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Study supporting the ex-post Evaluation of the European Fund for Strategic Investments, following Regulation 2017/2396 (EFSI 2.0)

Final Report

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List of abbreviations and acronyms

Abbreviations	
BDB	Bulgarian Development Bank
CCS GF	Cultural and Creative Sectors Guarantee Facility
CEF	Connecting Europe Facility
COSME	Competitiveness of Enterprises and Small and Medium-sized Enterprises
DG CLIMA	Directorate-General for Climate Action
DG REFORM	Structural Reform Support
DG RTD	DG for Research and Innovation
DG ECFIN	Directorate General for Economic and Financial Affairs
DI	Debt Instrument
EaSI	Employment and Social Innovation
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECA	European Court of Auditors
ECB	European Central Bank
ECP	EFSI Combination Product
EFG	Equity Facility for Growth
EFSI	European Fund for Strategic Investments
EGRF	EFSI Guarantee Request Form
EIAH	European Investment Advisory Hub
EIB (G)	European Investment Bank (Group)
EIBIS	EIB Group Survey on Investment and Investment Finance
EIC	European Innovation Council
EIF	European Investment Fund
EIPP	European Investment Project Portal
ELENA	European Local ENergy Assistance
ELTI	European Long-Term Investors
ENSI	EIF and NPI's securitisation initiative
EPEC	European PPP Expertise Centre
ERDF	European Regional Development Fund
ERR	Economic Rate of Return
ESCALAR	European Scale-up Action for Risk Capital
ESG	Environment Social Governance
ESIF	European structural and investment funds
EU	European Union
EUR	Euro
FAFA	Financial and Administrative Framework Agreement

Abbreviations	
FI	Financial intermediary
FIRR	Financial internal rate of return
FLP	First loss piece
FPA	Framework Partnership Agreement
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GIH	Global Infrastructure Hub
H2020	Horizon 2020
IC	Investment Committee
IFA	InnovFin Advisory
IFI	International Financial Institution
IIW	Innovation and Infrastructure Window
IMF	International Monetary Fund
IPE	Investment Plan for Europe
JASPERS	Joint Assistance to Support Projects in European Regions
JRC	Joint Research Centre
KMI	Key Monitoring Indicator
KPI	Key Performance Indicator
LPA	Light Project Advisory
MFF	Multi-annual Financial Framework
MoU	Memorandum of Understanding
MS	Member States
NPB / NPBI	National Promotional Banks / National Promotional Institution
OECD	Organisation for Economic Cooperation and Development
OPC	Open Public Consultation
PE	Private Equity
PPP	Public Private Partnership
RCR	Risk Capital Resources
RDI	Research Development and Innovation
SIF	Sustainable Infrastructure Foundation
SLP	Second Loss Piece
SMEW	Small and Medium Enterprise Window
SRSS	Structural Reform Support Service
SWD	Staff Working Document
TTF	Technology Transfer Fund
UDF	Urban Development Funds
VC	Venture Capital

Executive summary

This study supports the ex-post evaluation of Regulation (EU) 2015/1017 - subsequently amended by Regulation (EU) 2017/2396 - establishing the European Fund for Strategic Investments (EFSI), the European Investment Advisory Hub (EIAH) and the European Investment Project Portal (EIPP). Article 18(6) of the amended EFSI Regulation requires the Commission to submit an independent evaluation report on the application of the Regulation to the European Parliament and the Council by 31st December 2022.

The purpose of the evaluation is two-fold: to support accountability and learning. It takes stock of what has been achieved under the EFSI Regulation over the period 2015-2021, thus providing accountability for the resources invested. It also examines the design and implementation of the EFSI Regulation with the aim of capturing the lessons learned and providing actionable insights on what works.

A variety of data sources and methods have been used to build a comprehensive evidence base for the evaluation, and to enhance the reliability and validity of the results. The evaluation is based on a mixed-methods approach comprising: (i) in-depth review of programme documentation, policy documents, previous evaluations and audits as well as relevant academic and grey literature; (ii) analysis of EFSI portfolio, contextualised with data on investment levels and SME financing conditions; (iii) analysis of data on take-up and use of EIAH and EIPP;(iv) semi-structured interviews with 120+ stakeholders at EU and national levels; (v) eight country case studies; (vi) deep-dives of 60 EFSI operations.

The EFSI Regulation

The EFSI Regulation forms an integral part of the Investment Plan for Europe (IPE) which was launched in 2014. IPE was structured around three pillars as follows:

- Pillar one consisting of EFSI, a budgetary instrument designed to enhance the risk-taking capacity of the European Investment Bank (EIB) Group with the ultimate objective of mobilising investment in the real economy. EFSI financing was delivered through two windows: (i) the Infrastructure and Innovation Window (IIW) was implemented by the EIB to finance investments in key areas such as energy, environment and climate action, social and human capital and related infrastructure, healthcare, research and innovation, cross-border and sustainable transport, as well as the digital transformation; (ii) the SME window – implemented by the European Investment Fund (EIF) – was designed to support financial intermediaries in improving access to finance for SMEs and small mid-caps.
- Pillar two included initiatives to provide visibility and technical assistance to investment projects. The EIPP was an online platform where EU-based project promoters could publish information related to their projects and reach potential investors worldwide. The Portal was hosted and managed by the European Commission. The EIAH acted as an entry point to a wide range of advisory services on project preparation and implementation, use of financial instruments and capacity building. It was managed by the EIB.
- The third Pillar of the IPE aimed at creating an investment friendly environment by removing regulatory and structural bottlenecks. It included actions such as the creation of a Capital Markets Union and country specific recommendations to boost investment.

The EFSI Regulation covers the first two pillars of the IPE. The activities within the third pillar were carried out under separate legal frameworks.

In December 2017, the EFSI Regulation was extended and enhanced ("EFSI 2.0" Regulation). The initial EFSI Regulation was envisaged to run from 2015 to 2018. However, in December 2017, it was extended until 31 December 2020 (for approvals) and 31 December 2022 (for signatures). EFSI 2.0 Regulation also had a bigger ambition. The EU Guarantee was increased from EUR 16 to EUR 26 billion, and the EIB contribution from EUR 5 to EUR 7.5 billion, along with an increase in the target volume of investment mobilised (from EUR 315 billion to EUR 500 billion). Among other things, the amended Regulation placed greater emphasis on additionality, transparency and climate action. The role of the EIAH was also enhanced.

Headline findings and conclusions

This section summarises the main findings and conclusions of the evaluation with respect to each of the three components of the EFSI Regulation: EFSI, EIAH and EIPP.

The European Fund for Strategic Investments (EFSI)

EFSI remained relevant throughout 2015-2021, responding to new policy objectives, crises and investment needs. EFSI was initially launched as volume-driven, counter-cyclical instrument to help tackle Europe's widening investment gap relative to historic trends[1] and peers (e.g., US and Japan). The low level of investment was dragging down economic output in the short term and undermining Europe's long-term growth prospects. As such, EFSI was both necessary and pertinent at the time. Following the launch of the EFSI, investment conditions significantly improved. The cyclical investment gap[2] gradually disappeared and by 2019, investment activity in the EU had reached 22.2 per cent of the GDP (thanks in part to EFSI). However, structural investment gaps[3] persisted in key areas such as net-zero transition, digitalisation, social infrastructure etc. And while financing conditions for SMEs also eased markedly from 2014 onward, endemic problems remained for certain types of firms i.e. those in specific segments (e.g. social enterprises, creative and cultural sector) or engaged in specific activities (e.g. innovation, investment) or in certain countries (e.g. Greece, Ireland, Latvia etc.). In the context of improving macro-economic and financing conditions, EFSI increasingly focused on addressing structural investment and financing gaps. However, macro-economic conditions changed dramatically in 2020: the Covid-19 pandemic triggered a sharp contraction in GDP and investment, while financing conditions for businesses rapidly deteriorated. In this context, EFSI proved again to be a highly relevant and useful anti-crisis tool.

EFSI has demonstrated itself as an effective policy instrument for incentivising and accelerating investment. EFSI is well on track to achieve its target of mobilising EUR 500 bn of investment based on signatures by the end of 2022.[4] Looking at data as of 31 December 2021, EUR 87bn of EFSI financing had been signed. These operations are estimated to have mobilised EUR 492 bn of investment over the period 2015-2021. In terms of sheer volume, EFSI mobilised investment accounted for a significant share of the cyclical investment gap during this period. However, not the entire volume of this investment is fully attributable to EFSI. Other EU financial instruments and programmes have also contributed to mobilizing a part of this investment[5]. Moreover, stakeholder interviews and a recent EIB evaluation[6] suggest that alternative sources of finance were available to many EFSI-financed operations; but without EFSI support, these investments

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1 GFCF representing 20-21 percent of the GDP

2 actual investment levels relative to historical trends

3 Difference between actual levels of investment and structural investment needs. The latter being investments needed to achieve policy objectives and address societal needs.

4 To be confirmed on the basis of official EIBG reporting as at 31 December 2022.

5 In the case of IIW, where EU grant-financing or EU financial instruments (such as ESIF) are used to co-finance an operation, this amount is deducted when calculating the investment mobilised. However, these instruments – by forming part of the overall financing package of a particular operation – would have contributed to making the investment happen. In the case of SMEW, EFSI contribution cannot be disentangled from the first loss piece (FLP) provided by other EU financial instruments (e.g. COSME, InnovFin, EaSI and CCS) as the whole structure is mutualised

6 EIB EV (2021) Evaluation of the European Fund for Strategic Investment

would have taken place at a reduced scale and a slower pace, and on less favourable conditions (thus affecting the timing, cost, scope and/or quality of the investment). Hence, in absence of EFSI, it would have taken longer to close Europe's investment gap and the low-investment dynamic would have been prolonged. EFSI also supported investment activity indirectly, by focusing policy attention and resources on investment at a national level.

EFSI has responded to a range of market failures and sub-optimal investment situations across geographies and thematic areas. Apart from a few exceptions, the distribution of EFSI financing was well aligned with country-level (cyclical) investment gaps. Within the constraints of a balanced portfolio approach, EFSI financing was also well targeted to areas where the private sector is less likely to invest on its own such as supporting investment in new/ unproven technologies; financing large, complex projects; investing in social objectives and public goods.

EFSI has contributed to enhancing and diversifying access to finance for businesses across Europe. EFSI enabled financial intermediaries across Europe to increase both the volume and the riskiness of their lending. Over 760.000 businesses across Europe have benefitted from EFSI support, including those typically under-served by the market such as micro-enterprises, social enterprises and companies with specific business models (e.g. based on intangible assets) or needs (e.g. longer term financing for investment purposes). EFSI resulted not only in improved availability of finance for businesses, but also better terms and conditions such as lower interest rates, lower collateral requirements, longer repayment period and lower down-payments. More widely, EFSI contributed to diversifying the sources of finance available to businesses by supporting the development of risk capital, private debt and alternative finance markets which are more suitable for certain types of businesses (such as start-ups, high growth companies) or for certain needs (e.g. need for patient capital or capital intensive needs of deep tech and innovative companies). These results would have been difficult to achieve without EFSI support, though inevitably there is some 'deadweight' (relatively low and within acceptable bounds) as it is impossible to design water-tight interventions in the area of SME financing.

Other key achievements of EFSI include:

- Supporting Europe's net zero transition by financing a range of climate action projects in areas such as renewable energy, energy efficiency, low carbon technologies etc. 44 percent of EFSI-IIW financing went to such projects.
- Crowding-in private capital. 72 percent of the investment mobilised by EFSI is expected to come from private sources[7].
- Channelling private capital to social objectives e.g., social housing, long term care, education.
- Improving the efficiency of public spending. The target multiplier effect (15) was exceeded and as such, EFSI leveraged a critical mass of resources to get investments off the ground.
- Instigating a mind-shift in how public policy is delivered e.g., more joined-up approach and the use of budgetary guarantees to channel resources to policy objectives.
- Developing cooperation between the EIBG and national promotional banks and institutions (NPBIs).

Overall, the macro-economic impact of EFSI is expected to be significant. By 2025, EFSI is expected to create 2.1 million jobs and increase EU GDP by 2.4 percent

[7] There is anecdotal evidence to suggest that EFSI might have crowded-out private or NPBI finance in a few instances, but this is difficult to prove

compared to the baseline scenario[8]. In the long term some of the effects fade away, but are still significant. By 2040, it is estimated that EFSI-supported operations would still have created 1.3 million jobs and increased EU GDP by 1.6%, relative to the baseline. Overall, modelling results suggest that EFSI will particularly benefit Cohesion regions and crisis affected countries in terms of job creation and growth.

The additionality of the EU budgetary guarantee is clear and demonstrable. The EFSI portfolio is fundamentally different from the EIB's standard operations in terms of its risk profile, average size of operations and complexity (new markets, new clients and more sophisticated products). Although some examples of operations can be found which could certainly have been delivered without EFSI support, the EIB Group would not have been able to finance the entire EFSI portfolio on its balance sheet in absence of the EU guarantee without adversely affecting its credit rating, capital consumption and financial sustainability. As far as the EIF is concerned, it has limited own-capital to deploy and has to rely on mandators' resources to carry out most of its activities. Thus, in absence of EFSI, the EIF would not have been able to carry out these activities without a capital increase.

EFSI offers considerable EU added value. The benefits of EU level action via EFSI (as opposed to Member States acting alone) have related to the financing of multi-country operations; moving forward international cooperation (e.g. European Securitisation Initiative); providing a proof of concept for budgetary instruments as a tool for mobilising private investment efficiently and effectively; developing institutional capacities within NPBIs to implement guarantee schemes and investment platforms; piloting and scaling-up of niche products such as venture debt and addressing gaps in under-developed/under-served segments (e.g. equity, agriculture, micro-finance, leasing).

Looking ahead, a de-risking instrument such as EFSI continues to be relevant. Europe needs large amounts of investment to meet its policy objectives and address societal needs. Both the public and private sector will need to significantly step-up investment to achieve (a) the EU's twin structural transitions (green and digital) and (b) strategic autonomy in areas such as energy, semi-conductors, artificial intelligence etc. The geo-political uncertainty caused by the war in Ukraine together with the changing macro-economic context (high inflation-high interest rate environment, growing public debt etc.) will constrain investment going forward. In such a context, there continues to be a need for a guarantee based financing instrument.

European Investment Advisory Hub (EIAH)

The Hub has demonstrated its value in generating a pipeline of high-quality, investment-ready projects, notably through the provision of LPAs (last-mile advisory support). By the end of 2021, 77 Hub assignments had entered the EFSI pipeline (approved or signed EFSI operations). In addition, 101 assignments entered the EIB pipeline (approved or signed EIB standard lending operations). In accomplishing its mandate, the EIAH managed to reconcile different (and somewhat conflicting) priorities. On the one hand, it remained demand driven. On the other hand, it undertook awareness-raising activities to stimulate demand for its services. For example, special efforts were made to reach Cohesion countries and to build the advisory capacities of NPBs notably in less developed markets through the use of grant funding agreements. There were however some limitations in this regard (absence of advisory mandates, difficulties meeting co-funding requirement, heavy administrative requirements).

The Hub remained additional to other EU advisory services. The Hub put in place adequate processes to avoid overlaps / duplication of efforts (e.g. monthly EIAH screening group meetings), acting as an entry point for other EU services (signposting

[8] EIB (2021) Macroeconomic Impact of the European Fund for Strategic Investments. Complementary section to the Evaluation of the European Fund for Strategic Investments 2021.
The baseline scenario assumes the world in a steady state based on 2013 data. The estimated effect on GDP and employment is 'additional' to the baseline, which assumes a counterfactual world without the EIB supported investments

requests where appropriate) and providing support only in those cases where the requested services were not available through an existing advisory offer at EU level.

EIAH support provided EU added value. Key elements of EU added value included advice on EU regulatory requirements; sharing of best practice across Member States while paying attention to local specificities and context; providing hands-on, practical support; the high quality and credibility of the outputs often regarded as a “stamp of approval” by wider stakeholders; and the Hub’s high level of expertise. Moreover, EIB experts manage, review and Quality Assure/ Quality Check (QA/QC) the work of the external service providers that are hired on EIAH assignments. The evaluation could not find any examples of alternative support that offers this additional layer of QA/QC[9] and the same level of knowledge and expertise on EU regulatory requirements. Moreover, advisory services on the market are often too expensive and beyond the reach of many promoters.

Going forward, there remains a need for EU level advisory services. Despite the existence of a range of advisory services in many markets, there remain availability, access and affordability issues. As such, there remains a need for the Hub’s services. Moreover, needs and demands for advisory services are expected to increase in the future as the InvestEU Fund is highly thematically oriented and given the scale of the investments needed for the EU’s green and digital transitions. In such a context, the Hub can play a role in stimulating investment in these areas.

European Investment Project Portal (EIPP)

EIPP has contributed to improving the visibility of the projects published on the portal. The number of projects published on the EIPP has steadily increased over time and exceeded initial targets and expectations. Moreover, the portal had received more than 350,000 unique visitors by the end of April 2021, thus enhancing the visibility of the published projects.

Beyond visibility, there were few expectations or concrete targets set for the EIPP and broader impacts of the EIPP are hard to measure. There were relatively few expectations or concrete targets set for the EIPP, particularly in relation to generating investment opportunities for EFSI or the investor community more widely. The EIPP does track the investment success stories, which have increased over time, concerning about 80 projects as of end April 2021. The indicator monitors the total number of projects receiving financing after being published on EIPP. The financing may - or may not- be the result of the project being on the EIPP, as it is difficult to discern the EIPP role in that regard.

The EU added value of the portal improved over time, but remained overall limited. In practice, the EIPP faced several challenges in embedding itself within the investor ecosystem (e.g., scam investor contacts, the types of projects made available on the portal) which hampered its ability to make fast progress in generating meaningful contacts and matches between projects and investors. The EIPP took relevant steps, beyond its role stricto sensu, proactively animating the platform, supporting projects in securing financing, delivering events, and developing partnerships to insert itself more effectively in the investor community. Though this improved the portal’s EU added value over time, the initial challenges affected the perceptions of the portal, fostering some scepticism both from the perspective of investors and project promoters.

Improvements need to be made to ensure the relevance and usefulness of the Portal going forward. There exist several other, similar initiatives to the EIPP, some of which either match or have comparative advantages relative to the EIPP in key areas (e.g., how they qualify deal flow, insertion into the investor community) and compete for the time and attention of investors. Going forward, there is need to further develop partnerships in particular with EIC online community to ensure there are no duplications of such platforms at an EU level. There is a general feeling that the EIPP should be better

[9] Normally, the project promoters themselves have to manage the providers of advisory support

communicated to stakeholders that are less familiar with/involved in EU projects or generally within the EU "ecosystem". InvestEU may take steps towards achieving this to increase the chances of facilitating financing and meaningful contacts for promoters.

Lessons learned

The experience with the implementation of EFSI Regulation offers a number of lessons for the design of similar instruments going forward, most notably:

- The need to design programmes with inbuilt agility and flexibility. EFSI demonstrates the importance of creating programmes that can be adapted and improved upon in the face of an uncertain future and changing conditions.
- Going forward, proactive and concerted efforts will be required to stimulate investment (and channel private capital) in areas of policy impact and those characterised by deep and stubborn market failures. Advisory services could play a role in stimulating and shaping investment demand along clear policy priorities (e.g. green and digital transition).
- There are inherent trade-offs in any policy intervention, which need to be carefully balanced. For example:
    - Balancing risk taking with policy impact. The level of risk taking needs to be commensurate with the level of provisioning. This implies that financing from an instrument such as EFSI cannot be used to only support sub-investment grade operations. A balanced portfolio approach is necessary.
    - Related to above, the expectations of additionality need to be managed against the requirement for a balanced portfolio, but also the market-driven nature of the instrument.
    - The twin goals of climate neutrality and economic growth can be mutually reinforcing, but there are also situations where these two goals involve trade-offs. Efforts should be made to support a portfolio of projects where such trade-offs are minimised or indeed resolved.
- Recognising the limits of an instrument such as EFSI. On the one hand, the high volume of private sector financing and investment mobilised under EFSI could not have been achieved by grants only. On the other hand, not all strategic investments can be financed by EFSI or successor programmes e.g., early stage research. Likewise, in the area of SME financing, it is not possible to attract commercial intermediaries on all market failures even when they benefit from a guarantee.
- Generally speaking, continuity of a 'promotional programme' such as EFSI is important. Promotional programmes are a key part of the financial eco-system and essential in market segments where private finance is less likely to be forthcoming (e.g. situations of market failure and crisis conditions).
- In the case of advisory services, there needs to be balance between thematic support and horizontal advisory support services.
- As far as the portal is concerned, (i) flexibility and responsiveness to feedback are important features, to enable it to continue to stay relevant and useful to both project promoters and investors and (ii) setting more stretching and fixed targets/goals, or focussing instead on leveraging existing portals/platforms, may help generate momentum and therefore greater value for money for the investment made into the portal.
- Last but not the least, the EFSI experience highlights the importance of transparency and information sharing to ensure stakeholder buy-in and to avoid misconceptions.

Résumé analytique

Cette étude alimente l'évaluation ex-post du Règlement (EU) 2015/1017 - modifié ultérieurement par le Règlement (EU) 2017/2396 - établissant le Fonds européen pour les investissements stratégiques (EFSI en anglais), Plateforme Européenne de Conseil en Investissement (EIAH en anglais) et le Portail européen des projets d'investissement (EIPP en anglais).[10] En effet, l'article 18(6) du règlement EFSI modifié exige que la Commission soumette un rapport d'évaluation indépendant sur l'application du Règlement au Parlement et au Conseil européen avant le 31 décembre 2022.

L'objectif de l'évaluation est double : rendre compte et faciliter l'apprentissage . L'évaluation a fait le point sur ce qui a été réalisé dans le cadre du règlement EFSI au cours de la période 2015-2021, permettant ainsi de rendre compte des ressources investies. Par ailleurs, elle examine également la conception et la mise en œuvre du règlement EFSI dans le but de saisir les enseignements tirés et de fournir des indications opérationnelles sur ce qui a fonctionné.

Diverses sources de données et méthodes ont été utilisées pour constituer une base factuelle complète pour l'évaluation et ainsi renforcer la fiabilité et la validité des résultats. L'évaluation est basée sur une approche mixte comprenant : (i) un examen approfondi de la documentation du programme, des politiques mises en place, des évaluations et audits précédents ainsi que de la littérature académique et « grise » jugée pertinente ; (ii) une analyse du portefeuille EFSI, contextualisée avec des données sur les niveaux d'investissement et les conditions de financement des PME ; (iii) une analyse des données sur la demande pour et l'utilisation de l'EIAH et de l'EIPP ; (iv) des entretiens semi-structurés avec plus de 120 parties prenantes aux niveaux européen et national ; (v) huit études de cas nationales ; (vi) un examen approfondi de 60 opérations EFSI.

Le règlement EFSI

Le règlement EFSI fait partie intégrante du plan d'investissement pour l'Europe (IPE) qui a été lancé en 2014. L'IPE est structuré autour de trois piliers:

- Le premier pilier est constitué par l'instrument EFSI, un instrument budgétaire conçu pour renforcer la capacité de prise de risque du groupe de la Banque européenne d'investissement (BEI), l'objectif ultime étant de mobiliser des investissements dans l'économie réelle. Les financements EFSI ont été accordés par le biais de deux guichets : (i) le guichet "Infrastructures et innovation" (IIW) a été mis en œuvre par la BEI pour financer des investissements dans des domaines clés tels que les domaines de l'énergie, de l'environnement et de l'action pour le climat, du capital social et humain et des infrastructures connexes, des soins de santé, de la recherche et de l'innovation, du transport transfrontalier et durable ainsi que de la transformation numérique; (ii) le guichet "PME" - mis en œuvre par le Fonds européen d'investissement (FEI) - a été conçu pour aider les intermédiaires financiers à améliorer l'accès des PME et des petites entreprises de taille intermédiaire aux financements.
- Le deuxième pilier comprenait des initiatives visant à fournir une visibilité et une assistance technique aux projets d'investissement. L'EIPP était une plateforme en ligne où les promoteurs de projets basés dans l'Union Européenne pouvaient publier des informations relatives à leurs projets et atteindre des investisseurs potentiels dans le monde entier. Le portail était hébergé et géré par la Commission européenne. L'EIAH a servi de point d'entrée à un large éventail de services de conseil sur la préparation et la mise en œuvre des projets, l'utilisation des instruments financiers et le renforcement des capacités et fut géré par la BEI.
- Le troisième pilier de l'IPE visait à créer un environnement favorable aux investissements en supprimant les goulets d'étranglement réglementaires et structurels. Il comprenait des actions telles que la création d'une Union des

[10] Les acronymes en anglais EFSI, EIAH and EIPP ont été conservés pour la cohérence du résumé.

marchés de capitaux et des recommandations spécifiques à chaque pays pour stimuler l'investissement.

Le règlement EFSI couvre les deux premiers piliers de l'IPE. Les activités relevant du troisième pilier ont été menées dans des cadres juridiques distincts.

En décembre 2017, le règlement EFSI a été étendu et amélioré (règlement " EFSI 2.0 "). Le règlement EFSI initial était prévu pour une période allant de 2015 à 2018. Toutefois, en décembre 2017, il a été prolongé jusqu'au 31 décembre 2020 (pour les approbations) et au 31 décembre 2022 (pour les signatures). Ce nouveau règlement EFSI 2.0 portait également une plus grande ambition. En effet, la garantie de l'UE a été augmentée de 16 à 26 milliards d'euros, la contribution de la BEI de 5 à 7,5 milliards d'euros et parallèlement le volume cible des investissements mobilisés est passé de 315 à 500 milliards d'euros. Ce règlement modifié a davantage mis l'accent sur l'additionalité, la transparence et des actions en faveur du climat. De plus, le rôle de l'EIAH a également été renforcé.

Principaux résultats et conclusions

Cette section résume les principales constatations et conclusions de l'évaluation en ce qui concerne chacune des trois composantes du règlement EFSI : EFSI, EIAH et EIPP.

Le Fonds européen pour les investissements stratégiques (EFSI)

L'EFSI est resté pertinent tout au long de la période 2015-2021, répondant aux nouveaux objectifs politiques, aux crises et aux besoins d'investissement. L'EFSI a été initialement lancé en tant qu'instrument contracyclique axé sur le volume pour contribuer au comblement du déficit d'investissement, croissant en Europe au regard des tendances historiques[11] et de ses principaux partenaires (par exemple, les États-Unis et le Japon). Le faible niveau d'investissement a entraîné une baisse de la performance économique à court terme et compromettait les perspectives de croissance à long terme en Europe. L'instrument EFSI était donc à la fois nécessaire et pertinent à l'époque. Après son lancement, les conditions d'investissement se sont nettement améliorées. Le déficit d'investissement cyclique[12] a progressivement disparu et, en 2019, l'activité d'investissement dans l'UE avait atteint 22,2 % du PIB (grâce notamment à EFSI). Toutefois en matière d'investissement, des écarts structurels[13] ont persisté dans des domaines clés tels que la « transition nette zéro », la digitalisation, les infrastructures dans le secteur social, etc. Bien que les conditions de financement des PME se sont également nettement assouplies à partir de 2014, des problèmes endémiques ont subsisté pour certains types d'entreprises, notamment celles appartenant à des segments spécifiques (par exemple, les entreprises sociales, le secteur créatif et culturel) ou engagées dans des activités spécifiques (par exemple, l'innovation, l'investissement) ou dans certains pays (par exemple, la Grèce, l'Irlande, la Lettonie, etc.). Dans ce contexte d'amélioration des conditions macroéconomiques et financières, l'instrument EFSI s'est de plus en plus attaché à combler les lacunes structurelles en matière d'investissement et de financement. Toutefois, en 2020 les conditions macroéconomiques ont radicalement changé: la pandémie de Covid-19 a déclenché une forte contraction du PIB et des investissements, tandis que les conditions de financement des entreprises se sont rapidement détériorées. Dans ce contexte, l'instrument EFSI s'est encore une fois avéré être un outil « anti-crise » très pertinent et utile.

L'instrument EFSI s'est révélé être un instrument de politique publique efficace pour encourager et accélérer les investissements. L'instrument EFSI est en bonne voie pour atteindre son objectif de 500 milliards d'EUR d'investissements mobilisés fin

[11] GFCF représentant 20-21% du PIB

[12] Les niveaux d'investissement réels par rapport aux tendances historiques

[13] Différence entre les niveaux réels d'investissement et les besoins d'investissement structurels. Ces derniers étant les investissements nécessaires pour atteindre les objectifs politiques et répondre aux besoins de la société.

2022 (basé sur les signatures)[14]. Si l'on considère les données au 31 décembre 2021, 87 milliards d'EUR de financements EFSI ont été signés. Ces opérations devraient permettre de mobiliser 492 milliards d'EUR d'investissements sur la période 2015-2021. En termes de volume, les investissements mobilisés par l'instrument EFSI a représenté une part importante du déficit d'investissement cyclique au cours de cette période. Toutefois, le volume de ces investissements n'est pas entièrement imputable à EFSI. D'autres instruments financiers et programmes de l'UE ont également contribué à mobiliser une partie de ces investissements.[15] De plus, les entretiens avec les parties prenantes et une récente évaluation de la BEI[16] suggèrent que des sources de financement alternatives étaient disponibles pour de nombreuses opérations financées par l'instrument EFSI ; mais sans son soutien, ces investissements auraient eu lieu à une échelle réduite et à un rythme plus lent, et à des conditions moins favorables (affectant ainsi le calendrier, le coût, la portée et/ou la qualité de l'investissement). Par conséquent, en l'absence de l'instrument EFSI, il aurait fallu plus de temps pour combler le déficit d'investissement en Europe et la dynamique de faible investissement se serait prolongée. L'instrument EFSI a également soutenu l'activité d'investissement de manière indirecte, en concentrant l'attention et les ressources politiques sur l'investissement au niveau national.

L'instrument EFSI a répondu à toute une série de défaillances du marché et de situations d'investissement non optimales présentes à travers l'UE dans divers domaines thématiques. À quelques exceptions près, la répartition des financements de l'instrument EFSI a bien été alignée sur les déficits d'investissement (cycliques) au niveau national. Dans le cadre d'une approche de portefeuille équilibré, les financements de l'instrument EFSI ont également été bien ciblés sur des domaines où le secteur privé était moins susceptible d'investir par lui-même, comme c'est le cas pour les investissements dans des technologies nouvelles ou non éprouvées, le financement de grands projets complexes ainsi que l'investissement en faveur des objectifs sociaux et dans les biens publics.

L'instrument EFSI a contribué à améliorer et à diversifier l'accès au financement des entreprises dans toute l'Europe. Les instruments EFSI ont permis aux intermédiaires financiers de toute l'Europe d'accroître à la fois le volume et le risque de leurs prêts. Plus de 760 000 entreprises à travers l'Europe ont bénéficié du soutien de l'instrument EFSI, y compris celles qui sont généralement mal desservies par le marché, comme les micro-entreprises, les entreprises sociales et les sociétés ayant des modèles d'entreprise spécifiques (par exemple, basés sur des actifs incorporels) ou des besoins (par exemple, un financement à plus long terme à des fins d'investissement). L'instrument EFSI a non seulement permis d'améliorer la disponibilité des financements pour les entreprises, mais aussi d'offrir de meilleures conditions, telles que des taux d'intérêt plus bas, des exigences moins élevées en matière de garanties, une période de remboursement plus longue et des acomptes moins élevés. Plus largement, l'EFSI a contribué à diversifier les sources de financement disponibles pour les entreprises en soutenant le développement du capital-risque, de la dette privée et des marchés financiers alternatifs, qui sont plus adaptés à certains types d'entreprises (telles que les start-ups, les entreprises à forte croissance) ou à certains besoins (par exemple, le besoin de capital patient ou les besoins en capital intensif des entreprises de haute technologie et innovantes). Il aurait été difficile d'obtenir ces résultats sans le soutien de l'instrument EFSI, bien que l'on constate un certain niveau d'"effet d'aubaine" (relativement bas et dans les limites acceptables) car il n'y a pas d'intervention au design parfait dans le domaine du financement des PME.

Les autres réalisations clés de l'instrument EFSI sont les suivantes :

- Soutenir la transition vers le zéro carbone en Europe en finançant une série de projets d'action climatique dans des domaines tels que les énergies renouvelables,

14 A confirmer sur base du reporting officiel du groupe BEI au 31 décembre 2022
15 Dans le cas de l'IIW, lorsque des subventions ou des instruments financiers de l'UE (notamment sous ESIF) sont utilisés pour cofinancer une opération, ce montant est déduit lors du calcul de l'investissement mobilisé. Toutefois, ces instruments - en faisant partie du montage financier global d'une opération particulière – ont aussi contribué à la réalisation de l'investissement. Dans le cas de SMEW, la contribution de l'EFSI ne peut pas être dissociée de la première tranche de pertes (FLP) fournie par d'autres instruments financiers de l'UE (par exemple COSME, InnovFin, EaSI et CCS) car la structure entière est mutualisée.
16 EIB EV (2021) Evaluation of the European Fund for Strategic Investment

l'efficacité énergétique, les technologies à faible émission de carbone, etc. Au total, 44 % des financements de l'initiative EFSI-IIW ont été alloués à de tels projets.

- Mobilisation de capitaux privés. 72 % des investissements mobilisés par l'instrument EFSI devraient provenir de sources privées.[17]
- Allouer les capitaux privés vers des objectifs sociaux, par exemple le logement social, les établissements de soins, ou l'éducation.
- Améliorer l'efficacité des dépenses publiques. L'effet multiplicateur visé (x15) a été dépassé et, à ce titre, l'instrument EFSI a mobilisé une masse critique de ressources pour faire décoller les investissements.
- Susciter un changement d'état d'esprit dans la manière dont les politiques publiques sont mises en œuvre, par exemple une approche plus conjointe et l'utilisation de garanties budgétaires pour diriger les ressources vers des objectifs de politique publique.
- Développer la coopération entre le groupe BEI et les Banques et institutions promotionnelles au niveau national (NPBIs).

Globalement, l'impact macroéconomique de l'instrument EFSI devrait être important. D'ici 2025, l'instrument devrait créer 2,1 millions d'emplois et accroître le PIB de l'UE de 2,4 % par rapport au scénario de base.[18] À long terme, certains de ces effets s'estompent, mais restent significatifs. D'ici 2040, on estime que les opérations soutenues par l'instrument auraient créé 1,3 million d'emplois supplémentaires et accru le PIB de l'UE de 1,6 %, par rapport au scénario de référence. Dans l'ensemble, les résultats de la modélisation suggèrent que l'instrument EFSI profitera particulièrement aux régions concernées par la politique de Cohésion de l'UE ainsi qu'aux pays touchés par la crise notamment en termes de création d'emplois et de croissance.

L'additionnalité de la garantie budgétaire de l'UE est claire et démontrable. Le portefeuille EFSI est fondamentalement différent des opérations standard de la BEI en termes de profil de risque, de taille moyenne des opérations et de complexité (nouveaux marchés, nouveaux clients et produits plus sophistiqués). Bien que l'on puisse trouver quelques exemples d'opérations qui auraient certainement pu être réalisées sans le soutien de l'instrument, le Groupe BEI n'aurait pas été en mesure de financer l'intégralité du portefeuille EFSI sur son bilan en l'absence de la garantie de l'UE, sans que cela n'affecte sa cote de crédit, sa consommation de capital et sa viabilité financière. En ce qui concerne le FEI, il ne dispose que de peu de fonds propres à déployer et doit compter sur les ressources de ces mandataires pour mener à bien la plupart de ses activités. Ainsi, en l'absence d'EFSI, le FEI n'aurait pas été en mesure de mener à bien ces activités sans une augmentation de capital.

L'instrument EFSI offre une valeur ajoutée considérable à l'UE. Les avantages d'une action au niveau de l'UE via EFSI (par opposition à une action isolée des États membres) étaient liés au financement d'opérations multinationales, à l'avancement de la coopération internationale (par exemple, l'initiative européenne de titrisation), à la démonstration du bien-fondé des instruments budgétaires en tant qu'outils permettant de mobiliser les investissements privés de manière efficace et effective, au développement des capacités institutionnelles des banques promotionnelles au niveau national (NPBIs) à mettre en œuvre des systèmes de garantie et des plates-formes d'investissement, au pilotage et au déploiement à plus grande échelle de produits de

[17] Il existe à la marge des preuves suggérant que l'EFSI pourrait avoir évincé le financement privé ou NPBI dans quelques cas, mais cela est difficile à prouver

[18] BEI (2021) Impact macroéconomique du Fonds européen pour les investissements stratégiques. Section complémentaire à l'évaluation du Fonds européen pour les investissements stratégiques 2021.
Le scénario de base suppose que le monde se trouve dans un état stable, sur la base des données de 2013. L'effet estimé sur le PIB et l'emploi est "additionnel" au scénario de base, qui suppose un monde contrefactuel sans les investissements soutenus par la BEI.

niche tels que la dette de capital-risque et au traitement des lacunes dans les segments sous-développés ou mal desservis (par exemple, les fonds propres, l'agriculture, la microfinance, ou le crédit-bail).

Pour l'avenir, un instrument permettant de réduire le risque pour les investisseurs tel que l'instrument EFSI reste pertinent. L'Europe a besoin d'investissements importants pour atteindre ses objectifs politiques et répondre à ces besoins sociétaux. Les secteurs public et privé devront considérablement intensifier leurs investissements pour réaliser (a) les deux transitions structurelles de l'UE (verte et numérique) et (b) l'autonomie stratégique dans des domaines tels que l'énergie, les semi-conducteurs, l'intelligence artificielle, etc. L'incertitude géopolitique causée par la guerre en Ukraine et l'évolution du contexte macroéconomique (inflation élevée, taux d'intérêt élevés, dette publique croissante, etc.) vont continuer à contraindre les investissements. Dans un tel contexte, le besoin d'un instrument de financement basé sur la garantie continue de se faire sentir.

Plateforme Européenne de Conseil en Investissement (EIAH)

La Plateforme a démontré sa pertinence en générant une réserve de projets de haute qualité, prêts à être financés, notamment à travers le soutien à des projets pour le « dernier kilomètre ». Fin 2021, 77 projets soutenus par l'EIAH ont été dirigés vers EFSI (opérations EFSI approuvées ou signées). En outre, 101 projets soutenus par l'EIAH dirigés pour un financement BEI (opérations de prêt standard de la BEI approuvées ou signées). Dans le cadre de son mandat, l'EIAH a réussi à concilier différentes priorités (parfois contradictoires). D'une part, la plateforme est restée axée sur la demande alors que d'autre part, celle-ci a entrepris des activités de sensibilisation pour stimuler la demande pour ses services. Par exemple, des efforts particuliers ont été faits pour atteindre les pays concernés par la politique de cohésion de l'UE et pour renforcer les capacités de conseil des NPBIs, notamment sur les marchés moins développés, en recourant à des accords de financement par subvention. Il y a cependant eu quelques limitations à cet égard (absence de mandats pour fournir de l'assistance technique, difficultés à satisfaire aux exigences de cofinancement, et/ou lourdeurs administratives).

La Plateforme reste complémentaire aux autres offres d'assistance technique de l'UE. La Plateforme a mis en place des processus adéquats afin d'éviter les chevauchements/la duplication des efforts (par exemple, des réunions mensuelles du groupe de sélection de l'EIAH), en agissant comme un point d'entrée pour d'autres services de l'UE (en orientant les demandes le cas échéant) et en fournissant un soutien uniquement dans les cas où les services demandés n'étaient pas disponibles dans les autres offres d'assistance technique au niveau de l'UE.

Le soutien de l'EIAH a fourni une valeur ajoutée à l'action de l'UE. Les principaux éléments de la valeur ajoutée sont les suivants : conseils sur les exigences réglementaires de l'UE ; partage des meilleures pratiques entre les États membres tout en tenant compte des spécificités et du contexte locaux ; fourniture d'un soutien pratique et concret ; qualité et crédibilité élevées des résultats souvent considérés comme un " label de qualité " par les parties prenantes ; et haut niveau d'expertise de la plateforme. En outre, les experts de la BEI gèrent, examinent et assurent/contrôlent la qualité du travail des prestataires de services externes engagés pour les missions de l'EIAH. L'évaluation n'a pas trouvé d'exemples d'offres alternatives fournissant ce service d'assurance qualité [19], et le même niveau de connaissances et d'expertise sur les exigences réglementaires de l'UE. En outre, les services de conseil sont souvent trop chers et hors de portée de nombreux promoteurs.

Pour l'avenir, des services de conseil au niveau de l'UE restent nécessaires. Malgré l'existence d'une gamme de services de conseil sur de nombreux marchés, il reste des problèmes de disponibilité, d'accès et d'accessibilité financière. En tant que tels, les

[19] Normalement, les promoteurs du projet doivent eux-mêmes gérer les fournisseurs de services de conseil.

services de la plate-forme restent nécessaires. En outre, les besoins et les demandes de services de conseil devraient augmenter à l'avenir, étant donné que le Fonds InvestEU est fortement orienté vers des thématiques précises et compte tenu de l'ampleur des investissements nécessaires pour les transitions verte et numérique de l'UE. Dans un tel contexte, la plateforme peut jouer un rôle dans la stimulation des investissements dans les domaines visés par Invest EU.

Portail européen des projets d'investissement (EIPP)

L'EIPP a contribué à améliorer la visibilité des projets publiés sur le portail. Le nombre de projets publiés sur l'EIPP n'a cessé d'augmenter et a dépassé les objectifs et les attentes initiaux. En effet, fin avril 2021, on recensait plus de 350 000 visiteurs uniques sur le portail, ce qui contribue à la visibilité des projets publiés.

Cependant, au-delà de sa visibilité, peu d'attentes ou d'objectifs concrets ont été fixés pour l'EIPP et les impacts plus larges sont difficiles à mesurer. Les attentes ou les objectifs concrets fixés pour l'EIPP étaient relativement peu nombreux, notamment en ce qui concerne la création de possibilités d'investissement pour EFSI ou pour la communauté des investisseurs au sens large du terme. L'EIPP suit les réussites en matière d'investissement, qui ont augmenté au fil du temps, concernant environ 80 projets à fin avril 2021. L'indicateur suit le nombre total de projets bénéficiant d'un financement après avoir été publié sur l'EIPP. Le financement peut - ou non - résulter du fait que le projet est inscrit à l'EIPP, car il est difficile de discerner le rôle de l'EIPP à cet égard.

La valeur ajoutée du portail s'est améliorée au fil du temps, mais est restée globalement limitée. Dans la pratique, l'EIPP a dû relever plusieurs défis pour s'intégrer dans l'écosystème des investisseurs (par exemple, les contacts des investisseurs, les types de projets mis à disposition sur le portail), ce qui l'a empêché de progresser rapidement dans la création de contacts et de rapprochements significatifs entre les porteurs de projets et les investisseurs. L'EIPP a pris des mesures pertinentes, au-delà de son rôle stricto sensu, en animant de manière proactive la plateforme, en aidant les projets à obtenir des financements, en organisant des événements et en développant des partenariats pour s'insérer plus efficacement dans la communauté des investisseurs. Bien que la valeur ajoutée au niveau européen du portail s'en soit trouvée améliorée au fil du temps, les difficultés initiales ont affecté la perception du portail, suscitant un certain scepticisme tant du point de vue des investisseurs que des porteurs de projets.

Des améliorations doivent être apportées pour garantir la pertinence et l'utilité du Portail à l'avenir. Il existe plusieurs autres initiatives similaires à l'EIPP, dont certaines sont équivalentes ou présentent des avantages comparatifs par rapport à l'EIPP dans des domaines clés (par exemple, la manière dont elles qualifient le flux d'opérations, ou l'insertion dans la communauté des investisseurs) et qui sont en compétition pour attirer l'attention des investisseurs. A l'avenir, il est nécessaire de développer davantage les partenariats, en particulier avec la communauté en ligne EIC, afin de s'assurer qu'il n'y a pas de duplication de ces plateformes au niveau européen. Le sentiment général est que l'EIPP devrait être mieux promu auprès des parties prenantes qui sont moins familières et/ou qui ne sont pas impliquées dans les projets de l'UE ou plus généralement dans l'"écosystème" de l'UE. InvestEU pourrait prendre des mesures dans ce sens afin d'augmenter les chances de faciliter le financement et les contacts significatifs pour les porteurs de projet.

Enseignements tirés de l'évaluation

L'expérience de la mise en œuvre du règlement EFSI offre un certain nombre d'enseignements pour la conception d'un instrument similaire à l'avenir, notamment :

- La nécessité de concevoir des programmes dotés intrinsèquement d'une agilité et d'une flexibilité. L'EFSI démontre l'importance de créer des programmes qui peuvent s’adapter et être améliorés chemin faisant face à un avenir incertain et à des conditions changeantes.

