European Commission

Interim evaluation of the InvestEU Programme

Final Report

Written by Charu Wilkinson (team leader), Silja Russell, Federico Mammana, in association with Matthias Kollatz, Barry Kolodkin, Angina Jugnauth, Juliette Mathis, IOBE, PAG Uniconsult, Maria Lopez, Diana Mori, Caroline Euler, Clara Cotroneo

July 2024

ICF

EUROPEAN COMMISSION

Directorate-General for Economic and Financial Affairs

Directorate L — InvestEU & financial institutions

Unit L.4 — Investment programmes management

Contact: Alina Tanasa, Pierfederico Asdrubali

E-mail: Alina.TANASA@ec.europa.eu, Pierfederico.ASDRUBALI@ec.europa.eu

European Commission
B-1049 Brussels

EUROPEAN COMMISSION

Interim evaluation of the InvestEU Programme

Final Report

Directorate-General for Economic and Financial Affairs
InvestEU Programme

July, 2024

EUR 978-92-68-20832-8 EN

Manuscript completed in July 2024

Final edition

LEGAL NOTICE

The information and views set out in this report are those of the authors and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this study. Neither the Commission nor any person acting on the Commission's behalf may be held responsible for the use which may be made of the information contained therein.

PDF	ISBN 978-92-68-20832-8	doi:10.2765/0791785	KC-01-24-000-EN-N

Luxembourg: Publications Office of the European Union, 2024

Table of Contents

List of abbreviations

AP	Advisory Partner
AFIF	Alternative Fuels Infrastructure Facility
BDB	Bulgarian Development Bank
BGK	Bank Gospodarstwa Krajowego
CA	Contribution Agreement
CCS	Culture & Creative Sector
CDC	Caisse des Dépôts
CDP	Cassa Depositi e Prestiti
CDPE	Cassa Depositi e Prestiti Equity
CEB	Council of Europe Development Bank
CEF	Connecting Europe Facility
CINEA	European Climate, Infrastructure and Environment Executive Agency
CMU	Capital Markets Union
COSME	Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises
CPF	Common Provisioning Fund
CRM	Critical Raw Material
DG BUDG	Directorate-General for Budget
DG CNECT	Directorate-General for Communications Networks, Content and Technology
DG CLIMA	Directorate-General for Climate Action
DG DEFIS	Directorate-General for Defence Industry and Space
DG EAC	Directorate-General for Education, Youth, Sport and Culture
DG ECFIN	Directorate-General for Economic and Financial Affairs
DG EMPL	Directorate-General for Employment, Social Affairs and Inclusion
DG ENV	Directorate-General for Environment
DG GROW	Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
DG MARE	Directorate-General for Maritime Affairs and Fisheries
DG MOVE	Directorate-General for Mobility and Transport
DG RTD	Directorate-General for Research and Innovation
DG SANTE	Directorate-General for Health and Food Safety
DNSH	Do No Significant Harm
EaSI	Employment and Social Innovation Programme
EBAN	European Business Angels Network
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECA	European Court of Auditors
EEN	Enterprise Europe Network
EESC	European Economic and Social Committee
EFSD	European Fund for Sustainable Development

EFSI	European Fund for Strategic Investment
EFTA	European Free Trade Association
EGG	European Green Guarantee
EIAH	European Investment Advisory Hub
EIB	European Investment Bank
EIBG	European Investment Bank Group
EIC	European Investment Council
EIF	European Investment Fund
EIPP	European Investment Project Portal
EIT	European Institute of Innovation and Technology
ELENA	European Local Energy Assistance
ELTI	European Long-Term Investors Association
ENRICH	European Network of Research and Innovation Centres and Hubs
EP	European Parliament
ERDF	European Regional Development Fund
ESCALAR	European Scale-up Action for Risk capital
ESIF	European Structural and Investments Fund
ETS	(EU) Emissions Trading Scheme
EURI	European Union Recovery Instrument
FI	Financial Institution
FLP	First loss piece
FLRC	First loss risk cover
FOAK	First of a kind
FoF	Fund of funds
FTTH	Fibre to the home
FTTP	Fiber to the Premises
GA	Guarantee Agreement
GRF	Guarantee Request Form
HERA	Health Emergency Preparedness and Response Authority
IC	Investment Committee
ICO	Instituto de Crédito Oficial
ICT	Information and Communication Technology
IFIsIFI	International Financial Institution
IEA	International Energy Agency
IP	Implementing Partner
JASPERS	Joint Assistance to Support Projects in European Regions
JTS	Just Transition Mechanism
KfW	Kreditanstalt für Wiederaufbau
KMI	Key Monitoring Indicators

