

Infrastructure Investment and Insurance: Insurers' Role in Financing Long-Term Growth

This paper, part of Insurance Europe's Investing from insurers' perspective series, examines how insurers can help close Europe's infrastructure investment gap. It outlines the factors shaping infrastructure allocations and the conditions needed for prudent, sustainable growth.

The paper is structured as follows:

I. Europe's Infrastructure Investment Challenge

II. Infrastructure: Asset class characteristics and investment products

III. Infrastructure in Insurers' Portfolios: Opportunities and Constraints

IV. Policy recommendations

Executive Summary

Europe faces an unprecedented infrastructure investment challenge. Mario Draghi's 2024 report[1] estimated that the EU needed an additional €750–800 billion per year (around 4.5–5% of EU GDP) for the green and digital transitions, energy security, modern infrastructure and competitiveness. Significant investments are equally needed in infrastructure to increase resilience and military mobility in Europe. Public resources cannot meet this need alone, making private capital indispensable.

As major institutional investors and providers of patient capital, with approximately EUR 9.5 trillion in assets under management, insurers are uniquely positioned to finance strategic EU infrastructure projects which provide exposure to major structural growth trends, notably the energy transition and the digital transformation. Data centres, fibre networks and telecom towers are becoming as strategic to European competitiveness and sovereignty as energy and transport infrastructure.

To maintain and increase insurers investment in EU infrastructure, policymakers should aim to increase the availability and predictability of sufficiently large, investment-ready projects that enable efficient deployment at scale by institutional investors, while maintaining and grow insurers capacity and interest in infrastructure as an asset class.

Policy should connect long-term savings with bankable infrastructure projects through predictable revenue frameworks, investable ticket sizes, standardised contracts, faster permitting and credible public-sector risk sharing. We recommend a **European Infrastructure Deal**, which would require:

- A stable environment with legal and policy certainty, efficient permitting procedure, and effective cross-border investment dispute resolution.
- An EU and national public–private partnership (PPP) framework, supported by the EIB and other public institutions, to facilitate risk-sharing, improve project delivery and crowd in private. Implementing the proposal from the Letta Report for a European Framework for PPPs (page 31) would help balance taxpayer affordability with investor returns and address fiscal bias against PPPs.
- Project aggregation, standardised structures and larger investment platforms that enable efficient deployment at scale.

Public and private capital are complementary. PPPs can improve execution, reduce costs, improve budget discipline and shorten delivery times. Other priorities are better data, transparency and technical capacity, proportionate and risk-sensitive prudential framework under Solvency II and advancing the Savings and Investments Union to channel Europe's long-term savings towards productive investment. Together, these measures would help mobilise greater institutional capital for Europe's infrastructure and strategic transitions.

We call on the Commission to increase private-capital participation in resilient European infrastructure, including through PPPs. EU policy and funding programmes should support joint project delivery that captures private-sector efficiency and financing.

[1] https://commission.europa.eu/topics/competitiveness/draghi-report_en

I. Europe's Infrastructure Investment Challenge



Europe needs to mobilise unprecedented levels of capital to sustain its competitiveness and strengthen its strategic autonomy. The Draghi report estimates an additional investment need of around €750–800 billion per year, which public funding alone cannot meet.

The European Commission estimates that meeting energy and climate objectives will require around €660 billion annually by 2030[2]—almost three times historical investment level and beyond available public funding.

In the area of defence, the Commission equally identified funding shortfall in the 2021-2027 military mobility programme where €3.7 billion of project demand competed for only €807 million of available funding in the Connecting Europe Facility, which the Commission aims to address through the 2028-2034 MFF.

Given fiscal constraints, EU policy increasingly seeks to crowd in private capital through guarantees, de-risking mechanisms and PPPs.

Private investment is essential both to bridge the financing gap and to deliver projects efficiently, on time and with a long-term focus on asset quality (see results of recent IW Köln study on Improving Infrastructure below). Infrastructure supports growth, competitiveness, resilience and security; digitalisation and AI make digital infrastructure, alongside energy and dual-use defence assets, a core strategic priority.