- À l'avenir, des efforts proactifs et concertés seront nécessaires pour stimuler les investissements (et canaliser les capitaux privés) dans les domaines importants de politique publique et ceux caractérisés par des défaillances profondes et tenaces du marché. Les services de conseil pourraient jouer un rôle en stimulant et en façonnant la demande d'investissement selon des priorités politiques claires (par exemple, la transition écologique et numérique).
- Toute intervention de politique publique comporte de manière inhérente, des compromis, qui doivent être soigneusement équilibrés. Par exemple:
    - Équilibrer la prise de risque avec l'impact de cette politique. Le niveau de prise de risque doit être proportionnel au niveau de provisionnement. Cela implique que le financement d'un instrument tel qu’EFSI ne peut pas être utilisé pour soutenir uniquement des opérations jugées risquées. Une approche équilibrée du portefeuille est nécessaire.
    - En lien avec ce qui précède, les attentes en matière d'additionalité doivent être gérées par rapport à l'exigence d'un portefeuille équilibré, mais aussi par rapport à la nature de l'instrument, qui dépend des demandes émanant du marché.
    - Les doubles objectifs de neutralité climatique et de croissance économique peuvent se renforcer mutuellement, mais il existe également des situations où ces deux objectifs impliquent des compromis. Des efforts doivent être faits pour soutenir un portefeuille de projets où ces compromis sont minimisés ou résolus.
- Reconnaître les limites d'un instrument comme EFSI. D'une part, le volume élevé de financement et d'investissement du secteur privé mobilisé dans le cadre de l'instrument EFSI n'aurait pas pu être atteint uniquement par des subventions. D'autre part, tous les investissements stratégiques ne peuvent pas être financés à travers EFSI ou les programmes qui lui succèdent (par exemple la recherche en phase initiale). De même, dans le domaine du financement des PME, il n'est pas possible d'attirer des intermédiaires commerciaux sur toutes les défaillances du marché, même lorsqu'ils bénéficient d'une garantie.
- D'une manière générale, la continuité d'un "programme promotionnel" tel qu’EFSI est importante. Les programmes promotionnels sont un élément clé de l'écosystème financier et sont essentiels dans les segments de marché où le financement privé est moins susceptible d'abonder (par exemple, les situations de défaillance du marché et en condition de crise).
- Dans le cas des services de conseil (EIAH), il faut trouver un équilibre entre le soutien pour des thématiques et les services de conseil horizontaux, ouverts au tout venant.
- En ce qui concerne le portail (EIPP), (i) la flexibilité et la réactivité au retour d'information sont des caractéristiques importantes, pour lui permettre de rester pertinent et utile à la fois pour les promoteurs de projets et les investisseurs et (ii) la fixation de cibles/objectifs plus étendus et plus fixes, ou la concentration sur l'exploitation des synergies avec les portails/plateformes existants, peut aider à générer une dynamique et donc un plus grand retour sur investissement en ce qui concerne le portail.
- Enfin, l'expérience EFSI souligne la nécessité d’une transparence et d’un partage des informations pour garantir l'adhésion des parties prenantes et éviter les idées fausses.

Zusammenfassung

Diese Studie unterstützt die Ex-post-Evaluierung der Verordnung (EU) 2015/1017 - später abgeändert durch Verordnung (EU) 2017/2396 – zur Einrichtung des Europäischen Fonds für Strategische Investitionen (EFSI), der Europäischen Plattform für Investitionsberatung (EIAH) und des europäischen Portals für Investitionsvorhaben (EIPP). Artikel 18(6) der geänderten EFSI-Verordnung verpflichtet die Kommission dazu, dem Europäischen Parlament und dem Rat bis zum 31. Dezember 2022 einen unabhängigen Evaluierungsbericht über die Anwendung der Verordnung vorzulegen.

Die Bewertung dient einem doppelten Zweck: der Stärkung der Rechenschaftslegung und dem Lernen. Sie zieht eine Bilanz dessen, was im Rahmen der EFSI-Verordnung im Zeitraum 2015-2021 erreicht wurde, und sorgt so für die Rechenschaftslegung über die investierten Mittel. Sie untersucht auch die Gestaltung und Umsetzung der EFSI-Verordnung mit dem Ziel, die gewonnenen Erkenntnisse zu erfassen und umsetzbare Einsichten darüber zu gewinnen, was funktioniert.

Es wurde eine Vielzahl von Datenquellen und Methoden eingesetzt, um eine umfassende Evidenzbasis für die Bewertung zu schaffen und die Belastbarkeit und Validität der Ergebnisse zu erhöhen. Die Evaluierung basiert auf einem methodengemischten Ansatz, der Folgendes umfasst: (i) eine eingehende Prüfung von Programmdokumenten, Strategiepapieren, früheren Evaluierungen und Prüfungen sowie einschlägiger akademischer und grauer Literatur; (ii) eine Analyse des EFSI-Portfolios, kontextualisiert mit Daten zum Investitionsniveau und zu den Finanzierungsbedingungen für KMU; (iii) eine Analyse von Daten zur Inanspruchnahme und Nutzung von EIAH und EIPP; (iv) semi-strukturierte Interviews mit mehr als 120 Stakeholdern auf EU- und nationaler Ebene; (v) acht Länderfallstudien; (vi) eine vertiefte Analyse von 60 EFSI-Operationen.

Die EFSI-Verordnung

Die EFSI-Verordnung ist integraler Bestandteil der Investitionsoffensive für Europa (IPE), die 2014 initiiert wurde. Die IPE wurde wie folgt auf drei Säulen aufgebaut:

- Die erste Säule besteht aus dem EFSI, einem Haushaltsinstrument, das die Risikokapazität der Europäischen Investitionsbank (EIB)-Gruppe erhöhen soll, mit dem Ziel, Investitionen in die Realwirtschaft zu mobilisieren. Die EFSI-Finanzierungen wurden über zwei Fenster bereitgestellt: (i) das Finanzierungsfenster "Infrastruktur und Innovation" (IIW) wurde von der EIB umgesetzt, um Investitionen in Schlüsselbereichen wie Energie, Umwelt und Klimaschutz, Sozial- und Humankapital und damit verbundene Infrastruktur, Gesundheitswesen, Forschung und Innovation, grenzüberschreitender und nachhaltiger Verkehr sowie digitale Transformation zu finanzieren; (ii) das KMU-Fenster - umgesetzt vom Europäischen Investitionsfonds (EIF) - wurde entwickelt, um Finanzintermediäre bei der Verbesserung des Zugangs zu Finanzmitteln für KMU und kleine Midcaps zu unterstützen.
- Die zweite Säule umfasste Initiativen zur Förderung der Sichtbarkeit und der technischen Unterstützung von Investitionsprojekten. Das EIPP war eine Online-Plattform, auf der in der EU ansässige Projektträger Informationen über ihre Projekte veröffentlichen und potenzielle Investoren weltweit erreichen konnten. Das Portal wurde von der Europäischen Kommission betrieben und verwaltet. Die EIAH diente als Anlaufstelle für eine breite Palette von Beratungsdiensten zur Projektvorbereitung und -durchführung, zum Einsatz von Finanzinstrumenten und zum Aufbau von Kapazitäten. Sie wurde von der EIB verwaltet. Die dritte Säule der IPE zielte auf die Schaffung eines investitionsfreundlichen Umfelds durch die Beseitigung regulatorischer und struktureller Engpässe. Sie umfasste Maßnahmen wie die Schaffung einer Kapitalmarktunion und länderspezifische Empfehlungen zur Förderung von Investitionen.

Die EFSI-Verordnung deckt die ersten beiden Säulen des IPE ab. Die Tätigkeiten innerhalb der dritten Säule wurden in einem separaten Rechtsrahmen durchgeführt.

Im Dezember 2017 wurde die EFSI-Verordnung verlängert und nachgebessert ("EFSI 2.0"-Verordnung). Die ursprüngliche EFSI-Verordnung war für den Zeitraum von 2015 bis 2018 vorgesehen. Im Dezember 2017 wurde sie jedoch bis zum 31. Dezember 2020 (für Genehmigungen) und 31. Dezember 2022 (für Unterzeichnungen) verlängert. Die EFSI 2.0-Verordnung hatte auch weitreichendere Ambitionen. Die EU-Haushaltsgarantie wurde von 16 auf 26 Mrd. EUR erhöht, der Beitrag der EIB von 5 auf 7,5 Mrd. EUR, und das Zielvolumen der mobilisierten Investitionen von 315 auf 500 Mrd. EUR. Unter anderem wurde in der geänderten Verordnung auch mehr Wert auf Mehrwert, Transparenz und Klimaschutzmaßnahmen gelegt. Auch die Rolle der EIAH wurde gestärkt.

Wichtigste Ergebnisse und Schlussfolgerungen

In diesem Abschnitt werden die wichtigsten Ergebnisse und Schlussfolgerungen der Evaluierung in Bezug auf jede der drei Komponenten der EFSI-Verordnung zusammengefasst: EFSI, EIAH und EIPP.

Der Europäische Fond für strategische Investitionen (EFSI)

Der EFSI blieb im Zeitraum 2015-2021 relevant und reagierte auf neue politische Ziele, Krisen und Investitionsbedürfnisse. Der EFSI wurde ursprünglich als volumengesteuertes, antizyklisches Instrument eingeführt, um die wachsende Investitionslücke in Europa im Vergleich zu historischen Trends[1] und anderen Ländern (z. B. USA und Japan) zu schließen. Das niedrige Investitionsniveau drückte kurzfristig auf die Wirtschaftsleistung und untergrub die langfristigen Wachstumsaussichten Europas. Daher war der EFSI zu diesem Zeitpunkt sowohl notwendig als auch sinnvoll. Nach dem Start des EFSI haben sich die Investitionsbedingungen deutlich verbessert. Die zyklische Investitionslücke[2] verschwand allmählich, und bis 2019 erreichte die Investitionstätigkeit in der EU 22,2 Prozent des BIP (auch dank des EFSI). Strukturelle Investitionslücken[3] bestanden jedoch weiterhin in Schlüsselbereichen wie der Netto-Null-Umstellung, der Digitalisierung, der sozialen Infrastruktur usw. Und während sich die Finanzierungsbedingungen für KMU ab 2014 ebenfalls deutlich verbesserten, blieben endemische Probleme für bestimmte Arten von Unternehmen bestehen, d. h. für Unternehmen in bestimmten Segmenten (z. B. Sozialunternehmen, Kreativ- und Kultursektor) oder in bestimmten Bereichen (z. B. Innovation, Investitionen) oder in bestimmten Ländern (z. B. Griechenland, Irland, Lettland usw.). Im Zusammenhang mit der Verbesserung der makroökonomischen Bedingungen und der Finanzierungsbedingungen konzentrierte sich der EFSI zunehmend auf die Behebung struktureller Investitions- und Finanzierungslücken. Im Jahr 2020 änderten sich die makroökonomischen Bedingungen jedoch dramatisch: Die Covid-19-Pandemie löste einen starken Rückgang des BIP und der Investitionen aus, während sich die Finanzierungsbedingungen für Unternehmen rapide verschlechterten. In diesem Zusammenhang erwies sich der EFSI erneut als ein äußerst relevantes und nützliches Instrument zur Krisenbekämpfung.

Der EFSI hat sich als wirksames politisches Instrument zur Schaffung von Investitionsanreizen und zur Beschleunigung von Investitionen erwiesen. Der EFSI ist auf einem guten Weg, sein Ziel zu erreichen, bis Ende 2022 500 Mrd. EUR an Investitionen auf der Grundlage von Unterzeichnungen zu mobilisieren. Bis zum 31. Dezember 2021 wurden 87 Mrd. EUR an EFSI-Finanzierungen unterzeichnet. Es wird erwartet, dass diese Operationen im Zeitraum 2015-2021 Investitionen in Höhe von 492 Mrd. EUR mobilisieren werden. Gemessen am reinen Volumen deckten die durch den EFSI mobilisierten Investitionen einen erheblichen Teil der konjunkturbedingten Investitionslücke in diesem Zeitraum ab. Allerdings ist nicht das gesamte Volumen dieser Investitionen vollständig auf den EFSI zurückzuführen. Andere EU-Finanzinstrumente und -Programme trugen ebenfalls dazu bei, einen Teil dieser Investitionen zu mobilisieren.

Befragungen von Stakeholdern und eine kürzlich durchgeführte EIB-Evaluierung deuten zudem darauf hin, dass für viele vom EFSI finanzierte Vorhaben alternative Finanzierungsquellen zur Verfügung standen; ohne die EFSI-Unterstützung wären diese Investitionen jedoch in geringerem Umfang, langsamer und zu ungünstigeren Bedingungen getätigt worden (was sich auf den Zeitplan, die Kosten, den Umfang und/oder die Qualität der Investitionen ausgewirkt hätte). Ohne den EFSI hätte es daher länger gedauert, die Investitionslücke in Europa zu schließen, und die geringe Investitionsdynamik hätte länger fortbestanden. Der EFSI unterstützte die Investitionstätigkeit auch indirekt, indem er die politische Aufmerksamkeit und die Ressourcen auf Investitionen auf nationaler Ebene konzentrierte.

Der EFSI hat auf eine Reihe von Marktversagen und suboptimalen Investitionssituationen in verschiedenen Regionen und Themenbereichen reagiert. Abgesehen von einigen wenigen Ausnahmen war die Verteilung der EFSI-Finanzierung gut auf die (zyklischen) Investitionslücken auf Länderebene abgestimmt. Im Rahmen eines ausgewogenen Portfolio-Ansatzes waren die EFSI-Finanzierungen auch gut auf Bereiche ausgerichtet, in denen der Privatsektor wahrscheinlich weniger von sich aus investieren würde, wie z. B. die Förderung von Investitionen in neue/unbewährte Technologien, die Finanzierung großer, komplexer Projekte und Investitionen in soziale Ziele und öffentliche Güter.

Der EFSI hat dazu beigetragen, den Zugang zu Finanzmitteln für Unternehmen in ganz Europa zu verbessern und zu diversifizieren. Der EFSI hat es Finanzintermediären in ganz Europa ermöglicht, sowohl das Volumen als auch die Risikobereitschaft ihrer Kreditvergabe zu erhöhen. Mehr als 760.000 Unternehmen in ganz Europa haben von der EFSI-Unterstützung profitiert, darunter auch solche, die vom Markt typischerweise unterversorgt sind, wie Kleinstunternehmen, Sozialunternehmen und Unternehmen mit spezifischen Geschäftsmodellen (z. B. auf der Grundlage immaterieller Vermögenswerte) oder Bedürfnissen (z. B. längerfristige Finanzierung für Investitionszwecke). Der EFSI führte nicht nur zu einer besseren Verfügbarkeit von Finanzmitteln für Unternehmen, sondern auch zu besseren Bedingungen wie niedrigeren Zinssätzen, geringeren Anforderungen an Sicherheiten, längeren Rückzahlungsfristen und geringeren Anzahlungen. Darüber hinaus trug der EFSI dazu bei, die den Unternehmen zur Verfügung stehenden Finanzierungsquellen zu diversifizieren, indem er die Entwicklung von Risikokapital-, privaten Fremdkapital- und alternativen Finanzierungsmärkten förderte, die für bestimmte Arten von Unternehmen (z. B. Neugründungen, wachstumsstarke Unternehmen) oder für bestimmte Bedürfnisse (z. B. Bedarf an "geduldigem" Kapital oder kapitalintensiver Bedarf von Hightech- und innovativen Unternehmen) besser geeignet sind. Diese Ergebnisse wären ohne die Unterstützung des EFSI nur schwer zu erreichen gewesen, auch wenn es zwangsläufig einige (relativ geringe und innerhalb akzeptabler Grenzen liegende) "Mitnahmeeffekte" gibt, da es unmöglich ist, absolut zielgenaue Interventionen im Bereich der KMU-Finanzierung zu konzipieren.

Weitere wichtige Errungenschaften des EFSI sind:

- Unterstützung der Netto-Null-Umstellung in Europa durch die Finanzierung einer Reihe von Klimaschutzprojekten in Bereichen wie erneuerbare Energien, Energieeffizienz, kohlenstoffarme Technologien usw. 44 Prozent der EFSI-IIW-Finanzierung flossen in solche Projekte.
- Crowding-in von privatem Kapital. Es wird erwartet, dass 72 Prozent der vom EFSI mobilisierten Investitionen aus privaten Quellen stammen werden.
- Zuführung von Privatkapital zu sozialen Zwecken, z. B. sozialer Wohnungsbau, Langzeitpflege, Bildung.
- Steigerung der Effizienz der öffentlichen Ausgaben. Der angestrebte Multiplikatoreffekt (15) wurde übertroffen, so dass der EFSI eine kritische Masse an Ressourcen mobilisieren konnte, um Investitionen auf den Weg zu bringen.
- Einleitung eines Umdenkens in der Art und Weise, wie öffentliche Politik umgesetzt wird, z. B. durch einen stärker vernetzten Ansatz und den Einsatz von Haushaltsgarantien, um die Ressourcen auf die politischen Ziele zu lenken.

- Ausbau der Zusammenarbeit zwischen der EIBG und den nationalen Förderbanken und -instituten (NPBI).

Insgesamt werden erhebliche makroökonomische Auswirkungen durch den EFSI erwartet. Bis 2025 wird der EFSI voraussichtlich 2,1 Millionen Arbeitsplätze schaffen und das BIP der EU im Vergleich zum Basisszenario um 2,4 % steigern. Langfristig schwächen sich einige der Auswirkungen ab, sind aber immer noch erheblich. Bis zum Jahr 2040 werden durch EFSI-gestützte Maßnahmen schätzungsweise immer noch 1,3 Millionen Arbeitsplätze geschaffen und das BIP der EU im Vergleich zum Basisszenario um 1,6 % erhöht. Insgesamt deuten die Modellierungsergebnisse darauf hin, dass der EFSI insbesondere den Kohäsionsregionen und den von der Krise betroffenen Ländern bei der Schaffung von Arbeitsplätzen und Wachstum zugute kommen wird.

Der Mehrwert der EU-Haushaltsgarantie ist eindeutig und nachweisbar. Das EFSI-Portfolio unterscheidet sich grundlegend von den Standardoperationen der EIB, was das Risikoprofil, den durchschnittlichen Umfang der Operationen und die Komplexität (neue Märkte, neue Kunden und komplexere Produkte) betrifft. Obwohl es einige Beispiele für Operationen gibt, die sicherlich auch ohne EFSI-Unterstützung hätten durchgeführt werden können, wäre die EIB-Gruppe ohne die EU-Garantie nicht in der Lage gewesen, das gesamte EFSI-Portfolio in ihrer Bilanz zu finanzieren, ohne ihre Bonität, ihren Kapitalverbrauch und ihre finanzielle Nachhaltigkeit zu beeinträchtigen. Der EIF kann nur in begrenztem Umfang eigenes Kapital einsetzen und ist für die Durchführung der meisten seiner Aktivitäten auf die Mittel der Auftraggeber angewiesen. Ohne den EFSI wäre der EIF daher nicht in der Lage gewesen, diese Tätigkeiten ohne eine Kapitalerhöhung durchzuführen.

Der EFSI bietet einen erheblichen EU-Mehrwert. Die Vorteile von Maßnahmen auf EU-Ebene über den EFSI (im Gegensatz zu alleinigen Maßnahmen der Mitgliedstaaten) liegen in der Finanzierung von Operationen in mehreren Ländern, in der Förderung der internationalen Zusammenarbeit (z.B. die Europäische Verbriefungsinitiative), in der Erprobung von Haushaltsinstrumenten als Instrument zur effizienten und effektiven Mobilisierung privater Investitionen, im Aufbau institutioneller Kapazitäten innerhalb der nationalen Zentralbanken zur Umsetzung von Garantiesystemen und Investitionsplattformen, in der Erprobung und Ausweitung von Nischenprodukten wie Risikokrediten und in der Schließung von Lücken in unterentwickelten/unterversorgten Segmenten (z. B. Beteiligungskapital, Landwirtschaft, Mikrofinanzierungen, Leasing).

Mit Blick auf die Zukunft ist ein De-Risking-Instrument wie der EFSI weiterhin von Bedeutung. Europa braucht große Mengen an Investitionen, um seine politischen Ziele zu erreichen und den gesellschaftlichen Bedürfnissen gerecht zu werden. Sowohl der öffentliche als auch der private Sektor werden ihre Investitionen erheblich steigern müssen, um a) den doppelten Strukturwandel der EU (grün und digital) und b) die strategische Autonomie in Bereichen wie Energie, Halbleiter, künstliche Intelligenz usw. zu erreichen. Die durch den Krieg in der Ukraine hervorgerufene geopolitische Unsicherheit in Verbindung mit dem sich wandelnden makroökonomischen Kontext (hohe Inflation, hohe Zinssätze, wachsende Staatsverschuldung usw.) wird Investitionen in Zukunft einschränken. Vor diesem Hintergrund besteht weiterhin Bedarf an einem garantiegestützten Finanzierungsinstrument.

Europäische Plattform für Investitionsberatung (EIAH)

Der Hub hat seinen Wert bei der Generierung einer Pipeline hochwertiger, investitionsbereiter Projekte unter Beweis gestellt, insbesondere durch die Bereitstellung von LPAs (Last-Mile-Beratungsunterstützung). Bis Ende 2021 wurden 77 Projekte aus dem Hub in die EFSI-Pipeline aufgenommen (genehmigte oder unterzeichnete EFSI-Operationen). Darüber hinaus wurden 101 Aufträge in die EIB-Pipeline aufgenommen (genehmigte oder unterzeichnete EIB-Standardfinanzierungsoperationen). Die EIAH hat es geschafft, bei der Erfüllung ihres

Mandats verschiedene (und teilweise widersprüchliche) Prioritäten miteinander in Einklang zu bringen. Einerseits blieb sie nachfrageorientiert. Andererseits unternahm sie Sensibilisierungsmaßnahmen, um die Nachfrage nach ihren Dienstleistungen zu steigern. So wurden beispielsweise besondere Anstrengungen unternommen, um die Kohäsionsländer zu erreichen und die Beratungskapazitäten der nationalen Zentralbanken vor allem in weniger entwickelten Märkten durch den Einsatz von Finanzhilfevereinbarungen auszubauen. In dieser Hinsicht gab es jedoch einige Einschränkungen (fehlende Beratungsmandate, Schwierigkeiten bei der Erfüllung der Kofinanzierungsanforderungen, hohe Verwaltungsanforderungen).

Der Hub blieb eine Ergänzung zu anderen EU-Beratungsdiensten. Der Hub führte angemessene Verfahren ein, um Überschneidungen/Doppelarbeit zu vermeiden (z. B. monatliche EIAH-Screening-Gruppensitzungen), fungierte als Anlaufstelle für andere EU-Dienste (und leitete Anfragen gegebenenfalls weiter) und bot nur in solchen Fällen Unterstützung an, in denen die angeforderten Dienste nicht über ein bestehendes Beratungsangebot auf EU-Ebene verfügbar waren.

Die EIAH-Unterstützung bot einen EU-Mehrwert. Zu den Schlüsselelementen des EU-Mehrwerts gehörten die Beratung in Bezug auf die regulatorischen Anforderungen der EU, der Austausch bewährter Praktiken zwischen den Mitgliedstaaten unter Berücksichtigung lokaler Besonderheiten und Rahmenbedingungen, die Bereitstellung praktischer Unterstützung, die hohe Qualität und Glaubwürdigkeit der Ergebnisse, die von den Stakeholdern im weiteren Sinne oft als Gütesiegel angesehen werden, sowie das hohe Maß an Fachwissen des Hubs. Darüber hinaus verwalten und überprüfen die Experten der EIB die Arbeit der externen Dienstleister, die für die EIAH-Aufträge beauftragt werden, und führen Qualitätssicherungs- und Qualitätskontrollen durch. Bei der Evaluierung konnten keine Beispiele für eine alternative Unterstützung gefunden werden, die diese zusätzliche Ebene der Qualitätssicherung/Qualitätskontrolle und das gleiche Maß an Kenntnissen und Fachwissen über die regulatorischen Anforderungen der EU bietet. Außerdem sind die auf dem Markt angebotenen Beratungsdienste oft zu teuer und für viele Projektträger unerschwinglich.

Auch in Zukunft besteht ein Bedarf an Beratungsdiensten auf EU-Ebene. Obwohl es auf vielen Märkten eine Reihe von Beratungsdiensten gibt, bleiben Fragen der Verfügbarkeit, des Zugangs und der Erschwinglichkeit bestehen. Daher besteht nach wie vor ein Bedarf an den Dienstleistungen des Hubs. Darüber hinaus ist zu erwarten, dass der Bedarf und die Nachfrage nach Beratungsdienstleistungen in Zukunft steigen werden, da der InvestEU-Fonds stark thematisch ausgerichtet ist und angesichts des Umfangs der Investitionen, die für den grünen und digitalen Wandel in der EU erforderlich sind. In diesem Zusammenhang kann der Hub eine Rolle bei der Förderung von Investitionen in diesen Bereichen spielen.

Europäisches Portal für Investitionsvorhaben (EIPP)

Das EIPP hat dazu beigetragen, die Sichtbarkeit der im Portal veröffentlichten Projekte zu verbessern. Die Zahl der im EIPP veröffentlichten Projekte ist im Laufe der Zeit stetig gestiegen und hat die ursprünglichen Ziele und Erwartungen übertroffen. Darüber hinaus verzeichnete das Portal bis Ende April 2021 mehr als 350.000 Besucher, was die Sichtbarkeit der veröffentlichten Projekte erhöht hat.

Abgesehen von der Sichtbarkeit gab es nur wenige Erwartungen oder konkrete Zielvorgaben für das EIPP, und die breiteren Auswirkungen des EIPP sind schwer zu messen. Es wurden relativ wenige Erwartungen oder konkrete Ziele für das EIPP festgelegt, insbesondere in Bezug auf die Schaffung von Investitionsmöglichkeiten für den EFSI oder die Investorengemeinschaft im Allgemeinen. Im Rahmen der EIPP werden die Investitionserfolge nachverfolgt, die im Laufe der Zeit zugenommen haben und bis Ende April 2021 etwa 80 Projekte betreffen. Der Indikator überwacht die Gesamtzahl der Projekte, die nach ihrer Veröffentlichung im EIPP eine Finanzierung erhalten. Die Finanzierung kann auf die Veröffentlichung des Projekts im EIPP zurückzuführen sein oder auch nicht, da die Rolle des EIPP in dieser Hinsicht schwer zu erkennen ist.

Der EU-Mehrwert des Portals verbesserte sich mit der Zeit, blieb aber insgesamt begrenzt. In der Praxis sah sich das EIPP bei seiner Einbettung in das Ökosystem der Investoren mit mehreren Herausforderungen konfrontiert (z. B. betrügerische Investorenkontakte, die Arten der auf dem Portal zur Verfügung gestellten Projekte), die seine Fähigkeit einschränkten, schnelle Fortschritte bei der Herstellung sinnvoller Kontakte und Übereinstimmungen zwischen Projekten und Investoren zu erzielen. Das EIPP unternahm über seine eigentliche Rolle hinaus relevante Schritte, um die Plattform proaktiv zu beleben, Projekte bei der Sicherung der Finanzierung zu unterstützen, Veranstaltungen durchzuführen und Partnerschaften zu entwickeln, um sich effektiver in die Investorengemeinschaft einzubringen. Obwohl sich dadurch der EU-Mehrwert des Portals im Laufe der Zeit verbesserte, wirkten sich die anfänglichen Herausforderungen auf die Wahrnehmung des Portals aus und führten zu einer gewissen Skepsis sowohl bei den Investoren als auch bei den Projektträgern.

Um die Relevanz und Nützlichkeit des Portals auch in Zukunft zu gewährleisten, müssen Verbesserungen vorgenommen werden. Es gibt mehrere andere, ähnliche Initiativen wie das EIPP, von denen einige dem EIPP in Schlüsselbereichen (z. B. Qualifizierung des Transaktionsflusses, Einbindung in die Investorengemeinschaft) entweder ebenbürtig sind oder Vorteile gegenüber dem EIPP haben und um die Zeit und Aufmerksamkeit der Investoren konkurrieren. In Zukunft müssen Partnerschaften insbesondere mit der EIC-Online-Gemeinschaft weiter ausgebaut werden, um sicherzustellen, dass es keine Überschneidungen mit solchen Plattformen auf EU-Ebene gibt. Allgemein wird die Meinung vertreten, dass das EIPP besser an Stakeholder vermittelt werden sollte, die mit EU-Projekten oder allgemein mit dem "Ökosystem" der EU weniger vertraut oder daran beteiligt sind. InvestEU könnte Schritte in diese Richtung unternehmen, um die Chancen auf eine Erleichterung der Finanzierung und sinnvolle Kontakte für Projektträger zu erhöhen.

Gewonnene Erkenntnisse

Aus den Erfahrungen mit der Umsetzung der EFSI-Verordnung lassen sich eine Reihe von Lehren für die künftige Gestaltung ähnlicher Instrumente ziehen, vor allem die folgenden:

- Die Notwendigkeit, Programme mit eingebauter Agilität und Flexibilität zu konzipieren. Der EFSI zeigt, wie wichtig es ist, Programme zu schaffen, die angesichts einer unsicheren Zukunft und sich ändernder Bedingungen angepasst und verbessert werden können.
- Künftig werden proaktive und konzertierte Anstrengungen erforderlich sein, um Investitionen (und die Lenkung von Privatkapital) in von politischen Prozessen abhängigen Bereichen und in solchen, die durch tiefgreifendes und hartnäckiges Marktversagen gekennzeichnet sind, zu fördern. Beratungsdienste könnten eine Rolle bei der Stimulierung und Gestaltung der Investitionsnachfrage entlang klarer politischer Prioritäten (z. B. grüner und digitaler Wandel) spielen.
- Jede politische Intervention ist mit Kompromissen verbunden, die sorgfältig abgewogen werden müssen. Zum Beispiel:
    - Risikoübernahme und politische Wirkung. Die Höhe der Risikoübernahme muss der Höhe der Rückstellungen angemessen sein. Dies bedeutet, dass die Finanzierung aus einem Instrument wie dem EFSI nicht nur zur Unterstützung von Operationen unterhalb der Investment-Grade-Kategorie verwendet werden kann. Es ist ein ausgewogener Portfolio-Ansatz erforderlich.
    - In diesem Zusammenhang müssen die Erwartungen hinsichtlich des Mehrwerts mit der Forderung nach einem ausgewogenen Portfolio, aber auch mit dem marktgesteuerten Charakter des Instruments in Einklang gebracht werden.
    - Die beiden Ziele der Klimaneutralität und des Wirtschaftswachstums können sich gegenseitig bestärken, aber es gibt auch Situationen, in denen diese Ziele

miteinander in Konflikt stehen. Es sollten Anstrengungen unternommen werden, um ein Portfolio von Projekten zu unterstützen, bei denen solche Zielkonflikte minimiert oder sogar aufgelöst werden.

- Anerkennung der Grenzen eines Instruments wie des EFSI. Einerseits hätte das hohe Volumen an Finanzierungen und Investitionen des Privatsektors, das im Rahmen des EFSI mobilisiert wurde, nicht allein durch Zuschüsse erreicht werden können. Andererseits können nicht alle strategischen Investitionen durch den EFSI oder seine Nachfolgeprogramme finanziert werden, z. B. im Bereich der Frühphasenforschung. Ebenso ist es im Bereich der KMU-Finanzierung nicht möglich, kommerzielle Intermediäre für alle von Marktversagen betroffene Bereiche zu gewinnen, selbst wenn sie von einer Garantie profitieren.
- Generell ist die Kontinuität eines "Förderprogramms" wie des EFSI wichtig. Förderprogramme sind ein zentraler Bestandteil des finanziellen Ökosystems und in Marktsegmenten, in denen private Finanzierungen weniger wahrscheinlich sind (z. B. bei Marktversagen und in Krisensituationen), unerlässlich.
- Bei den Beratungsdiensten muss ein Gleichgewicht zwischen thematischer Unterstützung und horizontalen Beratungsdiensten bestehen.
- Was das Portal betrifft, so sind (i) Flexibilität und Reaktionsfähigkeit auf Rückmeldungen wichtige Punkte für die Erhaltung des Nutzens und der Relevanz sowohl für Projektträger als auch für Investoren, und (ii) die Festlegung ehrgeizigerer und fester Ziele oder aber die Fokussierung auf die Nutzung bestehender Portale/Plattformen kann dazu beitragen, eine Dynamik zu erzeugen und somit einen größeren Gegenwert für die in das Portal getätigten Investitionen zu erzielen.
- Nicht zuletzt zeigen die Erfahrungen mit dem EFSI, wie wichtig Transparenz und Informationsaustausch sind, um die Akzeptanz unter Stakeholdern zu gewährleisten und Missverständnisse zu vermeiden.

1 Introduction

This is the final report of an independent, ex-post evaluation of Regulation (EU) 2015/1017 (EFSI Regulation), subsequently amended by Regulation (EU) 2017/2396 (EFSI 2.0 Regulation). The initial regulation – adopted in June 2015 - established the European Fund for Strategic Investments (EFSI), the European Investment Advisory Hub (EIAH) and the European Investment Project Portal (EIPP)[20]. In December 2017, EFSI Regulation was extended and enhanced (EFSI 2.0 Regulation) to reflect the experience and lessons learned from the first phase of implementation (2015-2017).

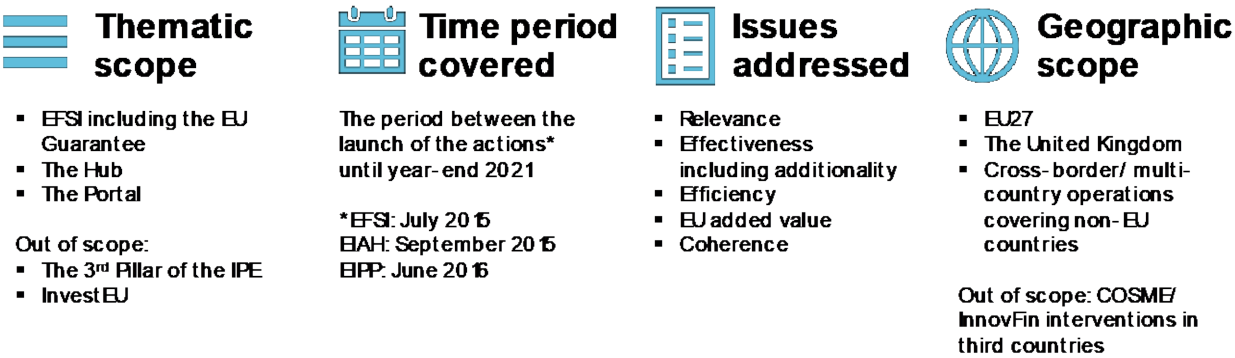
This evaluation serves two purposes: accountability and learning. As such, the evaluation takes stock of what has been achieved, how things worked and the lessons learned from the implementation of the EFSI Regulation, with a view to inform future policy decisions and choices. The findings of the evaluation will feed into the European Commission's Staff Working Document which will be submitted to the European Parliament and the Council by 31st December 2022, as required under Article 18(6) of the EFSI Regulation.

The Terms of Reference for the evaluation defined its scope as follows:

- Thematic: the evaluation assesses the functioning of EFSI including the use of the EU Guarantee, and the activities of the EIAH (the "hub") and the EIPP ("the portal"). The activities under the third pillar of the Investment Plan for Europe (IPE) were carried out under separate legal frameworks and are thus not covered by this evaluation.
- Temporal: the period from the launch of the individual actions until the end of 2021.
- Geographic: the 27 EU Member States, the United Kingdom as well cross-border projects extended to one or more third countries falling within the scope of the European Neighbourhood Policy.

The evaluation does not assess the InvestEU Regulation, which entered into force in March 2021 with retroactive application from 1 January 2021.

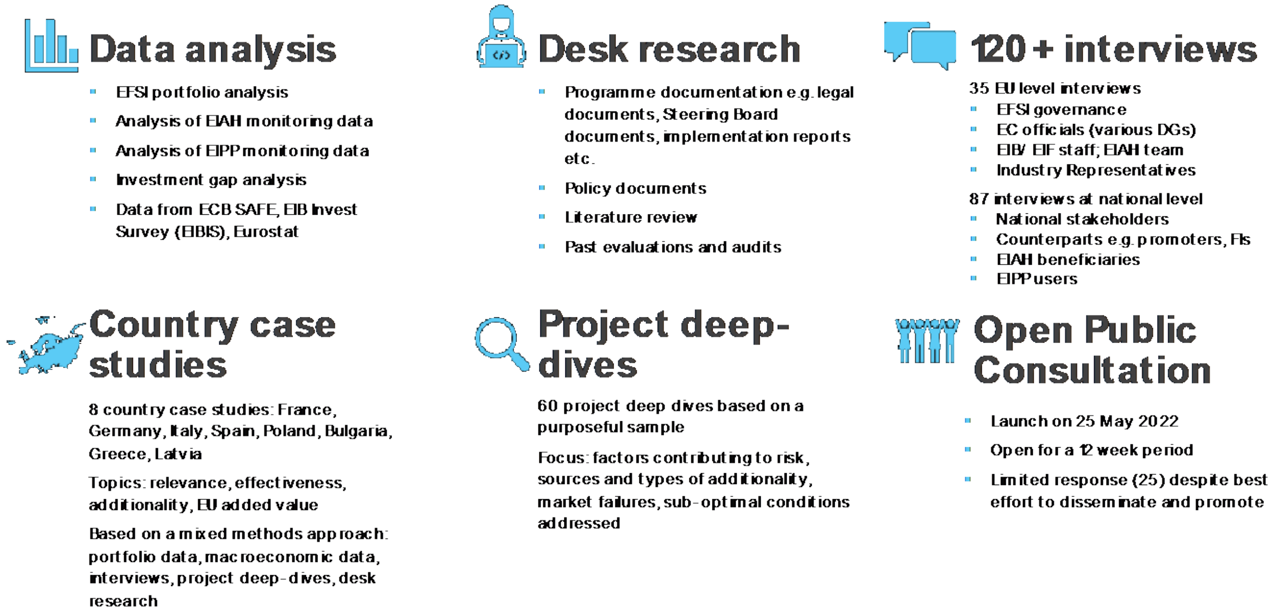
Figure 1. The scope of the evaluation



A range of methods and data sources were used to build a rich and robust evidence base for the evaluation. The evaluation was launched in May 2022 and conducted in line with the European Commission's Better Regulation Guidelines (BRG). It is based on intensive research carried out over a six-month period. A combination of primary and secondary sources of evidence as well as quantitative and qualitative approaches were used to (i) generate fresh insights by looking at issues from multiple perspectives and different angles and(ii) provide the basis for triangulation. Figure 2 summarises the various methods and sources used. Further detail is provided in the Annex.

20 Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments

Figure 2. Overview of the methods and sources used for the evaluation



There are, however, inevitably some caveats and limitations to the research undertaken. Firstly, the broad scope of the evaluation relative to the resources and time available, inevitably constrained the depth and breadth of research that could be undertaken. For example, it was not feasible to assess the relevance and effectiveness of the suite of products launched under EFSI, even though it would have been interesting and insightful to do so. Secondly, the low response rate to the Open Public Consultation (OPC) made it practically unusable. Finally, the inability to organise large-scale surveys of counterparts and final beneficiaries (due to practical challenges relating to assembly of contact details, obtaining consent and survey fatigue) meant that this evaluation had to rely on existing surveys. The latter mainly cover counterparts and overall, very little survey evidence is available on SMEW final beneficiary perspectives.

The overall evidence base is generally reliable and where necessary, findings have been qualified .The evaluation team was able to conduct a large number of interviews with a broad range of key informants and wider stakeholders (as indicated in Figure 2) as well as detailed country research to understand how EFSI worked in the real world context and in different settings. While the eight country case studies are not strictly representative of all countries of EFSI operations, the data from these studies highlight key themes and processes which resonate across the broader portfolio. Nonetheless, the evaluation team has been cautious in drawing conclusions and have qualified findings when warranted.

The remainder of this document is structured as follows:

- Section 1: Rationale of the intervention
- Section 2: State of play
- Section 3: Evaluation findings
- Section 4: Lessons learned and conclusions

In addition, there is a series of Annexes and stand-alone outputs to this document. These are provided separately.

2 Rationale of the intervention

2.1 The investment gap in Europe

The Investment Plan for Europe (IPE) was conceived in 2014 in the context of a low-growth, low-investment dynamic. During the 2008-09 global financial crisis, investment in the EU dropped sharply (declining by 13 per cent year-on-year). In the years that followed, the gap between actual investment levels in the EU and the historical trend[21] continued to widen (Figure 3). By 2013, investment had shrunk by 20 per cent or more in several Member States (Figure 4). The low level of investment in Europe was a cause of concern for two reasons: it was dragging down output in the short term and undermining Europe's longer term growth and competitiveness prospects.

Figure 3. GFCF in EU28, in current prices (EUR billion, 1995-2015

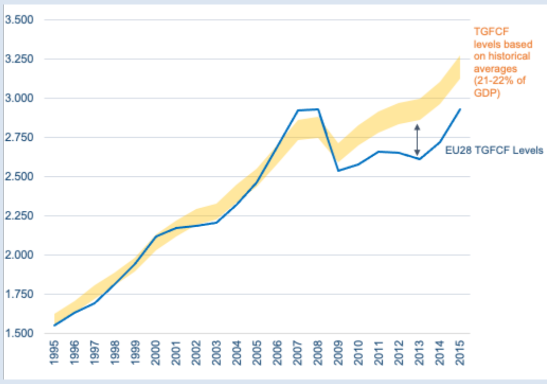
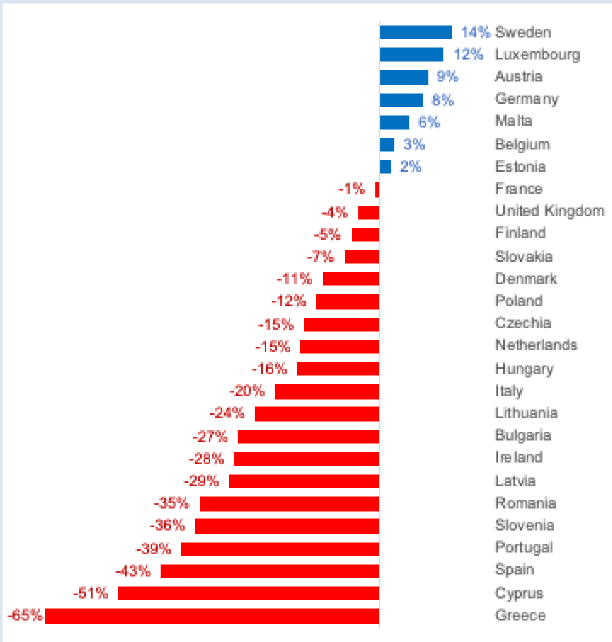


*Figure 4. Change in GFCF between 2008 and 2013**



**Croatia not included as it joined the EU in 2014*

Source: Eurostat, Gross Fixed Capital Formation in current prices (EUR billion)

Against the above backdrop, the overarching objective of the IPE was to bring investment levels in the EU back on track. It aimed at tackling the three major issues that were holding back investment in Europe — reduced capacity of investors to take risk following the financial and economic crises, lack of pipeline of high-quality investment projects and non-financial barriers to investment. The IPE was structured around three pillars that corresponded to these issues:

- *Pillar one consisted of the European Fund for Strategic Investments (EFSI) which was designed to mobilise public and private investments.* EFSI was set up as guarantee fund with a combination of EU budgetary resources and the EIB Group's own resources. The idea behind the fund was to enhance the risk-taking capacity of the EIB Group by providing an EU budgetary guarantee (see Box). EFSI financing was delivered through two windows:

21 GFCF representing 20-21 percent of the GDP

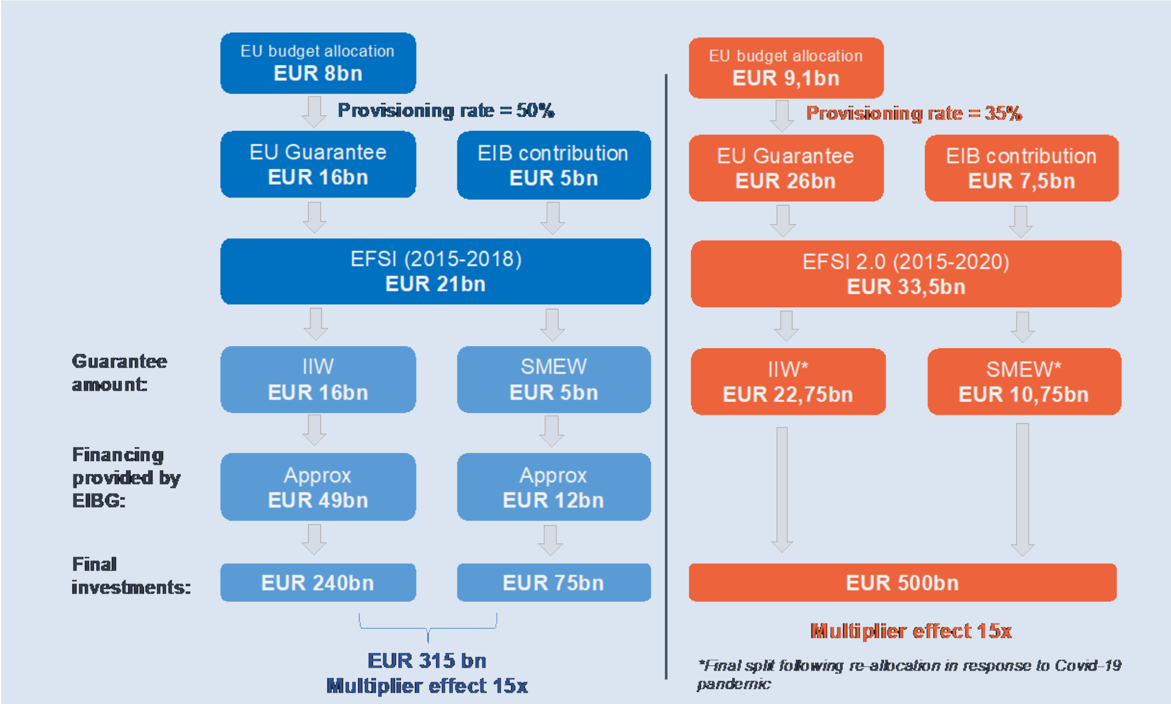
- The infrastructure and innovation window (IIW) – implemented by the European Investment Bank (EIB) – was designed to finance investments in key areas such as infrastructure, research and innovation, education, renewable energy and energy efficiency.
- The SME window – implemented by the European Investment Fund (EIF) – was designed to support financial intermediaries in improving access to finance for SMEs and small mid-caps.

