfilled every time. In the review it is stipulated that central government should meet its responsibilities better, especially now the municipal tax area is limited in the extent as it is now. The second point of attention is the growing number of characteristics that are relevant for the division of the grant. That increases the risk of pseudo accuracy. The question if it is possible to achieve a comparable result with less characteristics should be subject of investigation. Another item for research is the special position of the four largest municipalities – Amsterdam, Rotterdam, The Hague and Utrecht – in the system and the question to which extent that special position still can be justified.

Jan Klaassens, Economic Research,
Bank Nederlandse Gemeenten.

HAS THE ITALIAN LOCAL SECTOR A REAL AUTONOMY?

This sector has significant organisational, economic geographical differences, to which the Government Bill, “Lanzillotta”, must bring considerable changes. This is also a sector in which opinions about what is to be done are often not in agreement. All of the stakeholders involved were represented at the Conference, organised by Dexia Crediop – from company managers to local government administrators and from users, interviewed in a special survey, to the world of research – supplying an up-to-the-minute “photo” of the sector, through their speeches and individual points of view. A picture emerged, often contradictory, in which the roles of companies and proprietary, public and private institutions are destined to be reshuffled. Presentations were made of: re-

EXECUTIVE COMMITTEE MEETING IN PARIS LA DEFENSE, 30.03.2007,

From left to right:

- Marie-Alice Lallemand Flucher International Relations, Dexia
- Tomas Werngren - President, Kommuninvest i Sverige AB
- Soren Hogenhaven - Managing Director, KommuneKredit
- Pim Vermeulen - President of the Executive Board, N.V. Bank Nederlandse Gemeenten
- Axel Miller - CEO of Dexia, Secretary General of the ICLC
- Gerhard Bruckermann - Chairman and CEO, Depfa Bank
- Bruno Deletré - Member of the Management Board, Dexia



search on the Local Public Services sector, performed by the Department of Public Economy in the Faculty of Economy at the University of Rome "La Sapienza" - under the direction of Prof. Paolo Liberati; a survey carried out on the perception of users of LPS organisations, done exclusively for Dexia Crediop by Istituto Piepoli.

The 8th financial meeting concerning local autonomy, was organised by Dexia Crediop

INFRASTRUCTURE – A CHALLENGE THAT NEEDS TO BE TACKLED

Last November a high-level panel discussion, the first in a newly introduced series of annual events (the so-called "Zukunftsgespräche"), was held on Kommunalkredit premises to discuss the challenges of infrastructure development informally with a select group of participants. The audience of this top-class event comprised about 70 high-ranking politicians, well-known CEOs and top executives from the Austrian business community.

Chancellor Gusenbauer identified infrastructure as one of the major challenges for the future. Through the most extensive infrastructure programme ever undertaken, the Austrian Government intends to create sustainable improvements for Austria as a location for business and industry. This includes investments in transport, the environment, technology and education. "Infrastructure policy is locational policy in the widest sense of the term", the Chancellor noted, referring to transport, the environment, education and taxes. "Improving our educational system will introduce a factor of sustainability and, thus, lead to long-term innovations and high-quality growth." For the Chancellor, public-private partnerships (PPPs) are a model well suited for infrastructure procurement.

During the panel discussion, Deutsche Bank CEO Josef Ackermann referred to



The panelists (from left to right): Moderator Helmut Brandstätter, Josef Ackermann (CEO Deutsche Bank), Austria's Chancellor Alfred Gusenbauer and Reinhard Platzer (CEO Kommunalkredit Austria).

the negative consequences of an inadequate infrastructure: "An insufficient infrastructure in terms of quality and quantity has a negative impact on economic deve-

lopment as a whole. Therefore, infrastructure improvement is an essential goal to be pursued." He also referred to the opportunities of cooperation between the public and private sectors in the form of PPPs. "PPPs are no panacea, but they may facilitate the implementation of infrastructure projects."