The main sectors of infrastructure investments include:

- **Energy** (Batteries, power grids, nuclear, hydro, energy efficiency, solar, wind, heating networks, and hydrogen),
- **Transport** (Road renovation, rail or light rail, bridges renovation, locks, dams and port area infrastructure),
- **Digital** (Data centres, fiber networks, and telecom towers, cloud infrastructure and AI-enabling infrastructure),
- **Social & security** (Health, education, other public welfare and security infrastructure),
- **Defence** (dual use infrastructure)

Risk profiles differ between assets with long-term contracted or regulated revenues and those closer to technology or real-estate exposure. High-speed rail often fits the former category; some AI-enabling infrastructure fits the latter.

Infrastructure can bridge Europe's investment gap while supporting growth and resilience. Its long-term, stable and policy-supported profile aligns with insurers' liabilities and capacity to provide patient capital.

[2] European Commission (n.d.) Clean energy investment. Available at: https://energy.ec.europa.eu/topics/funding-and-financing/clean-energy-investment_en (Accessed: 31 March 2026).

II. Infrastructure: asset class characteristics and investment products

A. Infrastructure as an asset class



Infrastructure finances **essential, long-lived, capital-intensive assets.** Because many are specialised or single-use, contractual and regulatory frameworks—such as concessions, long-term agreements and regulated tariffs—strongly shape cash flows and risk-return profiles.

Infrastructure projects with private partners typically feature **life cycle structures** - moving from a capital-intensive development and construction phase to a long operating period that generates revenues. Under build–operate–transfer models, assets may return to public authorities with little terminal value. Unlike private equity or real estate, returns therefore rely chiefly on **predictable long-term cash flows**, often inflation-linked and supported by inelastic demand.

Where appropriately designed, PPP structures support a life-cycle approach by integrating the construction, operation and maintenance of infrastructure assets. This can strengthen incentives to better consider long-term asset quality and whole-life costs alongside initial construction costs. Whether a PPP provides better value than conventional public procurement will, however, depend on the characteristics of the project and the allocation of risks between public and private partners.

B. Risk return profile and investment characteristics



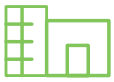
Investments can take the form of **greenfield projects**, involving the development of new assets, or **brownfield assets**, where existing infrastructure is expanded, upgraded or transferred to private ownership. While greenfield projects typically entail higher construction and development risks, brownfield investments often offer more immediate and stable cash flows.

Infrastructure combines yield, diversification and duration. Other advantages include strong credit quality, stable valuations and high investment volumes. After construction, limited reinvestment needs can support stable distributions, while essential services reduce correlation with economic cycles and traditional assets. These features suit long-term investors seeking predictable income and liability matching.

These benefits come with complexity and illiquidity. Bespoke projects and PPP contracts require multidisciplinary expertise and due diligence covering regulation, concessions, construction, counterparties, legal protections, dispute resolution and ESG compliance.

C. Investment vehicles

Insurers can access infrastructure through a range of investment vehicles, each offering different levels of control, diversification, liquidity and resource intensity.



Infrastructure funds

Specialised funds provide infrastructure equity or debt exposure in primary or secondary markets. They offer expertise, diversification and efficient deployment without direct asset management, but long-term fees can materially reduce returns.



Direct investments and co-investments

Larger insurers may invest directly or alongside sponsors and fund managers. This increases control and reduces fees but requires substantial expertise and transaction resources. Such investments generally favour mature brownfield assets, although capable investors may also accept greenfield risk.



Listed infrastructure

Insurers can also gain infrastructure exposure through listed securities, including publicly traded infrastructure companies and infrastructure-focused exchange-traded funds (ETFs). These instruments offer daily liquidity and ease of implementation, but their returns are generally more correlated with public equity markets than those of private infrastructure investments.



Evergreen investment structure and ELTIFs

Evergreen investment structures provide a growing route to infrastructure by offering periodic subscriptions and redemptions while supplying managers with long-term capital. Their liquidity terms must, however, reflect the illiquid nature of the underlying assets and avoid unrealistic expectations of short-term exit. By removing fixed fund terms, these structures support continuous deployment and reduce pressure to sell assets prematurely. European Long-Term Investment Funds (ELTIFs) provide an EU framework for offering evergreen or semi-liquid infrastructure strategies to a broader investor base, combining access to private assets with a degree of liquidity and diversification.



