INTRODUCTION

To better delineate between the official, academic/research and historical record perspectives on European national promotional banks’ economic and social involvement, the chapter follows a three-tier structure. The first part is devoted to underlining NPBs contribution to national economy, as documented by policymakers and market participants (financial institutions, consultancy firms and practitioners in the financial sector). It has been depicted the further role NPBs have to play in implementing the new financial instruments launched by European Commission and it has been synthesized the most active European national promotional banks that have applied for EC’s funding instruments. The second part reviews existing qualitative and empirical research literature to assess academia’s research premises and findings on the impact exerted by NPBs on financial and economic fundamentals. The last part investigates the relationship between NPBs size, in terms of total assets amount, and several financial, economic and social indicators within the resident country, in a comparative fashion. In addition, there are explained the reasons a country decides to set up a NPB and are presented the most recently established ones.
POLICY-MAKERS’ VIEW ON NPBS CAPACITY TO PURSUE ECONOMIC AND SOCIAL GOALS

In November 2014 the European Commission has launched the Investment Plan for Europe, an ambitious initiative having its roots in the need for greater confidence in the overall economic environment, for increased predictability and transparency in policy-making and the regulatory framework, for more effective use of scarce public resources, as well as enhanced trust in the economic potential of investment projects under development and reliable risk-bearing capacity to stimulate project promoters in unlocking investment (EC, 2014, p.4). The fundamental goal of this Plan, which at the same time represents also a challenge, consists in pooling financial liquidity from EU budget, member states, NPBs and other public and private contributors and channeling them to smarter, long-term investments in order to support Europe’s, competitiveness, the achievement of sustainable jobs and growth.

Two reinforcing pillars of the Investment Plan, which are directly connected with promotional banks’ activity, are represented by the mobilization of at least EUR 315 billion until 2017 (through the creation of a European Fund for Strategic Investments in partnership between the European Commission and the European Investment Bank), with the stated purpose of boosting strategic investments and improve the access to investment finance for Small and Medium-Sized Enterprises (SMEs) and mid-cap companies, and secondly by the development of a framework meant to facilitate the meeting between EU financing and targeted real economy sectors. Both pillars request a strong cooperation between promotional banks, as important stakeholders, and the European Investment Bank. On the one hand, NPBs can contribute directly to the capital of the European Fund for Strategic Investments or can co-finance individual projects. Secondly, NPBs expertise will add a valuable contribution during the EC’s screening exercise for identifying potentially viable projects with European significance to further channel the European financing.

The final recipients of long-term European strategic investments supported by the European Fund for Strategic Investments are those projects in the fields of infrastructure, education, research and innovation, renewable energy and energy efficiency, although there will be adopted also a flexible approach towards identifying the specific needs of a country or region and selecting projects with no pre-established thematic or geographic rationale, but simply by assessing their value added and impact.

European Parliament (2015, article 23) agrees that the EFSI should support a wide range of financial products (equity, debt and guarantees) due to its twofold reason of being, namely to best accommodate market’s needs and to stimulate private investment in projects. It is strongly highlighted that

the EFSI should not be a substitute for private market finance or products provided by national promotional banks or institutions but should instead act as a catalyst for private finance by addressing market failures so as to ensure the most effective and strategic use of public money and should act as a means of further enhancing cohesion across the Union.

An interesting remark belongs to a group of researchers (Rubio, Rinaldi and Pellerin-Carlin 2016, p. 50) which warn that the increased involvement promotional banks will play in the functioning of EFSI might distort the objectivity of the process of screening for economically viable projects, the result being that EFSI financial products will be directed mostly to those countries having powerful national promotional banks.