- *Pillar two included initiatives to provide visibility and technical assistance to investment projects*. The European Investment Project Portal (EIPP) was an online platform where EU-based project promoters could publish information related to their projects and reach potential investors worldwide. The Portal was hosted and managed by the European Commission. The European Investment Advisory Hub (EIAH) acted as a single point of entry to a wide range of advisory services on project preparation and implementation, use of financial instruments and capacity building. It was managed by the EIB.
- *The third Pillar of the IPE aimed at creating an investment friendly environment* by removing regulatory and structural bottlenecks. It included actions such the creation of a Capital Markets Union and country specific recommendations to boost investment.

Box EFSI: doing more with less

At the core of EFSI is the principle of "doing more with less". EFSI was conceived at a time when public finances were highly constrained and the EU Multi-annual Financial Framework had already been earmarked for a seven-year period (2014-20). In this context, the Commission had limited budgetary resources to work with. A new type of instrument – based on guarantees - was thus created. As a budgetary guarantee, EFSI was different from a classical EU financial instrument. In the case of the latter, all potential financial liabilities are fully provisioned (i.e. the amount of the EU guarantee cannot exceed the amount of budget available for the financial instrument); whereas in the case of a budgetary guarantee, the EU only covers a portion of the financial liability (actual losses/called amounts) supported by provisions. An EU guarantee thus creates an unfunded financial liability for the EU budget and in doing so, provides greater leverage to the EU budget as shown in the diagram below.

Financial structure of EFSI and EFSI 2.0



EFSI was furthermore designed as an irrevocable, unconditional, first demand guarantee to allow the EIB Group to finance higher risk projects (loan grading of D- or below) and provide subordinate or equity/ equity-type financing to projects and companies addressing market failures or sub-optimal investment situations, without jeopardising the Group entities' credit rating.

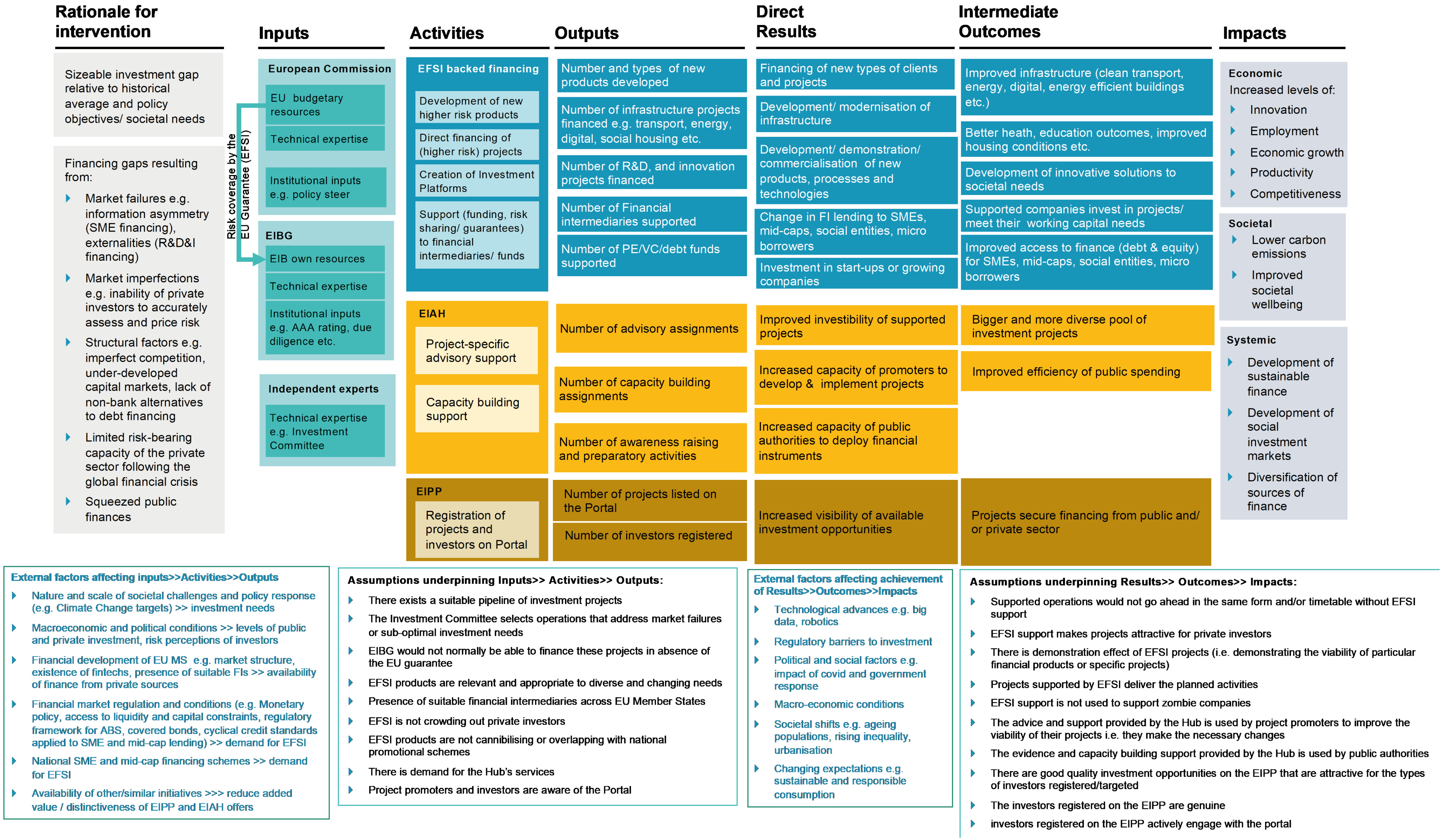
2.2 Expected outcomes and impacts

Figure 5 illustrates the re-constructed Theory of Change for the first two pillars of the IPE. The ToC provides a stylised illustration of the main channels through which the three interventions (EFSI, EIAH and EIPP) are expected to lead to increased investment and ultimately to economic and societal impacts.

The ToC acknowledges that reality is complex. The ToC explicitly recognizes the existence of exogenous factors that are beyond the Commission and the EIBG's control and which influence the take-up and implementation of the three interventions (EFSI, EIAH and EIPP). Besides, there are a number of assumptions about how the interventions operate. These assumptions or pre-conditions need to hold true for the desired effects to materialize.

The ToC is based on consultations and an in-depth document review. The following inputs have fed into the design of the ToC: (a) interviews with European Commission and EIBG officials; (b) review of documentation on EFSI; (c) review of existing evaluations; and (d) review of economic literature.

Figure 5. Theory of change for EFSI, EIAH and the EIPP



Source: Wilkinson, C.

2.3 Evolution of EFSI Regulation

Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015, which established EFSI, EIAH and EIPP entered into force in July 2015. The EFSI Agreement between the European Commission and EIBG was signed on the 22 July 2015. Within the first few years of its implementation, the EFSI Regulation was assessed and evaluated several times[22].

In response to the feedback, criticisms and lessons learned from the early years of implementation, the EFSI Regulation was extended and enhanced in December 2017 ("EFSI 2.0" regulation)[23]. The changes introduced are summarised as follows:

- Greater firepower. An increase of the EU Guarantee from EUR 16 to EUR 26 billion and an increase of the EIB Group contribution from EUR 5 to EUR 7.555 billion.
- A higher investment mobilised target, increased from EUR 315 billion to EUR 500 billion.
- Extension of investment period until 31 December 2020 (for approvals) and 31 December 2022 (for signatures).).
- An extended list of areas[24] to be supported by EFSI which included the bioeconomy sector[25] under the IIW. This was covered primarily through SME lending beforehand. For less developed regions "other industry and services" were also included. ("cohesion" objective)
- The removal of the automatic link between "Special Activities" and additionality (Article 5). An operation falling into the EIB risk category defined as "Special Activities" was no longer considered sufficient to automatically qualify as fulfilling the additionality requirement. A more precise definition of additionality was introduced.
- The introduction of a target for climate action. While recognising the demand-driven nature of EFSI, the amended EFSI Regulation introduced the concept that 40 percent of EFSI financing under the IIW (excluding EFSI financing to SMEs and small MidCaps) should support project components that contribute to climate action, as defined and calculated by the EIB using relevant and appropriate methodologies.
- Increased emphasis on NPB cooperation, investment platforms and small projects financing. The EIB was encouraged to: "delegate, where appropriate, the appraisal, selection and monitoring of small-scale sub-projects to financial intermediaries or approved eligible vehicles, in particular investment platforms and national promotional banks or institutions as a means to increase and facilitate the access to finance for small-scale projects". The Investment Committee (IC) was required to approve the delegation scheme but not sub-projects financed under such delegation schemes (although it retains the right to do so for sub-projects where the EFSI contribution exceeds EUR 3 million).

[22] For example, the following evaluations of EFSI were carried out: Two evaluations by EIB/IG/EV (2016 & 2018); An audit of the application of the EFSI Regulation performed by E&Y (2016); on behalf of the European Commission); The European Commission evaluation of the first year of EFSI (2016); An independent evaluation of EFSI conducted by ICF on behalf of the European Commission (2018); A performance audit by the European Court of Auditors (2019)7, following its Opinion on EFSI (2016).
[23] Regulation (EU) 2017/2396
[24] These areas are referred as "general objectives" in Art. 9 of the Amended EFSI Regulation.
[25] Sustainable agriculture, forestry, fishery, aquaculture, and other elements of the wider bioeconomy

- Greater transparency. It was decided that the rationale for the IC decisions and the scoreboards would be published as soon as a project has been signed, excluding commercially sensitive information.
- Enhancement of the European Investment Advisory Hub (EIAH), particularly its role in the provision of technical assistance for projects related to climate action and circular economy, projects in the digital sector, and cross-border projects. The role of the EIAH in providing advice to NPBs, including for the setup of Investment Platforms was reinforced. It was given a more specific mandate to support EFSI, by actively contributing to the sectoral and geographical diversification of EFSI financing. Finally, an increased local presence of EIAH was envisaged along with transfer of knowledge at the local and regional level through the provision of expertise and capacity building support.
- A slightly adjusted governance structure. The European Parliament nominated an independent expert as non-voting member of the Steering Board (SB).

The EFSI Agreement between the Commission and the EIB[26] was also amended and restated several times.

- The first amendment and restatement of the EFSI Agreement was signed on 21 July 2016, adding two further products under the SME Window (SMEW): the SMEW Equity Product and the EaSI Guarantee Enhancement;
- The second amendment and restatement of the EFSI Agreement was signed on 21 November 2017, converting the three guarantee products under the SMEW from a temporary enhancement (frontloading) to a permanent enhancement (top-up) structure and adding a new SMEW product, the Cultural and Creative Sectors Guarantee Facility (CCS GF) Enhancement;
- A third amendment and restatement of the EFSI Agreement was signed on 9 March 2018 to reflect the EFSI 2.0 Regulation;
- The fourth amendment and restatement of the EFSI Agreement was signed on 20 December 2018 to increase the EFSI contribution to existing SMEW products and add two further SMEW products (EFSI Combinations Product and EFSI Private Credit for SMEs Product);
- The fifth amendment and restatement of the EFSI Agreement was signed on 27 March 2020 to, inter alia, increase the EFSI contribution to the existing SMEW products and add two new SMEW products (the European Scale-up Action for Risk Capital (ESCALAR) Product and Skills and Education (S&E) Product);
- As a response to contain the economic impact of the COVID-19 virus, the sixth amendment and restatement of the EFSI Agreement was signed on 27 April 2020 to repurpose resources from the Infrastructure and Innovation Window (IIW) Equity Portfolio National Promotional Banks (NPBs) as well as certain existing SMEW products to support working capital lending to companies impacted by COVID-19. In this context, the EU Guarantee allocated to the COSME Loan Guarantee Facility (COSME LGF) Enhancement was increased to EUR 1,484 million and the EU Guarantee allocated to the InnovFin SMEG Enhancement was increased to EUR 1,400 million.

[26] The EFSI Agreement is signed between the European Commission and the EIB in which implementation of SMEW is entrusted to EIF. Contractually EIF has a separate (back to back) agreement with the EIB only

2.4 State of play of the EFSI Regulation at the end of 2021

EUR 87bn of EFSI financing had been signed by the end of 2021. The approval period for EFSI ended in 2020[27], although signatures can take place until the end of 2022. By the end of the approval period:

- EUR 99bn of EFSI financing had been approved. Based on these approvals, EFSI is expected to mobilise EUR 524.3bn of investment.
- Around 1500 operations had been signed for EUR 87bn of EFSI financing. Based on signatures by 2021, EFSI is expected to mobilise EUR 492bn of investment. With a volume of EUR 60bn IIW, accounted for almost 69 per cent of the total EFSI signed volumes; while the SME window accounted for the remaining 31 percent.

Table 1. Current state of play of EFSI (year-end 2021), based on signatures

Metric	IIW	SMEW	Aggregate
Number of operations signed	664	834	1,498
EFSI Financing Signed	59,84bn	27,02bn	86,86bn
Investments mobilised	281,58bn	210,48bn	492,06bn
Private finance mobilised	190,78bn	164,24bn	355,02bn

EIB/EC EFSI Portfolio Data – investment mobilised and private finance mobilised show data net of double counting with SMEW/IIW respectively.

The EIAH had supported 1,044 assignments for projects at all stages of maturity. Since its launch in 2015, the EIAH has received requests from more than 4,000 project promoters across the EU. By the end of 2021, more than 290 advisory supported projects had entered the EIB Group's lending or mandate management pipeline.

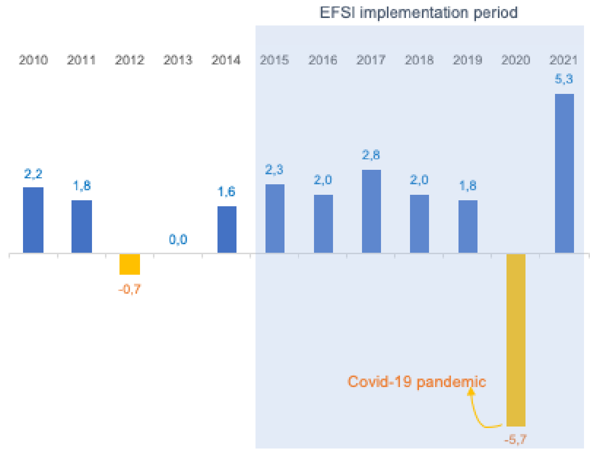
The EIPP had published 1,112 projects by 2021, and as of April 2021 DG ECFIN had received confirmation from over 80 project promoters that they had received financing in the form of debt or equity after having been published on the EIPP[28].

2.5 Evolution of the macro-economic context during EFSI implementation

During the implementation of EFSI, the cyclical investment gap[29] in the EU gradually disappeared. Following the launch of EFSI, macro-economic conditions steadily improved across the EU (Figure 6) and investment levels returned to pre-crisis levels (Figure 7). In 2019, investment activity in the EU reached 22.2 per cent of the GDP, surpassing its long-term trend of 21-22 percentage points. The Covid-19 pandemic, however, reversed many of the economic gains of the previous years with a sharp contraction in economic activity and fall in investment levels. After six consecutive years of growth, the EU economy shrunk by almost 6 percent in 2020 driven by a significant decline in private consumption and further amplified by a fall in investment activity. Investment contracted abruptly, along with other economic activities, as a direct result of Covid-19 lockdown restrictions across EU Member States, deterioration in economic sentiment and uncertainty about the future.

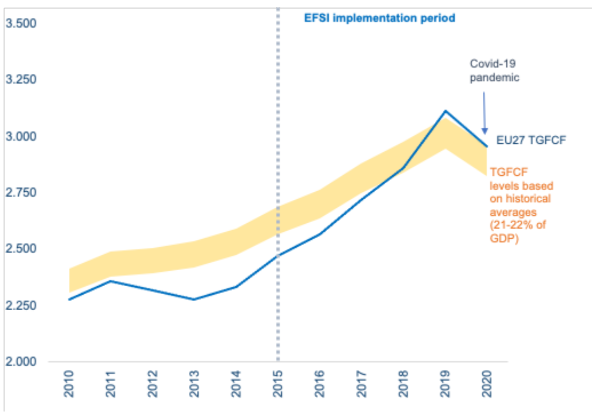
[27] except for operations falling under global authorisations
[28] Though it is uncertain the extent to which this was caused by being on the portal
[29] Defined as the difference between actual gross fixed capital formation and trend level based on the historical average rate observed during 1995-2005 (21-22% of GDP).

Figure 6. GDP growth was relatively robust between 2015 - 2019



Source: Eurostat. Real GDP growth rate. European Union - 27 countries (from 2020)

Figure 7. The cyclical investment gap in EU 27 gradually closed

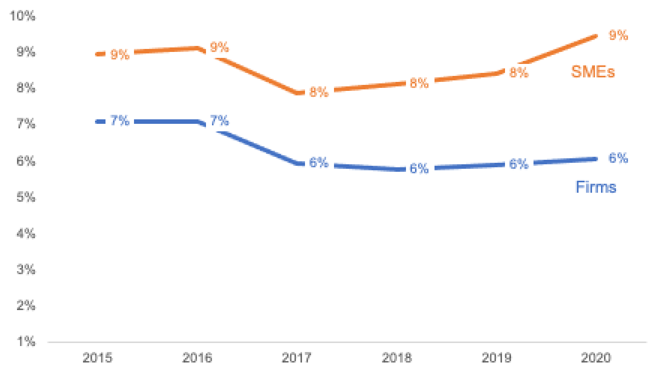


Source: Eurostat. GFCF in the EU

By the time EFSI was launched, financing conditions for businesses had already started improving. A series of monetary policy measures by the ECB and national central banks (interest rate cuts, quantitative easing) together with banks' balance sheet repair and the gradual recovery of the EU economy, contributed to a net easing of credit standards from the last quarter of 2012 onwards. The overall proportion of firms and SMEs facing credit constraints generally decreased between 2012 and 2019 (Figure 8); although, major constraints persisted for certain types of firms i.e. those in specific segments (e.g. social enterprises, creative and cultural sector) or engaged in specific activities (e.g. innovation, investment) or in certain countries (e.g. Greece, Ireland, Latvia etc.)[30]. Moreover, the proportion of SMEs that report facing credit constraints remained consistently higher than all firms. Moreover, the joint EC-ECB SAFE survey results show that the share of SMEs perceiving access to finance as a highly important issue started declining 2012 onwards (Figure 9). This trend continued until the covid-19 pandemic in 2020.

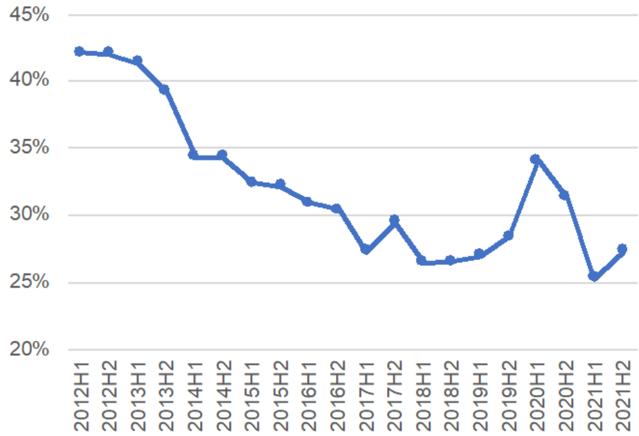
30 EIB EV (2020) Evaluation of the EIB Group Risk Enhancement Mandate

Figure 8. The share of firms and SMEs facing credit constraints across EU27 decreased between 2016-2019



Source: EIBIS. Percentage of firms and SMEs declaring facing credit constraints across EU27

Figure 9. Perceptions around availability of finance had considerably improved during EFSI implementation



Source: EC SAFE Survey. Share of EU SMEs ranking access to finance as a highly important issue (7 or more on a scale of 10).

3 Evaluation findings

3.1 EFSI

3.1.1 To what extent was the intervention successful and why?

This section assesses the extent to which EFSI has delivered on its two primary goals[31]: (i) mobilising investment and (ii) enhancing access to finance for SMEs and mid-caps (including micro and social enterprises). It also examines whether EFSI has contributed to any wider objectives such as institutional change and market development. In assessing the effectiveness of EFSI, the evaluation takes a critical look at the additionality of EFSI financing, including any evidence of crowding-out effects. Finally, this section examines the efficiency and coherence of EFSI.

3.1.1.1 Effectiveness

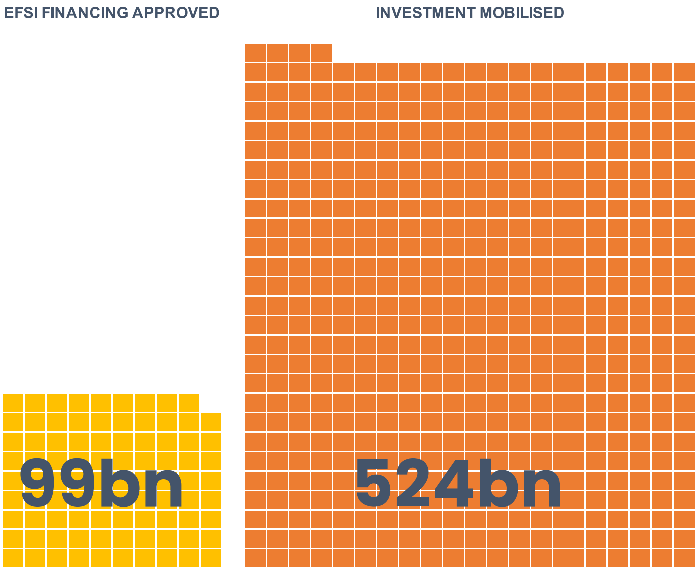
EFFECTIVENESS IN MOBILISING INVESTMENT

EFSI was successful in mobilising a significant volume of private financing and investment across Europe. By the end of 2021, EUR 99,3 bn of EFSI financing had been approved. This financing is expected to mobilise EUR 524,3 bn of investment across Europe. Although signed volumes slightly lag behind approvals (due to the time lag between approvals and signatures as well as cancellation of some operations), EFSI appears to be on track to exceed the target of EUR 500 bn of investment mobilised from operations signed by the end of 2022. Looking at signed volumes, one can nonetheless see that EFSI financing has leveraged a significant volume of private finance (almost 4x). Overall, private financing represents 72 percent of the investment expected to be mobilised by EFSI (Figure 10).

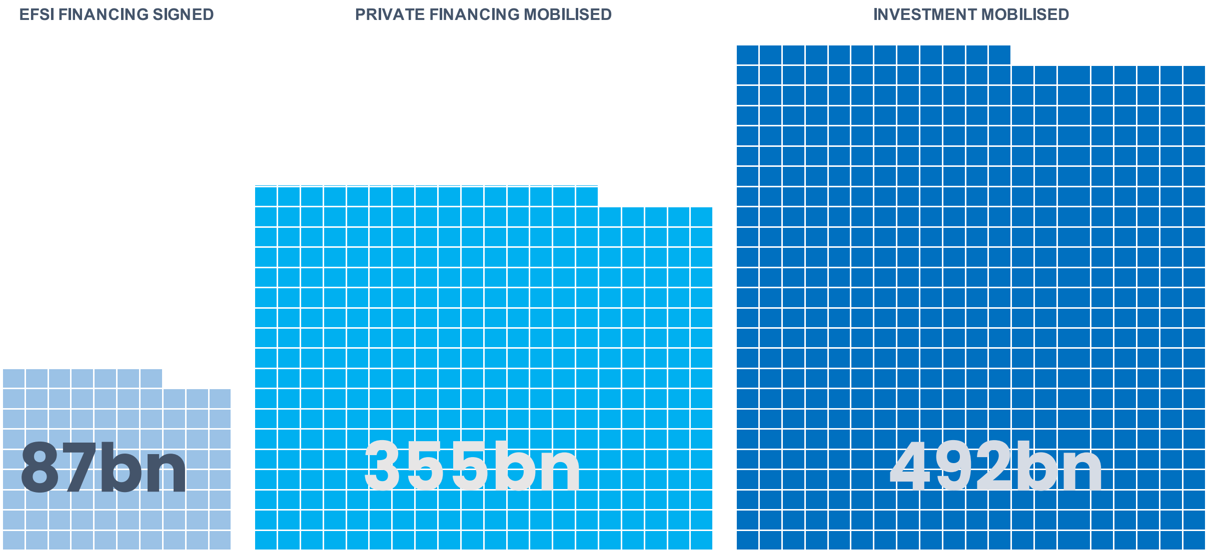
[31] Article 3 of the 2015 EFSI Regulation and the 2017 EFSI 2.0 Regulation

Figure 10. EFSI has mobilised a significant volume of private financing and investment

(A) Based on approvals



(B) Based on signatures



Based on EIB/EC EFSI Portfolio Data. Based on signed volumes. All figures in EUR billions.

EFSI mobilised investment represented roughly 2,7 percent of the annual investment at EU level, but in some Member States it accounted for a significant share of investment. The EUR 492 bn of investment mobilised by EFSI corresponds to EUR 82bn per year, based on the simplifying assumption that the investment is spread evenly across the six-year period from 2016 to 2021[32]. At an EU level, EFSI mobilised investment represents 2,7 per cent of the average annual investment during 2016 to 2021. However, EFSI mobilised a significantly higher share of investment at national

[32] In reality, this investment will most likely be spread over a longer period. For example the investment mobilised in 2016 will be spread across several years but the bulk of it is likely to be concentrated in the first 2-3 years, (2016-18) due to the (i) time lag between signatures and disbursements and (ii) most projects have a construction or development period which means all disbursements do not take place in a given year. Moreover, as 2015 signatures constituted only 3% of the total EFSI signatures, the analysis focuses on the period 2016-2021

level in a few countries over the same period, particularly Greece but also Bulgaria and Estonia.

Apart from a few exceptions, EFSI financing was well-aligned with country-level investment gaps (Table 2). With the exception of France, all of the top 5-7 recipients of EFSI financing (in terms of signatures) included countries that suffered from investment gaps (relative to historical averages). Generally, the proportion of EFSI financing taken-up by each Member State was in line with the relative size of its economy, (measured by each Member States' GDP as a share of the total EU27 GDP) with a few well justified exceptions. For example, Germany received a much lower share of EFSI financing (9 percent) compared to its relative economic weight (24 per cent). This reflected the *juste retour* approach. National policy makers in Germany emphasised that the intention of EFSI was to unleash investments in EU countries where it was more needed. In line with this approach, EU13 Member States and crisis affected countries (such as Portugal, Spain, Greece) generally received a relatively higher share of EFSI. Countries that received a higher share of EFSI financing relative to their GDP share were also the countries with some of the highest investment gaps (e.g., Spain and Greece) or low levels of investment relative to other Member States (e.g. Bulgaria). But there are some exceptions. For example, some Member States received a disproportionately high share of EFSI financing relative to their GDP and investment gap (e.g., Finland and Sweden); while some others received a relatively low proportion of EFSI financing relative to their GDP share and the size of the investment gap (e.g. Ireland, the Czech Republic). As depicted in the Theory of Change (Figure 5), various factors can affect the take-up of EFSI such as marco-economic and political factors, regulation, availability of financing from alternative sources etc.

IIW signatures however, slightly exceed the geographical concentration limit set by the Steering Board. EFSI is a demand driven instrument and as such, the Regulation did not establish any geographical allocation targets. EFSI investment guidelines however require that excessive geographical concentration should be avoided and the Strategic Orientation as elaborated by the EFSI Steering Board set -out the limit for such concentration under IIW: *the share of investment in any three Member States should not exceed 45 per cent of the EFSI portfolio at the end of the investment period)*[33]. At the end of 2021, the top three countries (France, Spain and Italy) accounted for 49.5 per cent of the IIW portfolio in terms of signed volumes. Efforts are being made to bring this in line[34] with the indicative allocation by the end of 2022. Several factors contributed to the strong take-up of EFSI in France and Italy. The French country case study in particular, offers interesting insights in this respect – see box.

[33] For SMEW, there are no precise indications. It mentions that "the EIF should aim at reaching all the EU Member States and achieve a satisfactory geographical diversification among them".

[34] It is important to note, however, that Brexit occurred after the indicative limit was set. The UK absorbed less financing following the Brexit referendum in 2016. This affected the extent to which financing was distributed across Member States and overall contributed towards concentration among other top recipients.

Table 2. Investment gaps addressed by EFSI

	EFSI Signatures (EUR bn)	EFSI signatures as a % total EU level signatures	National GDP as % EU27 GDP (average over the period 2015-2021)	Investment mobilised EUR bn	Average annual investment mobilised (2016-2021)	EFSI investment mobilised as a % TGFCF (average 2016-2021)	Pre-EFSI Investment Levels (2010-2015)*	Historical trend (1995-2005)**	Investment gap***
Austria	1.962	2,3%	2,7%	6.781	1.130	1,2%	22,48%	24,70%	-2,22%
Belgium	1.708	2,0%	3,3%	8.947	1.491	1,4%	22,62%	21,65%	0,97%
Bulgaria	666	0,8%	0,4%	4.394	732	7,0%	21,28%	16,66%	4,62%
Croatia	367	0,4%	0,4%	1.379	230	2,2%	19,76%	21,28%	-1,52%
Cyprus	154	0,2%	0,2%	398	66	1,6%	16,86%	21,57%	-4,71%
Czech Republic	891	1,0%	1,5%	6.140	1.023	1,9%	26,18%	31,00%	-4,82%
Denmark	971	1,1%	2,3%	5.115	853	1,3%	18,68%	20,76%	-2,08%
Estonia	266	0,3%	0,2%	3.360	560	7,8%	26,00%	29,22%	-3,22%
Finland	1.802	2,1%	1,7%	12.388	2.065	3,7%	22,30%	21,85%	0,45%
France	14.604	16,9%	17,9%	80.400	13.400	2,5%	22,16%	20,76%	1,40%
Germany	8.017	9,3%	24,0%	38.206	6.368	0,9%	20,02%	21,61%	-1,59%
Greece	2.823	3,3%	1,5%	13.732	2.289	11,6%	12,76%	22,96%	-10,20%
Hungary	526	0,6%	1,0%	4.143	691	2,0%	20,30%	23,96%	-3,66%
Ireland	1.080	1,2%	2,3%	6.686	1.114	0,9%	18,62%	23,50%	-4,88%
Italy	12.006	13,9%	13,1%	73.362	12.227	3,9%	18,38%	20,29%	-1,91%
Latvia	168	0,2%	0,2%	935	156	2,4%	23,04%	23,35%	-0,31%

	EFSI Signatures (EUR bn)	EFSI signatures as a % total EU level signatures	National GDP as % EU27 GDP (average over the period 2015-2021)	Investment mobilised EUR bn	Average annual investment mobilised (2016-2021)	EFSI investment mobilised as a % TGFCF (average 2016-2021)	Pre-EFSI Investment Levels (2010-2015)*	Historical trend (1995-2005)**	Investment gap***
Lithuania	251	0,3%	0,3%	1.380	230	2,3%	18,00%	21,59%	-3,59%
Luxembourg	124	0,1%	0,4%	542	90	0,9%	18,58%	21,03%	-2,45%
Malta	40	0,0%	0,1%	199	33	1,2%	18,00%	22,05%	-4,05%
Netherlands	3.056	3,5%	5,8%	14.043	2.341	1,4%	18,92%	21,45%	-2,53%
Poland	3.259	3,8%	3,9%	19.517	3.253	3,7%	19,78%	20,44%	-0,66%
Portugal	2.770	3,2%	1,5%	10.735	1.789	4,9%	16,92%	25,42%	-8,50%
Romania	972	1,1%	1,4%	4.471	745	1,6%	25,66%	21,15%	4,51%
Slovakia**	572	0,7%	0,7%	1.849	308	1,7%	21,12%	28,98%	-7,86%
Slovenia	197	0,2%	0,3%	1.343	224	2,5%	19,74%	25,64%	-5,90%
Spain	11.439	13,2%	9,3%	51.966	8.661	3,8%	19,10%	25,05%	-5,95%
Sweden	3.249	3,8%	3,6%	13.178	2.196	1,9%	22,74%	21,39%	1,35%
UK	1.691	2,0%	0,0%	20.354	3.392	0,8%	15,98%	25,05%	-9,07%
Regional - EU	10.934	12,6%	-	85.633	14.272	-	0,00%	0,00%	0,00%
Non-EU	**302**	**0,35%**		**478**					
Total	**86.868**	**100%**	**100%**	**492.058**	**81.930**	**2,7%**	**19,64%**	**21,10%**	**-1,46%**

**The period 2016-2021 is taken due to the small volume of EFSI signatures in 2015 (3% of the total EFSI signatures)*
*** Calculated as average annual GFCF over the period 2010-2014*
**** calculated as the difference between pre-EFSI investment level and historical trend*

*****EU average used for Slovakia and Poland due to absence of data*
Sources: ICF analysis based on combined IIW+SMEW Operational reports, IIW portfolio bottom-up analysis, SMEW Operational reports, Eurostat

Factors contributing to creating demand and strong take-up of EFSI (both IIW and SMEW) in France

There had been a strong mobilisation of the national NPB system (CDC and Bpifrance). From the very beginning, EFSI raised a strong interest in France, who had announced that it would contribute EUR 8bn to EFSI, via CDC and Bpifrance. The pooling of resources did not materialize at programme level, but this commitment took the form of co-investment at the level of individual projects / investment platforms.

CDC and Bpifrance are strong players experienced with a variety of instruments. They have been able to build upon pre-existing cooperation with the EIB Group. Bpifrance was already an established partner of the EIF, implementing EU instruments. This facilitated the quick deployment of the SMEW. On IIW side, cooperation with CDC was newer but already present: in June 2013, the Caisse des Dépôts Group and the EIB had signed a bilateral cooperation agreement aimed at supporting investment in the heart of French regions and boosting growth and employment.

Capacity of project promoters themselves was another facilitator for quick EFSI take-up.

The French administration had also been mobilised, in particular the Secrétariat général pour l'investissement (SGPI). Even if the SGPI was not involved in centralising or filtering funding requests (which would have been against the functioning of EFSI governance), it proactively followed the developments around EFSI and, for example, appointed, as early as in December 2014, a director in charge of "European investment and financing strategy". The SGPI, also in charge of national investment programmes, was able to communicate around EFSI towards project promoters, act as a contact point and monitor and issue brochures of EFSI projects being financed. This is believed to have fostered ownership of EFSI in France.

CDC also engaged in communication activities. It partnered with Maisons de l'Europe to ensure that project promoters were aware of EFSI and the form of support provided. Overall, EFSI attracted quite a lot of attention in the country. Parliamentary reports were written, two successive ones in 2015 and 2016, about EFSI implementation in France. There were political calls (from the Senate) to mobilise local authorities and raise awareness about EFSI at an early stage (December 2015).

EFSI-backed operations under IIW addressed a range of policy objectives/ thematic areas marked by market failures and sub-optimal investment situations, albeit to varying degrees[35]. These include:

- *Financial support to entities having up to 3 000 employees.* EFSI financing was used to enhance access to finance for SMEs and mid-caps more generally as well as to specific segments of businesses such as start-ups, micro enterprises, innovative businesses and CCS businesses. The market failures and imperfections in debt and equity markets for these types of businesses are well established in literature, resulting in a so called "financing gap". The scale and intensity of the financing gap however, varies across time, geography and sectors.
- *Development and deployment of information and communication technologies.* The largest group of EFSI-backed operations in this sector (over 20) centred around the development of electronic communication networks, broadband or mobile network infrastructure, including high speed or ultra-high speed fibre

[35] Based on a review of project descriptions for the entire EFSI IIW portfolio and deep-dives of a sample of operations

broadband, fibre to the home networks (FTTH), public initiative networks, digital TV broadcasting networks, and new telecommunications towers (as part of larger projects to increase the capacity of existing infrastructures to accommodate additional base stations and new operators). In this category, EFSI also supported RDI investments aimed at digital transformation of traditional sectors of the economy (e.g., retail trade, media) as well as projects of cybersecurity companies, of fintech industry companies or tech start-ups (e.g., offering online marketplace for customised and sustainable packaging).

- *Development of the energy sector*. The focus areas of EFSI financing were: (i) development of renewable energy (around 50 projects). Although many of these projects centred-on the development of wind farms, a handful of operations related to the development of other sources of renewable energy (e.g., biomass plants, photovoltaic plants) to replace obsolete oil/gas fired plants; (ii) energy efficiency of buildings or infrastructure e.g., district heating, smart metering, near zero emission buildings (NZEB) including offices and social housing (over 30 projects)[36]; (iii) a third category of operations centred around the development/improvement of gas and electricity transmission and distribution systems. EFSI also supported the development of natural gas transmission corridors or pipelines, while one operation involved the construction of a petroleum tank for oil reserves.
- *Development of transport infrastructures, and equipment and innovative technologies for transport*. Most EFSI-backed operations in this thematic area focussed on developing, expanding, modernising or improving the energy efficiency of public transport systems. The largest group of operations in this area (over 10) involved investments in railways – including rail car acquisition and the modernisation of railway infrastructure. A similar number of operations involved upgrades to public bus lines and fleets. In addition, EFSI supported improvements to tramways/tram unit acquisitions and metro systems. Several operations (almost 10) focussed on upgrading, expanding or refurbishing airports. A similar number of operations related to motorway upgrades and/or extensions. EFSI also supported investments in maritime transport systems, including ferries, cargo vessels and port upgrades.
- *Environment and resource efficiency.* EFSI financed several investments in water and wastewater infrastructure. Aside from this, a wide range of projects were financed such as forest management (including forest fire management- related investments), environmentally focussed upgrades/improvements to factories/production facilities, remediation and regeneration of polluted brownfield sites, waste management and affordable/energy efficient housing. Given that energy investments appear under various sectors it is not surprising that the latter were similar in nature to the projects developed under the "energy sector development" objective. For example, one project concerned the construction of affordable and energy efficient rental residential units that may also include some community development facilities and social services. Another focussed on supporting environmental sustainability investments of mid-caps. Another focussed on supporting revitalisation investments in urban areas including energy efficiency measures and other infrastructure schemes.
- *Human capital, culture and health.* The largest group of projects focussed on social or affordable housing and the development/construction of healthcare centres or facilities. Of these, around 7 were focussed specifically on

[36] Of these, 12 projects offered only generic descriptions, such as "supporting energy efficiency investments" or "development of NZEB". 13 were specifically focussed on development of new buildings/infrastructure, including NZEB, district heating, smart meter networks. 15 focussed on modernising/retrofitting/renovating existing buildings/infrastructure (including social housing, office buildings, district heating systems, airports).

constructing/retrofitting social and/or affordable housing units, or (to a lesser extent) social infrastructure such as senior residences and green infrastructure. A similar number of projects focussed on developing/ modernising social infrastructure, particularly hospitals/care centres. Other focus areas included construction/development of school or university buildings or facilities, healthcare equipment and tourist infrastructure / business support (around 5 projects funded under each of these themes). Some EFSI financed operations supported healthcare or biotechnology R&D programmes.

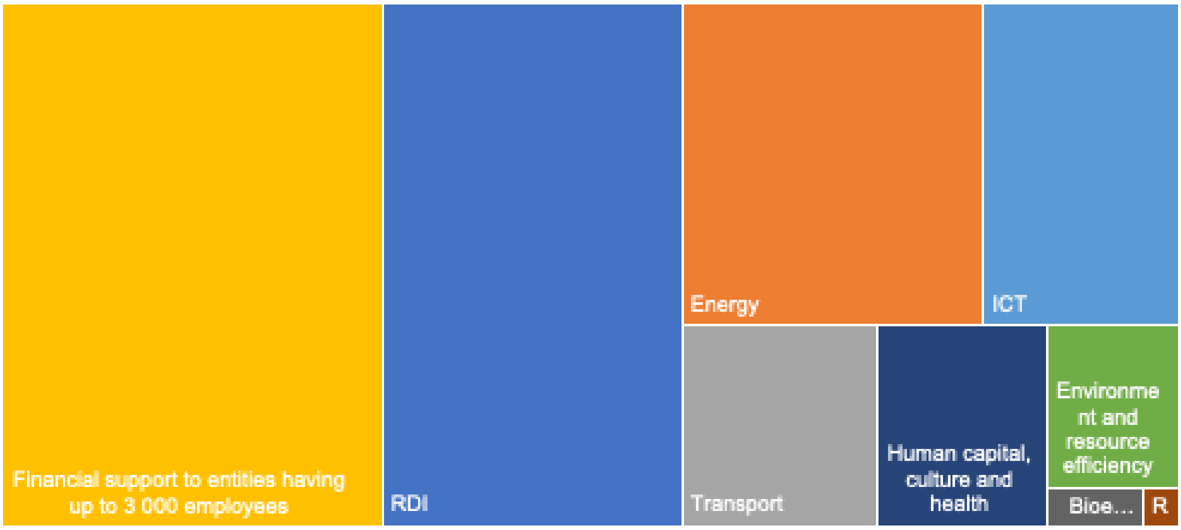
- *Research, development and innovation (RDI)*. EFSI supported RDI investment in a diverse range of fields from space to FinTech, health and fitness to marketing and communication platforms, next generation data centres to recycling. The largest group of EFSI financed operations in this field however, was concentrated in the healthcare /pharmaceutical industry. Over 20 operations supported RDI in the area of bio science/ diseases /therapies, with a similar sized group of operations dedicated to pharmaceutical development. Almost 10 operations were in MedTech. A discernible number of operations focussed on R&D within manufacturing/ industrial sector, including advanced manufacturing and the digitalisation/automation of industry. A similar-sized group of operations centred around the development of automotive mechanisms, including autonomous driving and electric vehicles. EFSI also invested in developing electric/hybrid or power trains and rail diagnostics/signalling mechanisms; IT infrastructure/software development, including within the area of cyber security; RDI in the field of renewable energy/ energy efficiency or energy storage systems.
- *Sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider bioeconomy*. Most EFSI operations in this sector funded research and development activities in a range of areas, such as seed varieties, dairy products, software technology for agribusinesses, protein for food and feed purposes, coffee capsules, the digitalisation of farming, agricultural machinery development / electrification. A second group of EFSI backed operations consisted of construction/ development/ modernisation of food and drink production or storage facilities.

Overall, it is hard to judge if EFSI financing was well balanced across policy objectives/ thematic areas. EFSI financing covered all thematic areas as defined by Article 9 of the EFSI Regulation. However roughly three-quarters of the investment mobilised by EFSI was concentrated in three thematic areas (SME and mid-cap financing, RDI and energy - Figure 11). Within the IIW, the largest share of investment will be mobilised in the energy sector (28 percent) followed by SME and mid-cap financing (26 percent) and RDI (18 percent). Overall, it is hard to judge if this represents a balanced distribution of EFSI support. Firstly, these policy objectives/ thematic areas are very broadly defined. Secondly, these policy objectives/ thematic areas are not mutually exclusive. Many of the supported SMEs and mid-caps could have undertaken investments in energy efficiency, ICT or resource efficiency, for example, but the use of financing by SMEs and mid-caps is not traced. Thirdly, the categorisation of policy objectives for EFSI financing is not aligned with the categories used by the Commission for estimating investment needs. For example, according to the Commission, additional investments needed to reach the EU’s current 2030 climate and environmental policy goals, are around €470bn per year[37] (this figure includes investment needs in energy, transport, environment and resource efficiency). Finally, the relative weight of policy objectives has shifted overtime notwithstanding the estimated scale of investment needs. For example, during the pandemic, health care and life science, ICT (digitalisation) and SME/ mid-cap financing become more urgent and prominent on the

[37] SWD(2020) 98 final -Identifying Europe's recovery needs, 25 May 2020.

public policy agenda as compared to other objectives such as climate and environment (although the latter represents an area with the greatest investment needs). Having said this, a few national stakeholders flagged that some types of social economy, social infrastructure and municipality projects were too small for EIB intervention under EFSI particularly in new Member States. From the EIB's perspective, many social infrastructure projects (housing, education, health) did not qualify for EFSI financing due to their low risk (often public sector, being plain vanilla SSA lending).