The host of the event, Reinhard Platzer, addressed the role of public authorities. "Public authorities have to ensure the availability of an appropriate infrastructure, but they do not need to provide the infrastructure themselves", underlined the Kommunalkredit CEO. In his opinion, PPPs are an approach to reduce the capital expenditure backlog of public authorities. He referred to the UK, Portugal and Germany as countries in which PPPs are gaining in importance as models of alternative infrastructure provision. "Control over infrastructure should remain in the hands of public authorities, as they are the ones who decide on what is socially desirable".

Marcus Mayer
Kommunalkredit Austria

TENSIONS ON THE HOUSING MARKETS IN THE EUROPEAN UNION

In its various forms in the European Union social housing is presently accommodating about 22 million households and its development at the crossroads of general interest defined by the Member States and the general interest of the European Community is again on the political agenda.

The tensions observed on the housing markets of the European cities, the uncoupling of the development of housing costs and that of the buying power of the European households have opened once again the dossier on the affordability of housing. The new launch of an affordable housing supply is a common priority of many European governments from London to Rome, from Madrid to Paris, no matter their political colour and regardless of the achieved economic and social development in the new Member States, as well as in the old ones.

Gordon Brown, for instance, has made the affordability of housing the first commitment of his mandate together with education and health, scheduling the construction of about twenty new ecological cities as a response to a major concern of the British, including the middle class. In the United Kingdom actually, 90 000 homeless families are living in temporary accommodation, and 1.7 million households are on the waiting lists for social housing. Although 223 000 new households are created

each year, the construction remains steady at 160 000 dwellings, which actually results in a deficit of 63 000 dwellings per year.

In Belgium, the region of Brussels is not immune to this rule: 5 000 new social dwellings are scheduled in an emergency housing supply plan just launched by the government of the Région Bruxelles-Capitale.

In Italy, the general framework of a new national plan for social housing was adopted on May 16th, 2007, on the occasion of a coordinating conference attended by the central government, the Italian regions and the actors concerned in view of relaunching the production of new social housing in the Italian cities.

The first visible victims of such a market deficiency are young people who are clearly excluded from any access to housing and constrained to continue living with their parents like in Spain, or to rent a substandard flat together with others in England. The protest movements of young people like the collectives Jeudi Noir in France and Por una vivienda digna in Spain denounce "real estate violence" and illustrate how severe the situation is in certain Member States. These activities of mobilisation join, outside Europe, the movement "Not buy house" in China calling for a boycott of real estate purchases to bring down speculation.

The European Union, and notably the Council composed of the 27 Heads of State and Government, is not at all insensitive to this situation. Thus, the Council on "Employment, social policy, health and consumers", has made the issue of homelessness and exclusion a priority in the context of the strategy of social inclusion and social protection of the European Union. The same applies in connection with the adoption of the financial perspectives for Europe, where the Heads of State and Government of the ten new Member States formed one block to obtain from the European Council under the British presidency a resolution that the refurbishment of social housing becomes eligible for the 2007-2013 cohesion policy, a real premiere in the history of the regional policy of the EU. Finally, on May 10th, 2007, the European Parliament adopted a report on housing policy and regional policy requesting the European Commission to deepen the issue of the Community-wide housing crisis and its impact and to commit itself to adopt a "European Declaration on Housing".

Social housing in the European Union - Cecodhas, Dexia, USH - Laurent Ghekiere, Paris, Dexia Editions, 2007.

ECONOMIC OUTLOOK 2007 ON SUB-NATIONAL PUBLIC FINANCE IN THE EUROPEAN UNION

1 An ongoing adaptation of European sub-national organisation

With Romania and Bulgaria joining the European Union in 2007, Europe now has 92,500 sub-national entities. Eight countries have a single level of sub-national authority, twelve have two and the seven others have three, often depending upon the size of the country. The adaptation of sub-national organisation, made necessary by the increase and growing complexity of the competences of local authorities, is reflected in real terms by the development of sub-national bodies, better able to manage burdensome matters such as health, and inter-communal structures, in order to offset the restricted size of communes. The regional level finds its competences and its autonomy strengthened by decentralisation in several countries, as in Germany with the reform of federalism undertaken in 2006 and in Spain with the continuing reform of the status of autonomous communities. Several of the twelve new EU Member States are studying the creation of a regional level. After Poland in 1999, the Czech Republic in 2000 and Slovakia in 2002, Slovenia will be putting regions in place from 2009.