KPI	Key Performance Indicators
LGF	Loan Guarantee Facility
MFI	Microfinance Institutions
MFF	Multiannual Financial Framework
MIS	Management Information System
MoU	Memorandum of Understanding
MS	Member State
MS-C	Member State Compartment
NBFI	Non-Bank Financial Institution
NGEU	NextGenerationEU
NIB	Nordic Investment Bank
NPBIs	National Promotional Banks or Institutions
NRB	Národní rozvojová banka
PE	Private Equityequity
PMV	Participatiemaatschappij Vlaanderen
PPP	Public Private Partnerships-private partnerships
PRD	Policy Review Dialogues
PSLF	Public Sector Loan Facility
PV	Photovoltaic
RDI	Research, Development, and Innovation
R&I	Research and Innovation
RDIW	Research, Innovation, and Digitalisation Window
RRF	Recovery and Resilience Facility
RRP	Recovery and Resilience Plan
SIW	Sustainable Infrastructure Window
SISW	Social Investment and Skills Window
SME	Small and medium-sized Enterprisesenterprises
SMEW	Small and Medium-sized Enterprises Window
SIFTA	Social Inclusive Finance Technical Assistance
STEP	Strategic Technologies for Europe Platform
TEN-T	Trans-European Transport Network
ToR	Terms of Reference
VaR	Value-at-Risk
VC	Venture capital
VD	Venture debt
VHCNs	Very high capacity networks

Executive summary

The InvestEU Programme

The InvestEU Programme is a strategic initiative designed to support investment across the European Union (EU) through a policy-driven and market-based approach. It has three components: the InvestEU Fund, the InvestEU Advisory Hub, and the InvestEU Portal. The InvestEU Fund leverages an EU budgetary guarantee of EUR 26.2 billion to enhance the risk-taking capacity of Implementing Partners (IPs), enabling them to expand their financing for investments aligned with EU policy objectives. The InvestEU Advisory Hub focuses on enhancing the quality and readiness of investment projects while fostering the development of investment ecosystems. The InvestEU Portal aims to improve the visibility and accessibility of investment opportunities within Europe, making it easier for investors to find and support promising projects.

Structured around four policy windows, InvestEU supports specific sectors and activities aligned with EU policy objectives: the Sustainable Infrastructure Window (SIW), the Research, Innovation, and Digitalisation Window (RIDW), the Small and Medium-sized Enterprises Window (SMEW), and the Social Investment and Skills Window (SISW). With a sharp policy focus, particularly on the green transition, InvestEU dedicates substantial funds to climate and environmental projects, and supports green finance through taxonomy-inspired financial products such as the Sustainability Guarantee.

InvestEU introduces several novel features. It unifies 13 previous EU financial instruments and a budgetary guarantee, as well as 13 previously separate advisory support initiatives into a single, cohesive investment support programme. While the European Investment Bank (EIB) Group remains the main partner, implementing 75% of the EU budgetary guarantee and the Advisory Hub budget, InvestEU's open architecture also welcomes National Promotional Banks and Institutions (NPBIs) and International Financial Institutions (IFIs), broadening collaboration and expertise. InvestEU also allows for a number of blending options, such as top-ups from other EU programmes to InvestEU financial products, to address entrenched market failures or sub-optimal conditions in specific sectors. The introduction of Member State compartments (MS-Cs) allows Member States to transfer part of their cohesion funds, resources from their RRF funds, or their own resources to InvestEU. This enables them to address specific national priorities and needs while benefiting from the EU guarantee.

This evaluation

Covering the period from 2021 to 2023, this evaluation spans InvestEU's start-up phase. Despite the limited implementation period of less than two years and a still-developing project portfolio, the evaluation provides crucial insights and early feedback on key aspects of the Programme, including its novel features.

The evaluation underscores the transformative potential of the Programme, while highlighting areas for improvement. Beyond fulfilling a regulatory requirement[1], this evaluation aims to foster learning and guide future policy direction. It will contribute to ongoing reflections on the Multiannual Financial Framework (MFF), EU industrial sovereignty and competitiveness, particularly in light of the recent Letta report and forthcoming Draghi report . It is widely acknowledged that the EU must swiftly and significantly scale-up investment to stay globally competitive, drive sustainable growth, and achieve the ambitious goal of becoming a carbon-neutral economy by 2050. InvestEU is a cornerstone of the EU

[1] Article 29 InvestEU Regulation (EU) 2021/523.

policy response, supporting investment – particularly in the private sector – by leveraging proven tools and integrating innovative approaches to tackle current and future challenges. This evaluation examines the foundations of the InvestEU Programme, offering a preliminary assessment of its performance and identifying ways to enhance its relevance and impact.