Figure 11. Distribution of EFSI mobilised investment by thematic area



Objective as per Article 9	IIW		SMEW		Total EFSI	
	Volume	% Total	Volume	% Total	Volume	% Total
Energy	77.807	28%			77.807	16%
Financial support to entities having up to 3 000 employees	73.817	26%	85.097	40%	158.914	32%
RDI	50.719	18%	74.552	35%	125.271	25%
Transport	31.472	11%			31.472	6%
ICT	16.907	6%	33.401	16%	50.309	10%
Environment and resource efficiency	17.081	6%			17.081	3%
Human capital, culture and health	9.791	3%	17.429	8%	27.221	6%
Bioeconomy**	2.904	1%			2.904	1%
Regions*	1.080	0,4%			1.080	0,2%
Total	281.578	100%	210.480	100%	492.058	100%

Based on EIB/EC EFSI Portfolio Data. EFSI mobilized investment reflects the overall volume of investment expected to be mobilized by EFSI over several years by operations signed until the end of 2021. All figures are in EUR billions.

The sectoral concentration limit was respected under IIW. The Strategic Orientation as elaborated by the EFSI Steering Board set-out the sectoral concentration limit under IIW: the volume of signatures in any "general objective" as defined by Article 9 of the EFSI Regulation should not exceed 30 per cent of the total volume of signatures at the end of the investment period. This limit was respected. Energy which accounts for the largest share of EFSI financing under IIW portfolio (28 percent), is below the indicative limit of 30 per cent.

In the main, EFSI-IIW financing was well targeted to areas where the private sector is less likely to invest on its own. Several examples can be found that demonstrate this point, most notably:

- *EFSI financing to support investment in new/ unproven technologies*. For example, the EIB provided EFSI financing to a biopharmaceutical company in Germany to develop a safe and effective vaccine against COVID-19 and its production on the scale necessary to make the vaccine available globally. In Spain, EFSI financing was allocated for the development of solar PV projects. which faced and face still finance difficulties Private investors are usually reluctant to invest in new/ unproven technologies due to information gaps regarding markets and technology and the associated risk.

- *EFSI support to large, complex projects*. For example, EFSI financed an urban development project in France. Large-scale greenfield urban projects can have a strong impact on regions; however, they often struggle to obtain sufficient financing. While the market is liquid for mature assets (brownfield), greenfield projects tend to attract fewer private investors, who tend to look for immediate return on investments and are not willing to take on construction risk. In Poland, EFSI financing enabled the finalization of large-scale infrastructure investments in the green economy (case: wind farms) and in the field of electronic communication. In this case, markets were unable to provide the scale of financing and tenors needed or the necessary expertise in infrastructure finance.
- *EFSI investments in social objectives and public goods*. This includes projects where social return is higher than private return such as network goods (e.g. transport and energy networks), public goods (e.g. health and education facilities) and goods that deliver social objectives (e.g. social housing). Private investors are usually reluctant to invest in such projects as social return is not compensated in the market. EFSI financing has gone to many such projects where the social return exceeds private returns. According to analysis conducted by EIB EV covering 77 EFSI financed operations where monetised estimates of financial internal rate of return (FIRR) and economic rate of return (ERR) were available, the ERR exceeded the FIRR in all cases.[38]

Example of an EFSI financed project where social return exceeds private return
A leading public university in Latvia was seeking financing to build a 'state-of-the-art' research and study centre to increase student enrolments, reduce dropouts, and strengthen scientific activities and research outputs. The university was unable to obtain long-term financing from local capital markets, largely due to known annual fluctuations in funding/ revenue for higher education and research institutions (creating uncertainty around their repayment capacity) and their inability to pledge assets when borrowing. As a result, commercial banks/ local lenders were not willing to provide adequate financing to the University. With EFSI support, EIB was able to provide the necessary financing to the university in Latvia.

EIB financing under IIW offered several features that were not available to project promoters from alternative sources (private or public). These included:

- Scale of financing (financing of a similar scale would not have been possible from alternative sources/ channels) – for instance, among the sample of projects selected for deep-dives, EFSI financing to projects in the ICT, manufacturing, transport and energy sectors (across France, Germany, Italy, Greece and Spain) averaged around EUR 200 million;
- Lower interest rates/ cost compared to prevailing market interest rates. Moreover, the long-term nature of EIB financing, made financing costs more affordable for projects and facilitated repayments (as the repayment of the amount borrowed could be spread over a longer period). EFSI loans awarded to various operations exhibited long tenor (compared to loans provided by

[38] EIB EV (2021) Evaluation of the European Fund for Strategic Investments, June 2021

commercial lenders, which reportedly averaged to about five years). Maturities of EFSI loans ranged from six to seven years (operations in health, manufacturing and ICT across Bulgaria, Germany, and Italy) to 25-30 years (operations in transport, housing, and education across Spain, Poland and Latvia);

- Flexibility of conditions e.g., floating or fixed rates depending on needs, flexibility of drawdowns, grace period etc.
- Tailored financing solutions or innovative types of financing not provided by the market at all or at sufficient scale. This typically took the form of subordinate position or unsecured lending. EIB also provided the market with new types of financing such as hybrid bonds in Poland and venture debt/ quasi-equity (not provided by market at sufficient scale). See examples in the box below.

Examples of innovative financing provided by the EIB under IIW

Eiffel Energy Transition Infrastructure Fund, France. This fund provides bridge financing to developers of renewable energy (photovoltaic, wind, biogas, biomass, etc.) and energy efficiency operators (electricity storage, thermal renovation of buildings, low energy consumption lighting, etc.). It fund gives short-term loans to developers while they wait for long-term financing for their projects. This corresponds to a real need and un-met demand of project developers. The main benefit for them is that these short-term loans immediately free up equity without having to wait for long-term financing for their projects. As a result, they can develop more projects by redeploying their equity in pursuit of new opportunities. EFSI support enabled the Fund to provide a unique and original form of financing to project developers.

Mini-bonds, Italy. A pilot operation in Italy involved giving SMEs and mid-caps (with strong growth plans) first-time access to bond financing.

Securitisation in the leasing space was also trialed in Greece. It was reportedly the first securitisation transaction implemented in this sector.

Pan-European quasi-equity/ venture debt instrument. An EU-wide operation, supported by the EIB, aimed to facilitate funding of innovation conducted by European SMEs and mid-caps through the provision of quasi-equity/ venture debt. Such financing had no equivalent on a pan-European scale.

Besides providing financing on suitable terms and conditions, EIB support offered several other advantages. Project promoters and wider stakeholders highlighted the following additional advantages of EIB support:

- Quality stamp/ reputational benefit of the EIB's involvement (signalling effect which helps crowd-in other investors). Several promoters and stakeholders mentioned that having the EIB on board as a major financier had a strong signalling effect, boosting the projects' credibility, and increasing confidence among existing and/ or prospective investors, lenders and/ or other promoters. On the other hand, some project promoters expressed doubts that the EIBG was instrumental in attracting other financiers. But even so, the EIBG involvement was still seen as helpful in obtaining better conditions from the other financiers or in freeing-up resources from the promoter itself.
- Funding diversification from EIB's involvement together with crowding-in of other investors;
- For projects in certain sectors, the "green stamp" (including cases where the project was selected for the EIB's Climate Awareness Bond (CAB) financing.

- EIB's technical expertise (e.g. Poland lacks professional investors specializing in infrastructure finance).
- EIB's technical and legal due diligence which reassures other investors (e.g. a project promoter in Italy explained how the EIB's due diligence significantly contributed to project acceleration by speeding up credit approval of other financiers, while also improving resilience to downside scenarios and therefore risk profiles).
- EIB is seen as a stable and patient investor, particularly during crisis times.

There is, however, some anecdotal evidence to suggest that EFSI financing under IIW may have overreached and crowded-out private or NPBI finance in a few instances. In Greece, some stakeholders reported instances of IIW cases where EFSI financing partially crowded-out the local commercial banks' debt financing by offering better terms and conditions. The previously cited survey conducted by EV revealed that 11 percent of the project promoters who responded to the survey would have been able to secure the same financing as EFSI (in terms of size and conditions) from alternative sources within the same timeframe. These assertions are of course hard to prove, as it would involve finding examples of similar projects that went ahead without EFSI financing in a similar timeframe, size and conditions.

Moreover, the entire volume of investment mobilised is not fully attributable to EFSI.

The average annual investment gap in EU27 during pre-EFSI years (2010-2015) was in the order of EUR 84-200bn[39]. EFSI mobilised roughly EUR 492bn of investments, based on volumes signed during 2015-2021. It is estimated that EFSI mobilised an investment in the order of EUR 50-75bn on an annual basis during 2016-2021 (taking into account that some of the investment mobilized will be spread over a longer period). As such, EFSI mobilised investment would have accounted for a significant share of the investment gap. However, not the entire volume of this investment is fully attributable to EFSI. Other EU financial instruments and programmes have also contributed to mobilizing a part of this investment[40]. Moreover, Interviews with project promoters as well as wider stakeholder groups (NPBIs, national policy makers) suggest that alternative sources of finance were available to many EFSI-financed IIW operations. These claims cannot be proven, but are plausible considering that much of the period of EFSI implementation was characterised by ample liquidity in the financial markets (supported by unconventional monetary policies of the Central banks) and generally improving macro-economic and financing conditions (as described in section 2.5).The alternatives would have however, offered less favourable conditions and would have taken longer to arrange, thus affecting the cost, timetable, scope and/or quality of the investment. This emerges clearly from all the interviews and the country case studies. This finding is also consistent with the survey results reported in the 2021 evaluation conducted by EIB EV[41], according to which 89 percent of the surveyed project promoters[42] would not have obtained financing of the same size from alternative sources with the same terms and conditions or within the same time frame.

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[39] Using a historic trend of 21-22%

[40] In the case of IIW, where EU grant-financing or EU financial instruments (such as ESIF) are used to co-finance an operation, this amount is deducted when calculating the investment mobilised. However, these instruments – by forming part of the overall financing package of a particular operation – would have contributed to making the investment happen. In the case of SMEW, EFSI contribution cannot be disentangled from the first loss piece (FLP) provided by other EU financial instruments (e.g. COSME, InnovFin, EaSI and CCS) as the whole structure is mutualised

[41] EIB EV (2021) Op cit

[42] No. of responses received =68 out of a sample of 108 project promoters. Although to note that project promoters might have an incentive not to admit to lack of finance or poorer financing conditions, especially a posteriori

Overall, EFSI made an important contribution to accelerating and incentivizing investment in Europe. In absence of EFSI, it would have taken longer to close Europe's investment gap and the low-investment dynamic would have been prolonged. Moreover, interviewed stakeholders repeatedly emphasized the role of EFSI in (a) focusing policy attention and resources on investment[43]; and (b) demonstrating the feasibility of a guarantee-based mechanism in mobilizing private finance in support of policy objectives. All in all, the weight of the evidence suggests that EFSI played a role in reducing the investment gap in Europe (although it cannot be quantified) by accelerating and boosting investment in areas characterised by market failures or sub-optimal investment needs.

EFFECTIVENESS IN IMPROVING ACCESS TO FINANCE

EFSI financing has supported hundreds of thousands of enterprises across Europe. As of 31 December 2021, the SME window under EFSI had provided EUR 88.7bn of financing to 761,084 SMEs and mid-caps across the EU. Additionally, SMEs and mid-caps were also supported through several intermediated lending operations under the IIW (although final beneficiary data are not available for IIW). While the number of enterprises supported through EFSI (data are only available for SMEW) represents a tiny fraction (3 per cent) of the overall EU population of micro-enterprises and SMEs[44], it constitutes a significant share (40 per cent) of the SMEs reporting to be financially constrained (8 percent of the firms) -see Table 3.

Beyond the headline numbers, EFSI financing has backed several top start-ups and unicorns (valuation > EUR 1 bn). For example, in Germany, SMEW equity operations invested in start-ups and companies creating digital products with a rather fast approach to the market (18 - 24 months). This development was boosted by the Covid-19 pandemic. EFSI financing went to several new TOP 100 start-ups in Germany and unicorns. For example Flink, Sennder and Isar Aerospace are among the list of Top 100 start-ups in Germany. Both are supported by funds receiving EIF – EFSI (namely Cherry Ventures and HV capital). HV capital which has had a series of funds with EIF (including EFSI support) and received an EIB investment have already funded 18 unicorns (e.g. Solaris, JOKR, Scalable Capital) and a further 21 are in the making (source: dealroom.co).

A broad range of products was deployed or piloted under EFSI to meet the diversity of financing needs across segments, sectors and geographies. To meet the diverse needs of start-ups, SMEs and mid-caps (including micro and social enterprises), a wide range of products was deployed to provide different types of financing: debt, equity and quasi-equity/ venture debt. In its first phase, EFSI financing under SMEW was used to front-load and top-up existing financial instruments such as COSME, InnovFin, EIB's Risk Capital Resources (RCR) Mandate to accelerate and boost access to finance for European start-ups and enterprises[45]. The frontloading / topping up was an effective use of EFSI support as it allowed the continuation and scaling up of existing, successful products and enabled the money to reach the real economy relatively quickly. Overtime, as the focus shifted from volume to additionality, a range of new products were piloted or developed under SMEW to meet financing needs in specific segments and thematic areas e.g.:

- the European Scale-up Action for Risk capital (ESCALAR);

[43] As reported in the Italian country case study for example, EFSI represented a key shift in Italian culture and attitude towards investments and the role of investments in enabling economic growth of the country. In fact, this experience was critical in changing perspectives on the effectiveness of guarantees, thus enabling their use as a key financial instrument throughout the COVID-19 crisis
[44] According to Eurostat, there were an estimated 23,125,756 micro enterprises and SMEs in the EU in 2019 (the latest year for which data are available)
[45] ICF (2018) Independent evaluation of the EFSI Regulation

- the digitalisation pilot under COSME to provide enhanced access to finance to SMEs undertaking a digital transformation, being the adoption of digital technologies by SMEs in the EU across all sectors essential to remain competitive in a global marketplace[46];
- Private credit product;
- EFSI combination product (ECP);
- Skills & education pilot;
- EFSI pilot on social impact and impact investing;
- Additional product offering in the fields of blue economy, life sciences, Artificial Intelligence, and Blockchain technologies.

Under IIW, the EIB scaled up its Risk Sharing Instrument (non-granular portfolio guarantees focusing on larger mid-caps) and developed new products such as credit enhancement of ABS mezzanine tranche, venture debt/ quasi-equity.

Despite the policy push for more equity and innovative/ thematic products, stakeholders emphasized the value of classical guarantee schemes / general SME products, particularly during crisis (e.g. the covid-19 pandemic).

Geographical patterns on how SMEW was used, vary across Member States. In several Member States, a significant share of SMEW support was channeled through NPBIs and/or counter-guarantee institutions (e.g., Ireland, France, Italy). Such a 'double intermediation' model has certain advantages in the form of a higher multiplier effect and complementarity with national promotional products. The product mix also varies by country reflecting differences in market needs, as well as the structure and sophistication of financial markets. For example, financial intermediaries in some Member States made greater use of COSME; while in other Member States, the thematic debt products (such as InnovFin, EasI, ECP, Skills & Employment and CCS) were more popular. Interviews suggest that in smaller Member States, some financial intermediaries had difficulties in meeting the eligibility and targeting criteria. For example, financial intermediaries and other stakeholders reported that the additionality criteria for COSME was difficult to demonstrate in certain markets[47]. Likewise, products targeting specific segments such as CCS and InnovFin were hard to implement for some intermediaries in smaller countries due to difficulties in finding a sufficient number of eligible clients. This is understandable as not all financial intermediaries have the expertise and capacity to reach these sectors. In some countries, take-up of EaSI was affected by availability of grants to social economy entities. More sophisticated products (private debt, securitization, equity) were not taken-up in all Member States, as the use of these products relies on the existence and state of development of market infrastructure and intermediaries as well as regulatory framework.

In some Member States a relatively low share of SMEs was reached. Despite a relatively high share of SMEs being financially constrained (as compared to the EU average), the number of final beneficiaries reached was relatively low in countries such as Croatia, Latvia, Lithuania, and Poland – see Table 3. This was most likely due to a combination of factors such as limited scale of financing being intermediated via NPBIs/ counter-guarantee institutions (hence, lower multiplier effect) product mix, average loan

[46] https://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/cosme-loan-facility-growth/call/annex-v-digitalisation-pilot-term-sheet.pdf

[47] The additionality criteria for COSME was rather strict. Financial intermediaries could choose from one of the following two options: Option 1: New riskier product with features and/or with a focus on one or more segments not provided for under the intermediary's current credit policy (e.g. collateral reduction, longer maturities, start up financing)
Option 2: Substantial increase in lending volumes relative to reference volume to SMEs to which the Financial Intermediary is allowed to lend under its credit policy but to which the FI has not been actively lending due to, inter alia, the higher risk or absence of sufficient collateral as evidenced by the SME loan book

amount (the higher the average loan amount, the fewer the number of beneficiaries reached) and intermediary capacity.

Table 3. Distribution of SMEW support across EU Member States (NB: the figures presented below excludes financing to non-EU countries)

Country	Signatures/EIF financing		Member State GDP as share of EU GDP	Final Recipients			% SMEs declaring they face credit constraints (2019)	No. of micro enterprises and SMEs (2019)	Share of enterprises supported by EFSI	Share of financially constrained enterprises reached*	Breakdown of Financing Signed		
	Total SMEW Financing EUR mn	SMEW financing signed as a % total SMEW		No of final recipients	Amount of financing received (mEUR)	% of total number of final recipients					% EFSI Financing COSME	% EFSI Financing other debt**	% EFSI Financing equity
Austria	300	1,1%	2,7%	2.741	923	0%	4%	329.937	0,8%	21%	6%	94%	0,0%
Belgium	244	0,9%	3,3%	6.620	1.406	1%	6%	672.617	1,0%	16%	23%	70%	7,5%
Bulgaria	296	1,1%	0,4%	10.796	1.875	1%	11%	347.971	3,1%	28%	36%	64%	0,0%
Croatia	262	1,0%	0,4%	1.624	364	0%	10%	181.989	0,9%	9%	1%	88%	11,7%
Cyprus	9	0,0%	0,2%	23	20	0%	8%	57.196	0,0%	1%	0%	100%	0,0%
Czech Republic	739	2,8%	1,5%	22.064	3.095	3%	7%	1.057.113	2,1%	30%	13%	87%	0,0%
Denmark	406	1,5%	2,3%	1.438	1.460	0%	6%	227.730	0,6%	11%	3%	97%	0,0%
Estonia	50	0,2%	0,2%	4.201	460	1%	10%	82.100	5,1%	51%	63%	7%	29,9%
Finland	145	0,5%	1,7%	4.970	1.520	1%	0%	232.141	2,1%	***	38%	21%	41,1%
France	3.029	11,3%	17,9%	190.790	15.548	25%	3%	2.963.416	6,4%	215%	10%	75%	14,9%
Germany	1.193	4,4%	24,0%	24.998	6.988	3%	5%	2.580.860	1,0%	19%	9%	62%	28,6%
Greece	502	1,9%	1,5%	24.871	3.592	3%	18%	717.154	3,5%	19%	63%	34%	3,0%
Hungary	153	0,6%	1,0%	13.770	1.272	2%	10%	646.130	2,1%	21%	30%	70%	0,0%
Ireland	331	1,2%	2,3%	6.561	606	1%	8%	265.297	2,5%	31%	9%	57%	33,7%
Italy	3.535	13,2%	13,1%	196.475	22.701	26%	6%	3.613.275	5,4%	91%	14%	66%	20,4%
Latvia	24	0,1%	0,2%	2.691	163	0%	19%	111.434	2,4%	13%	26%	74%	0,0%

Country	Signatures/EIF financing		Member State GDP as share of EU GDP	Final Recipients			% SMEs declaring they face credit constraints (2019)	No. of micro enterprises and SMEs (2019)	Share of enterprises supported by EFSI	Share of financially constrained enterprises reached*	Breakdown of Financing Signed		
	Total SMEW Financing EUR mn	SMEW financing signed as a % total SMEW		No of final recipients	Amount of financing received (mEUR)	% of total number of final recipients					% EFSI Financing COSME	% EFSI Financing other debt**	% EFSI Financing equity
Lithuania	18	0,1%	0,3%	3.169	231	0%	15%	219.530	1,4%	10%	23%	77%	0,0%
Luxembourg	81	0,3%	0,4%	461	611	0%	5%	35.122	1,3%	26%	2%	98%	0,0%
Malta	7	0,0%	0,1%	4	4	0%	8%	31.792	0,0%	0%	74%	26%	0,0%
Multi-country (SMEW)	9.860	36,8%	-	-	-	-	-	-	-	-	-	-	-
Netherlands	661	2,5%	5,8%	12.913	2.029	2%	5%	1.292.840	1,0%	20%	5%	61%	34,2%
Poland	292	1,1%	3,9%	59.201	2.608	8%	14%	2.018.958	2,9%	21%	51%	36%	13,7%
Portugal	1.568	5,8%	1,5%	10.740	3.231	1%	5%	929.317	1,2%	23%	5%	92%	3,1%
Romania	279	1,0%	1,4%	27.524	1.174	4%	13%	515.051	5,3%	41%	18%	82%	0,0%
Slovakia	57	0,2%	0,7%	6.466	342	1%	4%	511.488	1,3%	32%	30%	70%	0,0%
Slovenia	44	0,2%	0,3%	3.713	669	0%	10%	148.782	2,5%	25%	49%	39%	11,9%
Spain	1.907	7,1%	9,3%	114.082	9.756	15%	6%	2.689.291	4,2%	71%	16%	69%	15,2%
Sweden	407	1,5%	3,6%	6.728	2.070	1%	3%	646.376	1,0%	35%	0%	78%	21,8%
United Kingdom	427	1,6%	-	1.386	3.735	0%	7%				0%	15%	84,5%
Total	26.826	100,0%	0,0%	761.084	88.749	100%	8%	22.794.970	3,3%	40%	13%	69%	18,3%

** This data should be interpreted with caution for several reasons: (i) the share of financially constrained firms is based on survey data (firm level perceptions); it is not based on actual data on the share of viable/ bankable firms that are unable to obtain financing on suitable terms from the market. Several thematic products under SMEW (e.g. CCS, InnovFin) did not specifcally target financially constrained firms, rather firms undertaking certain activities or in certain segments. As such, the figures contained here should not be used in isolation, but looked together with other indicators (e.g. mix of generalised versus thematic products used in a particulr country, overall size of business population)*

***Includes InnovFin, CCS, EaSI, ECP, Skills & education*

****Data on financially constrained firms in Finland not available*

Sources: ICF analysis based on SMEW Operational reports, Eurostat, EIBIS

In line with its intervention logic, EFSI resulted in improved availability and conditions of finance for SMEs and mid-caps (including micro and social enterprises). Financial intermediaries interviewed consistently reported that EFSI support enabled them to:

- *increase volumes* – EFSI allowed intermediaries to expand their lending activity to SMEs or to sustain their offer; and/or
- *target riskier clients or under-served segments*– as a result of EFSI, intermediaries were able to finance riskier clients such as younger and smaller firms and those lacking sufficient collateral. The CCS product for the very first time offered a guarantee scheme specifically for this sector. In Bulgaria, for example, InnovFin helped finance innovative projects in ICT sectors that would not easily meet financial intermediaries' risk criteria otherwise, as they are often promoted by entrepreneurs with disruptive potential but without track record or collateral. Another example was the truck and trailer sector, which was considered too risky for leasing without the EFSI backing. In Italy, EFSI enabled financial intermediaries to support social enterprises and firms within the technology transfer ecosystem. In Latvia, one participating financial intermediary explained that, since many years, collateral requirements have been a major hindrance to access to finance for small businesses (and have been subject to even more stringency in the aftermath of the 2007-8 financial crisis) and encouraged financial intermediaries to lend to smaller/ riskier businesses, comprising not only start-ups/ IT-oriented start-ups, but also lifestyle businesses. In Ireland, COSME guarantee enabled a NBPI to expand a riskier product (with a higher level of gearing) for a riskier group of clients that are typically under-served by the market (small sized property developers).
- *offer better terms and conditions as compared to their normal business practice* in the form of lower interest rates, lower collateral requirements, no requirement for any personal guarantees, lower fees, longer repayment period and lower down-payments (for leasing products). EIF-backed loans (through the various guarantee programmes) removed the need for collateral. In Bulgaria, one participating FI noted that, thanks to the CCS Guarantee Facility, they were able to offer "standard products" on longer maturities. They were also able to offer "more advantageous pricing" and to lower collateral requirements for SMEs.
- *enhance their offer* – an intermediary in Latvia explained that EFSI support drove them *"to rethink the way they 'do business' […]."* They were able to increase the overall volume of lending to SMEs, as well as the size of loans offered, making loans of up to a maximum of EUR 150,000 more commonly available to SMEs. They however remarked that this was made possible not only as a result of the support from EFSI but other support as well – e.g., support received via State programmes and the European Regional Development Fund (ERDF).

Furthermore in countries such as Latvia, where lenders had become particularly risk averse following the global financial and economic crises, guarantee products such as COSME contributed to developing their risk appetite, thereby allowing them to diversify their lending activities and expanding their client base.

Incentivisation mechanisms vary by product, but financial intermediaries typically highlighted the following features as being valuable:

- Risk reduction, high guarantee coverage (especially on a loan-by-loan basis for COSME and InnovFin in case of a young and fast growing subset of SMEs);
- Zero fee (for COSME);
- Absence of state aid regulation considerations (no need of checking limits as in case of de minimis aid);

- Capital relief.

The above results would have been difficult to achieve without EFSI support. Most participating financial intermediaries that were interviewed indicated that they would not have been able to increase lending volumes to SMEs/ mid-caps to the extent they did in absence of EFSI support (although one may expect an inherent bias in their responses). In some countries such as Latvia and Greece, EFSI support was particularly important. For example, in Latvia, InnovFin guarantees enabled financial intermediaries to provide loans and leases to innovative SMEs and small mid-caps across various sectors, which would not have otherwise been possible. Likewise, intermediaries reported that EaSI microfinance guarantee programme, allowed them to provide loans (of up to EUR 25,000 in value) to financially-excluded self-employed individuals and microenterprises without the need for collateral. It would have been highly unlikely for them to engage in lending activities of this nature in the absence of the EaSI guarantee due to the risks involved. In Greece, financial intermediaries reported that they would not have been able to increase their lending volumes to the same extent without EFSI support. Consequently, Greek SMEs would not have been able to finance their working capital needs (particularly during the pandemic), due to supply constraints faced by the banks and shallow equity markets.

There is however, inevitably some 'deadweight'[48]. In EIB EV survey of EFSI backed financial intermediaries, 10 percent of the respondents[49] reported that in absence of EFSI support they would have obtained the financing/ guarantee from another source (similar size, same timeframe and features). This level of deadweight is relatively low and within acceptable bounds. There is however, the risk of a potential positive bias in the responses of supported financial intermediaries. More independent, albeit quite limited evidence of deadweight is available from audits conducted at a European level[50] and in France[51]. In reality, it is impossible to design water-tight on-lending and guarantee schemes without making them too onerous and practically unusable. However, deadweight can be minimized through careful selection of financial intermediaries and targeting of schemes.

EFSI also contributed to enhancing and diversifying access to finance, by supporting the development of equity and alternative sources of finance. In Greece, EFSI was an opportunity to test new products (e.g. through securitization) or to deploy relatively under-developed financing instruments at a larger scale (e.g. private equity). The use of equity type products reportedly acted as a catalyst for market development in Greece (where the market gap in equity is particularly pronounced), albeit the market remains small. EFSI funds occasionally led to the creation of new, innovative products, such as securitization instruments used by non-financial corporations. In Poland, stakeholders highlighted the role of EFSI in contributing to the development of equity, SME securitisation and private debt markets. In Italy, EFSI is credited with the introduction of new products and asset classes (such as venture debt) and supporting the securitization and venture capital markets.

In the equity segment, the EIF's added value is particularly pronounced. Fund managers across Europe who were interviewed, highlighted the EIF's reputation within the financial system and its role in attracting further investment through signaling effects as well as their skill in conducting due diligence (which reassures other investors by providing a quality stamp). In many cases, the sheer volume of the EFSI contribution to funds reviewed was found to be an important share of the total fund

[48] changes that would have occurred even in the absence of intervention.
[49] Number of responses = 121 out of 185. Source: EIB EV (2021) Op cit. See also, Technopolis (2017) Interim evaluation of the COSME Programme, Final report
[50] ECA (2017) Special report No 20/2017: EU-funded loan guarantee instruments: positive results but better targeting of beneficiaries and coordination with national schemes needed.
[51] Cour de comptes (2019) La mise en œuvre, en France, du plan d'investissement pour l'Europe

size (helping to close funds, reach target sizes)[52]. For example, one intermediary in Greece indicated that the participation of the EIF (along with other EU institutions) helped to "double the size of the Fund." Their participation also provided a strong signalling effect and boosted the Fund's credibility, which meant that "other investors could trust the due diligence that the EIF conducted and their investment decision." This helped to attract additional investors/ financiers, namely "financial institutions and family offices/ private individuals." Another intermediary, based in Germany, also commented that the EIF's participation helped to mobilise additional investments quickly and successfully. Fund managers also valued EIF's support around governance and issues such as integration of Environment Social Governance (ESG) factors. Fund managers expressed some instances of over-subscription of funds, but even so valued EIF's support in improving governance, professionalism and ESG aspects of their funds.

Fund managers were also asked about possible repercussions had EFSI support not been made available. One fund manager, based in Italy, explained that the size of their fund would have been much smaller. This is because they would have unlikely been able to find investors who would have been able and willing to cover the extent of the investment made by the EIF. Another fund manager, also based in Italy, believed that they would have been able to reach the target size for their Fund; however, the process of raising capital/ funding would have most likely taken much longer. This was a view also shared by a fund manager in Poland. They believed that, in the absence of the EIF's support, their Fund would have still been capitalised. However, the Fund would have probably been smaller in size and its closure would have been considerably delayed. Another fund manager in Greece also indicated that, without EIF support, it would have been more difficult for them to attract additional financiers.

Role of EFSI in developing PE/VC market in Poland

Stakeholders in Poland explained the various channels through which EFSI support made a difference:

- EFSI contributed to strengthening the capital / equity investment market in Poland (on the supply side). Despite existing public intervention, the VC market is not yet fully developed in Poland; hence, any initiatives to strengthen the market are relevant.
- In the case of some VC funds, EFSI engagement enabled fund raising on a wider European market – in this respect, the support from EFSI had a signalling effect (EIF involvement attracted other co-investors). This played a role in attracting / activating private investors.
- EFSI support allowed fund managers to utilize the experience and technical expertise provided by the EIF and its due diligence standards. This element paid-off in terms of supporting the alignment of Polish investment teams and VC funds with industry best practices.
- EIF supported fund managers with more diversified and sophisticated investment strategies and offer (previously not offered by Polish entities or available only to a limited scale), such as: management buy-out / buy-in, leveraged buy-out / buy-in, private debt. EFSI contributed to (i) professionalization of specific types of investment funds, (ii) opening up the possibilities of financing different types of transactions, and (iii) building track record in these asset classes.
- The support based on EFSI resources allowed for the development and diversification of equity markets, primarily those establishing (or enlarging)

[52] Based on deep-dives of a sample of transactions

investment potential in financing of later stages investment (later stage, growth / expansion). This was because in Poland, so-far public intervention always concentrated on the SME sector, and especially on early-stage investment. EFSI thus addressed a specific market gap, i.e., the lack of sources of equity finance for small-mid caps and projects being at a later development stage.

ADDITIONALITY OF THE EFSI GUARANTEE[53]

At the portfolio level, the EIBG would not have been able to provide the same volumes of financing without the EFSI guarantee. EFSI-IIW represents a fundamental shift in the nature of projects financed by the EIB. EFSI projects are riskier[54], much smaller than an average EIB project[55] and more complex (often with new clients, sub-investment grade borrowers or using more complex products or in new markets)[56]. EFSI operations thus tend to be costlier to implement (higher costs involved in deal origination, structuring and monitoring), more capital intensive (due to their risk profile) and less profitable in terms of revenue generation (due to their small size). Examples of operations can be found which could have been delivered without EFSI (though again difficult to prove without the counterfactual context to test this) e.g. case of tram wagons or 5G deployment. Notwithstanding these cases, the EIB would not have been able to finance the entire EFSI portfolio on its balance sheet in absence of the EU guarantee without adversely affecting its credit rating, capital consumption and financial sustainability. As far as the EIF is concerned, EFSI represents a continuation and extension of what it has been doing for decades. However, the Fund has limited capital of its own and relies on mandators (such as the European Commission, EIB, others) for resources to undertake its activities.

Factors contributing to the higher risk of EFSI operations under IIW

On the basis of a sample-based review of IIW operations, the most common risk factors identified were as follows: (1) financial/ credit risk; (2) market risk; and (3) implementation risk. EIB EV's evaluation of the Group's Special Activities (70 percent of which are EFSI backed) further identified the following factors:

- higher risk profile of the borrower. The special activities portfolio has a much higher share of non-investment grade borrowers (68 percent) in terms of volume as compared to the EIB's standard operations (13 per cent).
- the unsecured and subordinated structure of the EIB financing.

Financial/ credit risk

Financial/ credit risk refers to the promoters' ability to manage their debt and fulfil their financial obligations (repayment of principal and interest and any other fees and charges). Among the projects reviewed, a few were perceived to carry medium to high financial/ credit risk for various reasons, including uncertainty around cash/ revenue flows and, hence, promoters' ability to make repayments. For example: A social housing project was assessed to be financially risky as repayment of the EIB

[53] Article 5(1) defines additionality as follows: without EFSI, the same financing could not have been carried out by the EIB, the EIF or under existing Union financial instruments,
[54] 97,4% of the EFSI projects are classed as "special activities" within EIBG. EIB defines special activities as: (i) Lending or guarantees having a risk profile which in EIB terms correspond to a Loan Grading of D- or below. This definition includes operations where part of the underlying risk is absorbed by a third party such as operations deployed in the framework of cooperation with the EC. (ii) Infrastructure funds and other fund participations, venture capital activities, equity operations and other operations with an equivalent risk profile. Source: EFSI combined operational report 2021
[55] median size of EFSI financed operations is EUR 53m vs EUR 140m for standard operations
[56] Standard operations typically comprise sovereign/ sub-sovereign and corporate lending. Whereas EFSI comprises a wide spectrum of products such as risk sharing instruments, capital market instruments, venture debt/ quasi-equity, private debt, equity (VC/PE). Source: EIB EV (2022) Evaluation of the EIB Group's Special Activities

loan was expected to rely heavily on the cash flows generated from the lease of the units built by the promoters, in turn dependent on the demand for the new housing units; the long-term ability of tenants to pay rent; and the capacity of the promoters to keep construction and operational costs under control.

Market risk

Market risk is the risk arising from changes in the market to which a promoter/ beneficiary organisation has exposure. Market risk was identified in the context of certain operations. It was generally attributed to market dynamics, notably the level of competition/ ease of market entry; demand/ product uptake; and price. For example, the extent of market risk associated with operations in the telecommunications sector was generally considered important (medium/high). Operations aimed at improving broadband access, for example, were exposed to market risk owing to the high degree of uncertainty around future demand/ take-up rates of new broadband solutions (especially among certain target groups – e.g., end-users in rural areas), and rigorous competition in the broadband market, which collectively made it difficult to predict future revenue streams.

Implementation risk

Implementation risks were identified for certain operations. Risk factors commonly cited were cost overruns and delays. Delays were foreseen in the context of large-scale infrastructure projects, such as road construction, but also 'green' investments, such as those directed to the renewable energy sector– as such, the authorisation procedures for PV solar and onshore wind projects and their effective connection to the grid are currently lengthy. Significant implementation risk was also foreseen in the context of an operation in the ICT sector (involving Ultra High Speed fibre). Delays were expected due to the complex and slow permit allocation process, and labour shortage.

ADDITIONALITY OF EFSI W.R.T. OTHER EU FINANCIAL INSTRUMENTS

Additionality with respect to existing EU financial instruments was reverse-engineered. EFSI was launched after the MFF for 2014-2020 had already entered into force. The creation of EFSI thus, resulted in overlaps with several centralised EU financial instruments that were already under implementation[57]. To address these overlaps, various adjustments were made to both EFSI as well as existing centralised financial instruments:

Frontloading of COSME and InnovFin: this involved making available to EIF in 2015 the 2016-2020 budget capacity of COSME LGF and InnovFin SMEG (by deploying EUR 1.25n of the EU guarantee).[58] Thanks to the EU guarantee under EFSI, the frontloading of 2016-2020 investment capacity under both COSME LGF and InnovFin SMEG (when the COSME LGF and InnovFin SMEG budgets were exhausted) allowed the EIF to meet the high demand for these products and offer continuity and stability to the market (thus avoiding a stop and go approach).

Topping-up of guarantee products: In July 2017, EFSI SB approved that EFSI 1.0 contribution to some of the existing facilities (i.e. InnovFin SMEG, COSME, EasI) gets converted from frontloading into a permanent unfunded SLP covered by EFSI, thus increasing the overall size of these facilities. CCS GF received EFSI contribution for the first time. EFSI top-up to these guarantee products provided scale which allowed the Commission to respond to the high market demand for guarantees.

A bigger equity instrument was developed under EFSI. In the case of InnovFin Equity EFSI participated in a new a risk sharing structure alongside Horizon 2020. In the case of COSME equity product, the Commission intentionally designed the new EFSI SMEW

[57] For example COSME LGF and InnovFin SMEG delegation agreements were signed between EIF and the European Commission in the summer of 2014
[58] EFSI Steering Board SB/09/16, 28 January 2016, Document 04-2016

equity product to cover part of the existing equity product pipeline, so as to enable the COSME financial instruments budget to refocus more on guarantees (for which the market demand exceeded available budgetary resources).

Development of dead allocation policies to deal with other overlaps. The ECA[59] and previous[60] evaluations found that EFSI partially replaced the CEF Debt instrument. This was mainly due to its overlap in terms of objectives, eligibility criteria, target sectors and types of beneficiaries. Overlaps were also identified with InnovFin Debt products. Deal allocation policies were developed to address these overlaps.

Overlaps continued to exist between EFSI and decentralised financial instruments in the area of SME financing. The previous evaluation highlighted the risk of overlaps between guarantee facilities under the ESIF financial instruments (FIs) and COSME LGF. In practice, the country case studies conducted as part of the present evaluation suggest that SMEW and ESIF financial instruments were used in a complementary manner e.g. COSME was often used when the de minimis limits under national/ local schemes had been exhausted -In the case of the IIW, the risk of overlaps between EFSI and ESIF financial instruments targeting the same thematic objective was limited, especially because projects supported under shared management are usually of a smaller size and not necessary eligible for EFSI support. See the section on coherence for further discussion on this topic.

There were however, some clear advantages of EFSI compared to existing EU financial instruments. For example**,** the EFSI budgetary guarantee freezes less budgetary resources compared to classical financial instruments, as it requires limited provisioning needs compared to the level of financial engagement. A budgetary guarantee has also proven more cost-efficient for the EU budget, as it is remunerated for the risk taken and it limits the payment of management fees to the implementing partner(s) – see also later section on efficiency. Furthermore, EFSI allowed the piloting of several new products (e.g. education and skills product and EFSI pilot on social impact, ESCALAR etc.) which previously did not exist. Finally, EFSI offered flexibility and scale which would not have been available under specific EU financial instruments such as COSME or InnovFin.

SPECIFIC PROCEDURES PUT IN PLACE TO SUPPORT EFSI AS REFERRED IN ARTICLE 4(2)(A)(V) OF THE EFSI 2.0 REGULATION

The above article allowed the EIBG to reduce the financing cost (by modulating the remuneration of the EU guarantee) to certain types of viable projects such as those under stressed financial market conditions, or where investment platforms were facilitated, or to the funding of projects in sectors or areas experiencing a significant market failure or suboptimal investment situations. During the implementation of EFSI, the need to activate the "clause" did not materialise and therefore EIB's Pricing Policy continued to apply for EFSI operations.

FINANCING CLIMATE ACTION

EFSI delivered on its soft target of 40 percent financing for climate action under IIW. 59 percent of EFSI operations signed until the end of 2021 had a climate action component. This represented 44 percent of the signed EFSI-IIW volumes. At the time the target was introduced, the EIB was already undergoing its transformation into the EU Climate Bank. This played a role in meeting the target. EIB indeed committed to similar (or more) ambitious targets for its own financing beyond EFSI and EFSI period. Overall, EFSI supported 392 operations that had a climate action component with EUR 20,5bn of financing. Almost half of these projects were concentrated in Germany (21 percent), Spain (15 percent) and France (10 percent). The introduction of the climate action target however, did not have any negative side

[59] ECA (2019) Special Report No. 3 - European Fund for Strategic Investments: Action needed to make EFSI a full success
[60] ICF (2018) Independent Evaluation of the EFSI Regulation, Final Report, June 2018

effects on geographical diversification or the risk profile of EFSI portfolio[61]. However, in terms of the composition of the portfolio, EFSI also financed projects with negative environment externalities such as motorways and airports etc. as these addressed sub-optimal investment situations in specific regions or countries. This has been criticized in some quarters and represents some of the inherent trade-offs and the delicate balancing act that public policy has to pay particularly in transition periods towards other economic models.

Table 4. EFSI surpassed the soft target for climate action under IIW

	Debt-Type Operations		Equity-Type Operations		Total	
	Number	**Signed Amount (EUR m)**	**Number**	**Signed Amount (EUR m)**	**Number**	**Signed Amount (EUR m)**
With CA	325	18.593,99	67	1.941,48	**392**	**20.535,47**
Total	488	43.825,76	176	3.281,39	**664**	**47.107,15**
Share	66,60%	42,43%	38,07%	59,17%	**59,04%**	**43,59%**

Source: *Combined IIW+SMEW Operational report 2021*

ALLEVIATING THE IMPACT OF COVID-19 PANDEMIC ON THE EUROPEAN ECONOMY

By enabling a quick and flexible response, EFSI proved to be an effective counter-cyclical instrument during the Covid-19 pandemic. The feedback on COVID response by the EIB Group in general and under EFSI specifically is very positive: quick response, well-tailored to needs, at considerable scale, under both IIW and SMEW (see box). The following key points emerge from stakeholder interviews:

- The EIB response under EFSI was immediate, creating a positive signalling effect for the market. At times of crisis, it makes sense to rely on instruments that already exist and not to try to invent new products that take years to develop.
- The quick launch with retroactive application was very helpful.
- The adjustment of the parameters for the guarantees was very helpful to accommodate the elevated risk levels and easy to implement through contractual amendments.
- In some countries, national responses were sometimes perceived as having played a more important role to address liquidity needs. For example, in Italy the national response was perceived to be much quicker under "Garanzia Italia" (although EIF support was pretty quick too). Even so, the flexibility and adaptiveness of EFSI, such as the introduction of the COVID-19 sub-window, (e.g. the increased guarantee rate to 80 percent) allowed CDP to increase portfolio volumes and lending conditions, contributing to relieving tensions on Italian SMEs throughout the pandemic.
- In contrast, in France the national scheme came later in summer 2020, although with more attractive features such as a higher guarantee rate.

[61] EIB EV (2021) Evaluation of the European Fund for Strategic Investments 2021 – Thematic Report

Summary overview of Covid-19 response under EFSI

SMEW

Reallocating some EUR 1bn of available resources within EFSI to guarantee products such as InnovFin SMEG and COSME LGF managed by the EIF to the benefit of the hard-hit SME and mid-cap sector in the EU, with a view to mobilise some EUR 8bn of additional financing. At the time, the majority of their budget resources had been largely absorbed. The calls for expression of interest for the EFSI products: COSME Loan Guarantee Facility (LGF) and InnovFin SME Guarantee Facility (SMEG) were published as early as April 2020, with closing in June 2020. The calls were oversubscribed.

Updated terms and conditions. These were made available to new intermediaries through the calls for expression of interest and granted semi-automatically to existing intermediaries (after financial intermediaries submitted their applications through an online form on the EIF's website). The most important enhancements to the terms offered specifically under EFSI products: COSME LGF and InnovFin SMEG comprised the following:

- Increase the guarantee rate for working capital from 50% to up to 80% for transactions under the COSME LGF and InnovFin SMEG (with retroactive effect from April 2020);
- Maximum guarantee cap rate increased from 20% to 25% (COSME)
- Minimum financial intermediary risk retention reduced from 20% to 10%;
- Postponement, rescheduling or credit holiday period explicitly allowed;
- Coverage of accrued or capitalised interest extended to 360 days;
- Possibility of increasing the maximum rollover period of revolving credit transactions from five to nine years (COSME LGF) and to six years (InnovFin SMEG);
- Possibility of verifying innovation eligibility criteria based on self declarations by companies rather than independent confirmations (InnovFin SMEG);
- Refinancing of existing guaranteed transactions permitted (InnovFin SMEG);
- Minimum maturity of bridge financing reduced to six months (InnovFin SMEG).
- Speedier treatment of requests for approval thanks to measures at the level of the EIF Board (streamlining the compliance risk assessment and the request for approval template)

The updated terms and conditions were, according to financial intermediaries concerned interviewed as part of EIB EV's evaluation, very useful for them to maintain their activity throughout the pandemic. Note: enhanced terms and conditions were made available also for the EaSI GFI and the CCS GF product and InnovFin Equity facility. Unlike COSME and InnovFin SMEG, EaSI GFI and CCS GF did not however benefit from additional budget from EFSI.