In 2007 Denmark underwent an in-depth sub-national reorganisation, marked by a reduction of the number of communes by two thirds (from 271 to 98) as a consequence of mergers, a replacement of 13 existing counties by 5 regions, and by a redistribution of competences.

All these changes of sub-national organisation in Europe tend to reconcile improvement of the efficiency of local public services with consideration of the specific features of the local sector: maintenance of the proximity of local operators to citizens, historic attachment of the population to a type of authority and so on.

2 The growth of sub-national public sector expenditure results from an increase of the competences of public authorities and also population needs

Sub-national public sector expenditure (or that of local, regional and federated authorities but also the public entities attached to them) increased by + 2.3% in volume in 2006, a rate slightly lower than the trend between 2000 and 2006 (+ 2.6% on average per annum). With an expenditure amount of 1,825 bn euros, or 15.7% of European GDP and 33.6% of public expenditure, the sub-national public sector occupies an increasingly important position in the European economy. This momentum of sub-national expendi-

ture is attributable to two principal factors: - transfers of competence in favour of sub-national authorities: transfer of remuneration of teaching staff to communes in Estonia in 2001, of health competence to autonomous communities in Spain in 2002, broad decentralisation in favour of communes and regions in Slovakia in 2002, Act II of the decentralisation in France in 2004, transfer to the communes of additional competences in the field of health and education in Romania in 2006 and so on, - and an underlying increase of current and social expenditure (health, education, social aid) associated with the increasing requirement of populations for public services. In Europe this factor is likely to weigh increasingly heavily in future years considering the expected population ageing.

Social protection and education are the two principal items of sub-national public sector expenditure, each at approximately 21% of expenditure. On average, personnel expenditure represents about 34% of sub-national budgets. Sub-national entities employ more than 18 million people, or 56% of public employment and approximately 16% of total employment.

3 Sub-national public investment grew strongly in 2006, particularly under the impulse of European structural and cohesion funds

Over the years, the sub-national public sector has consolidated its role as first public investor. In 2006, sub-national investment expenditure amounted to 196 bn euros, or 1.7% of European GDP and 67.4% of total public investment. Already growing between 2000 and 2006 (+ 2.8% on average per annum), this expenditure grew at a particularly remarkable rate in 2006: + 6.6%.

This sharp rise in 2006 came principally from the countries of the EU 12 (notably Romania, the Baltic states, Poland and Bulgaria), where investments increased by + 28.9% that year. In those countries, significant infrastructure requirements (especially on transport and the environment) and the implementation of local projects co-financed by European structural and cohesion funds 2004-2006 gave momentum to sub-national investments. After a slow take-up as a consequence of a lack of experience in management authorities and the difficulty both of presenting projects responding to community needs and mobilising additional specifically local resources, structural fund consumption accelerated. Rates of structural fund absorption rose notably in 2006.

4 Transfers of competences are accompanied by significant financial transfers

Sub-national public sector receipts grew on average by + 2.4% per annum over the period from 2000 to 2006.

That rise resulted from significant financial transfers from the central state to sub-national governments (new subsidies, share of national taxation) and the creation of new specifically local taxes aimed at offsetting the transfer of new competences to sub-national authorities. In 2006, the growth of receipts accelerated (+ 3.6%), driven by the momentum of tax receipts (+ 4.8%) and the good economic performance of many countries (on average, + 3.0% of economic growth in the EU 27 with, in particular, + 6.3% in the EU 12).