Infrastructure debt

Infrastructure debt—including project-finance loans, private placements and debt funds—offers contractual cash flows and structural protections, making it a natural extension of fixed-income investing. Capital treatment should reflect credit quality and stable contracted or regulated cash flows while remaining prudent for subordinated, construction-stage or merchant exposures.

III. Infrastructure in Insurers' Portfolios: Opportunities and Constraints

A. Infrastructure as a strategic asset for insurers

Insurers collect premiums upfront and invest over long horizons to meet predictable liabilities, so their strategies emphasise stability, predictability and capital preservation.

Infrastructure's long horizons, predictable cash flows and potential inflation linkage can match insurance liabilities while supporting the real economy and insurers' investment objectives.

Allocation to infrastructure levels vary significantly in insurers investments portfolios across jurisdictions and business models, with larger life insurers typically accounting for a significant share of exposures.

For example:



In German insurers' infrastructure investments amounted to more than **€100bn**, representing 6% of German insurers' balance sheets to infrastructure, in both debt and equity,



In France **€67bn** at the end of 2024, representing 2.6% of French insurers' balance sheets), 70% in equity and 30% in debt instruments.



In Italy, investments in infrastructure in 2025 accounted to **€17,6bn**, of which €5,6bn refer to direct investments and €12 bn to delegated funds. Around €14 bn refers to General Accounts (both direct investments (nearly €5 bn) and infrastructure funds (€9 bn).



In the Netherlands, the eight large insurers surveyed by De Nederlandsche Bank (DNB) had approximately €3.6bn invested in private infrastructure at the end of 2025, representing 1.7% of their invested assets.[3]

B. Why infrastructure is attractive for insurers

Asset class characteristics

Key features of the asset class include:

- **Potential Stable and predictable cash flows**, often supported by contractual or regulatory frameworks;
- **Large ticket sizes**, often ranging from tens to hundreds of millions of euros per project—reflecting the capital-intensive nature of assets such as energy networks, transport infrastructure and telecommunications systems.
- **Long duration**, with investment horizons often extending over **10 to 30 years or more**, reflecting the long economic life of the underlying assets and their stable, predictable cash-flow profiles.
- **Potential inflation linkage**, offering protection against inflation risk;

[3] https://www.dnb.nl/media/qw3j0dcp/706860_2600259_dnb_a4-bro_analyse_private-assets_nl_tg_pdfa.pdf

- **Diversification benefits**, returns are often driven by long-term contractual revenues or regulated cash flows that exhibit relatively low correlation with traditional asset classes such as listed equities and corporate bonds. Lower exposure to short-term economic cycles.
- **Stable valuations:** Compared with publicly traded assets, infrastructure investments tend to exhibit more stable valuations, reflecting their long-term investment horizon, lower sensitivity to short-term market fluctuations and the resilience of their underlying cash flows.
- **Strong credit quality with exposure to essential services**, with relatively inelastic demand and high barriers to entry.
- **Alignment with major structural investment themes**, including defence, decarbonisation, digitalisation and strategic autonomy objectives.

These characteristics make infrastructure a natural complement to traditional fixed income investments, particularly in a low-yield environment.

Alignment with insurers' liabilities

As liability driven investors, these asset class characteristics make infrastructure investments particularly attractive to insurers:

- **Liability profile:** Some insurers have long-dated and predictable liabilities (e.g. . traditional savings and pension products and annuities) which enable investment in illiquid assets. Infrastructure debt is often particularly well suited to insurance investors as it combines long duration, predictable contractual cash flows and attractive risk-adjusted returns, while remaining closer to insurers' traditional fixed-income investment expertise.
- **Financial guarantees:** Many products require stable and predictable returns to meet policyholder expectations and contractual guarantees matching the stable and predictable future cash flows of infrastructure investments.
- **Scale and implementation:** Insurers require asset classes that allow efficient deployment of capital at scale, often with large minimum ticket sizes.
- **Prudential and risk management considerations** also play a central role in allocation decisions. The Solvency II standard formula provides for a dedicated capital treatment for "qualifying infrastructure investments", with a lower capital requirement reflecting the lower risk. These are infrastructure investments which meet a strict set of criteria such as predictable cash flows, strong contractual protections and robust risk management. While a dedicated capital treatment for qualifying infrastructure is justified and welcomed by industry, in practice, the strict criteria have proven to be overly onerous to be used widely in the market. Insurers who opt to use an internal model are required to calculate overall capital requirements to a comparable level as the standard formula but are not restricted by the criteria set out in the legislation.