IIW

- 41 new EFSI operations approved in 2020 specifically targeting COVID-19 crisis response for an amount of EUR 4.5bn. These included:
  - a dedicated EUR 2bn Programme Loan for support to SMEs and Mid-Caps via mezzanine tranches in ABS transactions facilitating up to EUR 10bn of additional intermediated financing.
  - a venture debt programme under the European Growth Finance Facility (EGFF), targeting the early and growth stage highly innovative European companies in sectors such as ICT, energy efficiency, engineering and life

    science (including innovative biotech or medtech companies/projects involved in the fight against COVID-19).
  - financing to BioNTech for the development and manufacturing of its vaccine candidate which became the first approved vaccine against the SARS-CoV-2 virus in the EU

- simplified approval process for specific underlying operations within Covid-19 Envelopes of financing under the IIW, as decided by the Steering Board in April 2020, including for:
  - sub-operations above the threshold of €50 million under the COVID-19 specific programme loans, which would normally be examined and approved individually, were approved under their respective programme loans.
  - top-ups for existing operations and repeat operations with existing clients, to compensate for difficulties in finding new sources of financing.

- Accelerating approvals and signatures for EIB Group-financed operations in general, including EFSI operations. In general EIB COVID-19 operations were more than twice as fast in moving from the launch of the project appraisal to the first disbursement.

Sources: 2020 and 2021 EFSI REPORT - From the European Investment Bank to the EP and the Council on EIB Group Financing and Investment Operations under EFSI62

EIB EV (2021) Rapid assessment of the EIB Group's operational response to the COVID-19 crisis December 2021. EIB EV (2021) Evaluation of the European Fund for Strategic Investments 2021 – Thematic Report

CREATING JOBS AND GROWTH

In the short-term (by 2025), EFSI is expected to create 2.1 million jobs and increase EU GDP by 2.4 percent compared to the baseline scenario[63]. The impact of EFSI-supported operations on the EU economy was estimated through EIB-JRC RHOMOLO model. Two main channels were taken into consideration: a shorter-term investment effect and a longer-term structural and competitiveness effect. The estimates concluded that investment mobilised by EFSI (EUR 545 billion as of end 2020-final number as end 2022 will be slightly lower due to partial and full cancellations of some operations but still above EUR 500 bn) will create 2.1 million jobs and increase EU GDP by 2.4% by 2025 thanks to short-term investment effects. While short-term investment effect will by nature fade over time, EFSI impacts on growth and employment are expected to be still visible in the longer term thanks to the more persistent structural effects (enhanced production technologies, better private and public infrastructure, and greater labour productivity). By 2040, it is estimated that EFSI-supported operations will still have created 1.3 million jobs and increased EU GDP by 1.6%, relative to the baseline.

The macro-economic impacts of EFSI are more pronounced in Cohesion regions and crisis affected countries[64]. The model also concluded that Cohesion regions benefit significantly more than better-developed regions both in the short and long term (twice as high and 10 percent higher, respectively, when it comes to GDP impact). Similarly, countries hit hardest by the 2008 economic and financial crisis are expected to benefit more from EFSI, clearly so in the short term only though.

[62] 2021-efsi-report-to-the-ep-and-council
[63] EIB (2021) Macroeconomic Impact of the European Fund for Strategic Investments. Complementary section to the Evaluation of the European Fund for Strategic Investments 2021. The baseline scenario assumes the world in a steady state based on 2013 data. The estimated effect on GDP and employment is 'additional' to the baseline, which assumes a counterfactual world without the EIB supported investments
[64] Ibid

DEVELOPMENT OF SOCIALLY ORIENTED FINANCIAL PRODUCTS AND MARKETS

Under EFSI, a range of financial products were successfully deployed to address societal objectives. Under IIW, investment loans, quasi-equity and PPP structures were used to finance a range of social infrastructure projects – see box below. Such projects have traditionally been financed with grants and public funds. EFSI provides successful templates of how market based financing can be used to address societal needs. Under the SME window, a range of specialist debt and equity instruments were deployed to meet the needs of vulnerable and disadvantaged groups who would like to become self-employed but are facing difficulties in accessing the traditional banking services (micro-finance); special classes of enterprises such as social enterprises (social impact funds) and special types of activities (e.g. skills and education). The Skills and Education Pilot was notably tailored to address the needs of:

- Category A: Students and/or Learners;
- Category B: Enterprises investing in skills and skills utilisation of their workforce; and
- Category C: Organisations supplying education, training, skills and related services (including kindergartens, nursery schools, early childhood services, etc.).

EFSI was successful in two respects: (i) making sure the right range of tools – of appropriate financial products – were available; (ii) growing the amount of capital which flows through these products, as evident from the high take up of several products (e.g. EaSI, S&P pilot).

Range of social infrastructure projects financed under IIW

Social and affordable housing

Mostly construction (but also some examples of refurbishment and retrofitting) of social housing units in several countries (Ireland, Poland, France, Spain, Germany)

Education and lifelong learning

- Construction of new school buildings and/or extension or refurbishment of existing schools (Austria, Finland)
- Construction of new research and teaching facilities and/or expansion or refurbishment, modernisation/ digitalisation of existing facilities (Portugal, Latvia, France, Romania and Spain)

Health and long-term care

- Development of primary care centres (Ireland)
- Development of new shared homes as affordable solutions for elderly/ senior citizens (France)
- Development of new, modern hospital/ healthcare facilities (Poland, Italy, Netherland, France, UK) or upgrading, modernisation and expansion of existing healthcare facilities (Romania, Netherlands, France)
- Development of new medical simulation centres (Poland)
- Investment in new medical equipment (Germany, Italy, multi-country)
- Development of new treatments, therapies and production processes (Spain, Germany)

COOPERATING AND COLLABORATING WITH NPBIs

EFSI placed a significant emphasis on cooperation and collaboration with NPBIs. A concerted effort was made under EFSI[65] to draw on the complementarities of the EIB and NPBIs particularly through the setting up of NPBIs. A KMI was introduced to measure and monitor the level of cooperation in terms of the share of operations involving NPBs (by number of operations and amount)[66]. The expectation was that 15-20 percent of the operations should be delivered in collaboration with NPBs. Cooperation with NPBIs was expected to contribute to geographical balance in distribution of EFSI financing and better coverage of country specific financing needs. NPBIs were also seen as an entry-point to help blending national grants with EU resources (although opportunities in that regard were underused under EFSI).

High levels of NPB involvement were achieved under EFSI. Overall, 262 EFSI operations (17,5 percent) were implemented in collaboration with NPBIs (representing 20,5% of EFSI financing), thus meeting the target. There was greater collaboration under SMEW (21 percent of operations and 28 percent in terms of volume) as compared to IIW (12,5 per cent of operations and 17 percent of IIW financing). This was partly on account of the nature of activities delivered and the EIF's pre-existing relationships with NPBIs.

Table 5. Cooperation with NPBIs

		Debt-Type Operations		Equity-Type Operations		Total	
		Number	Signed Amount (EUR m)	Number	Signed Amount (EUR m)	Number	Signed Amount (EUR m)
IIW	**With NPBs**	62	8.951,43	21	1.216,50	**83**	**10.167,93**
	Total	488	53.055,25	176	6.787,88	**664**	**59.843,13**
	Share	12,70%	16,87%	11,93%	17,92%	**12,50%**	**16,99%**
SMEW	**With NPBs**	80	4.049,34	99	3.550,39	**179**	**7.599,73**
	Total	456	15.068,46	378	11.956,15	**834**	**27.024,61**
	Share	17,54%	26,87%	26,19%	29,70%	**21,46%**	**28,12%**
Aggregated	**With NPBs**	142	13.000,77	120	4.766,89	**262**	**17.767,66**
	Total	944	68.123,72	554	18.744,03	**1.498**	**86.867,75**
	Share	**15,04%**	**19,08%**	**21,66%**	**25,43%**	**17,49%**	**20,45%**

Source: Combined IIW and SMEW operational report 2021

60 IPs were set up in 18 Member States reflecting an important outreach effort, but their set-up and implementation was complex and inefficient. Under IIW, Investment platforms provided a mechanism for pooling and financing smaller operations. This was an important benefit of these platforms, but their set-up was extremely challenging for all parties concerned. Firstly, all partners - having different institutional and legal settings – needed to subscribe to the same objectives,

[65] COM(2015) 361 final - Working together for jobs and growth: The role of National Promotional Banks (NPBs) in supporting the Investment Plan for Europe
[66] For SMEW: the NPB co-financing was defined as the SMEW share of operations co-financed and/or risk-sharing with NPBs (both by number of operations and amount).

terms and conditions. This process of achieving alignment was difficult and time consuming. Secondly, feedback from those involved in setting up platforms was that it was challenging and time consuming to find a design that would work from both the legal and financial standpoint, as well as to accommodate the EIB's constraints (in terms of what it can do or not). For example, NPBIs reported that the EIB has constraints when it comes to equity investment – it participates more or less on a pari passu basis whereas there was an expectation that the EIB would provide a first loss protection on co-investments. Given the various complexities, most IPs only became operational (i.e. ready to start making investments) in 2019-20. Finally, once set up, investment platforms were often still slow with disbursement.

Given the large transaction costs and expertise required, investment platforms were more attractive in large Member States with experienced and established NPBIs. Besides, unlike the EIB, NPBs co-investing in investment platforms were not benefiting from the guarantee directly, which meant that they lack an incentivizing mechanism. Moreover, the NPB equity window, demanded by NPBIs, was not used as per expectations. Some of the operations that were discussed never materialized.

Under SMEW, the EIF did not see the necessity to set-up platforms. Some platforms were however, created at the request of NPBIs e.g. Cassa Depositi e Prestiti (CDP) Italy structured an investment platform for SMEs where a national guarantee was combined with an EFSI guarantee to provide more financing to SMEs. Otherwise going for normal guarantee/counter guarantee was by far the preferred route.

Investment Platforms in Italy

Italy made relatively extensive use of Investment Platforms (IPs). These were delivered by CDP in collaboration with the EIB and EIF. In 2017, CDP was the first NPB in the EU to collaborate with EIBG in the form of IPs. These platforms utilised both EFSI windows (the IIW and SMEW), and reportedly originated some of the largest EFSI transactions to support SMEs and infrastructure and innovation projects, boosting the EFSI offer. Some examples of key platforms and their benefits include:

ItaTECH – this was a joint investment with the EIF (through a management and co-financing agreement signed in December 2016) of EUR 200m to support technology transfer initiatives, particularly start-ups and spin-offs that originated in universities or research centres. This IP played a key role in strengthening the technology transfer ecosystem in Italy, thus addressing a market gap. It aimed to support research organisations as well as the whole ecosystem in terms of international exposure and long term dynamism. **ENSI** – the EIF and NPI's securitisation initiative – a platform of efficient cooperation between the EIF and NPIs to stimulate access to credit for SMEs through capital markets. The platform enables cooperation and risk sharing between the EIF and several NPIs in the context of the SMEW securitisation instrument.

Overall, systematic collaboration with NPBIs was challenging. As noted in EIB EV's evaluation of EFSI[67], the heterogeneity of NPBIs made it difficult to collaborate with them on a systematic basis[68]. Consequently, collaboration was stronger in some countries than in others. For example, collaboration was stronger with the more experienced and well-established NPBIs (France, Germany, Italy, Spain), and less so

[67] EIB EV (2021) Op cit

[68] NPBIs are quite diverse in terms of their size, mandates, institutional set-ups, business models and levels of sophistication. There are also differences in approaches of NPBIs within the same Member State. For example, in addition to NPBIs operating at the central level (BGK and PFR) and there are several regionally based NPBIS is Poland, the so-called Regional Development Funds (RDFs). Moreover, several Member States have established NPBIs relatively recently (e.g. Ireland, Latvia).

with the newly set-up NPBIs despite EIAH capacity building activities. There are some exceptions to this such as the SBCI in Ireland. Interviews suggest that the following actors inhibited collaboration for those NPBIs:

- Lack of clarity on possible forms of cooperation - expectations around collaboration with NPBIs were very high, but were not well defined (despite the Steering Board paper, EIB yearly meetings with NPBIs and dedicated brochures on products and projects).
- Initial misconceptions - some NPBIs thought EFSI was a source of grant financing.
- Capacity - some smaller NPBIs did not have the necessary systems and structures (e.g. credit assessment and risk management) to give sufficient confidence to the EIB that they would be able to effectively deliver the financing.
- Perceived lack of opportunities for collaboration - in smaller countries there was a perception that project promoters would be looking for grants for smaller projects; the EIB would finance the larger projects (and these would be too big for the NPBIs to co-finance); and that moderately sized projects would not need both EIB and NPBI co-financing.

EIB EV's evaluation highlights the following additional constraints: perceptions of the EIB as a competitor and a perceived lack of flexibility of the EIB or NPBI to adapt its products. Moreover, collaboration did not deliver the expected efficiency gains, for example in several cases where operations were co-financed, due diligence was conducted in parallel by the EIB and NPBIs due to lack of mutual recognition of technical due diligence.

3.1.1.2 Efficiency

The evaluation looked at the following aspects of provisioning: (i) the budgetary impact of the first loss piece covered by the EU; (ii) the multiplier effect achieved; (iii) adequacy of the Guarantee Fund provisioning; and (iv) governance and implementation structure.

BUDGETARY IMPACT OF THE FIRST LOSS PIECE COVERED BY THE EU

Under SMEW, resources from EFSI were combined with resources from the Commission's central mandates in the following manner: first loss piece (FLP) from H2020, COSME, EaSI and CCS would pay for all guarantee calls from EFSI as well as non-EFSI operations signed under those mandates; EFSI second loss piece (SLP) would cover guarantee calls with respect to EFSI. The full scale of losses are as yet unknown as the operations are still underway, but the table provides an indication of the potential budgetary impact of the FLP together with EFSI SLP. Later on in this section, the adequacy of provisioning under EFSI is discussed.

Table 6. Budget contribution and investment mobilised under SMEW

EFSI financial product with FLP from Financial Instrument	FLP coverage by Financial Instrument	SLP coverage by EFSI guarantee	Total EU budgetary coverage in EUR	Investment mobilised million EUR	Investment mobilised per EUR of EU contribution
(1)	(2)	(3)	(4)=(2)+(3)	(5)	(6)=(5)/(4)
SMEW InnovFin SMEG	1.184.845.728	1.400.000.000	2.584.845.728	33.312	13
SMEW COSME LGF	1.124.350.257	1.484.000.000	2.608.350.257	84.398	32
SMEW EaSI	118.030.729	300.000.000	418.030.729	4.125	10
SMEW CCS	112.535.229	130.000.000	242.535.229	3.088	13
Sub-total: debt products	2.539.761.943	3.314.000.000	5.853.761.943	124.923	21
SMEW Equity sub-window 2*	728.550.000	429.035.000	1.157.585.000	33.285	29
Total: debt + equity	**3.268.311.943**	**3.743.035.000**	**7.011.346.943**		

**Also known as the IFE Facility for Early Stage. This is a structured financial product with an overall financial envelope of EUR 1,619 million; it combines resources from InnovFin Equity (45%), EFSI (26.5%) and EIF (28.5%)*

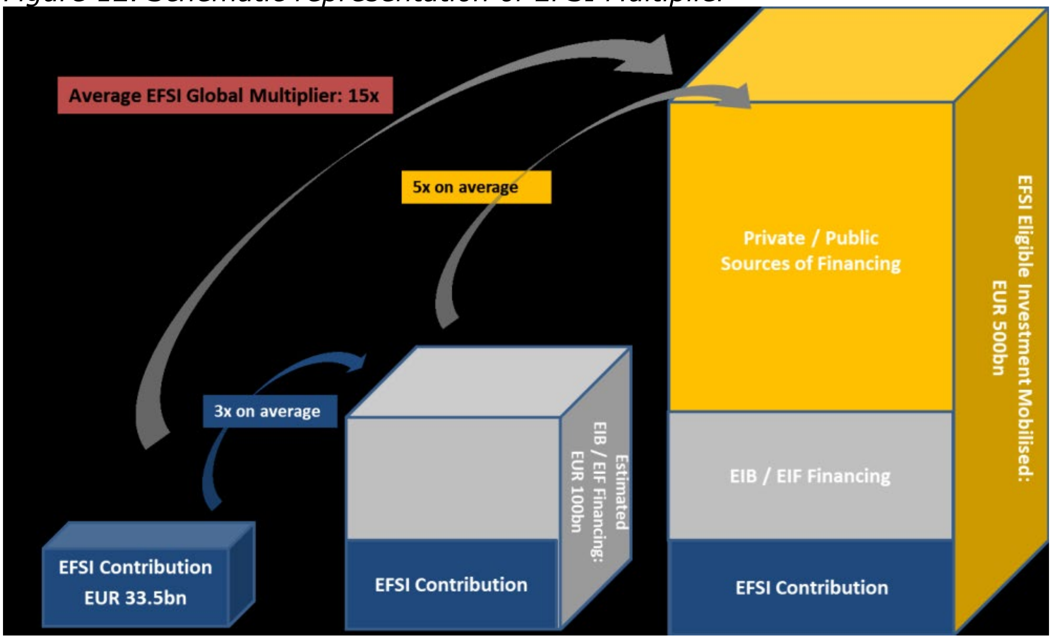
Some fund of funds investments were made in the pan-European FoF programme of IFE, hence the high amount of investment mobilised

Source: SMEW Operational Report 2021

MULTIPLIER EFFECT OF EFSI

EFSI has delivered a high multiplier effect, exceeding initial assumptions. The currently estimated multiplier effect of EFSI (15,75) is slightly higher than the initial target of 15. The multiplier effect captures the relation between the underlying EFSI support (EFSI guarantee and EIB financial contribution) and the amount of total investment that is expected to be generated by such financing (i.e. the total project cost for investment). The EIB Group estimates and monitors transaction-specific multiplier effects in line with the EFSI Multiplier Calculation Methodologies approved by the EFSI Steering Board. The total multiplier is made of two components: (i) the internal multiplier which shows the multiple between the underlying EFSI contribution and the amount of EIB/EIF financing and (ii) the external multiplier which shows the multiple between the EIB/EIF financing under EFSI and the amount of total investment – see Figure 12.

Figure 12. Schematic representation of EFSI Multiplier



Source: EFSI Multiplier Calculation Methodologies approved by the EFSI Steering Board

Neither the EFSI multiplier methodology, nor the EFSI Regulation, make the assumption that all the sources of finance flowing into a project are attracted as a result of the EFSI guarantee. As such, the multiplier methodology does not claim attribution or causality. The methodology is used on a best effort basis to provide an indication of total investment mobilised with EFSI support. Some adjustments are made e.g. other EU co-financing (e.g. EU grant-financing, EU financial instruments or ESIF grants or financial instruments including related national co-financing), is not taken into account in the calculation of the multiplier under IIW; however, in the case of the SME window, EFSI contribution cannot be disentangled from the first loss piece (FLP) provided by other EU financial instruments (e.g. COSME, InnovFin, EaSI and CCS) as the whole structure is mutualised. There are also specific methods to avoid double counting and double financing (repeat operations). In the case of SMEW, the multiplier methodology is based on assumptions, specific to each market which are constantly honed on the basis of actual data and experience. For IIW, the EFSI multiplier is typically based on estimates of the total project cost done by EIB engineers and economists; except in the case of venture debt operations for early-stage start-ups, where the multiplier is usually based on market benchmarks which were determined by an EIB market study.

The achieved multiplier effect is a function of the risk profile of projects, risk appetite of other investors (and their willingness and capacity to co-invest) and the intensity of market failures in specific sectors and countries.

Table 7. A higher multiplier effect has been achieved than initially envisaged

	Internal multiplier	External multiplier	Total
IIW	2,96	4,55	**13,48**
SMEW	2,6	7,88	**20,49**
EFSI	**2,84**	**5,54**	**15,74**

Source: EFSI IIW+ SMEW Operational Report 2021

ADEQUACY OF THE GUARANTEE FUND PROVISIONING

Under the EFSI Agreement, the European Union is entitled to a remuneration for its guarantee. Up to end 2021, the EU has received EUR 1.16 billion of revenues from the EIB, mainly from IIW debt products, where the risk related revenues are shared between the European Union and the EIB (commensurate to the risk taken). The revenues are partially used to cover the guarantee calls, fees and other expenses incurred under the guarantee under EFSI[69], while the remaining part is transferred to the EU budget as internal assigned revenues and used for the constitution of the EFSI compartment of the Common Provisioning Fund (CPF).

By the end of 2021, EUR 0.731 bn had been transferred to the CPF as internal assigned revenues.[70] The internal assigned revenues are expected to increase to EUR 1.096 bn until the end of 2023.[71] Further remuneration and revenues can be expected. The tenor of guarantees for many operations reaches out beyond the planning horizon of 2023 for the budget. In addition, a significant share of signed operations is still not disbursed and further revenues can be expected there as well. The pure cumulative budget figure without the internal assigned revenues in 2023 will be EUR 8.425 bn. As 35% of EUR 26 bn result in EUR 9.100 bn, the budget appropriations alone do not reach a level of provisioning of 35%, but upon including the internal assigned revenues, a provisioning level of 36.6% is achieved. Following even more exactly the provisioning model, one can add the money spent for guarantee calls or value adjustments already, i.e., EUR 0.162 bn cumulative until end of 2021.[72] Thus the overall provisioning is expected to cover 37.2% end of 2023 - forming a buffer beyond the assumed 35%.[73]

[69] The cumulative fees due to the EIF for the implementation of the products under the SME window total EUR 231.4 million, which were mainly covered by the revenues due to the European Union under the guarantee. In addition, the EU has incurred EUR 18 million of other expenses, of which EUR 8 million related to EIB funding costs (in relation to the amounts disbursed by the EIB to the EIF for the equity products) and EUR 5 million - to the recovery costs.
[70] Draft General Budget of the European Union 2023, Working Document Part XI, Budgetary Guarantees, Common Provisioning Fund and Contingent Liabilities, June 2022, p p 11
[71] Ibid.
[72] p 20. The volume of calls until end of 2021 is reported with EUR 222.6 m. See Draft General Budget of the European Union 2023, Working Document Part I, Programme Statements of Operational Expenditure, June 2022, p 88
[73] Revenues - if achieved - to be added for the years 2024ff

Table 8. Cumulative budgetary appropriations for EFSI-provisioning are transferred and paid in to the Common Provisioning Fund (CPF)

Timeframe	*Amounts*
until 2020 until 2021 until 2022 until 2023	EUR 8.138 bn EUR 8.769 bn EUR 9.393 bn (planned) EUR 9.521 bn (planned).

Source: Draft General Budget of the European Union 2023, Working Document Part XI, Budgetary Guarantees, Common Provisioning Fund and Contingent Liabilities, June 2022, p 10 . As far as future budgets are concerned figures could be reconsidered and adapted.

Model based analysis conducted as part of this evaluation[74] shows that the provisioning rate of 35% sufficiently protects the EU budget. This is important as EFSI has created a large-scale promotional programme family. Calls for guarantees in case of large-scale activities cannot be served in a 'pay as you go' approach without causing difficulties for the EU budget. So far, the provisioning system has worked well: it was not necessary to set the full provisioning from the budget aside, as revenues (mainly created with the guarantee fees) also contributed towards it. Moreover it seems rather likely that revenues will contribute in the future, too. The provisioning does not cover the expected loss only, it will be sufficient in a VaR approach to cover with 95% probability the future losses over the programme's lifetime. This evaluation shows that with a conservative approach until the end of 2021 additional (small) buffers were created. Firstly the guarantee volumes allocated to each of the windows and portfolios/products were not fully used. Secondly not all signed operations are likely to be fully disbursed in the future. Thirdly post-signature cancellations count for EUR 3.5 bn already. Fourthly the VaR test shows some additional buffers. In the years to come, additional revenues may improve the promotional business case of EFSI further. In case of a worsening economic situation, EFSI provisioning seems to be sufficiently robust.

A balanced portfolio approach is essential for provisioning to work. The level of around 1/3 operations with investment grade borrowers and 1/8 loan gradings being above Special Activities from the beginning, supports a balanced portfolio and is a precondition for the choice of the provisioning rate. The EU budget is spent in a more cost-efficient manner with a large-scale guarantee programme as compared to a grants based programme or classical financial instruments.

GOVERNANCE AND IMPLEMENTATION STRUCTURE

The governance structure that had been set-up for EFSI worked well. The evaluation did not find any evidence to suggest otherwise and this was also the perception of the stakeholders interviewed. Interviewees highlighted several positive aspects of the governance structure:

- Clear separation between the EIB and the Commission (between the lender and guarantor).

[74] Commission services have developed a proxy credit model for first indications of past, present and future developments. This model calculates VaR. It helps to steer portfolios - as long as the reporting frequency of the implementation partners remains annual, the steering impact will remain annual. This restriction is rather caused by the contractual agreements with implementation partners, VaR was originally developed for daily reporting. As the modelling is sufficiently precise, COM can be encouraged to develop its model further into a unified credit risk model for all budgetary guarantees.. See for more detailed information in the Annex.

- Clear role for the Investment Committee (IC) - purely responsible for decisions around the portfolio guarantee and balancing well policy and financial / risk management considerations.
- Decisions of the IC being facilitated by the EFSI Guarantee Request Form with a strict timetable for the IC to make decisions (10 working days).
- Use of the EIB structures for the (independent) Secretariat (processing the requests to IC) to avoid duplications.
- The Steering Board enabling open and transparent discussion between the EIB and the Commission. The advantages of a small group were evident in this respect. Some interviewees expressed criticism that the Steering Board consisted of the EIB and Commission only (plus one European Parliament observer) instead of also including representatives of wider stakeholder groups (e.g. representatives of specific consitituencies such as NPBIs, SMEs) . They were however, not able to elaborate on the merits of a bigger and wider Steering Board. While the benefits are not clear, there are downside risks of such an approach in terms of potential conflicts of interests access to privileged information and lack of a pan-European perspective.
- The governance structure brought together the market knowledge and banking expertise of the EIB (due diligence) with policy steer from the Commission.

Transparency of the scoreboard[75] was seen as a positive development. Although it is unclear to what extent the scoreboards were widely accessed and used, the publication of scoreboards improved perceptions of transparency and was generally appreciated by a wide range of stakeholders. This message clearly emerged from stakeholder interviews and corroborates the results of EIB EV's evaluation[76] which concluded that transparency requirements contributed to a more positive perception of EFSI operations, with no significant drawbacks in terms of client relationships, or loss of efficiency in implementation due to additional requests for information from external stakeholders. According to a Steering Board member the enhanced transparency contributed to tighter focus on additionality and improved articulation / justification of EFSI financing in project documents. It however, did not change the nature of operations being financed. Overall, there was consensus among stakeholders interviewed as part of the present evaluation that transparency efforts bring added value as long as they do not (i) burden the final beneficiaries, intermediaries, or implementing partners (ii) negatively impact time to market of EFSI support. For NPBIs and national authorities, the scoreboards were considered as useful sources of information to better understand the focus of EFSI. From that perspective, the absence of information on rejected projects was seen as a limitation.

EFSI implementation was costly for the EIB. An evaluation conducted by EIB EV[77] reveals that the Special Activities of the Bank (70 per cent of which are EFSI backed) tend to have high operating costs (relating to pipeline origination, due diligence and monitoring) as these operations tend to be smaller, riskier and more complex as compared to standard operations (as these are often with new, sub-investment counterparts, new markets and using more sophisticated products). The evaluation estimates that the cost per euro of Special Activity signed is circa three times the cost per euro of standard operations. Consequently, the Special Activities portfolio has not been cost covering for the Bank. Moreover, EIB's profitability on EFSI has been negative, due to the small size of these operations (and thus, smaller revenue

[75] The transparency requirements introduced by the Amended EFSI Regulation required publishing the EFSI Scoreboard and justifications from the EFSI Investment Committee for approving the use of the guarantee
[76] EIB EV (2021) Op cit
[77] EIB EV (2022) Evaluation of the EIB's Special Activities

generation potential), relatively higher post-signature attrition rate and the relatively high retrocession of risk pricing to the Commission.

3.1.1.3 Coherence

INTERNAL COHERENCE OF THE IPE

There were limited linkages between the three components of the IPE during the evaluation period (EFSI, EIAH and EIPP). At the beginning, there was no expectation that EIAH or EIPP would feed EFSI pipeline. Expectations as to the Hub's role in pipeline generation increased with EFSI 2.0. Surprisingly, it was not the case for the EIPP (whether EIPP projects get financing from EFSI is not monitored). Under EFSI, there was no automatic cross-referral systems e.g., to redirect promoters in need of financing or Hub beneficiaries to the EIPP.

EIAH contribution to EFSI IIW implementation is assessed under the EIAH section. Its contribution to SMEW implementation was rather limited. This was not necessarily seen as a key limitation thus far under EFSI. However, going forward, under InvestEU which is far more thematically oriented, advisory services will have to play a bigger role in intermediary capacity development.

For some interviewees interlinkages were only a "technocratic concern". They argued that advisory services help foster investment in the long run and as such there should not be too much short-term pressure on feeding the EFSI pipeline. According to them, this could be counter-productive as it creates the risk that advisory services are offered to projects that are almost investment ready and there is limited scope to make a real difference.

COMPLEMENTARITY BETWEEN EFSI AND OTHER RELEVANT EU INTERVENTIONS E.G. CEF, H2020 AND ESIF

Following the launch of EFSI, some of the existing EU financial instruments had to be re-configured to avoid overlaps. As previously mentioned, under SMEW, EFSI resources were used for the front-loading and top-up of existing central mandates such as COSME, InnovFin, EaSI. Some existing financial instruments however had to be refocused as their pipeline was absorbed under EFSI:

- Following the launch of the Expansion and Growth Window under the EFSI Equity instrument, the EFG was refocused to prioritize funds investing in COSME third countries participating in the programme. This is not yet visible in reporting at company level (it takes time for the funds to build their portfolio) but already visible at fund level.
- The CEF-DI Delegation Agreement was amended in June 2019 to focus on green innovative investments, ensure complementarity with the European Fund for Strategic Investments (EFSI) and to allow the absorption of NER 300 programme (managed by DG CLIMA). The amended CEF-DI Delegation Agreement also introduced the 'Future Mobility' financial product to support high-risk deployment of alternative fuels infrastructure, the roll out of innovative technologies and smart mobility services.
- The InnovFin Delegation Agreement was amended various times. In the seventh amendment in June 2017, InnovFin was amended, among other, to provide financing to higher-risk thematic products (on infectious diseases and on energy demonstration projects, as well as investment platforms) partly to ensure complementarity with EFSI. Like CEF DI, it was also amended to allow the absorption of NER 300 programme resources.

The co-existence of existing mandates under SMEW each with its own rule book, created operational challenges. Particularly for (smaller) financial intermediaries, it was reportedly an additional complexity to manage the various programmes with different processes and reporting. Having a single rule book for all products including thematic products under InvestEU will resolve this issue going forward.

The combination of EFSI with ESIF (structural funds) was a key challenge. The Omnibus regulation was a step in the right direction, but the regulatory environment remained unconducive to such combination. An attempt to combine funds from EFSI and ESIF resources under shared management at the portfolio level proved challenging in Bulgaria, due to difficulties in reconciling scope, eligibility and other conditions of the various programmes (see box below).

Challenges of combining ESIF and EFSI funding under a single investment platform

In 2020, Fund Manager of Financial Instruments in Bulgaria (FMFIB), the EIB and the Fund for Local Authorities and Governments (FLAG) signed a Memorandum of Understanding to create the Bulgarian Urban Investment and Advisory Platform and to establish a mechanism for interaction between the three parties.

FMFIB does not participate in the running or the funding of the platform, which is provided through a financial contract concluded between the EIB and FLAG. The role of the platform, run by FLAG, is to support investments in urban regeneration and rehabilitation across the country. The investment platform works in a complementary way to the FMFIB's UDFs, financing activities in investment projects that are not eligible for funding under the ESIF operational programmes, yet forming an integral part of projects funded by the UDFs.

The complementarity of the investment platform and the UDF funding is ensured by joint efforts and good relations between the three institutions. As a result, funds from ESIF through the UDFs and from the EIB through the investment platform are combined at the level of the final beneficiary. However, the inability to combine EIB / EFSI with ESIF resources at the platform level creates complexities and inefficiencies.

The operational programmes and EFSI have a different set of rules. EFSI has less strict eligibility criteria. The FMFIB and its partners have developed an approach to align the two sets of rules. The FIs seek advice on eligibility and the FMFIB or the investment platform guide them on which "product" is applicable in which case and how the two can be used jointly. This is a complex coordination process, with two application, evaluation, reporting and monitoring processes running in parallel. It would have been much easier administratively if the resources were combined at the platform level.

COMPLEMENTARITY BETWEEN EFSI AND NATIONAL PROMOTIONAL SCHEMES

EFSI support often complemented national promotion schemes. For example in Germany, complementarity was achieved in the EFSI operations implemented in cooperation with the promotional banks, by focussing on programmes or programme-components, which under other circumstances could not be offered by NPBIs (due to higher risk) or could be increased in response to the high demand for these products (scaling-up) e.g. EFSI guarantee was used to support KfW's VC arm Coparion or e.g. 'Startgeld' young companies may now be up to 5 years old (beforehand EFSI: 3) and receive up to EUR 150.000 (beforehand 100.000).

In Poland, EFSI addressed niches/ gaps not covered by national schemes

- Assistance for start-ups (EaSI guarantee - there were no such guarantee scheme dedicated for this group at the national level (mostly loans were offered).

- Leasing transactions – national schemes did not cover leasing (although later on leasing transactions were allowed for some national schemes, but maximum value of individual transaction was much smaller as compared to COSME - EUR 100.000 vs. up to EUR 150.000 under COSME).
- Agriculture sector– until 2019 there was no scheme for this sector. In 2019, a new scheme was launched at the national level with EU funding.

Moreover, as compared to national promotional schemes, EFSI was generally able to offer more favourable conditions (these did not apply universally):

- Better pricing e.g., free guarantees under COSME;
- More modest co-financing requirements;
- Higher guarantee rate;
- Wider / less restrictive eligibility criteria (including e.g., agriculture or leasing, non-bank intermediaries);
- State aid compliance.

In Latvia, credit guarantees, delivered through Altum, to a certain extent bore resemblance to those offered through the EFSI-backed guarantee programmes and shared similar objectives. Even though the loss coverage envisaged by local guarantee programmes was generally higher than that of guarantee products under EFSI, there was no evidence to suggest competition between the two. Rather, it appears that the two schemes together helped boost the lending capacities of financial intermediaries.

In Italy, a national guarantee fund played an important role throughout the EFSI implementation period in distributing COSME-like guarantees. Even though Italy was a top recipient of EFSI, this was a subsidiary instrument relative to the national guarantee fund, that supported similar sectors/types of projects. Following the onset of COVID-19, the Italian guarantee fund improved its conditions and coverage and therefore became the most viable guarantee instrument in Italy to support SMEs. To boost added value, a national legislation was enacted to provide for a State guarantee that mirrored the EFSI cover for the EIB group on financial transactions carried out within EFSI-approved investment platforms.

Within the SMEW, some synergies between this instrument and the EU guarantee were noted (e.g. the fact that the EIF intervention under EFSI was state aid consistent, differentiation based on operation risk and need for a more streamlined operational process), though some scope to improve coordination was also raised: the need for both actors to sign off on activities (and ensure no overlap in support) in practice limited portfolios and therefore volumes of beneficiaries supported.

In Bulgaria, financial intermediaries reported tapping into national schemes to cover cases or clients not covered by SMEW, to offer more products in the market and to cover needs not met by EFSI. For example, UniCredit Bulbank also collaborates with the Rural Development Programme to offer bridged loans in the agriculture sector, as well as with the Bulgarian Development Bank and the Fund of Funds in Bulgaria (FMFIB) since 2020, for COVID related measures. Moreover, EFSI was used in a complementary way by BDB, the National Promotional Bank. BDB applied for EIB funding without having an implicit or explicit guarantee by the state and was unable to provide collateral due to statutory limitations[78]. Using the EU guarantee to cover its exposure, the EIB provided a loan to BDB, which allowed BDB to expand its work on promoting finance to SMEs and small MidCaps in Bulgaria.

But there is also evidence of some competition between EFSI and national promotional schemes. For example, in Greece, EFSI schemes were occasionally

[78] Unlike a standard NPB, BDB does not have a state guarantee (explicit or implicit). All multilateral banks have a requirement for 5-10% of the borrower's equity, however BDB had already used up its statutory limits

preferred over HDB national schemes due to their enhanced flexibility (national schemes evolved two layers of bureaucracy – HDB and banks), even though they had on average slightly less favorable financing terms (national schemes offered higher guarantee rates and guarantee caps). This created some competition between the two.

In Bulgaria, many EFSI products were in competition with national products. As Bulgaria is a small market, the products are similar and there is little room for product innovation. For example, the National Guarantee Fund (a BDB subsidiary) offers similar guarantees. Also, both EIB and BDB are providing loans to commercial banks. The local providers try to compensate the more beneficial pricing of EFSI with non-monetary benefits (e.g., lighter administrative burden) or target other segments.

3.1.2 How did the EU intervention make a difference?

3.1.2.1 EU Added Value

The EU added value of EFSI was significant and wide-ranging. Apart from the scale of financing made available by the EU guarantee, the following aspects constituted key elements of the EU added value of EFSI:

- Financing of multi-country operations – such operations received EUR 11bn of EFSI financing.
- Helping move international cooperation ahead e.g., European Securitisation Initiative
- Provided a proof of concept for budgetary guarantees as a tool for mobilising private investment efficiently and effectively
- Contributing to shifting mindsets at the EU and national levels (see below box)
- Developing institutional capacities within NPBs to implement guarantee schemes and investment platforms
- Developing niche products such as venture debt and addressing gaps in niche/under-served segments (e.g. agriculture, micro-finance, leasing).

Role of EFSI in shifting mindsets
Stakeholders reported that EFSI has instigated shift in mindsets at several levels. At a national level, EFSI has put the spotlight on the need for long term investment, support for investments (in some countries there was almost a culture against investments due to the need to fulfil the EU Stability and Growth Pact), changing perspective in favour of investment / SME (demonstrating by experience to investors and FIs these activities are bankable), upskilling of intermediaries. At the EU level, EFSI has contributed to cultural and organsiational changes both within the Commission and the EIB. It has promoted a more joined-up approach within the Commission with several policy DGs working together (thereby laying the ground for InvestEU). It also consolidated the paradigm shift from grants to financial instruments and combination between the two. At the EIB, the change has been more fundamental in terms of its business model and operations (e.g. focus on smaller, riskier projects, use of more complex products, scale of staffing). EFSI has also promoted cooperation between EU and national levels in favour of investment through NPBIs which also have reciprocally more of an EU dimension.

3.1.3 Is the intervention still relevant?

3.1.3.1 Relevance

EFSI remained relevant over time, evolving to changing circumstances. Despite improving macroeconomic and financing conditions, EFSI remained relevant throughout 2015-2021 as new policy objectives, investment needs and market gaps emerged. Indeed, in response to these new needs, policy developments and feedback (gathered through evaluations, audits, stakeholder consultations etc.), EFSI was constantly adapted. This was evident in the shift from EFSI to EFSI 2.0, the flexibilities and adaptations in response to the Covid-19 pandemic, the piloting of new products and the scaling-up of successful ones.

Why EFSI remained relevant throughout its implementation period despite improving conditions

EFSI was conceived specifically to tackle the widening (cyclical) investment gap relative to historic trends. Overtime, even though the cyclical investment gap eventually disappeared (thanks in part to EFSI), large structural investment gaps persisted in key areas (see Table below)[79] and new investment needs emerged. For example, the Sustainable Europe Investment Plan, also known as the European Green Deal Investment Plan aims to mobilise at least EUR 1 trillion of sustainable investments over the next decade to support the EU's green transition. Circa EUR 500 billion will be necessitated to complete TEN-T core network over 2021-30 and up to EUR 1.5 trillion if TEN-T comprehensive network and other transport investments are included. In the field of telecommunications, an investment gap is in the order of EUR 70 billion in the areas of cross-border networks, but also rural, middle and low income isolated areas across the EU[80].

Moreover, despite the improvements at EU level, there were major differences across Member States: investment remained low compared to its pre-crisis level in some EU countries throughout the EFSI implementation period (eg Italy, Greece).

Table: Structural investment gaps during EFSI implementation period

EFSI general objectives	Estimated annual investment deficit at EU level (€ billion)
Research, development and innovation	145
Human capital, culture and health	60
Development of transport infrastructures, and equipment and innovative technologies for transport	155
Development of the energy sector in line with the Energy Union priorities	120
Development and deployment of information and communication technologies	160
Environment and resource efficiency	90
Financial support through the EIF and the EIB to entities with up to 3 000 employees	40

Source: EIB EV based on Eurostat; EIB, Restoring EU competitiveness, 2016; EIB investment report, 2018

The capacity of the banking sector to lend to SMEs was significantly constrained in the aftermath of the financial and economic crises due to reduced risk appetite, high NPL ratios and tightening capital requirements. This problem was particularly acute in some Member States e.g., Ireland, Spain. In the immediate aftermath of the

[79] Relative to specific EU policy objectives or to major global competitors (such as the United States, Japan, and Canada)
[80] SWD(2018) 314 final- InvestEU Impact Assessment

European financial crisis, credit standards applied by banks tightened considerably (ECB, 2017). Since then, the drastic reduction in European Central Bank policy interest rates and the more recent quantitative easing have improved financing conditions for businesses, but structural gaps and weaknesses remained e.g.

- Excessive dependence on banks as a source of lending and the need to diversify their external financing sources[81] . Bank lending plays a critical role in financing the corporate sector in Europe, particularly Europe's large SME sector (in comparison to peers such as the US). The vulnerabilities of this became evident during the financial crisis.
- High cross-country heterogeneity in borrowing costs. On the one hand, SMEs in Belgium, Luxembourg, and France benefit from the most favourable lending conditions. Also in Italy, borrowing costs are getting more and more favourable with declining interest rates and a drop in the size spread. On the other hand, far more expensive conditions are faced by SMEs in Ireland, Greece, and Estonia.
- Market failures and deficiencies in access to finance for specific segments of businesses e.g., social economy entities and micro enterprises[82], innovation financing[83] , culture and creative sector businesses[84].
- Sizeable and persistent equity gap relative to the US particularly within the small and mid cap segments and large differences in the maturity of the equity markets across Europe[85]
- Shortage of risk capital for high growth businesses[86].

Despite the achievements of EFSI, there remain significant and persistent investment needs across Europe that require further public intervention. Significant investment needs exist in the areas of infrastructure, innovation and skills, and climate change. For example, the investment needs for delivering the green transition and digital transformation are estimated to be at least EUR 595bn per year[87]. On top of this, it is estimated that there is an annual investment gap of EUR 142bn for social infrastructure[88]. The Commission's most recent estimates are summarized in the figure below. And although economic growth rebounded strongly in 2021, the disruption and uncertainty[89] created by the war in Ukraine, ongoing supply chain disruptions, and rising inflation will constrain both investment and economic growth in the near term. Moreover, fiscal constraints are likely to limit public

[81]ECB (2015) Working Paper Series. Bank bias in Europe: effects on systemic risk and growth. See also EIB (n.d.) Unlocking lending in Europe

[82] European Commission (2019) Mid-term evaluation of the EU programme for employment and social innovation – EaSI, Framework Service Contract VC/2013/0083, Final Evaluation Report

[83] European Commission (2022) Ex-Post Evaluation of the Risk-Sharing Finance Facility (RSFF) and the Risk-Sharing Instrument (RSI) Pilot RTD/2020/SC/019, Final Evaluation Report

[84] European Commission (2013) Survey on access to finance for cultural and creative sectors. Evaluate the financial gap of different cultural and creative sectors to support the impact assessment of the creative Europe programme

[85] Copenhagen Economics (2021) Study on Equity Investments in Europe: Mind the Gap

[86] AFME (2017) The Shortage of Risk Capital for Europe's High Growth Businesses

[87] SWD(2020) 98 final -Identifying Europe's recovery needs, 25 May 2020. The above estimates provide a conservative benchmark for green investment levels as it was not possible to quantify all needs

[88] European Commission, Directorate-General for Economic and Financial Affairs, Fransen, L., Bufalo, G., Reviglio, E., *Boosting investment in social infrastructure in Europe : report of the High-Level Task Force on Investing in Social Infrastructure in Europe*, Publications Office, 2018

[89] In a seminal academic paper that Bernanke published in 1983 titled "Irreversibility, uncertainty, and cyclical investment", he wrote as follows:

"Investor behaviour in recession is a cautious probing, an avoidance of commitment until the longer run status of both the national economy and the investor's own fortunes are better known." He added: "by waiting, the potential investor can improve his chances of making a correct decision."

investment. In such a context, EFSI/ InvestEU continue to be highly relevant and necessary.

Figure 13. Europe's investment needs – most recent estimates

Type of investment need	Estimated gap[1]
Basic investment gap	846bn EUR between 2020-21
Maintaining public capital stock	200bn EUR between 2020-21
To meet targets of the Green Transition	940bn EUR between 2020-21
To meet targets of the Digital Transition	250bn EUR between 2020-21
To meet the targets for Strategic Investments (for EU autonomy on critical value chains)	40bn EUR between 2020-21
Social infrastructure and investment needs: education and long-life learning	15bn EUR per year
Social infrastructure and investment needs: Health	70bn EUR per year
Social infrastructure and investment needs: Long term care	50bn EUR per year
Social infrastructure and investment needs: Affordable Housing	57bn EUR per year

1 COMMISSION STAFF WORKING DOCUMENT. Identifying Europe's recovery needs, SWD(2020) 98 final, 27 May 2020. Available here: Identifying Europe's recovery needs (europa.eu)

3.2 EIAH

The European Investment Advisory Hub was set up in 2015, with an ambition to support investment in the real economy through the provision of advisory services. The specific mandate of the EIAH, as per Article 14 of the EFSI Regulation, was to

- be a single point of entry for advisory activities in the EU;
- support project promoters in developing their projects;
- support the development of PPPs, use of financial instruments, combination of EU funds, development of investment platforms and provision of capacity building for the public sector in these areas;
- enable peer-to-peer exchanges through a cooperation platform, as well as knowhow sharing on project development.