The evaluation is grounded in a vast body of evidence, utilising both primary and secondary research methods. This includes in-depth analysis of programme documentation and portfolio data, as well as a structured review of academic and grey literature. The factual data are further enriched by extensive stakeholder consultation, through interviews with approximately 150 key stakeholders, survey feedback from project promoters, deep dives, thematic case studies, and participation in relevant events. This comprehensive approach ensures a robust and nuanced understanding of InvestEU's early performance.

Main findings of the evaluation: InvestEU Fund

Despite initial challenges, the InvestEU Programme is now fully operational, with significant progress in guarantee allocations, approvals and signatures. The initial setup of the Programme was complex and challenging, due to the late adoption of the InvestEU Regulation (and other sectoral regulations)[2], the establishment of new systems, processes and teams, and the negotiation of guarantee agreements with IPs. However, implementation is now fully underway: by the end of 2023, 90% of the EUR 26 billion from the EU compartment – augmented by an additional EUR 3 billion guarantee from European Economic Area (EEA)-European Free Trade Association (EFTA) States[3], EU Member States, and top-ups from other sectoral programmes – had been allocated to 16 IPs. That momentum continued, with a second call for expressions of interest launched in October 2023 and substantial progress in approvals and signatures. By the end of 2023, nearly 80% of the EUR 26 billion allocated guarantee had been converted into approved financing, with 30% signed by IPs, resulting in a total signed financing volume of EUR 19 billion. While the NextGenerationEU (NGEU) deadline provided an impetus for approvals, the focus now needs to shift to converting approvals into signed volumes to maximise the Programme's impact on the real economy and securing additional resources to sustain the deployment of successful financial products until the end of the MFF.

By the end of 2023, six MS-Cs had been set up to address specific national needs. These Member States have contributed EUR 1.5 billion for provisioning (nearly 15% of the EU's allocated budget for provisioning). This was facilitated by simplified rules on the implementation of the Do No Significant Harm principle (DNSH) and clarified application of State aid rules. There are ongoing efforts to broaden the scope of Member State compartments beyond small and medium-sized enterprise (SME) financing to address a broader set of national priorities and investment needs.

Blending options within InvestEU are proving a flexible, efficient and effective tool for supporting investments in key policy areas. Firstly, blending is used in the form of top-ups, with EU sectoral programmes offering first-loss protection to specific InvestEU portfolios. There are eight such top-ups, targeting areas historically reliant on grants. Secondly, innovative initiatives such as the EU–Breakthrough Energy Catalyst Partnership and the European Social Fund Plus (ESF+) combine EU sectoral resources with the InvestEU guarantee to provide blended support at recipient level, thus de-risking and incentivising investments. Finally, the InvestEU infrastructure is being used to set up blending facilities even without utilising the EU guarantee (e.g. European Bank for Reconstruction and Development (EBRD) critical raw materials (CRM) facility), allowing the

[2] Delay primarily due to the need to reorganise EU spending during the COVID-19 pandemic.

[3] Iceland and Norway.

Commission to respond to emerging priorities. However, there is room for improvement in the implementation of blending, particularly in predictability and budgetary management.

Under the InvestEU Programme, IPs offer a comprehensive range of financing products to meet diverse market needs. This includes traditional instruments such as senior debt, portfolio guarantees, and indirect equity, alongside innovative offerings. Notable unique products include loans for on-lending (microfinance and social housing from CEB; renewables from the EIB); venture debt (EIB), green securitisation (EIB), project-specific guarantees (CDP, EIB), private credit and capacity-building investments (European Investment Fund (EIF)), and direct equity (InvestNL). The evaluation found no gaps in the InvestEU product offering, which effectively addresses a wide spectrum of needs, ranging from large infrastructure projects to financing for different stages of a company's growth. Looking ahead, it is crucial to ensure that the InvestEU product offerings across IPs are complementary and coordinated, avoiding market competition while ensuring alignment with market needs.

The InvestEU budgetary guarantee demonstrates high additionality. It enables IPs to take on higher risk exposures, allowing them to provide riskier forms of finance (e.g. venture debt, direct equity), address riskier counterparts (e.g. SMEs without collateral and start-ups) and/or finance riskier activities (e.g. demonstration of emerging technologies or large-scale infrastructure projects). By enhancing the risk appetite of IPs, InvestEU facilitates operations that cannot secure market financing under reasonable conditions. Notably, 95% of project promoters reported that their projects would either not have proceeded at all or not have proceeded as planned without InvestEU financing, highlighting its crucial role in enabling or accelerating investment.