While infrastructure assets are structurally well aligned with insurers' long-term investment horizon, allocation decisions remain conditional on risk-return characteristics, regulatory treatment and broader market conditions.

Practical example I: Ageas' investments in infrastructure through I4B

Through **I4B – Infrastructure for Belgium**, Ageas channels long-term institutional capital into Belgian energy, digital, transport, and social and security infrastructure. These investments support essential services while generating stable, long-term returns.

I4B invests in energy-transition assets including renewable generation, batteries, heating networks and hydrogen infrastructure. Its projects include a **600 MWh battery storage facility** in Visé, developed with Luminus. Following the completion of a fourth project in La Louvière, I4B's battery portfolio reached **2.14 GWh across four sites by June 2026**, representing approximately **€600 million** of investment. The portfolio supports renewable-energy integration, grid flexibility and energy security (infra4be.com).

The programme demonstrates how insurers' patient capital can finance strategic infrastructure while producing long-term cash flows aligned with their liabilities.

C. Constraints to greater infrastructure investment

In practice, however, several structural factors limit broader allocation:

- **Regulatory and political risk:** Given their essential public function and long asset life, infrastructure projects are often exposed to changes in regulation, taxation, subsidy regimes, environmental requirements or political priorities. Such changes can affect project economics and create uncertainty over future returns. Constraints on private capital: In some cases, regulatory frameworks constrain the use of private capital to finance infrastructure investments
- **Complexity and due diligence requirements:** Infrastructure investments require specialised expertise across legal, technical, financial and regulatory domains. Unlike traditional fixed-income securities, each project is often characterised by bespoke contractual arrangements, concession agreements, revenue mechanisms and risk-sharing structures, requiring extensive due diligence and ongoing monitoring. Successful infrastructure investing requires specialised capabilities in sourcing, structuring, risk assessment and asset management. Smaller insurers, in particular, may lack the internal resources and sector expertise needed to evaluate and manage complex infrastructure exposures, often necessitating investment through external managers or collective investment vehicles.
- **Illiquidity and long development phases:** Infrastructure assets are typically held over very long investment horizons and secondary markets remain relatively limited. High upfront capital expenditure, lengthy development and permitting processes, and delayed cash-flow generation—particularly for greenfield projects—can create liquidity and portfolio management challenges for investors.

- **Scalability constraints:** Despite growing investor appetite, the availability of sufficiently large, investable and standardised projects remains constrained in many markets. Fragmented project pipelines, lengthy procurement processes and a lack of investment-ready opportunities as well as a lack of European asset managers with the right capabilities to invest into more greenfield-like infrastructure opportunities can make it difficult for insurers to deploy capital at scale while maintaining adequate diversification.
- **Revenue certainty and bankability:** For energy and other strategic infrastructure investments, investor appetite depends heavily on credible and durable revenue models, including regulated asset bases, contracts for difference, availability-based payments, capacity mechanisms, tariff frameworks, long-term offtake agreements and clear grid connection rules. Without sufficient clarity on how projects will earn stable cash flows over time, even large pools of long-term capital cannot be efficiently deployed. Long-term project pipelines are important to create commitment and allocation of resources to infrastructure projects.
- **Construction and execution risk:** For greenfield projects, investors are exposed to potential cost overruns, delays in permitting or construction, contractor performance issues and demand uncertainty. While these risks may be compensated through higher expected returns, they can deter insurers seeking stable and predictable cash flows that match long-term liabilities.
- A negative attitude in some member states toward the **involvement of private partners** and capital in the construction and modernization of infrastructure
- **Capital and portfolio allocation considerations:** Although infrastructure can offer attractive risk-adjusted returns and diversification benefits, insurers must balance such investments against liquidity needs, capital requirements, concentration limits and broader strategic asset allocation objectives. As a result, infrastructure typically competes with other long-term asset classes such as corporate credit, real estate and private debt for a limited allocation within the investment portfolio. Capital requirements also play a significant role in asset allocation decisions.
- **Constraints on private capital:** In some cases, regulatory frameworks constrain the use of private capital to finance infrastructure investments[4].