Demand-driven in nature, the EIAH services covered different stages of an investment cycle and were intended to complement existing services. The EIAH was designed to conduct activities at different levels and stages of the investment cycle, including rather upstream activities (project identification, development of an investment programme, market development study) as well as downstream provision of 'last mile' advisory support to specific projects. It was intended to be complementary and additional to existing initiatives, providing advisory support only when such a support was not available through an already existing initiative at EU level.

The EIAH services targeted both public and private sector projects, but the Hub support was more attractive for the public sector. The EIAH services were available for public and private project promoters, national / regional authorities, financial intermediaries, NPBs and other stakeholders (e.g., specific DGs of the European Commission for services such as market analysis). A different pricing policy however applied depending on the profile of the beneficiary. EIAH services were particularly attractive for the public sector (free character of the support). Cost sharing arrangements were foreseen for SMEs (contribution of maximum one third of the costs) and private sector promoters.

With the EFSI 2.0 regulation, the EIAH had a more specific mandate to support EFSI pipeline and contribute to its sectoral and geographical diversification. An increased local presence of EIAH was also envisaged, along with a transfer of knowledge at the local and regional level through the provision of expertise and capacity building support. The EIAH also needed to reinforce its advice to NPBs, to help them originate and develop operations in particular in less developed regions and transition regions. Furthermore, it was asked to contribute to providing advice on combining various sources of EU funds, including for the setup of Investment Platforms. It had an increased role to play in the provision of technical assistance for projects related to certain policy priorities, including the green and digital transition (climate action and circular economy, projects in the digital sector), and the cross-border dimension was highlighted and reinforced.

The Hub operated as a partnership between the Commission and the EIB. It was governed by the generic provisions of the 2014 Financial and Administrative Framework Agreement between the EU and the EIB (FAFA) and the specific Framework Partnership Agreement (FPA) signed in 2015. Specific Grant Agreements define the Hub's annual budget and work programmes.

The next subsections address the evaluation criteria and specific questions set out in the ToR. The responses to the EQs are based on a triangulation of evidence collected via interviews, desk research, EIAH feedback forms and feedback included in the eight country case studies primarily.

3.2.1 To what extent was the intervention successful and why?

3.2.1.1 Effectiveness

The Hub as a single entry point for advisory services in the EU

The Hub functioned effectively as an entry point for advisory services. As per the FPA, the Hub was meant to be an entry point[90] for available advisory services, essentially within the EIB and at the EU level, but also other services. The Hub's website was launched in September 2015, and since then continuous improvements have been made (e.g., sharing of project case studies, video stories, publications and presentations). **The EIAH website acted as a good access point** with 15,000 to 16,000 unique visitors each year. Cumulatively[91], about 18% of the requests received by the Hub emanated directly from the website. That said, the rate of conversion from request to assignment is particularly low in case of requests received on the website (website requests were more likely to be requests about generic information, or requests for funding).

The EIAH team also performed well in terms of guiding counterparts through the available services. As from its early days the first evaluations (EY, 2016; EIB EV, 2018) had concluded that **when the Hub received requests, it systematically assessed whether these could be covered by other existing programmes and signposted beneficiaries to the most appropriate support.** The Hub also developed cooperation with relevant entities e.g., the Enterprise Europe Network to be in a position to provide local / national contacts to promoters on a needs-basis. There is however no data on the share of requests where the EIAH has provided general information and/or signposted the requester to more relevant support (within the Bank or from other partners).

The Hub's impact on investment generation

[90] Note that the use of the EIAH as an entry point was not systematic / mandatory. Given the parallel existence of other initiatives, beneficiaries could still reach out to particular EU initiatives directly. Under the InvestEU Advisory Hub, all requests for support at an EU level will naturally be filtered centrally.
[91] EIAH technical report, H2 2021

Over time, with the EFSI 2.0 regulation, the role of the Hub in pipeline generation increasingly became a key area of focus. While, in theory, this might be seen as a key measure of the Hub's impact, this indicator is imperfect to measure the Hub's success, for several reasons:

- some Hub activities, related to e.g., peer-to-peer exchange and sharing of know-how, are not expected to contribute directly to investment generation. On this type of activity, feedback is very positive, however there is no further evidence on the actual benefits.
- even when initially linked to investment generation, not all project specific support can be expected to generate investments. In some cases, the success of an advisory project may be to have challenged the feasibility of an investment and to stop poorly prepared projects before more expenditures are made.

It is challenging to capture the impacts of certain types of advisory activities as these occur after a considerable time-lag. This is the case for all the upstream or capacity building advisory activity, advice on the setting up of investment platforms or advisory activities that take place at the very early stages of the investment cycle. In the long run, these activities are expected to have a more instrumental impact on investment generation. However, **the longer it takes for advisory to translate to investment, the more difficult it becomes to measure impacts of the support provided**. There are several reasons for this. Firstly, the Hub's monitoring systems are not set up to trace these longer term results and impacts. Secondly, as time elapses, many other factors can play a role and influence a project's ability to secure financing. Thirdly, capacity building leads to investment generation in a very indirect way and this raises issues of attribution/ causality.

Box: Counting assignments feeding the EFSI/EIB pipeline only partially represents EIAH contribution to investment generation

The lifecycle of an investment project is long (20 to 25 years or even longer). It can take years before a project is ready for financing and materialises as a real investment. ECA (2020) concluded that, "by the end of 2018, the Hub had not yet proven to be an effective tool for boosting investment." When the ECA first calculated it, as of year-end 2018, only three completed assignments were related to approved or signed EFSI operations. As recognised by ECA itself, it was mostly because the Hub had completed too few assignments by then. Three years later, by end 2021, that number has increased to 77[1]. In addition, 101 assignments were related to approved or signed EIB standard lending operations[1]. Reading the available indicators on the extent to which EIAH assignments fed the EFSI/EIB pipeline, it is important to remind oneself that it does not fully capture the impacts of the Hub's activities on investment generation, as investments could have been financed through other sources of finance than the EIB. The system only captures the number of projects that have been forwarded to the lending divisions of the EIB or that are considered eligible for EFSI support.

In the case of the Hub, the impact from Light Project Advisory (LPA) support which is by nature very specific and comes late in the investment cycle was the more traceable type of support. By end 2021, 8% of LPAs[92] had turned into projects entering the EIB or EFSI pipeline. This is not particularly high (compared to a rate of conversion of 60% for EIAH project-specific direct assignments) but given their overall number of assignments (approx. 1,450 vs 217 EIAH project-specific direct assignments), LPA related projects represent 40% of the Hub supported projects that enter the EIB or EFSI pipeline. Following EFSI 2.0, arrangements were made to

[92] 113 out of 1444.

facilitate such type of support (delivery of Hub support through EIB's project directorate staff, in a distinct manner, separate from the standard due diligence process or standard technical contribution provided under lending operations). Still, and rightly so, most EIAH direct assignments involved technical advice on projects at a very early stage (incoming maturity of specific projects supported is policy or identification stage in 42% of the cases, or development stage in 47%[93]). The monitoring systems will capture the investment generation impacts of part of these activities, but not all.

Project-specific advisory services deliver wider benefits than improving the investability of a project and enabling them to secure financing. According to the Hub beneficiaries, advisory activities typically improved the quality of supported projects (smaller environmental impacts) and/or contributed to smoother implementation as the projects were typically better prepared (e.g. when the EIAH supported with the drafting of good ToRs). Maturity of the supported project also progressed. By end 2021[94], 75% of completed EIAH direct assignments had progressed by at least one level of maturity (e.g. moving from identification to development stage), but around half still did not reach investment readiness stage, according to the EIAH classification[95].

The Hub's contribution to supporting EFSI pipeline as well as sectoral and geographical diversification of EFSI

There were limited possibilities for the Hub to generate a pipeline of projects for EFSI financing. This was due to several factors:

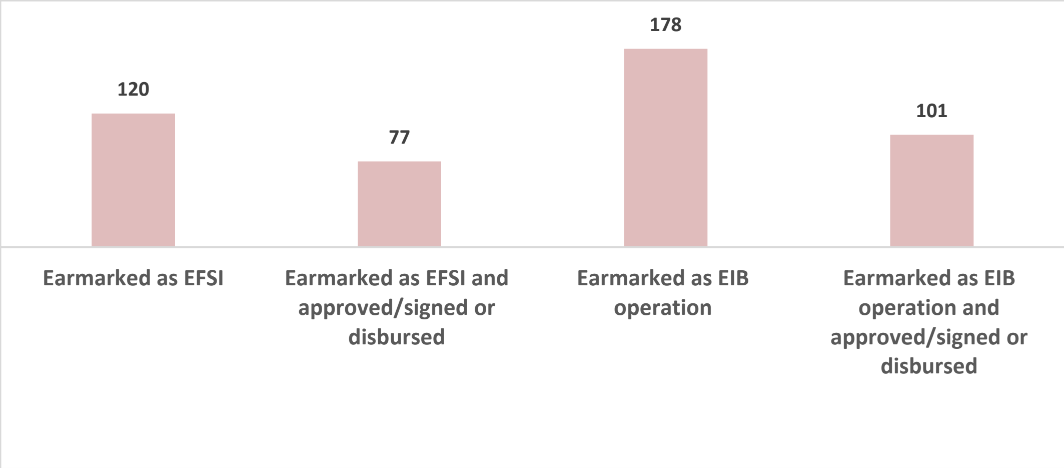
- *Demand driven nature of the Hub's services.* As the EIAH's services were demand driven, it was mandated to address all advisory requests that could not be fulfilled by other sources, regardless of whether the projects envisaged EFSI financing or not.
- *Higher risk profile of projects supported with EFSI guarantee*. The EU guarantee could only be used to support higher risk projects which the EIB would not normally finance with its own resources. As such, only a sub-set of the projects receiving advisory support from the EIAH would have been eligible for EFSI guarantee.
- *'Chinese walls' within the EIB.* To avoid any potential conflict of interests, an Advisory Services Department – separate from the Projects Directorate (responsible for appraising operations) - was set up within the Bank in 2011/12. There was clear separation of the two EIB services during EFSI implementation period.

Despite the above limitations, the Hub was able to make a meaningful positive contribution to generating a project pipeline for EFSI. Under EFSI 2.0, there was an increased emphasis on the EIAH to support the EFSI projects pipeline whenever possible and relevant (recognising the above limitations). Figure 14 presents the number of EIAH-supported projects entering the EIB Group appraisal system. **131 out of the 217 projects supported by the Hub, or 60% of the project-specific, EIAH direct assignments were successful in obtaining either EFSI or EIB financing (classified as standard lending operations)[96]**. There is no benchmark against which to compare actual results, but available indicators to put

[93] Source: EIAH monthly reporting to the EC as at end 2021
[94] Source: EIAH Technical report, H2 2021
[95] EIAH classification of the maturity of project-specific assignments is as follows: 1 Policy; 2 Identification; 3 Development; 4 Investment Ready; 5 Implementation.
[96] It was not possible to distinguish between EIB and EFSI pipeline in available data.

numbers into perspective: as of end 2021, **the Hub had supported 8% of the approved or signed EFSI operations under IIW**[97]**.**

Figure 14. EIAH-supported projects entering the EIB Group appraisal system

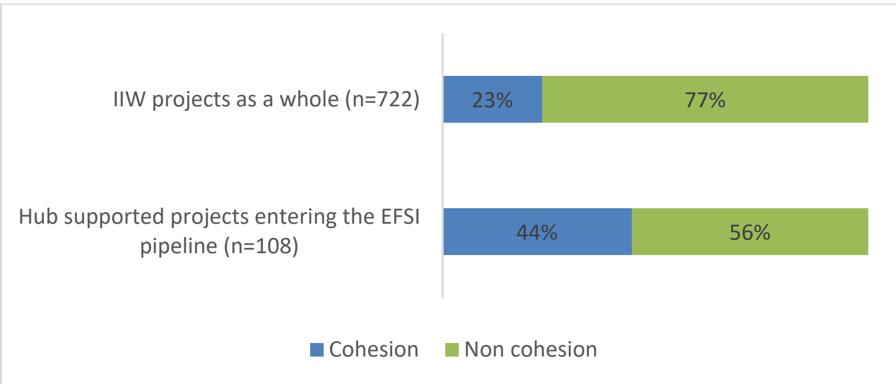


Source: EIAH Technical Report H2 2021

NB: Projects earmarked as EFSI are not double counted as EIB operations. The contribution of Initiatives and Partners assignments (EBRD, NPB Call for proposal) is not included in the data above. Light Project Advisory assignments (~40% of the total) drive up the numbers.

The Hub's efforts to widen the geographic coverage of EFSI have delivered some results. Besides, one of the roles of the Hub was to ensure a wide geographical spread of EFSI. The Hub contribution in that regard was subject to high scrutiny. Overall, in earlier studies, the assessments of the Hub contribution have been rather positive given the Cohesion focus of the Hub's work and the efforts deployed by the EIB (in terms of awareness activities, sourcing of local expertise or support to EFSI-ESIF combinations for instance) (see ICF, 2018; EIB and EC, 2019 and EIB EV, 2021). Another way to assess the Hub's contribution to geographical spread of EFSI is to compare the geographical spread of Hub assignments entering the EFSI pipeline, versus the standard geographical distribution of EFSI projects. **Projects from cohesion countries are comparatively more present in the group of projects supported by the Hub (44%, vs 23%), which confirms the positive role of the Hub.**

Figure 15. Geographical distribution of IIW projects as a whole vs Hub supported projects entering the EFSI pipeline, as of end 2021



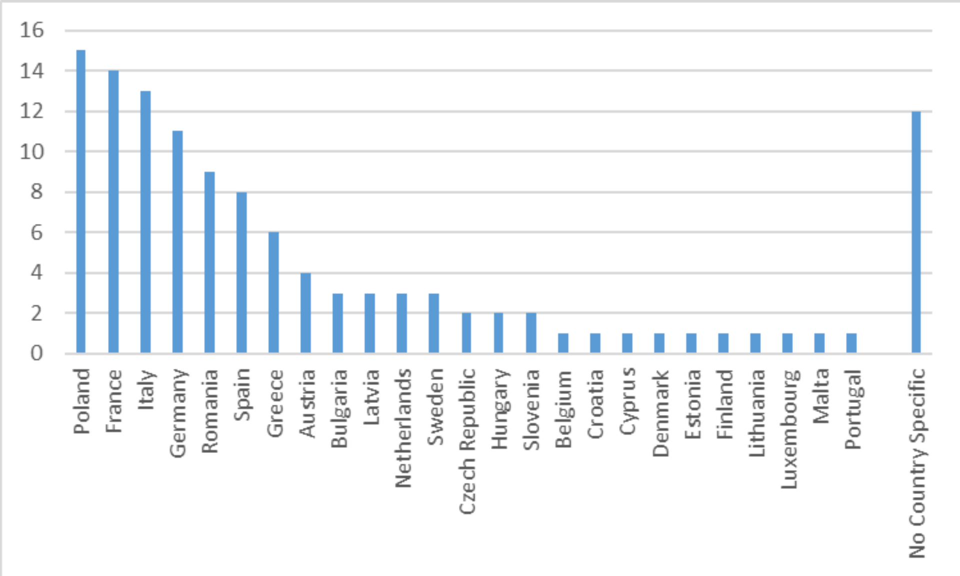
[97] 77 Hub assignments entering the EFSI pipeline, out of 915 IIW operations.

Source: IIW portfolio data, EIAH data for Hub supported projects entering the EFSI pipeline

Note: excludes projects which are Multi-Country or not country specific.

Includes all assignments that entered the EIB Group appraisal system and are earmarked as EFSI.

Figure 16. Geographical distribution of Hub supported projects entering the EFSI pipeline, as of end 2021



Source: EIAH data.

Note: Includes all assignments that entered the EIB Group appraisal system and are earmarked as EFSI (120 by end 2021). It includes operations at appraisal stage (12), or which have been cancelled/withdrawn (31). The same data series could not be provided for the 77 operations where financing is secured (approved or signed operations only).

Geographic outreach of the EIAH services

Beyond support to diversification of EFSI pipeline, one of the EIAH missions as per EFSI 2.0 Regulation was to develop a wide geographic / sectoral outreach of the advisory services across the Union. Intuitively, the EIAH provides more added value in Member States where local technical and functional capacity gaps persist, notably Cohesion Member States. This was confirmed by the 2016 market gap analysis. All of the nine Member States identified as having top priority needs for advisory services support were cohesion Member States[98], and this was found to be correlated with levels of economic development and capacity of public administrations. In these countries, the advisory activities of NPBs are also typically rather limited. On the contrary, in many non-cohesion countries, private advisory is quite well-developed, and NPBs also tend to invest more in these areas.

Seven Cohesion Member States appear in the top ten Hub beneficiaries. This pattern is to a large extent driven by the high number of small-sized EBRD assignments in four Cohesion countries.

Overall, for the assignments managed directly by the Hub, **advisory support was rather well balanced across Europe**, with all MS being reached and **54% of the**

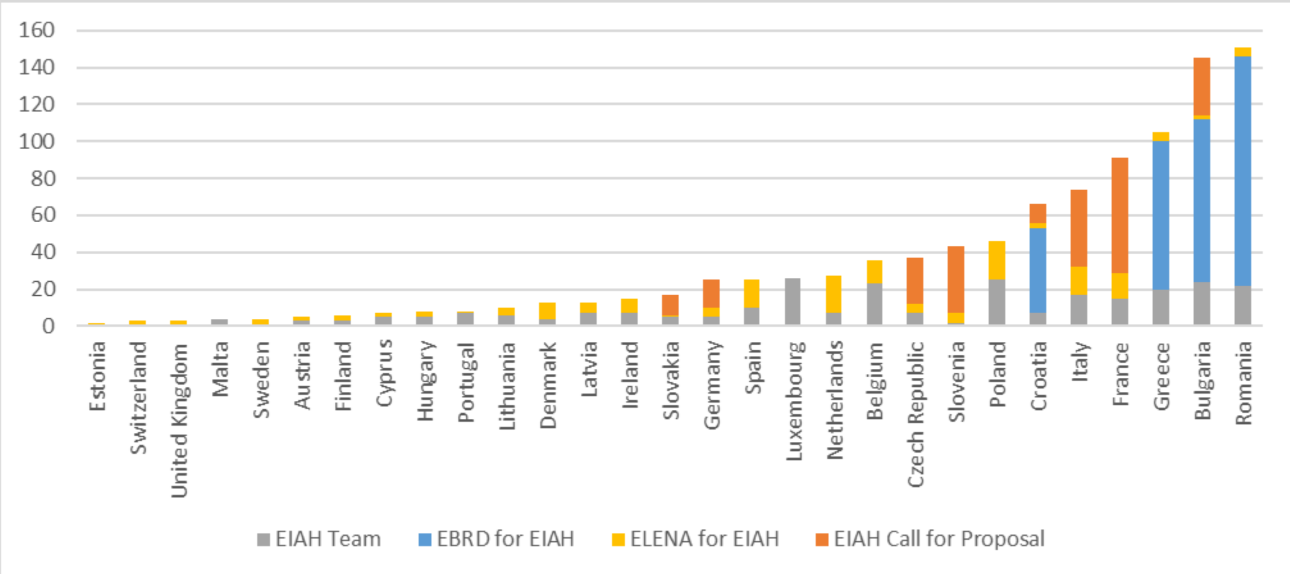
[98] Bulgaria, Croatia, Hungary, Lithuania, Latvia, Poland, Romania, Slovenia, and Slovakia. Source: EIB (2016) Market Gap Analysis for Advisory Services under the European Investment Advisory Hub (EIAH). Available at: https://advisory.eib.org/publications/attachments/Market_gap_analysis_for_the_advisory_services_under_the_European_Investment_Advisory_Hub_EIAH.pdfAvailable at: https://advisory.eib.org/publications/attachments/Market_gap_analysis_for_the_advisory_services_under_the_European_Investment_Advisory_Hub_EIAH.pdf.

assignments taking place in Cohesion countries. Looking at the figures by amount, the same pattern is visible: Cohesion countries absorbed 57% of allocated budget.

The geographic distribution of other types of assignments is more mixed. EBRD support was available only in four Cohesion countries, namely Romania, Bulgaria, Greece and Croatia; and hence was quite geographically concentrated. These four countries have been identified (by EBRD) as environments with specific challenges for SMEs that needed to be addressed through this specific approach. They all belonged to the list of high priority countries for SME advisory services[99]. For assignments linked to ELENA mandate however, support was more oriented toward non-Cohesion countries (which is certainly linked to the particular design features of ELENA[100] and alternative funding options being available for ELENA type of projects in Cohesion countries – see also PwC, 2016). Turning to the EIAH Call for Proposals to support the development of local advisory services by NPBIs, 14 funding agreements were signed across 10 countries. 7 of the 10 countries with NPBI agreements were Cohesion countries[101]. Looking at it by amount (instead of number of assignments), France, Germany and Italy received 41% of the grant support linked to funding agreements with NPBIs. This indicates that larger NPBs from non-Cohesion countries are better equipped to absorb most of the funding available through this channel.

Table 9. Geographic spread of EIAH support (number of assignments), by assigned group, 2015-2021

	EIAH Team	EBRD for EIAH	ELENA for EIAH	EIAH Call for Proposals
Cohesion	54%	100%	37%	49%
Non Cohesion	46%	0%	63%	51%



Source: EIAH monthly reporting to the EC as at end 2021

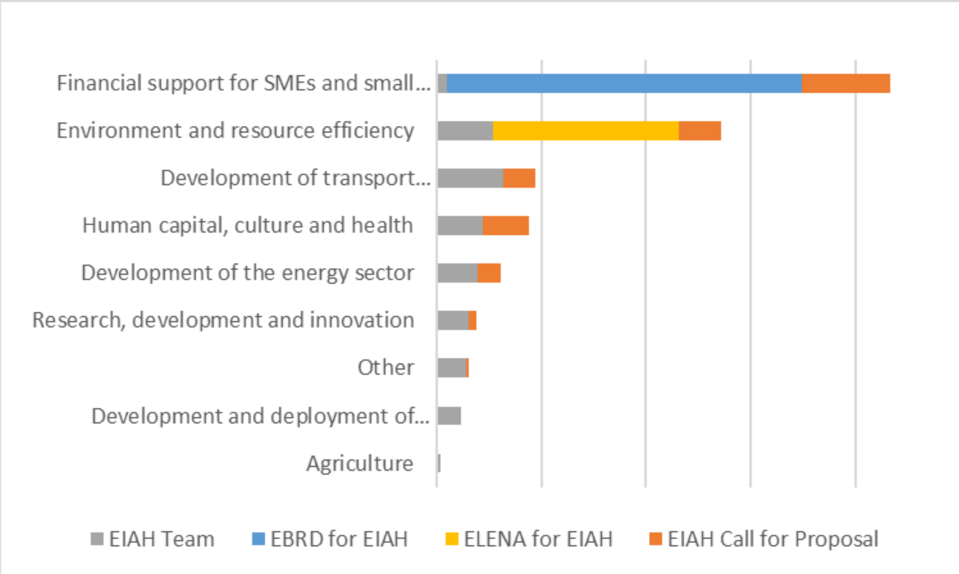
Note: excludes multi country / no country specific assignments

[99] Other countries on the list included: Czech Republic, Hungary, Italy, Malta, Portugal, and Slovakia. Source: EIB (2017) Market Gap Analysis for Advisory Services under the European Investment Advisory Hub (EIAH) – Phase II. Available at: https://advisory.eib.org/publications/attachments/market-gap-analysis-advisory-smes-phase-ii-en.pdf
[100] ELENA supports either large projects or aggregation of small projects and mandates that a high leverage factor be achieved.
[101] Bulgaria, Croatia, Czech Republic, Hungary, Lithuania, Slovenia, Slovakia.

Sectoral outreach of the EIAH services

Most Hub assignments (860 of 1,044 or 82 %) **related to the higher priority sectors** identified in the 2016 market gap analysis, i.e. SMEs and small mid-caps, environment and resource efficiency, transport and energy. EBRD contributed to a large share of the work in the SME sector while the support to the ELENA mandate covered most of the assignments in the field of environment and resource efficiency.

Table 10. Sectoral spread of EIAH support (number of assignments), by assigned group, 2015-2021

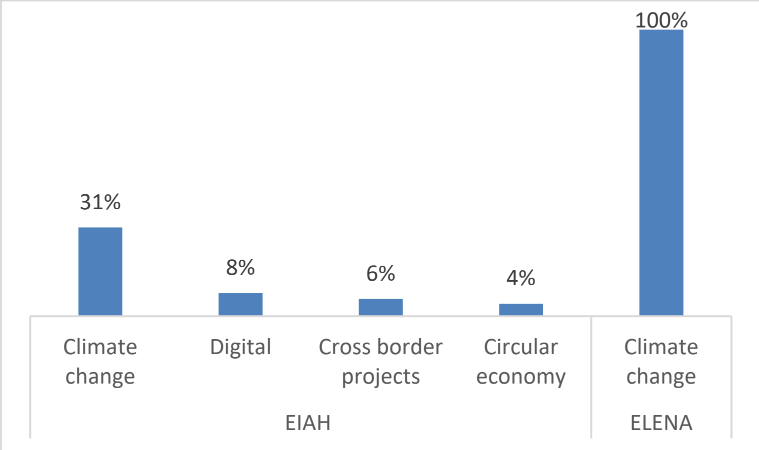


Source: EIAH monthly reporting to the EC as at end 2021

Other sectors were less well served. To some extent, this was to be expected, as bottlenecks constraining investment in these other sectors are of a nature that cannot necessarily be addressed by advisory services (e.g. ICT investments driven by large corporations that do not require public support to access advisory services, RDI investments in need of alternative forms of finance, rather than advisory services, etc). Besides, InnovFin Advisory was already supporting companies making RDI investments, for free.

Climate change was well addressed by the Hub's advisory support, while other themes were more limitedly addressed through direct assignments. With EFSI 2.0, there was an expectation that the following sectors would be better served by the EIAH: Climate change, Circular Economy, Digital and/or Cross-Border. The Hub added to its monitoring system a flag which indicates whether a project concerns this sector.

Figure 17. Hub support to key policy priorities



Source: EIAH monthly reporting to the EC, as at end 2021.

Notes:

- *EIAH direct assignments, n=297; ELENA assignments, n=177.*
- *One assignment can have several flags (not mutually exclusive)*

Overall, the data confirms that climate change is a well addressed theme (all ELENA assignments and 31% of the Hub direct assignment are somehow related to Climate Change). Other, more targeted, themes were, however, more marginally addressed by the Hub, in terms of number of direct assignments completed. Beyond direct assignments however, more upstream actions were completed, e.g. awareness-raising activities on circular economy (CE) financing options and the conditions available from the EIB as well as on potential collaborations with other market actors. More recently, the EIAH, the EIB Group and the European Commission (Directorate-General for Research and Innovation (DG RTD)) collectively agreed to create the 'Circular City Centre' (C3) (see the box below). The initiative is continuing under the InvestEU Advisory Hub.

On digitalisation, the Hub launched a market study on the role of Digital Innovation Hubs and the Digital Innovation and Scale-up Initiative (DISC), to the benefit of countries in Central and Eastern Europe.

Box: The Circular City Centre (C3)

The Circular City Centre (C3) is a competence and resource centre within the EIB. It was launched in October 2021 and is currently in a pilot phase. The aim of the C3 is to support EU cities in their circular economy (CE) transition by:

- Sharing resources and practical information to support city-level circular action;
- Providing Circular City Advisory (CCA) advisory to cities to support them in their circular transition; and
- Preparing circular city awareness-raising and capacity-building material and arranging circular city webinars and other awareness-building events.

Preparatory work surrounding the C3 kicked off in late 2021 by external consultants who were commissioned to support the C3's activities in the start-up phase. It built on existing circular city materials and tools, such as the Circular City Funding Guide, developed from previous collaboration between the EIB, the EIAH and the Urban Agenda Partnership on Circular Economy. Current work is focused on raising awareness about issues related to the transition towards circular economy, defining/ scoping out beneficiary profiles, developing advisory "curricula" for the Circular City Advisory (CCA) programme, producing guidance documents and other supporting tools. The CCA programme differentiates between three groups of cities – "beginners", "intermediate", and "advanced". Depending on the specific category of cities, CCA will aim to provide support for activities such as developing internal capabilities and putting cities on track to produce dedicated circular city strategies, identifying bankable investment programmes and projects and supporting their development. C3 closely collaborates with other initiatives in the area of circular economy, particularly ones funded by the EC, to ensure good alignment, coordination and mutual reinforcement of the activities under those initiatives.

The CCA curricula are currently being tested in a pilot phase with seven cities. They will subsequently be made available to a larger number of cities in 2023, when an upscaled version of C3 under InvestEU is expected to become available.

One feedback from interviews was that the EIAH was so far to a large extent devoted to EIB type of projects, as opposed to EIF client base. As the SME support under InvestEU is going to become more thematically oriented, there is an expectation that needs will increase in this domain and, going forward, the InvestEU Advisory Hub will play a larger role to e.g. supporting financial intermediaries reach out to SME and mid-cap clients in new, under-served sectors.

Contribution to developing new partnerships

To reach regions where needs are greatest, a less centralised model for provision of services was called for in the EFSI 2.0 Regulation. The main strategy pursued by the Hub to achieve this objective was to establish partnerships, notably with NPBs, the EBRD and DG REFORM. The logic behind this approach was that it would allow the Hub to make effective use of already existing local expertise, tailored to the needs of the projects in that country with no risk of duplication of efforts. No specific EIAH local offices were established. However, even prior to the EFSI 2.0 Regulation, the Hub hired a permanent advisor located in Sofia and to some extent relied on EIB Advisory Services which have regional offices (e.g. JASPERS has experts in Bucharest, Vienna, Brussels, Warsaw and Sofia).

Figure 18. Signed MoUs

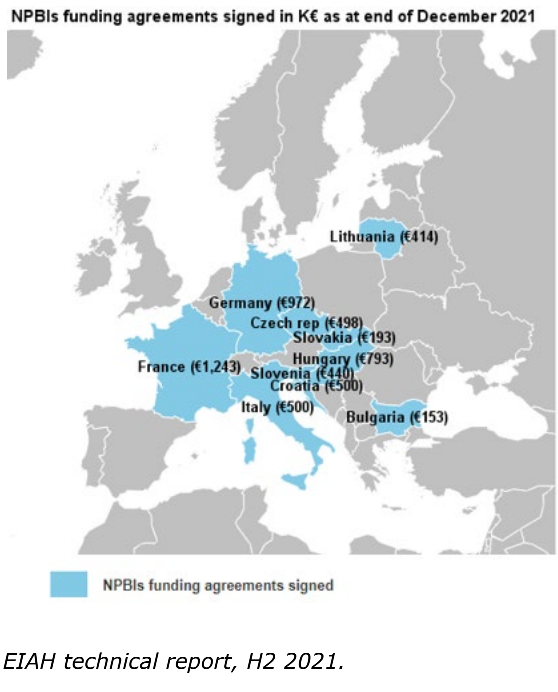
SID Bank	Slovenia	Invega	Lithuania
Altum	Latvia	Almi	Sweden
MFB	Hungary	VIPA	Lithuania
BDB	Bulgaria	ZBP	Poland
HBOR	Croatia	ICO	Spain
SBCI	Ireland	CDP	Italy
NRB CMZRB	Czech Republic	KfW	Germany
AWS	Austria	NIA	The Netherlands
SIH	Slovakia	Finnvera	Finland
BPI France	France	NRW.Bank	Germany
CDC	France	PMV	Belgium
BGK	Poland	IFD	Portugal
HDB/ETEAN SA	Greece	IB.SH	Germany
MDB	Malta	FMFIB	Bulgaria
		TAB	Germany

Concretely, efforts of the EIAH led to the signature of 29 MoUs by end 2021, with partner institutions from **22 Member States**. The purpose of this collaboration was to participate in knowledge and best practice sharing initiatives; and to put in place a cross-referral system (the NPB would become a gateway to the EIAH and vice versa the EIAH would also redirect requestors to the NPB where relevant).

Source: EIAH technical report, H2 2021

In addition to this rather basic form of collaboration, the EIAH also supported partner NPBs' advisory programmes through grant funding under the EIAH call for proposals. A large part of the funding seems to have been absorbed by NPBs from more developed markets aiming to provide local advisory services and especially ones willing to develop their offer e.g., in specific sectors. The EIAH also funded capacity building support for NPBs from less developed markets not yet delivering advisory programmes, e.g., to establish an advisory unit. This form of support absorbed comparatively less funding and it is rather early to assess the impact of these capacity building initiatives. For smaller NPBs from Cohesion countries, the requirement (introduced to avoid opportunistic behaviours), to co-finance the grant programme (with a minimum of 25% of the total budget) was a factor limiting the size of the programmes. Besides, some NPBs were not able to apply as they had no mandate to develop an advisory offer. Another issue was that the call for proposals was considered heavy, in terms of administrative and reporting requirements, on both sides (for the EIAH and for NPBs as reported in the Country case studies).

Figure 19. NPBs funding agreements (in thousand euro), as at end 2021



Source: EIAH technical report, H2 2021.

Aside from the formal collaboration, the NPBs remained a key audience for the EIAH events, meant to facilitate knowledge exchange and peer-to-peer learning (annual EIAH Days events and in-country EIAH Roadshows). Capacities building activities were also organised in the form of NPB coaching seminars. Such seminars were organised in Budapest and Prague and covered a variety of topics relevant especially for less mature NPBIs such as PPPs, investment strategies, investment platforms, state-aid considerations, etc.

On the side of the EBRD, the EIAH financed, since 2017, the implementation of the EBRD Advice for Small Businesses (ASB) Programme. The EIAH contribution represents about 70% of the total costs for the four countries concerned. The programme was already pre-existing, but its continuation / expansion was reportedly dependent on donor funding being made available.

Box: The EBRD's Advice for Small Businesses (ASB) programme

The EBRD's ASB programme is an existing programme of the EBRD relying to a large extent on donor funding for its deployments. The programme's main activity is to provide hands-on business advice to SMEs. The role of EBRD's local teams is to identify and screen potential beneficiaries, connect them with suitable (local or international) consultants, assist in developing the terms of reference and monitoring the delivery and impact of advisory assignments.

The Agreement between the EIB and the EBRD was first signed in March 2017 and the implementation period started in June 2017 in three countries – Bulgaria, Greece and Romania. In September 2018, Croatia was added to the list of beneficiary countries covered by the EIAH funding. In 2020 and 2021, successive amendments were introduced to extend the programme implementation, maximise the budget utilisation and assist as many SMEs as possible using available resources. The latest extension allowed the programme to run until end September 2022.

Under the Programme, the EBRD initiated assignments for the benefit of SMEs – via local consultants (93% of the cases) or international advisers (7%). In addition, market and sector development activities, covering bespoke trainings for local consultants and entrepreneurs, awareness raising and know-how sharing, as well as visibility of the Programme, were organised.

Activities continued despite the COVID-19 context, notably through digital delivery mechanisms. Assignments around SMEs' COVID-19 response were prioritised, with high demand in the areas of financial management, balance sheet restructuring, financing, business continuity and supply chain, and protective equipment.

Progress indicators at the end of 2021 of the EIAH-funded ASB programme in Bulgaria, Croatia, Greece and Romania are summarised below.

	Bulgaria	*Croatia*	*Greece*	*Romania*	*Total*
Assignments started	92	46	84	128	*350*
completed	87	46	82	118	*333*
evaluated	63	18	40	95	*216*
Training sessions	3	3	1	5	12
Events	5	3	6	10	24
Investments (#)	19	17	18	62	116
Average investment size (€m)	0.41	0.88	0.94	1.50	1.14

Overall, cooperation with NPBs and other IFIs was initially slow to establish (legal complexity, NPBs' varying willingness and capacity to cooperate), but once established, the cooperation was able to deliver results. Without the cooperation and partnerships it put in place, the EIAH would not have been able to provide the same volume of support (e.g. the EIAH was not designed to provide SME support at a large scale at the local level). Equally, the EBRD would not have been able to maintain / develop its ASB programme without the EIAH sizable financial contribution, with detrimental impacts for the final beneficiaries.

Finally, there were collaboration efforts with two other counterparts:

- *DG REFORM*. In the EIAH early days there were some examples of parallel requests being dealt with by the EIAH and DG REFORM. Cooperation initially centred upon having a framework for information sharing and coordination of responses to advisory requests of common interest (e.g. with respect to public-private partnership support, as well as financial instruments and capacity-building requests from national promotional banks and institutions). The other component of collaboration included the provision of services / advice by the EIAH to DG REFORM and the beneficiary Member States. Services could be of two types: (i) strategic advice paid for by the EIAH e.g. to guide the work of consultants procured under the Structural Reform Support Programme, or (ii) more in-depth advisory services funded by DG REFORM but delivered through EIAH. There were 14 such assignments by end 2021.
- *Managing authorities of the European Structural and Investment Funds*. Managing authorities were among the beneficiaries of the Hub's direct assignments. In terms of collaboration with JASPERS – the main advisory mandate meant, *inter alia*, to provide advisory services to managing authorities on the preparation of high quality major projects to be co-financed by the European Regional Development Fund and the Cohesion Fund – there have been examples of synergies at the project level (see coherence section). At the institutional level, expectations are that collaboration improves going forward with JASPERS being brought under the InvestEU Advisory Hub.

Investment platforms

As of end 2021[102], the Hub had undertaken 35 investment platform-related assignments, in 16 different countries (support to conduct feasibility or ex-ante market assessments before establishing platforms, support for the actual design / set up of the platform, including to select the financial intermediaries). In Bulgaria, the EIAH involvement was crucial when setting up new Urban Development Funds (UDFs), to adequately design the tendering to enable selection of well-suited financial intermediaries.

3.2.1.2 Efficiency

Adequacy of budgetary allocation

The overall budgetary allocation for the EIAH was defined ex-ante without having much sight of the actual workload and actual levels of take up (ICF, 2018). Nonetheless, over the period under consideration, **the deployment of the EIAH activity has not been constrained by budgetary considerations.**

On the contrary, earlier evaluations highlighted that in its first years, **during the ramp up phase, the Hub underspent its budgetary allocations.** One of the identified reasons has been the type of requests received, and the relatively large number of requests with no potential to lead to actual assignments (ECA, 2020). Secondly, contrary to expectations, setting up the Hub itself and then building an external network of partners was more time intensive than resource intensive (Commission replies in ECA, 2020).

To adjust to the rather long ramp up phase, the termination date of all SGAs has been pushed back[103]. Over time, with the ramp-up of Hub's activity, consumption of resources also picked up: as at 31 December 2021, the actual eligible

[102] EIAH monthly reporting to the EC, end 2021
[103] Note: Each SGA covers a three year period and therefore the successive SGAs overlap with each other.

costs of Hub attributable to the EU budget for the period 2015-2021 were EUR 73 million, or 69% of the amounts available from the EU budget (vs 26% as at 31 December 2018).

Table 11. EIAH budgetary consumption

	2015 SGA	2016 SGA	2017 SGA	2018 SGA	2019 SGA	2020 SGA	Total
Termination date as per revised SGAs	mid 2018	end 2022	mid 2020	end 2021	end 2022	end 2023	
Commitments from EU budget	10,000,000	20,878,795	19,400,000	19,300,000	19,300,000	17,821,205	106,700,000
Payments by Commission by year end 2021	8,000,000	16,111,518	15,520,000	15,440,000	15,440,000	7,128,482	77,640,000
Utilisation	80%	77%	80%	80%	80%	40%	73%
Eligible costs							
EIAH	13,338,024	9,940,110	25,876,459	25,733,071	12,929,706	15,790	87,833,160
EBRD		6,636,283					6,636,283
NPBs			3,473,540				3,473,540
Total							97,942,983
EU contribution to eligible costs (75%)							73,457,237
EU contribution to eligible costs vs commitment							69%

Source: ICF, based on SGAs and annual audited financial statement as at end 2021.

The table above however does not provide the final picture on budgetary consumption as the 2020 SGA is still running until end 2023, and the 2016[104] and 2019 ones until end 2022. **Projections on whether or not the Hub will spend all the budgetary allocation are not clearcut**, with many factors coming into play: Covid-19 had an impact on implementation in 2020 and as from 2021/22, a slowdown has been observed in terms of number of visitors to the website and number of requests received. It may be that the overlap with the InvestEU is confusing for potential beneficiaries, and the end of the EFSI approval period on the investment side also probably diminishes interest in the Hub services.

Pricing policy

The EFSI Regulation provided that cost sharing arrangements be put in place, with some exceptions (services provided to public project promoters were meant to be free of charge) and safeguard conditions (SMEs should not be charged more than a third of the cost of the technical assistance provided to them).

The exception for public promoters was welcome: all public promoters interviewed as part of the Country case studies highlighted that the free character of the support was key for them to enter into the process of seeking advisory support. This also enabled them to avoid the need to launch complex tendering procedures. More generally, willingness -and ability- to pay for such services among the public sector is described as low and most public schemes are run without fees being charged.

[104] As far as EBRD and NPB activities are concerned.

The initial idea for not providing the support entirely free was to avoid crowding out and also to foster skin in the game, to make sure private project promoters are engaged throughout the process and interested in the results. The downside, however, was that **it created barriers to access the services for private project promoters** (they only represented 6% of Hub beneficiaries as of end 2021[105]). This also hampered the collaboration of the EIAH with EU advisory programmes providing support to private entities for free (e.g. InnovFin Advisory). Besides, while it lowered the attractiveness of Hub support to some categories of potential beneficiaries, the fees charged did not meaningfully contribute to the EIAH service being cost covered (cumulative EIAH fees amounted to 25,000 Euros as of end 2021, as per the latest annual financial statements).

The EFSI 2.0 Regulation made no change to the EIAH pricing policy. In 2018, **the EIAH Coordination Committee however did relax the rules for LPAs**: below a certain project size (of 20,000 Euros), it became possible to exempt private entities from paying fees[106]. Now, given that LPAs are only recorded as umbrella assignments, there is no systematic information on the characteristics of those benefitting from LPAs and we can therefore not precisely assess whether/how the changes to the pricing policy affected demand from private project promoters. Overall, interest in LPAs however did increase, and the Hub team confirmed that demand for LPAs largely emanates from the private sector.

Governance and reaction time

As foreseen in the Framework Partnership Agreement (FPA) that defines the general terms and conditions that apply to the EIAH Partnership, a Coordination Committee was established. **This small Coordination Committee was found to be quite agile**, according to both the EC and the EIB EIAH team. It is composed of two representatives from EC and two from the EIB. Meetings are held 2-3 times a year, and decisions taken by consensus. The Coordination Committee proposes the work programmes to be included in each SGA, discusses any staffing issues, adopts the EIAH pricing policy, agrees on KPIs / KMIs, reviews the annual reports and annual financial statements of EIAH.

Annual priority areas for EIAH activity and corresponding budget available were defined in the SGAs. From the EIAH partners' perspective, the fact that there were possibilities to extend the duration of the agreements was welcome. This should permit to implement all initially foreseen actions (without having unused budget) e.g. when it comes to the EBRD and NPBI programmes.

The governance model also did not place any burden on EIAH beneficiaries. From their perspective, **the speed of response and service when interacting with the EIAH was considered as fast or very fast** by 32 out of 37 Hub beneficiaries that completed a feedback form (see also beneficiary survey in ICF, 2018). As from 2017, the average first reaction time recorded in annual technical reports did not exceed 4 to 8 days[107], well below the maximum of 15 working days set as a KPI.

Despite the very quick first reaction, signature of the actual assignment contract can take months. However, the EIAH team and the beneficiaries interviewed as part of Country case studies both agree that the time which elapses is also useful to define more precisely the needs and type of support that is required. It also includes the time

[105] 18 assignments undertaken with the private sector out of 289 Hub direct assignments for which information on public or private character of beneficiary is available. Note that while in some sectors, the weight of the public sector is in line with their responsibilities in terms of managing investment projects, in other sectors (e.g. innovation), if it had not been for the pricing policy, the share of the private sector may have been higher. Also note that in some cases, the private sector or SMEs may have indirectly benefitted from Hub support – e.g. in case the capacities of an intermediary to cater for their needs were supported by the Hub.
[106] EIAH annual technical and financial report 2018
[107] Source: annual technical and financial reports. The number for 2016 was 11 days (when the Hub was still in the ramp-up phase).

needed to get approval of legal documents within public beneficiaries. This is not to be interpreted as an inefficiency or overload on the Hub side.