InvestEU has a meaningful crowding-in effect, although it cannot be precisely quantified. On the basis of the operations approved by the end of 2023, the InvestEU Fund is estimated to mobilise around EUR 218 billion in investment, of which EUR 141 billion (65%) is expected from private sources. For the EU compartment alone, the Fund is estimated to mobilise EUR 204.8 billion against an expectation of EUR 372 billion by 2028, with an anticipated multiplier effect of 14.77. While these figures reflect private investment taking place with InvestEU support, not solely because of it, the evaluation found substantial evidence of crowding-in. In a survey, 63% of the project promoters reported that the InvestEU guaranteed financing had a critical or significant impact on other financiers' or investors' decisions to commit to the project. Interviews and project deep dives corroborated this finding. However, the total investment mobilised cannot be solely attributed to InvestEU, as other actors and initiatives also contributed. The primary mechanism for crowding-in capital is the de-risking provided by IPs through financing, quality assurance and structuring input, as well as advisory support in certain cases. This de-risking effect encourages other financiers and investors to participate, amplifying the impact of InvestEU beyond its direct contributions.

While it is still too early to judge the effectiveness and impact of the InvestEU Programme, early signs are promising and indicative of its transformative potential. The InvestEU Programme is supporting the EU's twin transition (green and digital) via multiple channels. It is strategically deploying public funds to de-risk and catalyse investment, building and shaping markets by investing in emerging technologies (e.g. space, dual use technologies, semi-conductors, blue economy, quantum computing), pioneering new targeted financial products, and offering comprehensive advisory services to build market and institutional capacity. Initial investments strongly align with EU policy objectives. The Programme is investing in productivity-enhancing activities and investments with significant spillover effects, such as green investment, research, development and innovation (RDI), and social investments. This will contribute to jobs and growth in the years to come. InvestEU is thus not only supporting immediate investment needs, but laying the groundwork for the EU's long-term competitiveness.

Guarantee instruments such as InvestEU are inherently efficient for the EU budget, offering advantages over grants and financial instruments through their partial provisioning and higher multiplier effect (as compared to grants). Cumulative payment appropriations to the Common Provisioning Fund (CPF) for InvestEU by the end of 2023 amounted to EUR 3 billion. Of this, a small amount had been consumed. This modest consumption reflects the Programme's early phase – revenues, returns and potential losses will materialise over a period of several years. However, higher interest rates could increase the provisioning needs for equity portfolios, as the EU guarantee covers the funding costs of equity for certain IPs. Minor adjustments to the Commission's provisioning approach could enhance the InvestEU Fund's capacity, increasing its effectiveness and impact.

EU added value of the InvestEU Fund is clear and evident. By enhancing the risk-taking capacity of IPs through the EU budgetary guarantee, the Fund allows IPs to finance impactful investments they would otherwise not be able to support to the same extent. The Fund supports cross-border operations, including private equity/venture capital (VC) funds operating across multiple countries, which are typically beyond the scope of national initiatives. Additionally, it fosters standardisation and innovation in products and practices of IFIs/NPBIs and market participants (financial intermediaries and fund managers), aligning them with EU priorities.

The InvestEU Programme is crucial to addressing the EU's urgent and escalating investment needs. InvestEU's diverse portfolio of activities and products effectively meets these needs, as confirmed by past evaluations of predecessor instruments, recent reports like the Letta report, and the current evaluation. It has demonstrated adaptability and flexibility to respond to emerging policy priorities and investment needs. The strong demand for InvestEU Fund products highlights their necessity and relevance in today's economic landscape. InvestEU's focus on policy objectives targets areas where markets are either non-existent or nascent, such as sustainability guarantees for SMEs, space, semi-conductors, quantum computing, and natural capital. This creates a parallel need for advisory services, ensuring that these emerging markets receive the support required to develop and thrive.

Main findings of the evaluation: InvestEU Advisory Hub

Implementation of the InvestEU Advisory Hub is well underway. By the end of 2023, Advisory Agreements were signed with six Advisory Partners (APs) and a Memorandum of Understanding (MoU) with CINEA, totalling EUR 374.35 million of EU contributions. These seven partners have developed a diverse range of advisory initiatives (27 initiatives by the end of 2023), although there is some variation in assignment delivery and budget utilisation due to different implementation stages and the unique nature of their services. By the end of 2023, almost EUR 70 million (18% of the allocated Advisory Hub budget) had been utilised for 844 assignments (ongoing or complete).