As with other private market assets, the alignment between infrastructure investments and insurers' liabilities is not automatic and requires careful portfolio construction. In many instances, the key constraint is not the availability of long-term capital but the availability of sufficiently large, investment-ready projects that enable efficient deployment at scale by institutional investors. At the same time however, European insurers' portfolio inflow is not indefinite and strongly related to economic growth overall.

[4] For example, water and wastewater services in Sweden are the responsibility of municipalities and are funded through user fees. These fees are governed by the cost-recovery principle and are primarily intended to cover operating and maintenance costs. The framework limits the ability of utilities to recover the costs of new and replacement investments, thereby reducing the scope for private financing.

Political & Regulatory Risk in EU Infrastructure – Lessons from Spain, the Czech Republic, and Italy

The wave of retroactive legislative amendments that swept across Europe in the early 2010s (commonly referred to as "the European renewables saga") illustrates one of the most consequential risks facing investors in long-duration infrastructure: regulatory risk.

The cases of Spain, the Czech Republic, and Italy reveal a clear and recurring pattern within the EU. Governments attracted billions in private and foreign capital by offering generous **feed-in tariff (FIT) support schemes**. As technology advanced more rapidly than the legislative framework had anticipated and solar panel prices collapsed, countries experienced uncontrolled investment booms. Compounded by the aftermath of the global financial crisis, this generated acute political pressure over rapidly escalating costs for public finances and electricity consumers. Governments responded by retroactively reneging on their commitments and contracts.

Despite the structural similarities between the cases, the legal outcomes demonstrate how unpredictable the international legal system can be for investors, and may be summarised under three distinct headings:



Victory for the state (Czech Republic): The Czech Republic successfully defended its retroactive solar levy of 26%. Tribunals held that the measure was proportionate, as investors—owing to sharply reduced solar panel costs—continued to achieve the statutory payback period of 11–15 years and therefore suffered no outright destruction of capital.



Complete division (Italy): The Italian Spalma Incentivi decree produced a jurisprudential split: international tribunals were divided precisely down the middle, with half ruling in favour of the state and half ruling in favour of investors.

The principal threat to investor protection today:

Even in cases where investors have successfully obtained million- and billion-euro damages awards against states (primarily Spain and Italy), they have encountered a new legal barrier: EU law. The European Commission and the Court of Justice of the EU have established that international arbitral awards arising from disputes between an EU member state and an investor from another EU member state (intra-EU disputes) are incompatible with EU law.

This has created a unique impasse in which member states refuse to pay awarded damages by invoking EU law, forcing infrastructure funds to attempt enforcement by seeking the attachment of sovereign assets (including school premises and embassy accounts) in jurisdictions outside the EU's reach, such as the United Kingdom and Australia. This has fundamentally altered the assessment of political and regulatory risk within the EU.

IV. IV. Enabling Greater Insurer Participation: Policy Considerations

Long-term capital is available, but sufficiently large and predictable investment-ready projects are not. Sustainable growth in insurer allocations therefore requires a stable, scalable investment environment, with the following priorities:

1. Improving regulatory stability and certainty, and permitting efficiency



Long-term infrastructure investments depend on stable and predictable legal, regulatory and policy frameworks. Given that infrastructure assets often have investment horizons measured in decades, frequent changes to regulation, taxation, support schemes or sector-specific requirements can increase uncertainty and raise the cost of capital. Policymakers can support investment by providing greater regulatory predictability, ensuring consistency across policy cycles and avoiding retroactive changes that may undermine investor confidence. Ultimately, it is crucial to avoid retroactive regulatory changes affecting infrastructure cash flows and investor protections.