Visibility and communication efforts

A lot of efforts were made to improve the visibility of the Hub. Relevant actions included:

- Development and continuous improvements to the Hub website
- Increased social media presence on Twitter, Facebook, LinkedIn – with average reach on Twitter increasing from 20 engagements in 2018 to 300+ 2021 as per annual reports
- Organisation of numerous events including the organisation of (i) 8 sessions of the annual EIAH Days to provide for knowledge exchange and networking opportunities for NPBs, representatives of the EC and the EIB and (ii) ten local EIAH Roadshow events and (iii) physical or online signing ceremonies or launch events e.g. when the Green Eligibility Checker was launched in 2020
- The publication of promotional videos of assignment case studies (with 28 videos being available online as of mid 2022)
- Publication of reports and their active promotion (with e.g. short video of EIB Director presenting the 2020 Annual Report being viewed almost 4 000 times)

Overall visibility is hard to measure but there are positive indicators. The EIAH website has been quite intensively used (with 15,000 to 16,000 unique visitors each year) and the number of requests received has been sustained over time (except in 2020 due to the Covid-19 pandemic).

Despite all the efforts, the case studies revealed that there was still insufficient awareness among relevant stakeholders about what EIAH had to offer.

3.2.1.3 Coherence

When the EIAH was set up in 2015, a range of other advisory initiatives were well established or being set up in parallel (see Table 12).

Table 12. Key characteristics of main advisory initiatives (2014-2020 programming period)

Advisory initiative	Programme launch	Target group (whose needs are addressed)
Linked to European Structural and Investment Funds		
JASPERS	2006	Authorities / administrations / promoters presenting proposals for large investment projects financed by the EU's Cohesion and European Regional Development Funds.
fi-compass	2015	ESIF managing authorities with interest in financial instruments that utilise European Structural and Investment Funds (ESI Funds)
Linked to EU level funding programmes		
ELENA	2009	Public or private entities pursuing an energy efficiency, renewable energy or sustainable transport project

Advisory initiative	Programme launch	Target group (whose needs are addressed)
InnovFin Advisory	2014	Companies working on large, complex and innovative projects for which they need long term investment
CEF's Programme Support Actions	2014	Public or private project developers in transport, energy and communication sectors
• Other		
European PPP Expertise Centre (EPEC)	2008	• Public sector interested • in delivering better public-private partnerships (PPPs)
Structural Reform Support Service	2015	National / Regional authorities in need of policy advice, planning and programming support

Source: ICF

The way the Hub would complement these advisory services was not clearly defined ex-ante, as highlighted by the ECA (2020). The simple idea was that the EIAH, with its **very broad mandate**, would fill the gaps and capture projects that had been missed by other more targeted initiatives– on a demand driven basis.

Adequate processes to help the Hub fill that role were in place. The Hub was designed as an entry point and **all incoming requests were centralised and analysed** with a view to ensure complementarity with existing technical assistance and advisory programmes (such as JASPERS, ELENA, etc.) and to avoid duplication of work. Stakeholder interviews confirm that these complementarities were realised in practice. For instance, managers of other advisory initiatives interviewed as part of this evaluation, appreciated the role played by the EIAH in channelling project promoters to them and more widely raising awareness about their initiatives.

Concretely, once the admissibility of the requests was established, the requests were reviewed during **monthly EIAH screening group meetings**. The screening group included representatives from the other EU advisory mandates (including JASPERS, ELENA, InnovFin Advisory, etc.) and was established with an aim to identify any requests that would potentially be addressed simultaneously by different services within the EIB and/or the Commission[108]. During the meeting, the focus was on deciding (i) who was best placed to deliver advisory support and (ii), if it fell under the EIAH portfolio, whether the assignment should be prioritised within the overall portfolio.

Even though, as highlighted by ECA (2020), only part of this discussion was captured in the Hub's documentation ("assignment notes"), the system seemed to work well. Overall, there have been no reported overlaps between the activities of the EIAH and other advisory initiatives.

In addition to cross-referrals, further synergies were realised between the EIAH and other advisory support services. For example, the EIAH intervened either upstream or downstream compared to other EU advisory initiatives to facilitate the implementation of the same plans / projects. It notably financed additional ELENA staff posts, thereby ensuring that ELENA experts could also intervene more upstream, in case capacity issues limited the ability of applicants to put forward good ELENA proposals. This helped ELENA build its pipeline of projects. It also helped the project applicants

[108] There were some of these cases in the early days of the Hub.

themselves in having a plausible investment programme (with realistic timetables and cost planning) and prevented potential challenges with the achievement of the mandatory leverage factor[109] of 10-20 (in case the target is not met within the given timeframe the beneficiary needs to return the received ELENA contribution).

Concrete examples of synergies or of combined support also exist with JASPERS. This includes the case of the clean buses in Athens[110]. While JASPERS worked with the authorities on developing the bus renewal plan, the EIAH supported the implementation of the plan, by producing a study comparing different bus technologies.

In previous evaluations (E&Y, 2016; ICF, 2018), the risk that the EIAH services would potentially crowd out the private sector was noted. There has been no evidence that this has happened. When selecting projects, the EIAH does probe promoters on why EU level advisory is needed. Typically, the EIAH will provide services with EU added value that would not be directly available from the market. To deliver its advisory projects, the EIAH often hires consultants from the private sector to deliver the work while the EIB experts are more involved in the quality assurance/peer-review aspects.

3.2.2 How did the EU intervention make a difference?

3.2.2.1 EU Added Value

EIAH team, like EIB experts in general, are seen as best placed to advise on EU regulatory requirements (such as cost benefit analysis, environmental impact assessments, compliance with EU taxonomy etc.). One of their strengths is also not to look at the EU regulatory requirements in isolation. On the contrary, beneficiaries interviewed during the Country case studies confirmed that EIAH/EIB experts are able to also link the EU dimension to the local regulatory constraints and market aspects.

The potential to learn from other Member States, from their best practices or mistakes, is also highly valued. When materials such as guidelines are developed as part of Hub assignments, special attention is paid to ensure that it is useful in other contexts, too.

Like on the financing side, there is an aspect of a seal of approval, with the Hub / EIB / EU involvement giving credibility to a diagnosis or to newly developed strategies and plans. Supposedly, this facilitates their implementation and their financing.

Overall, the level of expertise provided by the EIAH or EIB services is highly, or very highly valued by beneficiaries. In their feedback forms, EIAH beneficiaries almost unanimously assess the level of expertise provided by the experts as high or very high (36 out of 37 respondents). Interviewees notably referred to a mix of hard and soft skills (including technical skills, methodological expertise, legal expertise, local language knowledge, local presence and on-site visits, local expertise or the capacity to mobilise it when needed, interdisciplinary composition of the team, diplomatic skills, reactivity). Previous hands-on experience in similar projects and the possibility to directly apply the Hub's advice was also praised in the Country case studies.

Availability of alternative support

Existing surveys of Hub beneficiaries provide no clear-cut conclusion on the topic of whether they could have obtained the advisory support that they received from other public or private advisory entities. In ECA survey (2020), opinions were split. Comparatively, more thought that support could not have been obtained from elsewhere, at least not to the same extent, in ICF (2018), but, at the same time, there was a relatively high proportion of those not expressing an opinion.

[109] ratio between the investments implemented and the ELENA grant
110 advertised on the Hub website: https://advisory.eib.org/stories/a-herculean-task-for-greek-transport

Cases where support exists in theory but is in reality not accessible (high prices on the marketplace, high competition for public schemes) were also reported. EIAH beneficiaries also valued the fact that Hub support is provided with no need to launch a tendering procedure.

According to interviews conducted as part of this evaluation, other advisory services were available but the same levels of expertise or the same quality were not often readily available from other institutions. Given the way Hub assignments are organised (relying often on a mixed use of EIB internal experts and external service providers), they often involve an active involvement of the EIB experts in supervising and reviewing the work of the external service providers to ensure quality and timely delivery. This quality assurance/peer review aspect of the work is typically not offered when using alternative forms of support and also helps reinforce capacities of service providers and final beneficiaries alike.

3.2.3 Is the intervention still relevant?

3.2.3.1 Relevance

The evaluation confirms that the EIAH progressively developed and delivered all expected services and supporting activities. These included project specific work, capacity building activities, market analysis, awareness raising activities, development of partnerships. Efforts were made to develop all planned activities and reach all beneficiaries, which are directly relevant to the mandate of the Hub.

In an effort to deploy more support to specific regions and reach out more effectively to those most in need, the EIAH also developed networks and collaborations. A partnership was established with EBRD to deliver SME advisory services in specific Cohesion countries. The EIAH also financed the development of the advisory services of some NPBs selected through a call for proposals. In order not to duplicate efforts and create synergies with other existing advisory initiatives, the EIAH reinforced other EU advisory programmes, notably ELENA (European Local Energy Assistance) and InnovFin Advisory (IFA), notably through financing additional staff posts. Overall, 28% of all assignments financed through the EIAH were directly delivered by the EIAH or its consultants. The EBRD undertook 32% of assignments. Assignments under the EIAH Call for Proposal and ELENA assignments made up the rest (22% and 17%, respectively).

While partners only engaged in project-specific work, the EIAH also provided non-project specific support (27% of the assignments). This type of assignments related to the production of market studies, capacity building support to administrations (e.g. design of tools and methodologies for assessing project applications), feasibility and design of Investment Platforms.

The EIAH supported projects at all stages of maturity (see Table 13). 43% of project-specific assignments are at stage 1 or 2 of their development[111]. Non project specific assignments were typically more upstream (83% at stage 1 or 2).

Table 13. Profile of EIAH assignments

Assigned Group	Project Specific	Incoming Maturity (stages)	Count of EIAH Assignments
EIAH Team	Non project-specific	1. Policy	40
		2. Identification	26
		3. Development	11
		4. Investment Ready	1

[111] EIAH classification of the maturity of project-specific assignments is as follows: 1 Policy; 2 Identification; 3 Development; 4 Investment Ready; 5 Implementation.

		5. Implementation	2
	Project-specific	1. Policy	17
		2. Identification	76
		3. Development	94
		4. Investment Ready	16
		5. Implementation	14
ELENA for EIAH	Project-specific	n/a	177
EBRD for EIAH	Project-specific	n/a	338
EIAH Call for Proposal	Project-specific	n/a	232
Grand Total			1044

Table 14. Source: EIAH monthly reporting to the EC as at end 2021, ICF analysis.

The main clients of the Hub were public sector organisations that came from local, regional, national and EU level. Beneficiaries of the Hub's direct assignments were mostly from the public sector (given the key role of public administrations in the management of investment projects, but see also discussion of the Hub pricing policy under efficiency). The Hub intervened at all levels including EU level[112], national level, regional and local levels.

[112] E.g. to conduct market assessments commissioned by policy DGs.

Box: Support offered by the Hub to beneficiaries – selected examples

Services provided to beneficiaries were multi-fold – they were primarily in the form of advisory support, technical and financial assistance and/ or capacity-building.

Supporting the identification, preparation, development, and implementation of investment projects

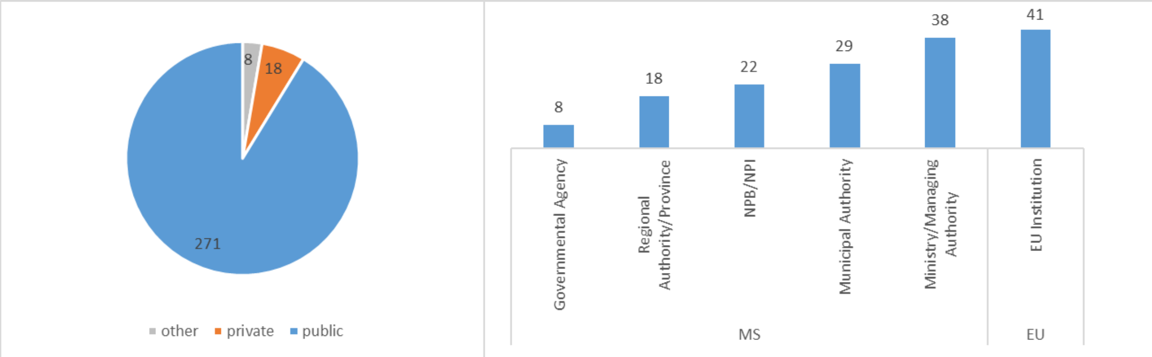
The EIAH played an important role in helping beneficiaries prepare and implement various investment projects. The municipality/ city of Jurmala in Latvia benefited from tailored advisory support in identifying, planning, and developing sustainable urban investment projects in several eligible sectors, namely: transport infrastructure, education and training, environment, and resource efficiency. In other Member States, beneficiaries received bespoke advice/guidance in setting up projects underpinned by a Public-Private Partnership (PPP) approach. In Italy, one promoter obtained advisory support from the Hub in the delivery of school (PPP) projects. The Hub (via the European PPP Expertise Centre, EPEC) offered strategic advisory support to the promoter, comprising guidance and recommendations specific to the delivery of PPP projects in the education sector. These were delivered via (i) a series of knowledge-transfer workshop sessions; (ii) feedback sessions; and (iii) helpdesk support arranged around online ad-hoc sessions. In the same vein, technical support was offered to a Latvian promoter in the delivery of the country's first PPP infrastructure project – the 'Kekava Bypass' project. The promoter was supported in the appraisal of possible PPP structures, the strategic planning and organisation of activities of the selected form of PPP and the public tender process. The EIAH also offered wider strategic advice as regards the use and implementation of PPPs, and technical advice by peer reviewing tender documents. Some promoters in France benefited from technical and financial advisory support, notably in the context of urban mobility and alternative transport projects. The support comprised advice pertaining to technical options analysis on choice of alternate fuel, technical feasibility, strategic plans, resourcing, funding options, potential financial structures to adopt, etc. In Greece, technical advisory support was provided to the municipality of Athens. Support was in the form of two technical feasibility studies. The first pertained to the restoration and energy efficiency of historical buildings and the second to the construction of public spaces, such as squares, sidewalks, to address climate resilience.

Enhancing the capacity of promoters to implement projects/ operations

The Hub also engaged in the provision of capacity-building support, the key aim being to contribute to the better preparedness of promoters. A Latvian promoter sought peer review support from the Hub in the context of a long-term business plan for a large-scale rail infrastructure project. EIAH colleagues reviewed the contents of the business plan (which was being developed by external consultants). As part of this process, however, the EIAH also helped develop: (1) a more consistent approach towards measuring infrastructure maintenance costs. This in turn provided a basis for additional internal discussions around the development of an infrastructure management model to facilitate the monitoring of operational costs; and (2) a financial model for measuring/ calculating capital expenditure and for appraisal purposes. The tool is now being used more widely as part of internal financial analyses. In the context of the 'Kekava Bypass' project in Latvia, the EIAH organised several training sessions/ workshops focused on the implementation of PPPs specifically.

More widely, at EU-level, the EIAH has also engaged in other dissemination and capacity-building activities, including case studies, videos, and face-to-face or digital events/workshops (often in collaboration with local partners), in order to share experiences and/ or disseminate findings/ learning outcomes from current/ past projects and to promote the benefits of the Hub's advisory services in the preparation of investment projects. The aim is to attract appropriate and replicable advisory requests from a wider stakeholder group (2021 Bi-Annual Technical Report).

Figure 20. Split of EIAH direct assignments by profile of beneficiaries



Source: EIAH monthly reporting to the EC as at end 2021, ICF analysis.

Notes:

excludes IFA and LPA assignments which are not individually recorded within the Hub systems.

the detailed categorisation of public sector bodies is only available for a subset of 156 assignments. 115 further assignments were carried out to the benefit of public bodies in general.

Over time, reflecting the increased pressure to feed the EIB/EFSI project pipeline, there has been a higher focus on Light Project Advisory, as this type of support is more likely to quickly generate investments, being primarily targeting 'last mile' support. This higher focus on LPAs is, however, not necessarily directly observable within the statistics, as this type of support is only recorded as an "umbrella" assignment (no detailed reporting is available on specific projects; information only becomes available if/when LPAs enter the EIB/EFSI pipeline).

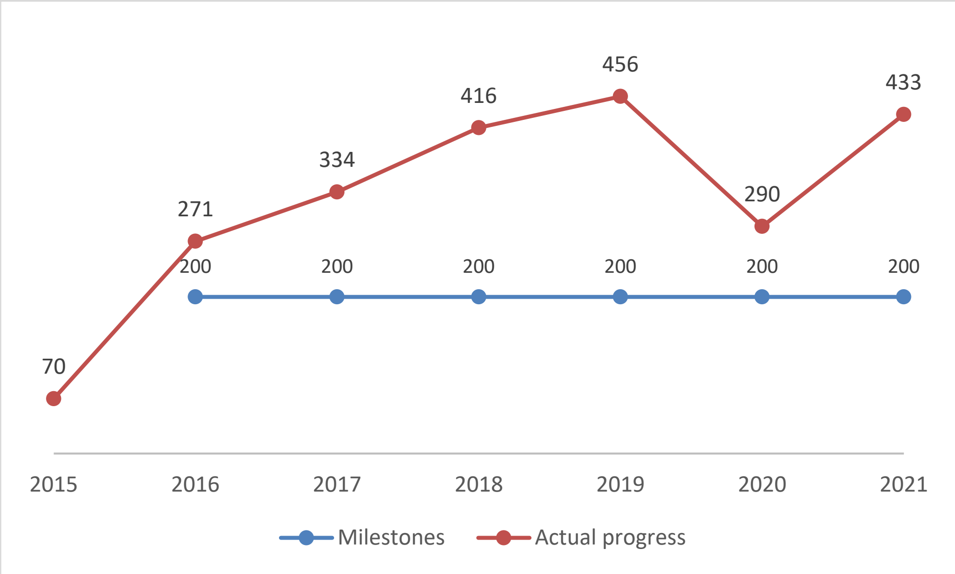
Actions were also conducted in favour of the other EFSI 2.0 policy priorities (e.g. circular economy, digitalisation), mostly in the form of more upstream support (see section 3.2.1.1).

There had been no ex-ante impact assessment calling for the establishment of an Advisory Hub. Yet, it was one of the key actions identified by the Task Force in 2013, to ensure a continuous and effective advisory service[113]. The two-phase market gap analysis studies[114], launched by the EIB and carried by PwC in 2016 and 2017 also confirmed the existence of needs that the EIAH could contribute to fill in. Although the study did not confirm the existence of gaps in the supply of advisory services, it did confirm the existence of availability, access and affordability issues that the EIAH could help answer.

Overall, looking at requests received, demand for EIAH services has been satisfactorily high. Over the 2016-2021 period, the requests for EIAH support significantly exceeded initial projections every year.

[113] EIB. Special Task Force (Member States, Commission, EIB) on Investment in the EU, Available at: http://www.eib.org/attachments/efsi_special_task_force_report_on_investment_in_the_eu_en.pdf
[114] EIB (2016) Market Gap Analysis for Advisory Services under the European Investment Advisory Hub (EIAH). Available at: https://advisory.eib.org/publications/attachments/Market_gap_analysis_for_the_advisory_services_under_the_European_Investment_Advisory_Hub_EIAH.pdfhttps://advisory.eib.org/publications/attachments/Market_gap_analysis_for_the_advisory_services_under_the_European_Investment_Advisory_Hub_EIAH.pdf.
EIB (2017), Market Gap Analysis for Advisory Services under the European Investment Advisory Hub (EIAH) – Phase II. Available at: https://advisory.eib.org/publications/attachments/market-gap-analysis-advisory-smes-phase-ii-en.pdf

Figure 21. Number of projects for which advisory support has been requested

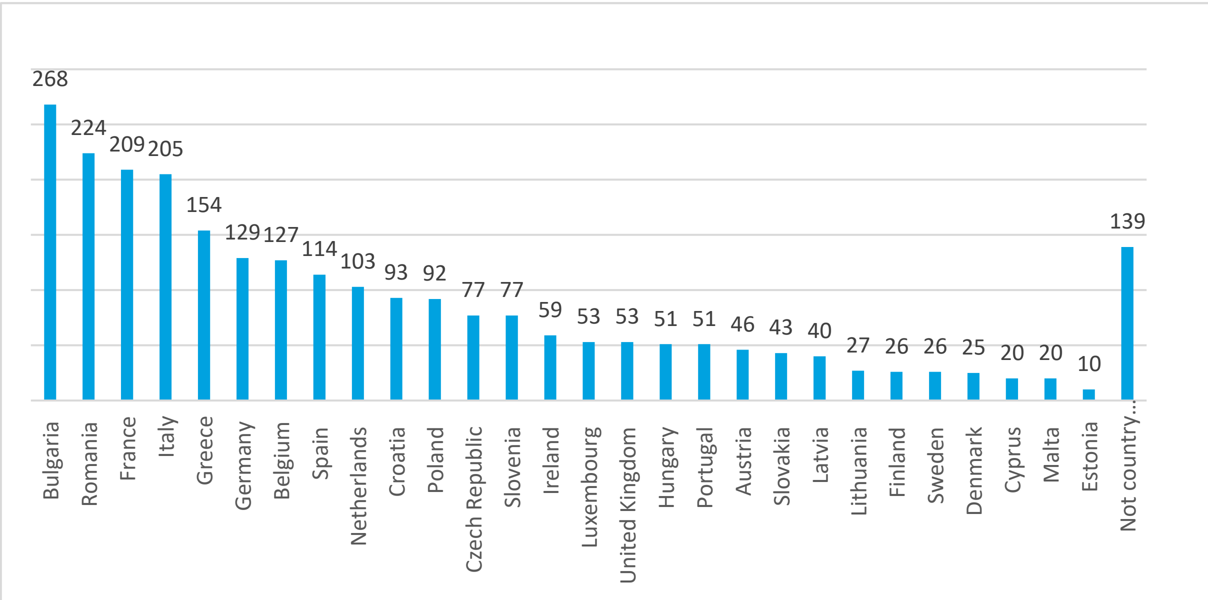


Source: ICF based on EFSI Programme Statement (Draft Budget 2023)

Note: the target of 200 was defined ex-ante in 2015, by the European Commission, and has not been revised during the EIAH implementation period.

The requests originated from all Member States, with stronger demand for advisory support on the part of some countries. Of the total 2561 advisory requests received by the Hub, 10% (268 requests) and 9% (224 requests) of these originated from Bulgaria and Romania respectively. These have been followed by similar number of requests (209 and 205, respectively) from France and Italy. 139 of the total number of requests (5%) were not related to a specific country.

Figure 22. Combined advisory requests received by EIAH since 2015 launch (by country)



Source: EIAH Technical Report H2 2021

Note: Excludes support received for Light Project Advisory and InnovFin Advisory mandate support requests

In light of the high number of requests received, supply, as measured by the actual number of assignments performed, is more moderate[115]. It is however also partly an indicator of success as, by design, the Hub is not meant to cover on its own any request received. Instead, it is meant to function as a single-entry point for promoters seeking advisory and a large part of its work is to redirect requests to other, better suited services.

The figure below provides the number of assignments initiated each year, and indicates by whom the assignment was taken forward (the EIAH team directly or its partners). EBRD contribution in terms of number of assignments is rather high, especially in earlier years, but the assignments it performs are much smaller in size, as they are all for the SME support sector (average budget of less than 20,000 Euros[116] vs 270,000 Euros[117] for the Hub's direct assignments).

It took some time for the Hub to translate requests received into actual assignments. Two main factors contributed to this:

There was a natural bedding-in period. It took time to set up the EIAH and disseminate the message about its role.

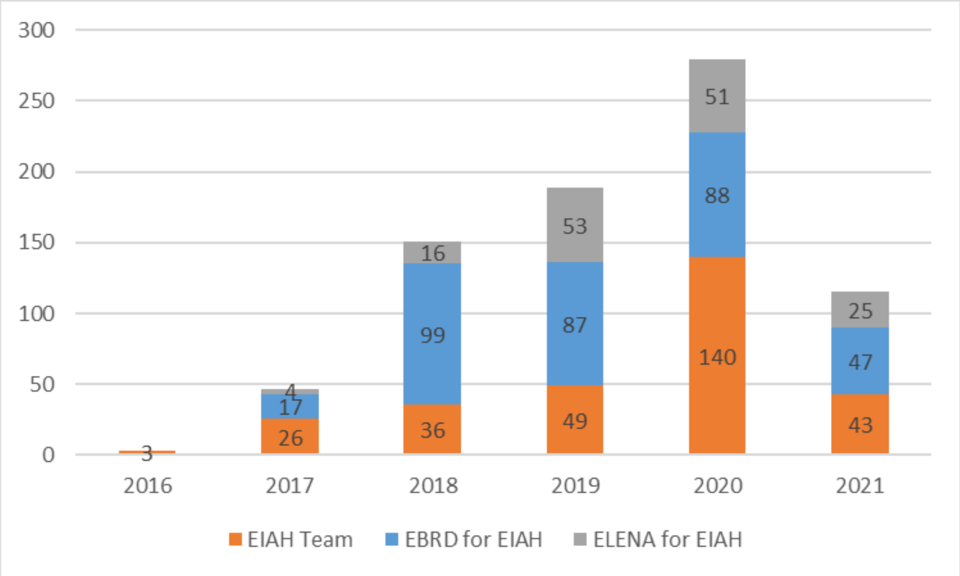
The EIAH was set up as a demand-driven tool, with the general view that demand for advisory would flow in but in many cases, demand still had to be stimulated, and some awareness raising had to be undertaken. The content of many requests, especially in the early phases, illustrated a misconception about the Hub's role e.g. promoters seeking funding only – 32% of all requests in 2016; 16% of all requests received over 2015-2021[118]. This suggests that not all project promoters who would potentially benefit from its services were aware of the Hub services and/ or ready to engage in a productive manner to ensure the advisory support they requested effectively supports their project. According to the EIAH team, it sometimes took months of discussion to clarify the nature of the requests and confirm whether an advisory assignment could be beneficial.

[115] Rate of conversion cannot be calculated precisely. On the one hand, some registered requests relate to assignments that are later not individually recorded (IFA and LPA assignments). On the other hand, the EBRD has not reported on the requests received.
[116] ECA (2020)

[117] EIAH monthly reporting to the EC as at end 2021, ICF analysis.

[118] A further 8% of the requests were 'General information' requests, and 2% concerned cooperation with EIAH over 2015-2021 (versus 15% and 9% in 2016).

Figure 23. Split of assignments by assigned group and year of initiation



Source: EIAH monthly reporting to the EC as at end 2021, ICF analysis.

Notes:

excludes 28 ELENA assignments for which no date has been entered, and 232 assignments under the EIAH Call for Proposal for which no date is available (all assignments under the EIAH Call for Proposal have been initiated in later years, with first funding agreement being signed in 2018).

excludes IFA and LPA assignments which are not individually recorded within the Hub systems.

Beyond the high demand / take up for the services provided, feedback forms confirmed that the support was highly relevant. The relevance of the support for meeting the stated objectives is largely assessed as positive. The EIAH fully met needs of the beneficiaries in 31 cases (out of 37) and all beneficiaries were either satisfied or very satisfied with the support received.

3.3 EIPP

The EIPP was created in July 2015, following the Commission Implementing Decision (EU) 2015-1214 and subsequently launched on the 1 June 2016. Article 15 of the EFSI regulation set out that the EIPP was intended to enable and enhance the development of, and investments in projects by providing a platform to promote private and public projects to potential investors globally. Its main role would be to address two key market challenges identified at EU-level at that time:

- Challenges around improving transparency and visibility of investment opportunities within the EU to investors, and relatedly a need for a pipeline of EU investment projects (identified by the Special Task Force on Investment)
- The need to increase and improve the nature of contacts between investors and promoters

The intended outcome of the EIPP was to bring together promoters and investors that would not otherwise have been aware of one another, facilitating meaningful connections.

The next subsections address the evaluation criteria and specific questions set out in the ToR. The responses to the EQs are based on a triangulation of evidence collected via interviews, desk research, EIPP annual surveys and feedback included in the eight country case studies primarily.

3.3.1 To what extent was the intervention successful and why?

3.3.1.1 Effectiveness

The EIPP has contributed to improving the visibility of published projects. As shown in Figure 28 and Figure 29 below (in Section 3.3.3.1), the number of projects registered to the portal (1,112) exceeded targets (500), and the interest of portal visitors has been sustained over time (more than 350,000 unique visitors by April 2021). The high number of visits to the portal shows that it has managed to increase transparency of investment opportunities and made these visible to a high number of stakeholders.

There is, however, a key limitation of the available statistics. The Commission does not report on the number of investors registered on the portal. As such, the evaluation cannot check whether the Portal gained traction over time within the investor community, and whether it was able to draw interest from investors globally, beyond EU borders.

There is also limited awareness of the EIPP beyond policy makers, NBPs and/or active users. Across the majority of the case study countries, familiarity with the EIPP was rather low. One interviewee noted that awareness was lower amongst stakeholders that were less familiar with EU projects. However, there is interest in the Portal amongst interviewees in some countries, emphasizing the importance of increasing and broadening communications around the portal to enable its success. To increase awareness of the portal, some interviewees suggested investing in further promotional activities (testimonials and case studies made available on the EIPP website, attending/organising further conferences and trade shows to promote projects, further outreach activities with investors, possibly in cooperation with EIAH), and enhanced partnerships including with other networks such as Invest Europe or EIC online community.

There is mixed evidence regarding the extent to which the EIPP was able to generate meaningful contacts and investments. This was not part of the EIPP objectives as per the EFSI Regulation but there was an expectation (also included in the intervention logic) that the increased visibility of projects enabled by the EIPP should lead to such outcomes.

For instance, there is some evidence that project promoters' expectations around the extent to which being on the portal would enable investor connections and networking were at times overrated. The 2018 interim evaluation identified challenges associated with the quality of contacts initiated directly or indirectly through the platform, suggesting investors should be better vetted. Feedback from three case study interviewees undertaken as part of the present evaluation also suggest that expectations in terms of investor connections and networking through the portal have not been met. This was to some extent driven by challenges associated with scam investors, or investors not registered to the EIPP portal. However, the processes around vetting registered investors has become stricter, including registration, submission of an application, provision of proof of investment experience and a telephone call, where appropriate. This has reduced the frequency of scam contacts. Under InvestEU, the Portal will go a step further to avoid this issue by restricting access to the list of projects to registered investors only.

From the investor point of view, the projects listed on the Portal did not always meet their target profile. For instance, several interviewees mentioned that the high proportion of early-stage investments present on the portal meant that it was more useful for Venture Capital investors and smaller projects. Two interviewees noted not registering on the portal since projects were too small.

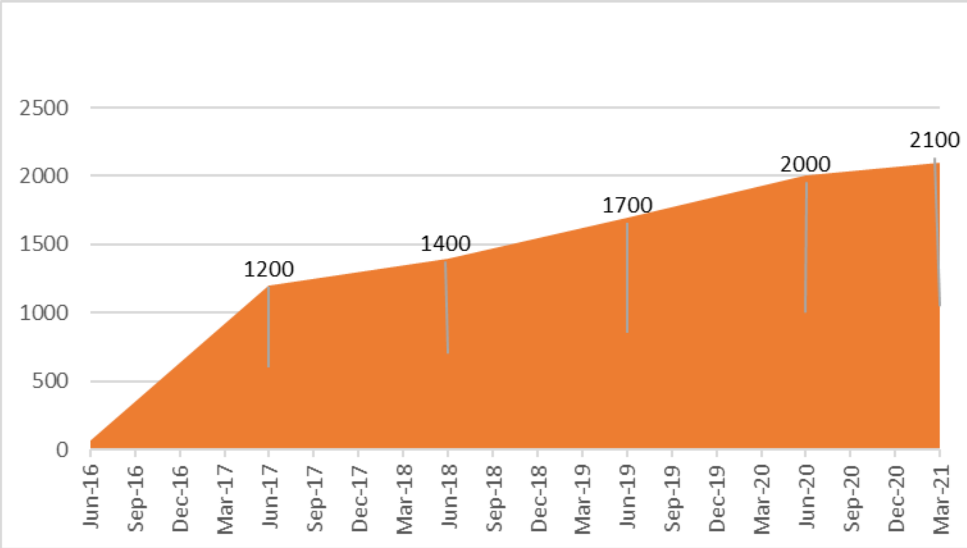
The EIB and NPBs on the other hand typically have direct channels of communication with project promoters and hence, they found the portal to be less relevant as a source of pipeline generation. From an investor / lender perspective, notably for the EIB or an NPB, direct communication channels that already existed with their client base limited the role of the EIPP in terms of facilitating contacts and investments. In many cases, those that were aware of the EIPP, often through pre-existing contacts with the EIB, made limited use of it. In Poland, it was noted that for some types of projects (e.g. equity) these transactions typically would not require the EIPP, since they would take place through direct contacts within the investor community.

Some indicative evidence suggests that the Portal is now starting to deliver in terms of matching projects with investors. The 2018 interim evaluation found that the proportion of projects receiving investments, and sustainable matches generated were below initial expectations. This issue also came up in the case studies as well as the EIPP surveys, which highlighted that in 2019 and 2021 only 38% and then 33% of project promoters survey stated they had been contacted by investors as a result of project publication, and 92% of respondents at a minimum across survey rounds cited *not* having received funding as a result of investor contacts. A similar picture emerged from the investor survey, where most respondents stated they had not made an investment or contacted promoters. However, as of April 2021 DG ECFIN had received confirmation from over 80 project promoters that they had received financing in the form of debt or equity after having been published on the EIPP. This would represent a successful match rate of around 8% of the total projects present on the portal. The rate may actually be higher since confidentiality restrictions limited tracking of this information (the exact level of financing raised by projects was not calculated due to challenges around the confidentiality of financing sources for project promoters). It is important to note here, however, that it is difficult to discern to what extent being on the EIPP drove projects to secure finance, given the survey feedback mentioned above.

The fact that initially match generation took time, and was relatively slow in ramping up, generated some scepticism and unwarranted negative perceptions. According to some stakeholders, the lack of success in attracting investment has generated a negative perception among investors that the projects on the portal tended to be those that struggle to receive financing. The French case study shows that there continues to be some doubt surrounding the extent to which investors would use the portal.

Despite such scepticism, the number of contacts between investors and projects are growing. Portfolio data shows that the number of contacts between investors and projects have gradually grown throughout the evaluation period, as highlighted in Figure 24 below.

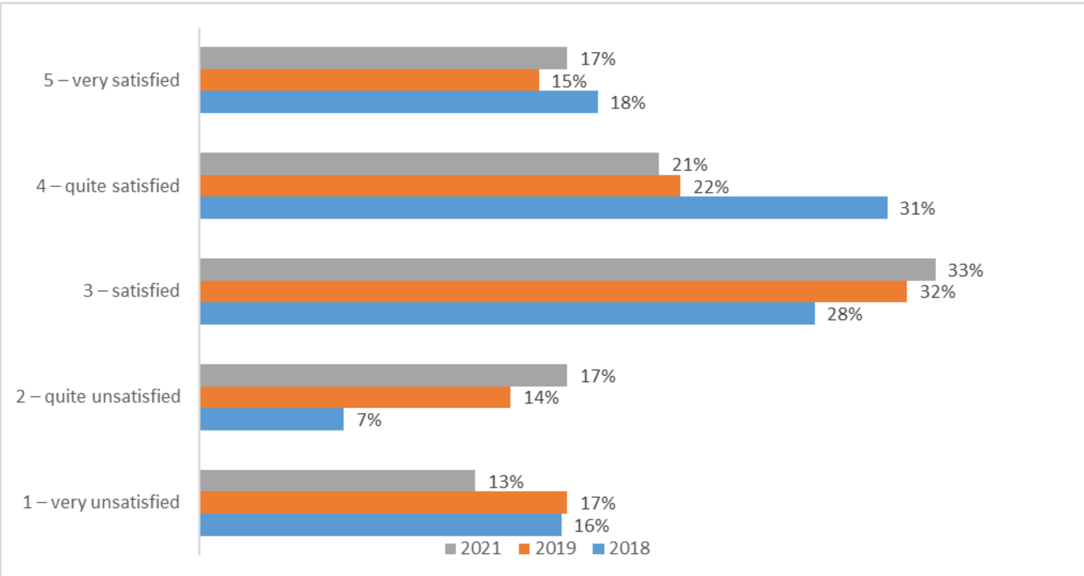
Figure 24. Cumulative number of contacts between investors and promoters



DG ECFIN Indicators EIPP 2018-2021

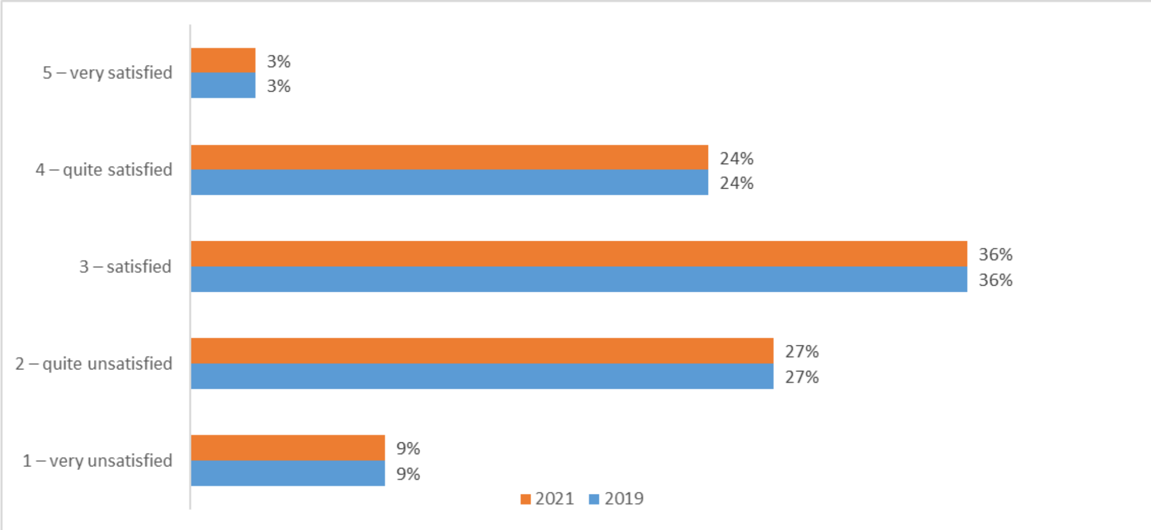
In addition, the direct users of the Portal are generally satisfied with the user experience. As shown in Figure 25 and Figure 26, in all survey rounds the majority of promoters and investors were satisfied, quite satisfied or very satisfied with the overall EIPP user experience. The 2019 and 2021 promoter and investor surveys also highlighted high levels of interest in participation in future matchmaking and/or pitching events amongst respondents, with over 70% of promoter and investor respondents signalling their interest across both rounds.

Figure 25. Project promoter satisfaction with the overall EIPP user experience



EIPP survey of promoters; Q: On a scale from 1 (not satisfied) to 5 (very satisfied), how would you rate your overall EIPP user experience and satisfaction?; n = 61 (2018), 156 (2019), 48 (2021)

Figure 26. Investor satisfaction with the overall EIPP user experience



EIPP survey of investors; On a scale of 1 (not satisfied) to 5 (very satisfied), how would you rate your overall EIPP user experience and satisfaction?; n= 33 (2019), 32 (2021)

Matchmaking events are an important component of the Portal's offer. Initially, the proportion of investors present at events had been criticised (in the 2019 annual survey) but this challenge was overcome by the EIPP team by partnering with external organisations to organise match-making and similar events, rather than running them internally. In more recent events, the ratio has improved. The 2021 EIPP survey suggested improvements could be still made by increasing the ratio and diversity of investors present at match making events further, as well as organising more sectorally targeted events and conducting more proactive matchmaking, consulting and communication. Given this feedback, it is likely that had these events not been organised, there would have been more scepticism around the usefulness of the EIPP.

The InvestEU portal will serve as the natural progression of the EIPP, building on lessons learned from survey feedback and past evaluations, to improve on its effectiveness and create greater impact. Key changes to the InvestEU portal will include:

- Increased visibility of projects to InvestEU implementing partners and financial intermediaries by informing implementing partners automatically of new projects published, where relevant to their sectoral/geographic focus
- Added option for projects to submit advisory requests when registering
- Improved search function and tagging systems to help identify projects focussed on specific themes (e.g., related to sustainability, tackling the pandemic)
- Increased scope of investors to allow philanthropists to register
- As mentioned above, lowered minimum project size to 500,000 EUR

3.3.1.2 Efficiency

As the benefits slowly start to materialise, the economic justification of the Portal is improving. The 2018 interim evaluation found that the efficiency of the EIPP on a cost basis could further be improved by increasing the number of projects uploaded that would eventually be published. Feedback from one interview conducted as part of this study suggested that whereas the portal was successful in some of its objectives, and did not create any specific issues or challenges, it represented a large investment which may not to date have been justified. However, it is important to note that the EIPP represented a long-term investment – as shown by its succession under the InvestEU programme. Further, according to the 2020 budget statement, of the end of 2020, the EIPP had provided 1,163 investment opportunities and more than 80 projects had received financing, providing evidence of the impact of the portal against its cost.

Table 15 below summarizes the use of budgetary resources by the EIPP between 2018-2020, showing that in this time a total of just over 1.93m EUR were allocated to 127 operations over the evaluation period.

Table 15. Use of budgetary resources by the EIPP over time

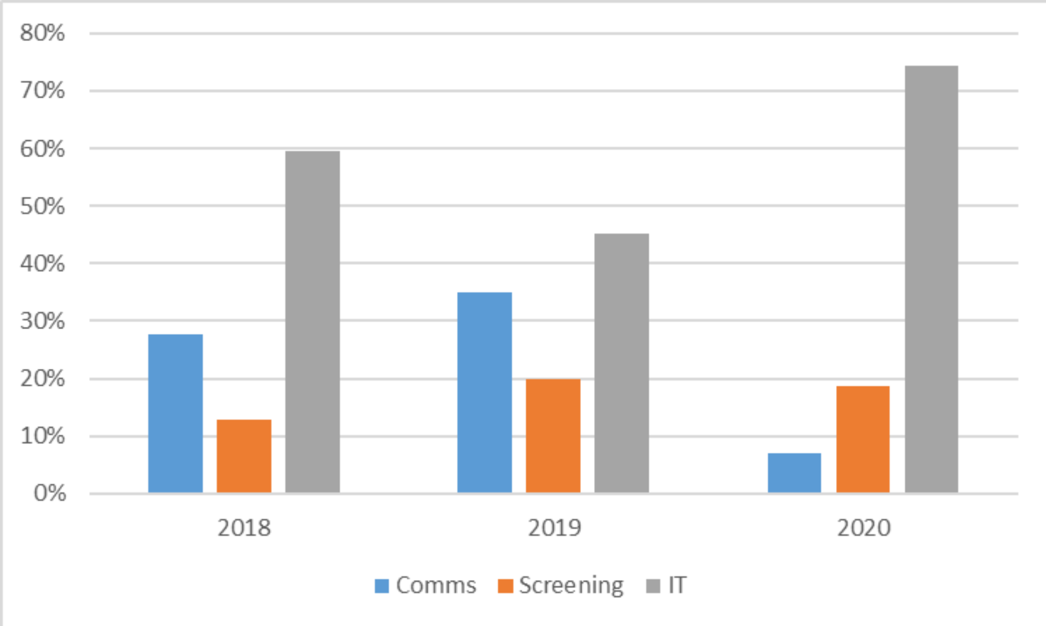
Year	Amount paid	Number of projects published to the portal
2015	83,988	0
2016	332,620	139
2017	369,566	99
2018	638,961.33	268
2019	676,575.75	404
2020	616,757.30	219
Total	**2,718,468.91**	**1,399**

DG ECFIN, Use of budgetary resources in 2018, 2019, 2020

The overall budget allocated to EIPP is EUR 2.7 million over 5 years. Budgetary resources funded several key activities performed by the portal, including:

- Communication activities: these were focussed on promoting the visibility of the portal and projects and included the delivery of matchmaking and networking events, including virtual events (which were reportedly more cost effective, as highlighted in Figure 27 below). These events were additional to the core mandate, however budget was made available for this purpose.
- IT development: ensuring infrastructure for the EIPP was put in place and sustained. Feedback from interviews suggested that spending to support IT became more efficient over time, in particular after the infrastructure was initially set up and put in place. However, as shown in Figure 27, despite generally becoming less costly in value terms over time, IT costs consistently occupied the largest share of the overall EIPP resources.
- Screening: at first, a budget was allocated to account for staff time spent reviewing projects that would be placed on the portal. This is because external staff were contracted due to lack of availability of internal resources. This no longer appears on the budget since it is performed by internal staff. As shown in Figure 27, screening costs occupied between 10-20% of the overall EIPP budget.

Figure 27. Share of budgetary resources by activity type over time



DG ECFIN, Use of budgetary resources in 2018, 2019, 2020

The EIPP was generally always able to work within their budget allocations, though in some years there was some under-spend. Feedback from interviews suggested that sufficient resources were made available to enable the EIPP to deliver on its activities. Despite the costly nature of maintaining and animating such a platform, evidence suggests that process efficiency of the EIPP increased over time. This was likely a function of a learning effect amongst staff members responsible for project screening.

The removal of the charge to promoters for publishing projects may have harmed overall efficiency in terms of costs, since overall, it is estimated to have resulted in 20,800 EUR of contributions[119], representing around 3-4% of annual budgetary allocations (as shown in Table 15). However, it enabled the increased relevance of the portal, as commented on in Section 1.2 above. Further, the 2018 interim evaluation found evidence from interviews that the removal of this fee led to a reduction of the administrative burden involved in publishing projects on EIPP.