In 2007, major local finance reforms were implemented in several European countries, in particular in Denmark (global financial reform accompanying sub-national reorganisation), in Slovenia (new law on commune financing), in Portugal (law on local finances), in Austria (law on financial adjustment), in Bulgaria (fiscal decentralisation giving communes their own tax-raising competences), in Spain (reform of the autonomies) and in Romania (law relating to local public finances).

5 The fine budget health of the sub-national public sector is maintained

The momentum of expenditure and investment in the sub-national public sector has not affected major financial balances:

- balanced in 2000, the budget deficit of the sub-national public sector grew until 2002, the year in which its reduction began. Amounting to EUR 29bn in 2006, the sub-national public deficit is still modest, representing 0.25% of GDP and 15.6% of the public deficit as a whole;

- sub-national public debt grew on average by + 2.9% per annum between 2000 and 2006, above all in the new Member States (+ 15.5% per annum on average) where local authorities, starting from a low level of debt, increasingly called on credit in order to respond to growing investment needs. In 2006, debt increased by + 2.0%, to EUR 1,190bn, or 10.3% of GDP and 16.6% of total public debt. Sub-national debt was driven 43% by federated states, particularly the German provinces (more than EUR 490bn). The debt of the local public sector (i.e. excluding federated entities) represents 5.8% of GDP and 9.5% of public debt. Keeping these indicators under control has been fostered by budget and prudential rules which give a framework for local management.

Dominique HOORENS, Head of the Research Department, Dexia Credit Local

NEXT MEETINGS

STAFF MEETING, "FUNDING IN CHANGING MARKETS",
26-27 MARCH 2008, OSLO

- Day I** Welcome dinner
- Day II** Welcome address
Petter Skouen, President & CEO, Kommunalbanken Norway
- Current market situation and what's ahead
Speaker: Carl Norrey, Managing Director, Head of Frequent Borrower, JP Morgan
- Funding Strategy of Dexia Municipal Agency
Speaker: François Laugier, Head of Dexia Credit local Treasury & Financial markets, Chairman of Dexia Municipal Agency's Executive Board
- Local infrastructure finance by the private sector in a developing economy
Speaker: Attie van Zyl, CEO of INCA
- The Norwegian Government Pension Fund
Speaker: Martin Schanke, Director General, Ministry of Finance, Head of the asset management department

ICLC CONFERENCE, 25-27 JUNE 2008,
"ORESUND REGION", DENMARK/SWEDEN

- Day I** Executive Committee meeting of the ICLC
Opening dinner with a Swedish minister as guest speaker
- Day II** Welcome speech
Axel Miller, General Secretary of the ICLC and CEO of Dexia
- Søren Hogenhaven, Managing Director, CEO, KommuneKredit,
and Tomas Werngren, Managing Director, Kommuninvest i Sverige AB*
- The role and financing of regions: status and comparative approach
*Speaker: Michael Parkinson, Professor of the University of Liverpool
Panel discussion with 3 ICLC members institutions*
- The role and financing of regions: experiences and challenges
One region – 2 countries: experiences and prospects for the Oresund Region.
Speaker: one representative from the Oresund Region
- The evolution of the competencies of an Italian region
Speaker: Flavio Delbono, Asesore vice president of the region Emilie Romagne, Italy, Professor of Economy, Milan university, John Hopkins university
- Presentation of the 2007 new members:
Introduction by Axel Miller,
- China Development Bank,
by M. Jianping Zhao Vice governor (tbc)
- Infrastructure Finance Corporation Limited,
by Attie van Zyl, CEO
- Fonds d'Équipement Communal,
by Karim Mansouri, General Manager
- Municipality Credit Iceland,
by Thorsteinn Thorsteinsson, Managing Director
- General Assembly of the ICLC's members :
Chairman Axel Miller
- Day III** Description of the Danish and Swedish systems as representative models of the Scandinavian welfare system
Speaker: Official representatives of Sweden and Denmark and ICLC members hosting the Conference

The Newsletter contains information about the ICLC affiliated institutions and about topics related to local sector. Contributions to the newsletter are very welcome. Please direct questions and comments regarding the newsletter to the secretariat.

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