At the same time, accelerating permitting and project approval procedures across Member States is crucial. Lengthy and complex **permitting procedures** remain a major obstacle to project delivery in many Member States. Streamlining approval processes, limiting lawsuit and objection risks, improving coordination between public authorities and reducing administrative bottlenecks can shorten development timelines, improve project visibility and accelerate the deployment of private capital, particularly in strategic sectors such as energy, transport and digital infrastructure.

Strengthening legal certainty can be achieved by introducing more effective **mechanisms for the resolution of cross-border disputes**. Investors are often deterred by the prospect of lengthy, complex and fragmented legal proceedings across multiple jurisdictions, particularly where projects involve public authorities or regulated entities. The establishment of a dedicated EU-level dispute settlement facility—either through a specialised chamber linked to the Court of Justice of the European Union (CJEU) or an independent European Infrastructure Ombudsman—could provide a faster, more predictable and cost-effective avenue for resolving disputes. Such a mechanism would enhance investor confidence, reduce perceived political and regulatory risks, and support the development of a genuinely integrated European infrastructure market, ultimately facilitating the mobilisation of long-term institutional capital, including from insurers, towards strategic infrastructure priorities.

The **Achmea case (C 284/16)** is often cited as a key example of how changes in the legal and regulatory framework can affect investor confidence in long-term infrastructure and other strategic investments within the EU. The CJEU ruled on 6 March 2018 that investor-state arbitration clauses contained in bilateral investment treaties (BITs) between EU Member States ("intra-EU BITs") were incompatible with EU law.

The Achmea judgment highlighted the importance of robust and predictable dispute-settlement mechanisms for long-term infrastructure investments. By restricting the use of intra-EU investment arbitration, the ruling has increased reliance on national judicial systems and raised questions among investors regarding the availability of neutral remedies in cases of regulatory change. While respecting the autonomy of EU law, the Union should consider alternative mechanisms capable of providing timely and effective resolution of cross-border investment disputes, thereby reinforcing legal certainty and supporting the mobilisation of long-term private capital for strategic infrastructure projects.

2. Strengthening public–private partnerships (PPPs)



Well-designed PPPs can mobilise long-term institutional capital and improve project delivery by allocating risks to the parties best placed to manage them, lowering costs, and increasing certainty over cash flows.

To encourage wider use of PPPs, policymakers should:

I. Promote greater standardisation of contractual frameworks, procurement procedures and risk-allocation principles across Member States through the expansion of EIB and public-sector de-risking mechanisms for strategic infrastructure projects. Enhanced knowledge sharing between public authorities, together with the dissemination of best practices from successful projects, would further strengthen investor confidence and reduce transaction costs associated with project assessment and structuring.

II. Within the European PPP policy framework, the Commission could compile best practices from Member States and organize an exchange of best practices among them.

III. The European Commission and the EIB should launch a European Infrastructure Deal. This should be more than a political label: it should establish a practical framework for turning Europe's strategic priorities into investable projects. Core elements should include an EU-supported pipeline of bankable infrastructure projects, standardised PPP and project-finance templates, faster permitting tracks for strategic assets, common principles for risk allocation, aggregation platforms for smaller projects, and credible mechanisms for resolving cross-border investment disputes. The EIB and national promotional institutions should use guarantees, subordinated debt, patient equity, construction-risk sharing and related tools to maximise private capital mobilised per euro of public support, without crowding out viable private financing. In this context EIB policies should be reviewed to ensure that EIB's policies include an explicit objective to foster crowding-in of private capital.

Public Private Partnership structures are particularly particularly relevant in the scope of the European Military Mobility Package to fill the investment gap and deliver project in a timely manner.

3. Enhancing access and scalability



Although insurer appetite for infrastructure investment remains strong, access to sufficiently large, investable and standardised opportunities is often constrained. Many projects are relatively small, fragmented or tailored to local circumstances, making it difficult for institutional investors to deploy capital efficiently and achieve the scale required for diversified portfolios.

Standardising and bundling smaller projects into larger investment programmes, developing specialised infrastructure platforms and supporting aggregation vehicles can help overcome these challenges. Public promotional banks and development institutions can also play a catalytic role by helping originate projects, providing credit enhancement where appropriate and facilitating investment structures that are better aligned with the needs of long-term institutional investors.