3.3.1.3 Coherence

Internal coherence

Internal coherence in the context of the EIPP centres around the extent to which there were opportunities for the portal to develop synergies and complement the work of EFSI and the EIAH. This will be assessed in detail as part of the evaluation of EFSI as a whole. However, some key evidence is summarised below:

- The EIPP team did not receive information regarding whether, or the extent to which projects published on the portal were supported by EFSI. Equally, the EIPP surveys did not check whether promoters were aware of EFSI or EIAH. This suggests communication challenges or limitations on synergies
- One interviewee suggested that projects published on the portal should undergo a more in-depth assessment and coherence check with EU policy priorities to improve chances of securing investments

[119] This estimate was calculated by multiplying the fee (about 100 EUR) by the number of projects published to the portal before 2018 (the introduction of the EFSI 2.0 regulation) (around 208 projects).

- The French case study found that expectations around how frequently projects placed on the portal would receive financing were not always well managed, despite the precautions taken by the EC in this regard.
- To improve synergies and linkages across the EIPP, EIAH and EFSI equivalents in InvestEU, two key changes were made: InvestEU implementing partners would be automatically notified when projects are published on the portal, and promoters would be prompted to state whether they would require advisory support as part of their registration process.

External coherence

External coherence in the context of the EIPP refers to the extent to which the Portal was able to identify and develop mutual cooperation agreements with similar EU and national-level initiatives amongst Member States. The 2018 interim evaluation found that whereas there were initiatives that slightly overlapped with the Portal, these were effectively identified. Cooperation agreements were signed to ensure the exploration of synergies in many cases, though it was also suggested that synergies could be further explored in others. Evidence collected as part of this study suggests that this finding was sustained throughout this evaluation period.

Table 16 below summarises other, similar, initiatives that have been identified against their relationship to the EIPP. As well as these, a number of national and regional portals/initiatives were identified, though in most cases these were not as relevant or were still in development (e.g. by the Fund manager of financial instruments in Bulgaria).

Some partnerships were more advanced than other more information sharing based partnerships. These focused on conducting events or sharing projects across portals. For example, one EIPP partner interviewed noted using the portal to select companies that were present on the portal more opportunistically, through communication with the Commission, to attend match-making events organised by them. Going forward, the portal’s ambition is to work with partners to integrate more into the project promoter and investor community. In fact, feedback from one case study consultee suggested the portal would improve upon further interconnection across various EU opportunities and schemes. In this context, one interviewee noted the challenge that investors tend not to spend time registering on several platforms

Table 16. Key similar EU and national initiatives and their cooperation with the EIPP

Initiative	Coverage	Description	Relationship with EIPP
EuroQuity	EU but managed by BPI France	Focussing on SMEs, it is a service that aims to bring together companies and development partners.	A Cooperation Agreement was signed which entails the exchange of projects for publication on the respective platforms as well as closer technical cooperation between the two platforms, joint promotional initiatives and events.
Global Infrastructure Hub	International, powered by the G20	A web portal that shares a variety of market resources including a pipeline of projects (some of which investment ready). It aims	A Cooperation Agreement was signed which meant the EIPP added the Global Infrastructure Hub in its list of partners, identifying

		to boost the quality and flow of government infrastructure projects and therefore differs from the EIPP since only governments can upload projects	those projects that could win from being part of it. The GIH would also direct EU-based projects to EIPP and disseminate information about EIPP to its clients and partners. This Hub has now been taken over by another entity, limiting cooperation.
SIF-Source	Global, situated in Geneva	SIF (a non-profit foundation) manages the development of SOURCE, a global initiative bringing together Multilateral Development Banks and Private-public Partners to provide support for the preparation of public infrastructure projects. It aims to support the improvement of project bankability, boosting technical capacities and management risk skills.	A Cooperation Agreement was signed that entails both parties mention one another as partners on their websites, forwarding on projects they consider could benefit from access to the other party, and cooperating on the occasion of events.
Investment and Development Agency of Latvia	Latvia	The Agency maintains and regularly updates a database of Latvian enterprises to facilitate partner searches for investment projects.	N/a
CORDIS	EU	A European Commission-led database of EU-funded research and innovation projects	N/a
EIC online community	EU	A Commission-run community platform that helps European Innovation Council innovators establish on the European and global markets by finding peers and business partnerships. It is open for EIC pilot-funded innovators, entrepreneurs, researchers and small companies under Fast Track to Innovation, EIC Pathfinder, EIC Accelerator and investors. It has been running since 2018 and is well inserted into the ecosystem of innovators and investors, offering connection and	N/a – no established partnership with the EIPP

		collaboration with EIC ecosystem partners and the European innovation ecosystem. It also provides a wide range of functionalities, including matchmaking, training, bootcamps.	

Table 17 below, instead, highlights initiatives that are not similar to the EIPP but rather provide complementary/relevant services, such as networking services for angel investors and innovation centres. The table also summarises the relationship of each organisation/initiative with the EIPP.

Table 17. Complementary initiatives that partnered with EIPP

Initiative	**Coverage**	**Description**	**Relationship with EIPP**
European Business Angels Network (EBAN)	Global	A representative for early-stage investor communities, aiming to represent the European Voice of Angel Investing.	An official partner of the EIPP. This entails organising joint events and when EBAN issues the open call for applications, businesses are automatically directed to the EIPP website to register to both EIPP and EBAN at the same time.
The European Network of Research and Innovation Centres and Hubs (ENRICH)	Global	An initiative promoted by the Commission through Horizon 2020. It offers services to connect European research, technology and business organisation with five innovation markets: North America, South America, China, India and Africa	An official partner of the EIPP. This entails ENRICH selecting some portal projects on an ad-hoc basis to attend events and pitch to investors.
European Start-up Network (ESN)	EU	A network that unifies national start-up associations to create a common voice for EU start-ups and encourage their growth and success	An official partner of the EIPP.
Enterprise Europe Network (EEN)	EU	A network supporting SMEs in Europe with international ambitions, co-funded by COSME and Horizon 2020 programmes.	An official partner of the EIPP.
Access 4 SMEs	EU	An action aimed to empower the network of National Contact Points for SMEs and Access to Risk Finance under Horizon 2020 by encourage knowledge sharing and providing support services for SMEs,	An official partner of the EIPP.

		industry and ARF communities.	
ALTFInator	Europe	An organisation that aims to facilitate the transfer of best practices across markets and improve the provision and absorption of alternative finance through capacity building, for the financial ecosystem and its participants.	An official partner of the EIPP.

Feedback from interviews suggests that two of the main initiatives with similar objectives to the EIPP were the EIC online community and BPI France's EuroQuity. The latter initiative, and the outcomes from its partnership with the EIPP, is summarised in the Box below.

Box: EuroQuity

EuroQuity was launched in 2008 by the then Minister Christine Lagarde and is managed by BPI France and co-created by KfW in Germany. Its key objective was to put growth companies in contact with development partners and with investors in particular. It was initially intended as a French platform, but rapidly expanded to other countries in response to interest received and partnerships with other institutions (e.g. the Hellenic Development Bank). It now has European coverage and is seeking to develop in Africa/MENA region. It also develops globally but more passively and on a more ad-hoc basis. Its focus is on SMEs, in particular very young and innovative enterprises, though recently it has expanded its scope to include as well more mature companies.

Aside from publishing investment projects, it offers several services, including:

- The possibility to organize webinars and e-pitching events
- Access to international matchmaking events
- Digital accreditation by qualified partners and business booster programs

It provides services to 25,000 organisations, including 3,000 investors, 2,000 backing organisations and 20,000 companies. It is free for users though partners pay a contribution.

EuroQuity maintains several partnerships (e.g., with the EIC) amongst which the EIPP. The partnership with the EIPP had been ongoing for four years at the time of the evaluation and has been regarded positively by both partners due to synergies created through complementary services provided and therefore increased visibility attained for both platforms. It entails several activities, including organising events/e-pitching sessions together. So far this partnership, and the e-pitching partnership in particular, has led to the delivery of:

- Around 65 EIPP companies shared also on the EuroQuity portal
- 5 e-pitching events for 23 companies and 65 investors from 20 countries
- 20 matches
- 100% satisfaction rate
- Increased visibility of both platforms

3.3.2 How did the EU intervention make a difference?

3.3.2.1 EU Added Value

Given its mandate, the EIPP surpassed expectations in its role of proactively animating the platform, supporting projects in achieving financing, delivering events, and developing partnerships to insert itself more effectively in the investor community. It provided EU added value through such activities, for example organising joint events with its partners. Box below summarises the EU added value derived by EBAN from its partnership with the EIPP.

Box: EBAN

EBAN is a pan-European representative for the early-stage investor community. It gathers over 100 member organisations across over 50 countries. Its main activities include connecting to the early-stage ecosystem, sharing knowledge and best practice through events and webinars, training and professionalising early-stage investors and entrepreneurs, capacity building with local ecosystems, conducting relevant research and supporting and promoting scaleups.

EBAN partnered with the EIPP and mainly draws upon it to collect, screen and review projects that could be presented to the EBAN investor community during their annual events. These events typically include the selection of around 30 companies (from around 200 applicants) that are presented to investors. At the last event six companies secured funding. The rate of financing secured is relatively high since EBAN conducts the screening of projects to present upfront. The main added value from working with the EIPP from EBAN's perspective centres around the fact that it:

- Is EU-focussed
- Is neutral, public, and free of charge
- Provides a list of projects that EBAN can draw upon to present to its network of investors

Overall, there is mixed evidence regarding the comparative advantage of the EIPP relative to other, similar initiatives (listed in Table 17 above). Feedback from two interviewees consulted as part of this study (an EU Directorate General and an EIPP partner) stated that the main benefit of the EIPP relative to other Commission-led initiatives was the vetting of both projects and investors (for projects this is a confidential internal process). Whereas this was resource intensive, two interviewees stated that it was seen as a quality stamp for investors. One of EIPPs partners stated that because of this, working with the EIPP was particularly beneficial since its projects were always of a very high quality. Another noted that the vetting functionality allowed the EIPP to enjoy a higher deal flow and a critical mass of both investors and projects. Feedback from interviews and case studies highlighted that some other benefits of the portal, relative to similar initiatives, were related to the:

- Structure and quality of matchmaking and deal flows
- EU coverage
- Neutrality
- Fact that it is free of charge
- Option to participate in online pitching, networking, and matchmaking activities
- Portal newsletter

Nonetheless, evidence gathered suggested that other, similar initiatives either offered similar benefits or indeed benefitted from comparative advantages relative to the EIPP. For example, both the EIPP and EuroQuity draw upon the European Commission guarantee of project quality: the 'Seal of Excellence' to qualify their deal flows, which is a label given to companies that have been successful in highly competitive evaluation processes conducted by independent experts in the context of the SME Instrument of the EIC accelerator giving prominence to these through the use of tags/labels (in the EIPP case since 2018). This highlights the quality and business potential of projects. Further, organisations present on the EIC Community Platform are those that have received EIC funding or support (as described in Table 17 above), which can also be viewed as a signal of quality. In addition, the EIPP over time developed its approach to be more company-based rather than project-based, and it moved away from its focus on large infrastructure projects and towards SMEs. While this was a helpful move for gaining traction in the EIPP, it may negatively impact its added value, since its positioning is now more similar to that of EuroQuity or EIC Community Platform. Related to this, some evidence gathered suggested that EuroQuity or EIC Community Platform had more functionality compared to the EIPP / were more useful.

In fact, feedback from case studies highlighted that there is scope to improve the added value of the portal. Two case studies concluded that to increase its added value, the EIPP should focus on further animating the portal, and ensure it is well inserted into the ecosystem and connected with similar platforms and networking partners.

3.3.3 Is the intervention still relevant?

3.3.3.1 Relevance

There has been a growing interest in the EIPP both in terms of the number of projects listed on the portal as well as website visitors. The interim evaluation of the EFSI regulation found that shortly after its launch, the portal had generated a relatively high number of visits, contacts between promoters and investors, and events across Member States. Based on this, it concluded that as intended, the EIPP was answering a general need for more transparency of investment opportunities in the EU and was therefore relevant. Since then, interest in the EIPP has grown, as evident by the increasing number of visitors to the EIPP website (Figure 28). Moreover, the progress achieved in terms of the number of projects uploaded to the EIPP had surpassed milestone expectations by 2018, and this trend continues (Figure 29). Several activities contributed to these developments as specified in the box below.

Figure 28. Number of visitors to the EIPP website over time

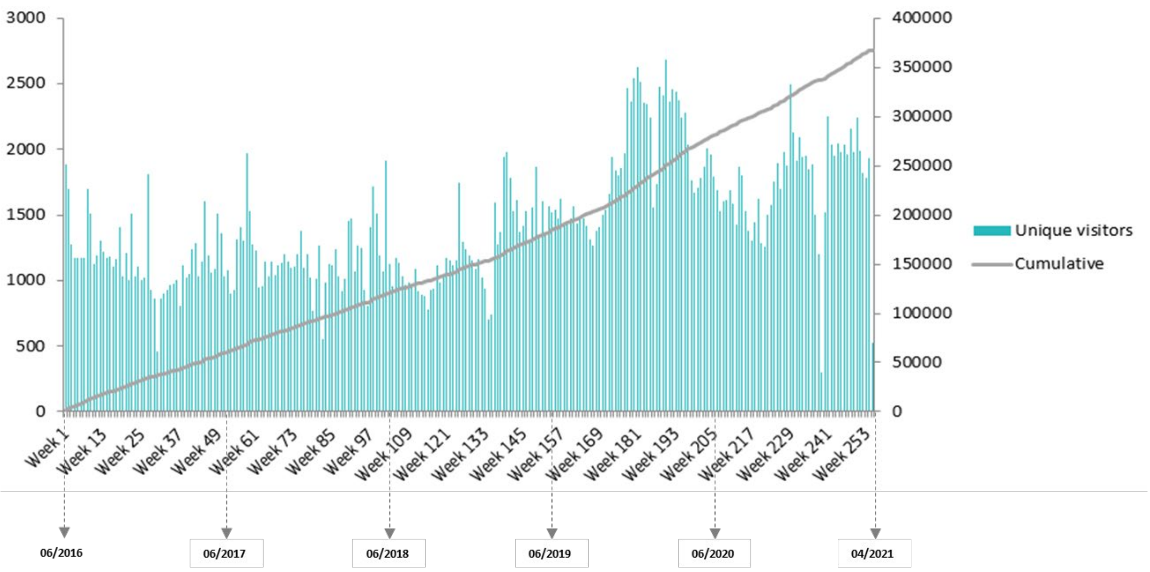
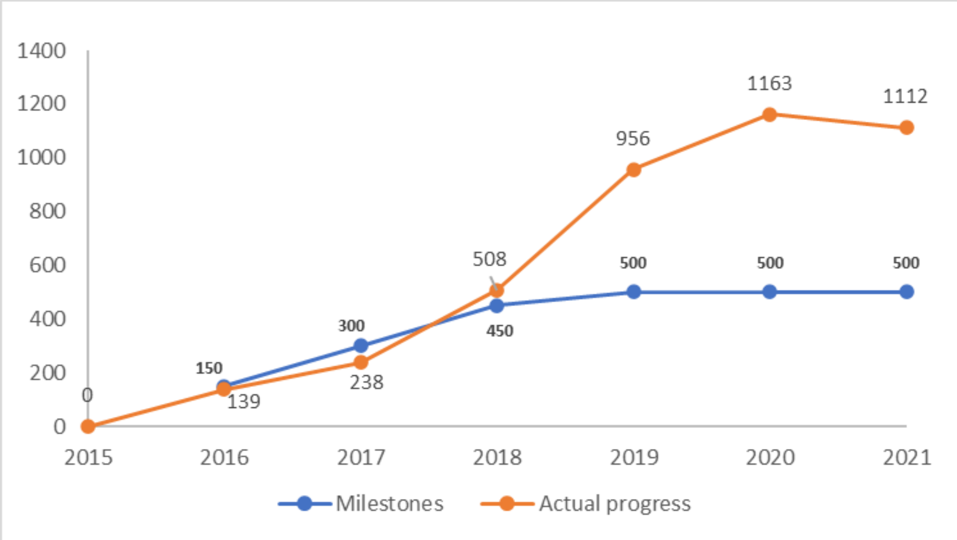


Figure 29. EC EIPP KPIs and KMIs. Week 1: 06.-12.06.2016 - Week 254: 2021-04-12,2021-04-18. Data based on number of unique visitors for which the cumulative was calculated by the EC.Number of projects uploaded to the EIPP against milestones



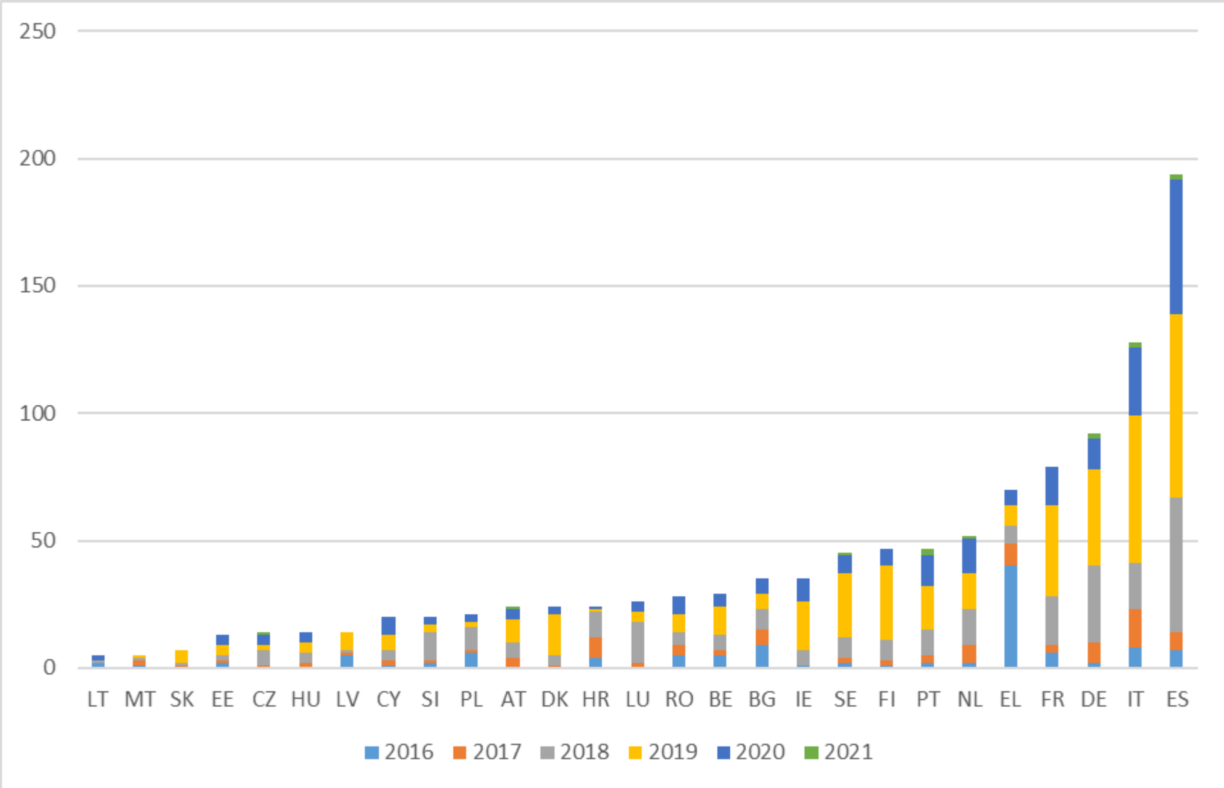
Programme statement 2023

Box: EIPP promotional activities

- *Development of videos about the EIPP* that were made available on the EIPP homepage or the European Commission's website.
- *Organisation of, and participation in events and meetings*. As of 2018, the EIPP participated in, either by being present in a booth or delivering a speaking slot, 92 events and meetings where potential stakeholders (project promoters and investors) were present. In terms of promotional events only, in total the EIPP attended or helped organise a total of 72 events as of April 2021, of which 32 were conducted in 2019, 16 in 2019, 18 in 2020 and 6 in 2021. Events were most commonly held online (18 events in total were held online), though the second most common location for meetings was in Belgium (12). At least one event was conducted in 20 Member States, though Luxembourg, Germany, Austria, the Netherlands and Portugal hosted over two.
- *Development and distribution of promotional materials* providing information about the EIPP and its relevance/use for different types of stakeholder as well as information about how to participate in the portal in different EU languages.
- *Set-up of formal and informal partnerships/collaborations* with, for example, the European Business Angels network (EBAN), European Network of Research and Innovation Centres and Hubs (ENRICH), and BPI France. This included attending events e.g., the European Angel Investment Summit, organised by DG GROW. DG GROW also promoted the EIPP during events they organised

The EIPP has provided a platform on which projects from across all 27 MS have been promoted. Figure 30 below shows evidence from the portfolio data on EIPP and the EIPP survey regarding the geographical distribution of projects received and published over time. This shows that, overall, relatively more projects were received and published from some Member States, such as Germany, Greece, Spain, France, Italy (and the UK until 2020). This is highlighted through evidence from interviews, with one interviewee mentioning the geographical concentration of projects from Italy, France, Germany and Spain. It is important to note that this trend is to some extent expected since larger Member States can be expected to develop more projects.

Figure 30. Share of projects published on the EIPP across countries and over time

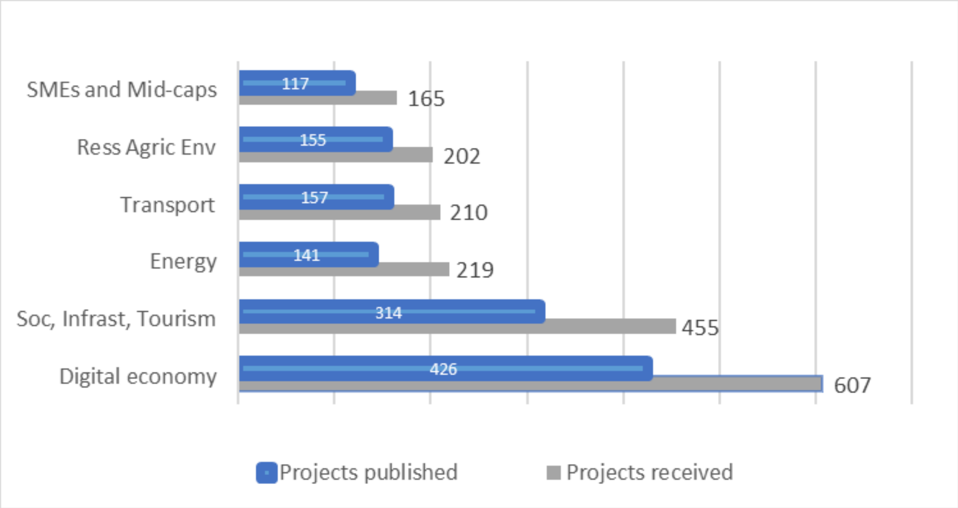


DG ECFIN Portfolio data on EIPP: published projects EIPP 20.04.21

The EIPP has also served as a platform for projects across a range of sectors. The largest sectoral group amongst projects that were received and published by the EIPP were within the digital economy sector, followed by social, infrastructure and tourism. The smallest sectoral group for received and published projects was SMEs and mid-caps[120]. The second smallest group of projects published were within the energy sector, despite this being the third largest group in terms of projects received.

[120] However, it is important to note here that SMEs and mid-caps are certainly represented within other sectoral categories. In fact, data on the projects published on the EIPP (as of April 2021) revealed that of the 1112 projects published 1010 were SMEs and 15 mid-caps. There were 79 missing values (i.e., projects for which this information was unavailable). Therefore, the number of SME/ mid-caps has in reality been higher.

Figure 31. Number of projects received and published on the EIPP across sectors



DG ECFIN Indicators EIPP 2018-2021; ICF Analysis

User feedback suggests that the portal is relatively easy to use, although there is some scope for improvement. For example, evidence from the EIPP survey found that most respondents (a minimum of 85% across all years for promoters and 79% for investors) found it easy to submit their projects to the portal or register as an investor. However, feedback from one case study interviewee mentioned there was room for improvement in terms of the EIPP's user experience and interface. Once on the EIPP, projects were, according to feedback from two interviewees, relatively clearly described for potential investors. However, two interviewees (a policymaker and one investor) called for additional information to be provided regarding projects on the portal. Despite the fact that investors are able to contact project promoters to obtain additional information, the investor consulted highlighted the need for additional information on the projects that are looking for investment such as the background of founders, and key performance indicators on their size, results and market traction, to render them more appealing.

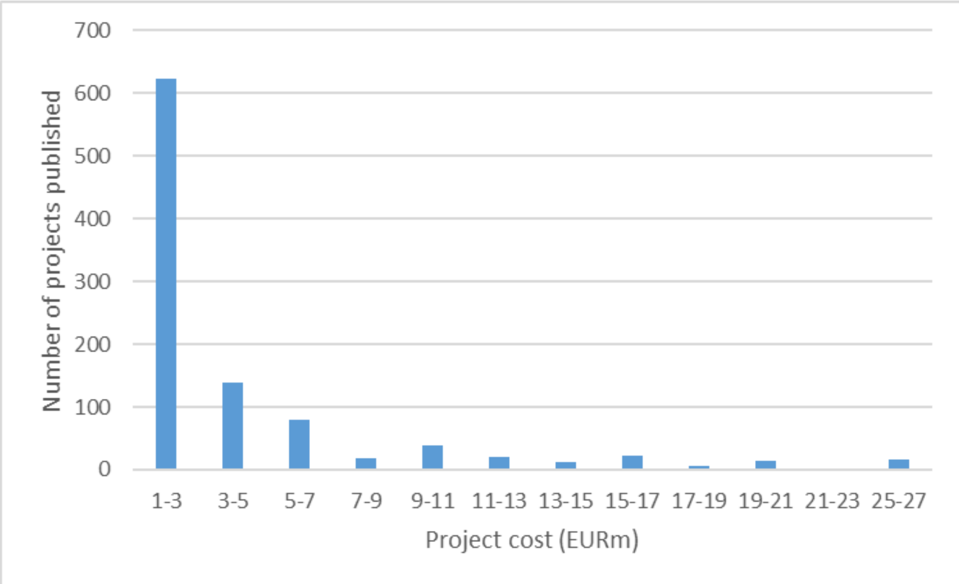
The changes introduced in 2017 were viewed as positive and beneficial to the relevance of the portal. The new features included lowering the minimum project size and making publication free of charge to promoters. According to the interim evaluation and feedback from interviews, the removal of publication fees (of around 100 EUR) reduced administrative burdens involved in publishing projects and reduced the barriers that this fee was found to create for some projects. The lowering of the minimum project size from 10m EUR to 1m increased the ability of SMEs and eventually also start-ups to access the portal. This possibly explains why the number of SMEs publishing projects to the portal increased from 49 in 2016 to 256 in 2018 and 400 in 2019. At the same time, the number of mid-caps and large companies decreased over time, according to EIPP data on published projects.

The listing of projects from start-ups or early-stage companies on the portal was generally seen as a positive development. It mirrored the change in focus of the portal away from larger infrastructure projects that Member States could place on the portal, since this was found to gain little traction. This trend was visible in the following indicators

- The vast majority of companies on the portal were SMEs (96%, according to DG ECFIN Indicators EIPP 2018-2021) and many micro sized companies (i.e., employing under 10 staff) according to EIPP surveys of project promoters.

- Close to a quarter of overall published projects were in the relatively early stages of structuring and pre-feasibility (according to DG ECFIN Indicators EIPP 2018-2021)
- In fact, portfolio data for EIPP showed a skewed distribution of project sizes (Figure 32), with many more projects sized closer to the minimum of 1m EUR. In fact, of the 1112 projects published onto the portal, 387 (or 35%) had a project cost of under 2m EUR, and 236 (21%) between 2-3m EUR. Overall, 900 of the 1112 projects (81%) were valued at under 11m EUR, with the remaining 211 (19%) being spread across values of between 11m to 45 bn EUR. Interestingly, one interviewee noted that a project size of 1m was still relatively large for some SMEs, depending on the type of business (e.g., an e-commerce business would require less funding than one based on medical technology). In fact, the InvestEU portal further lowered the minimum size to 500,000 EUR to enable it to cover an even broader range of projects.

Figure 32. Frequency distribution of projects published on the EIPP by project size (number of projects within project cost group in EURm)



DG ECFIN Portfolio data on EIPP: published projects EIPP 20.04.21

4 What are the conclusions and lessons learned?

4.1 Conclusions

4.1.1 European Fund for Strategic Investments (EFSI)

EFSI played an important role in accelerating and incentivizing investment in Europe and by doing so, contributed to reducing the investment gap. As of 31 December 2021, EUR 87bn of EFSI financing had been signed: EUR 60bn under the Infrastructure and Innovation Window (928 signed operations) and EUR 27 bn under the SME Window (812 signed operations). These operations mobilised EUR 492 bn of private and public investment over the period 2015-2021 (this investment will actually be spread over a longer period). EFSI is on track to achieve its target of mobilising EUR 500 bn of investment based on signatures by the end of 2022. In terms of sheer volume, EFSI mobilised investment accounted for a significant share of the cyclical investment gap during this period. However, not the entire volume of this investment is fully attributable to EFSI. Other EU financial instruments and programmes have also contributed to mobilizing a part of this investment. Moreover, evidence from interviews and surveys of project promoters suggests that alternative sources of finance were available to many EFSI-financed operations. As such, it is plausible that many of the EFSI financed operations might have taken place anyway (although it is difficult to establish this with certainty), the investment would have taken place at a reduced scale and a slower pace, and on less favourable conditions, thus affecting the cost, timetable, scope and/or quality of the investment. Hence, in absence of EFSI, it would have taken longer to close Europe's investment gap and the low-investment dynamic would have been prolonged. EFSI also supported investment activity indirectly, by focusing policy attention and resources on investment at a national level.

EFSI was particularly successful in crowding-in private sector financing. 72 percent of the investment mobilised by EFSI is expected to come from private sources. Private investment was incentivised by offering features and other non-financial advantages that were not available to project promoters from alternative sources (private or public). These included: size of EIBG financing; lower interest rates/ cost compared to prevailing market interest rates; flexible conditions; long tenor; tailored financing solutions including subordinate position; technical and legal due diligence; quality stamp/ reputational benefits; and stability of financing. ("patient financier") Some data or testimonies suggest that EFSI might have also crowded-out private or NPBI finance in a few instances, but this is difficult to prove.

The EU guarantee enabled the EIB Group to take more risk. While some examples of operations can be found which could certainly have been delivered without EFSI, the EIB Group would not have been able to finance the entire EFSI portfolio on its balance sheet in absence of the EU guarantee without adversely affecting its credit rating, capital consumption and financial sustainability. The EFSI portfolio is fundamentally different from the EIB's standard operations in terms of its risk profile (both of the operations as well as of the borrowers), average size of operations, complexity (new markets, new clients and the nature of products deployed e.g. risk sharing instruments, capital market instruments, venture debt/ quasi-equity, private debt, equity (VC/PE). As far as the EIF is concerned, it has limited capital to deploy and has to rely on mandators' resources to carry out most of its activities.

On the back of this guarantee, the EIB Group was able to address a range of market failures and sub-optimal investment situations across geographies and thematic areas. At a geographic level, the distribution of EFSI financing was well aligned with country level investment gaps. Generally, countries that received a higher share of EFSI financing relative to their GDP share were also the countries with some of the highest investment gaps (e.g. Spain and Greece) or low levels of investment relative to other Member States (e.g. Bulgaria). But there are some exceptions e.g. Ireland and the Czech Republic received a relatively low proportion of EFSI financing relative to their GDP share and the size of the investment gap. The market-driven nature of the instrument, the dynamism of the respective economies and financing absorption capacity etc., affect the take-up of the instrument. In terms of thematic focus, EFSI financing was well targeted to areas where the private sector is less likely to invest on its own e.g. supporting investment in new/ unproven technologies; financing large, complex projects; investing in social objectives and public goods.

EFSI contributed to improving the availability of finance for businesses across Europe, particularly those segments that were under-served by the market. Hundreds of thousands of businesses across Europe have benefitted from EFSI financing. While much of EFSI support was focused on start-ups, micro enterprises and SMEs, EFSI financing was also used to address the financing needs of mid-caps not able to get financing on suitable terms from the market. Additionally, EFSI contributed to addressing the needs of under-served / niche segments such as social enterprises, innovative businesses, and businesses in specific segments such as agriculture and culture and creative industries. EFSI resulted not only in improved availability of finance for these businesses, but also better conditions (e.g. lower interest rates, lower collateral requirements, longer repayment period and lower down-payments). More widely, EFSI contributed to diversifying the sources of finance available to businesses by supporting the development of equity, private debt and alternative finance markets. These results would have been difficult to achieve without EFSI support, though inevitably there is some ‘deadweight’.

Overall, the macro-economic impact of EFSI is expected to be significant. By 2025, EFSI is expected to create 2.1 million jobs and increase EU GDP by 2.4 percent compared to the baseline scenario[121]. EFSI will particularly benefit Cohesion regions and crisis affected countries in terms of job creation and growth.

Other key achievements of EFSI include:

- Supporting Europe’s net-zero transition by financing a range of climate action projects (renewable energy, energy efficiency, low carbon technologies etc.). In fact 44 percent of EFSI-IIW financing went to such projects.
- Alleviating the impact of the Covid-19 pandemic by enabling a quick and flexible response.
- Channeling private capital to social objectives e.g. social housing, long term care, education.
- Improving the efficiency of public spending. The target multiplier effect (15) was exceeded and as such, EFSI leveraged a critical mass of resources to get investments off the ground. EFSI also proved the efficiency and viability of a budgetary guarantee as an additional policy instrument (on top of grants and classical EU financial instruments) to achieve policy objectives.
- Instigating a mind-shift in how public policy is delivered e.g. more joined-up approach and the use of budgetary guarantees to channel resources to policy objectives.
- Developing cooperation between the EIBG and national promotional banks and institutions (NPBIs).

Overall, EFSI had a clear and demonstrable EU added value. The benefits of EU level action (as opposed to Member States acting alone) related to the financing of multi-country operations; moving forward international cooperation (e.g. European Securitisation Initiative); providing a proof of concept for budgetary instruments as a tool for mobilising private investment efficiently and effectively; developing institutional capacities within NPBIs to implement guarantee schemes and investment

[121] EIB (2021) Macroeconomic Impact of the European Fund for Strategic Investments. Complementary section to the Evaluation of the European Fund for Strategic Investments 2021

platforms; piloting and scaling-up of niche products such as venture debt and addressing gaps in niche/under-served segments (e.g. equity, agriculture, micro-finance, leasing).

However, EFSI created overlaps with existing EU instruments which needed to be addressed. EFSI was launched after the MFF for 2014-2020 had already entered into force. The creation of EFSI thus, resulted in overlaps with several centralised EU financial instruments that were already under implementation. To address these overlaps, various adjustments were made to both EFSI as well as existing centralised financial instruments e.g. refocusing certain instruments and/or developing a deal allocation policy formalising the preferential use of the EFSI. As far as de-centralised financial instruments are concerned, the evaluation found some evidence of overlaps between EFSI support and these instruments in some Member States in the area of SME financing e.g. Poland.

A de-risking **instrument such as EFSI remains relevant going forward.** Europe needs large amounts of investment to meet its policy objectives and address societal needs. Both the public and private sector will need to significantly step-up investment to achieve the EU’s structural transformation to a carbon-neutral and digital economy as well as strategic autonomy in areas such as energy, semi-conductors, artificial intelligence. The uncertainty created by Russia’s war in Ukraine, energy crisis, and knock-on effects of the pandemic will constrain investment going forward. In such a context, public sector will need to take more risk to unlock private investment in critical areas. EFSI has demonstrated the value of (a) a budgetary guarantee based instrument and (b) EU level action in tackling common problems.

4.1.2 European Investment Advisory Hub (EIAH)

EIAH has started generating a pipeline of investible projects. Given the limitations of available indicators, it remains challenging to comprehensively assess the Hub contribution to investment generation. However, as time elapsed, it became clearer that the EIAH contributed actively to investment generation in general and to the EFSI pipeline in particular, notably through the provision of LPAs (last-mile advisory support). EIAH efforts on this accentuated once this became a clearer priority in the EFSI 2.0 Regulation and focused inter alia on the setting up of investment platforms and Cohesion countries to contribute to the geographical and sectoral diversification of the EFSI pipeline.

For the accomplishment of its mandate, the EIAH managed to reconcile different and to some extent conflicting priorities. On the one hand, it remained demand driven. It assessed all incoming requests for support and catered for all types of needs, including more upstream support. On the other hand, it undertook awareness-raising activities to stimulate high-quality demand for and improve take-up of its services. It remained additional to other EU advisory services, putting in place adequate processes to avoid overlaps / duplication of efforts (monthly EIAH screening group meetings) and providing support only in those cases when such a support was not available through an existing advisory offer at EU level.

The EIAH covered adequately all countries and sectors, directly or through a network of external partners (e.g. EBRD for SME support). It dedicated specific efforts to reach Cohesion countries who are the main recipients of Hub support (for EIAH direct assignments and EBRD assignments). Efforts were also made to build the advisory capacities of NPBs notably in less developed markets through the use of grant funding agreements, but there were limitations in that regard (absence of advisory mandates, difficulties meeting co-funding requirement, heavy administrative requirements). In theory, the EIAH services targeted both public and private sector projects, but notably given its pricing policy, the Hub support was more attractive for the public sector. Private project promoters had to pay to access EIAH services and in that context were better served by other existing advisory offers (available for free, e.g. InnovFin Advisory).

EIAH support provided EU added value. Key elements of EU added value included advice on EU regulatory requirements; sharing of best practice across Member States while still considering the local context when providing hands-on, practical support; credibility of the outputs with the Hub / EIB / EU seal of approval; high level of expertise. A differentiator is also the QA / peer-review aspect of the work that is typically provided when EIB experts supervise and review the work of the external service providers that are hired on EIAH assignments. As such there is no obvious form of alternative support that would be equivalent to EIAH support, even if advisory offers exist on the market place.

There remains a need for EU level advisory services going forward. Despite the existence of a supply of advisory services on many markets, the existence of availability, access and affordability issues, pointed by previous market gap analyses, are likely to persist going forward. Needs and demands for advisory services are in fact expected to increase as InvestEU has become more thematically oriented and given the need to accompany the green and digital transitions.

Under EFSI, EIAH was an entry point and effectively coordinating with other EU programmes. It was however not a single entry point. With all EU advisory initiatives now under one roof, the InvestEU Advisory Hub will now have the potential to fully act as the central and unique entry point for any advisory and technical assistance requests.

4.1.3 European Investment Project Portal (EIPP)

EIPP has contributed to improving the visibility of published projects. Generally, given the number of projects which are published online and website usage statistics, the EIPP can be said to have improved the visibility of published projects. A key limitation however, to comprehensively assess visibility impacts, is that the EIPP does not communicate on number of investors registered on the EIPP.

Beyond visibility, there were few expectations or concrete targets set for the EIPP and broader impacts of the EIPP are hard to measure. There were relatively few expectations or concrete targets set for the EIPP, particularly in relation to generating investment opportunities for EFSI or the investor community more widely. The EIPP does track the investment success stories, which have increased over time, concerning about 80 projects as of end April 2021. The indicator monitors the total number of projects receiving financing after being published on EIPP. The financing may -or may not- be the result of the project being on the EIPP, as it is difficult to discern the EIPP role in that regard.

The EU added value of the portal improved over time thanks to EIPP proactivity and partnerships, but remained overall limited. In practice, the EIPP faced challenges in embedding itself within the investor ecosystem (e.g., related to scam investor contacts, the types of projects made available on the portal) which hampered its ability to make fast progress in generating meaningful contacts. The EIPP took relevant steps, proactively animating the platform, supporting projects in achieving financing, delivering events, and developing partnerships to insert itself more effectively in the investor community. This improved EU added value over time, but the initial challenges affected perceptions of the portal, fostering some scepticism both from the perspective of investors and project promoters.

Improvements need to be made to ensure the relevance and usefulness of the Portal going forward. There exist several other, similar initiatives to the EIPP, some of which either match or have comparative advantages relative to the EIPP in key areas (e.g., how they qualify deal flow, insertion into the investor community) and compete for the time and attention of investors. Going forward there is need to further develop partnerships in particular with EIC online community to ensure there are no duplications of such platforms at an EU level. There is a general feeling that the EIPP should be better communicated to stakeholders that are less familiar with/involved in EU projects or generally within the EU "ecosystem". InvestEU may take steps towards achieving this to increase the chances of facilitating financing and meaningful contacts for promoters.

4.2 Lessons learned

The main lessons learned from this evaluation are summarised below:

- Agility and flexibility were key to the success of EFSI, e.g. the possibility of moving money between windows, developing and testing new types of financial products, introducing measures to enable a quick response during Covid-19 etc. All these factors contributed to a high level of relevance and effectiveness. This flexibility needs to be maintained going forward.
- While the emphasis on volume and a broad understanding of strategic sectors or strategic investments is justified during downturns and crisis situations, the focus should mostly be on explicit 'policy return' during normal times[122] (by targeting projects or sectors with a clear policy impact and strong additionality). The expectations of additionality however, need to be managed against the requirement for a balanced portfolio, market-driven nature of the instrument and the flexibility/ agility to respond to changing circumstances.
- Recognising the limits of an instrument such as EFSI. On the one hand, the high volume of private sector financing and investment mobilised under EFSI, could not have been achieved by grants only. On the other hand, not all strategic investments can be financed by EFSI or successor programmes e.g. early stage research. Likewise, in the area of SME financing, it is not possible to attract commercial intermediaries on all market failures even when they benefit from a guarantee.
- Generally speaking, continuity of a 'promotional programme' such as EFSI is important. Promotional programmes are a key part of the financial eco-system and essential in market segments where private finance is less likely to be forthcoming (e.g. situations of market failure and crisis conditions).
- Alongside the more thematic interventions, generalised financial products (e.g. COSME type interventions) should be retained in the product toolbox as they enable a quick response to crisis situations.
- The market-driven nature of an instrument such as EFSI means that it is designed to respond to demand rather than needs. Given the nature and scale of investment needs facing Europe and the highly thematic nature of the InvestEU fund (the successor to EFSI), proactive and concerted efforts will be required to stimulate demand, support pipeline generation and to channel private capital to areas of policy impact and areas characterised by deep and stubborn market failures.
- Related to the above point, the provision of advisory services should not be entirely demand driven. Advisory services could play a role in stimulating and shaping investment demand along clear thematic policy priorities (e.g. green and digital transition).
- The experience of implementing IPE demonstrated that there are inherent trade-offs in an intervention of this nature, which need to be carefully balanced. For example:

[122] Periods characterized by political and macro-economic stability

- On the one hand, EFSI exceeded its target for financing of climate action. On the other hand, EFSI also financed projects with negative environment externalities such as motorways and airports, as these addressed sub-optimal investment situations in specific regions or countries. The twin goals of climate neutrality and economic growth can be mutually reinforcing, but there are also situations where these two goals involve trade-offs. Efforts could be made to support a portfolio of projects where such trade-offs are minimised.
- Balancing risk taking with policy impact. The level of risk taking needs to be commensurate with the level of provisioning. In the case of EFSI, the level of around a third operations with investment grade borrowers supports a balanced portfolio and is a precondition for the choice of the provisioning rate (35 percent). This implies that financing from an instrument such as EFSI cannot be fully used to only support sub-investment grade operations. A balanced portfolio approach is necessary.
- In the case of advisory services, there needs to be balance between thematic support and horizontal advisory support services. In using advisory services to support pipeline generation, mechanisms need to be built-in to also avoid selection bias (selection of projects that are almost investment ready and thus, have limited additionality).

- There is a need to sustain efforts to reach out to all geographies and sectors as well as ensure balanced coverage of hard-to-reach areas. Under the EIAH, this was done by establishing a network of external partners and going through the EIB contracting procedures. Under the InvestEU Advisory Hub, there will be the possibility to have multiple implementing partners. Given the difficulties in deploying funding agreement for the provision of local advisory services by NPBIs under EIAH, the pool of potential direct advisory partners can however be expected to remain limited. The efforts to build the advisory capacities of the NPBIs through the InvestEU Advisory Hub will need to continue to ensure there are no gaps (within the limits imposed by the legal mandates of certain NPBIs)
- As far as the portal is concerned, flexibility and responsiveness to feedback are important features, to enable it to continue to stay relevant to both project promoters and investors in changing and diverse contexts whilst ensuring alignment with the wider goals and focus for the tool. In this context, perceptions can play a relatively important role in affecting the success of an intervention. Scepticism regarding the quality of portal projects or the usefulness of the portal in generating meaningful contacts can create important challenges in generating interest and momentum.
- Clear direction is needed regarding the importance of and focus on the portal as a key pillar within the wider programme going forward. There is a need for, and interest in a tool such as the portal. Setting more stretching and fixed targets/goals, or focussing instead on leveraging existing portals/platforms, may help generate momentum and therefore greater value for money in terms of the investment made into the portal.
- Finally, the IPE experience also highlights the importance of (a) a streamlined and nimble governance structure with clearly defined roles and responsibilities, relevant expertise and institutional representation, a pan-European perspective and highly in-tune with and responsive to policy and market developments (b) transparency and information sharing to ensure stakeholder buy-in and to avoid misconceptions.