Particular attention should be given to developing larger investment platforms / vehicles, and standardized project structures capable of attracting institutional investors with substantial deployment capacity.

4. Improving efficiency in the use of public and private capital



Public and private capital should be viewed as complementary rather than competing sources of financing. While the public sector often plays a key role in defining strategic priorities and maintaining ownership of critical infrastructure assets, private investors can contribute specialist expertise in project financing, project management, construction oversight, operations and long-term asset management.

Greater private sector participation can improve project execution, enhance cost discipline and support innovation throughout the asset lifecycle. By leveraging the respective strengths of both sectors, policymakers can maximise the impact of limited public resources while accelerating investment in infrastructure that supports competitiveness, economic growth and the green and digital transitions.

IW Köln study on Improving Infrastructure – More Efficiently, Faster and Cheaper with PPPs

IW Köln research published in February 2026 indicates that PPPs can deliver infrastructure faster and with greater cost and timetable discipline than conventional procurement. A comparative analysis of municipal building projects found **average construction-cost savings of around 17%.**

By combining public oversight with private financing and expertise, PPPs can also encourage a lifecycle approach. Private partners responsible for long-term operation and maintenance have stronger incentives to invest in construction quality and preventative maintenance, reducing whole-life costs and refurbishment backlogs.

The study (accessible here concludes that well-designed PPPs can accelerate delivery, improve execution and increase the value obtained from limited public funding.

5. Strengthening market infrastructure and institutional capacity



Efficient investment requires reliable information, transparent reporting practices and sufficient institutional capacity across the investment ecosystem. Limited availability of standardised project data, inconsistent reporting requirements and varying practices across jurisdictions can increase transaction costs and make project assessment more challenging.

Improving data availability on infrastructure performance, developing common reporting standards and promoting greater transparency can support more informed investment decisions and facilitate risk assessment. In parallel, strengthening technical expertise within public administrations, regulatory authorities and project sponsors can improve project preparation, reduce execution risks and help create a deeper and more investable pipeline of infrastructure opportunities across Europe.

6. Preserving a supportive prudential framework and broaden the scope and use of the qualified infrastructure scheme



A risk-sensitive prudential framework remains essential to enabling long-term investment by insurers. The Solvency II framework already recognises certain features of qualifying infrastructure investments, reflecting their typically stable and predictable cash-flow characteristics. Maintaining an evidence-based and proportionate regulatory approach is important to avoid unnecessary barriers to investment while preserving policyholder protection and financial stability.

In particular, the qualifying infrastructure criteria should be reviewed to ensure that they are usable in practice and better reflect the actual risk profile of diversified infrastructure portfolios, especially where assets benefit from long-term contracted or regulated cash flows. Prudential treatment should avoid unintentionally penalising long-term illiquid infrastructure investment relative to shorter-term listed assets where the underlying economic risks are well understood and appropriately managed.

In that spirit, insurers support **broadening the scope and use of the qualified infrastructure scheme** and to assess how the requirements for qualified infrastructure can be simplified in a practical way, and whether the capital requirements for qualified infrastructure could be further reduced.

Continued regulator, supervisor and industry dialogue can keep prudential rules aligned with infrastructure risks and insurers' capacity to finance long-term investment.

7. Supporting the Savings and Investments Union



The Savings and Investments Union should channel long-term savings into the real economy by linking capital-markets policy to a predictable, scalable pipeline of strategic infrastructure. Insurers can help direct household savings to projects that support competitiveness, innovation and strategic autonomy.

Insurers have increasingly offered policyholders the option to invest in infrastructure through unit linked products, but those products are hard to market. It is worth thinking about how such products can be made more attractive both for customers and insurers alike.

The SIU should address the limited supply of bankable, standardised projects by improving preparation and revenue certainty, standardising structures, strengthening public-private risk sharing and maintaining proportionate, risk-sensitive Solvency II treatment.

Insurance Europe is the European insurance and reinsurance federation. Through its 39 member bodies — the national insurance associations — it represents insurance and reinsurance undertakings active in Europe and advocates for policies and conditions that support the sector in delivering value to individuals, businesses, and the broader economy.

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