The support provided is comprehensive in type, eligible area, and reach. Project advisory constitutes the majority of assignments (54% of budget utilisation), with significant portions allocated to capacity-building (33%) and market development (13%) activities. Final recipients of advisory support include SMEs, corporates, and public authorities across all 27 Member States. However, some countries (e.g. France, Italy) receive more concentrated support, while others (e.g. Austria, Denmark, Luxembourg, Cyprus, Hungary) are comparatively less well covered. Likewise, all eligible areas are covered, albeit to varying extents. The EIB provides the most diversified and comprehensive support, covering all Member States and eligible areas, whereas other partners target specific sectors or segments, offering complementary services.

Further analysis is needed to determine the effectiveness of Advisory Hub initiatives. It is too early to fully assess the impact of the Advisory Hub, with many assignments (77%)[4] still in progress or in the pipeline. Even for completed assignments, outcomes and impacts often occur with a time lag and data are not yet available to assess the effectiveness of the various advisory initiatives. This gap in the evidence base needs to be addressed through future evaluations. However, the beneficiaries interviewed expressed their satisfaction with the quality of services, and the key performance indicators (KPIs) indicate strong alignment with InvestEU priorities and expected financing mobilisation. EIB and EBRD activities are anticipated to contribute to the geographical diversification of the InvestEU pipeline, with Hub activities crucial in deploying InvestEU products and developing investment ecosystems.

Realising potential efficiencies from centralising a wide range of advisory activities will take time. The Advisory Hub aims to increase efficiencies and avoid overlaps by centralising existing advisory initiatives and expanding the scope of intervention under InvestEU. While this centralisation offers increased efficiency, it also introduces a degree of complexity, particularly in the initial setup and transition phase. Streamlining coordination will enhance efficiency over time.

The EU added value of the Advisory Hub stems from its extensive geographical and thematic coverage, providing a unique combination of advisory services and financing not available in several Member States. This combined offer is a key element of InvestEU's added value. The EIB and EBRD contribute significantly to expanding the geographical reach of InvestEU's advisory services. The involvement of NPBIs increases local presence, facilitates client proximity, and leverages local knowledge, fostering close partnerships on the ground. The EU added value of NPBIs might not be apparent, however, unless their unique targeting of home jurisdictions with language proximity is interwoven with the overall Advisory Hub support. This integration would free-up resources for IFI advisory partners to focus on specific sectors and multi-country support, enhancing the overall effectiveness and reach of InvestEU advisory services.

Main findings of the evaluation: InvestEU Portal

The InvestEU Portal shows initial engagement but has yet to demonstrate its value beyond matchmaking events. By the end of 2023, just over 1 500 projects had been published on the Portal, with the list continuously updated through an ongoing process of curation, publication, and removal of projects. Since its launch, there have been 465 interactions between investors and project promoters, with approximately 450 investors registered on the platform. From 2021 to 2023, the InvestEU Portal co-organised 48 matchmaking and pitching events, targeting a wide range of participants, including businesses, SMEs, start-ups, governments, non-governmental organisations (NGOs), academics, policymakers, venture capitalists, angel investors, banks, public agencies, and individual citizens. However, beyond these matchmaking events, the Portal has yet to establish its broader value and usefulness within the InvestEU ecosystem. For instance, it has had limited effectiveness in improving the visibility of projects or effectively connecting projects and investors.

Despite its unique features, the EU added value of the Portal remains limited as yet. Its broader sectoral and geographical scope compared to other similar platforms has yet to translate into significant EU added value. This is because the EU added value of the Portal is constrained by its limited effect on the visibility of registered projects and overall usefulness within the InvestEU ecosystem.

The Portal has the potential to add value to the wider investment ecosystem but would require resource enhancements. Its overall effectiveness and added value are constrained

[4] Excluding Bpifrance, which are small, short-term assignments and for which evidence on effectiveness is not available.

by the resources allocated. Further engagement with Portal users and improved synergies with the InvestEU Fund and Advisory Hub would necessitate additional resources for Portal management.

Cross-cutting findings

The open architecture delivery model and umbrella design of InvestEU are slowly bedding in, but some challenges remain. The open architecture model fosters a mutually beneficial partnership, allowing IPs and APs to develop their business models while helping the Commission to deliver on its policy objectives. Benefits include increased competitive dynamics and a wider selection of partners for the Commission, wider pool of expertise and product offerings, capacity-building, and standardisation of practices across IPs. However, it also introduces complexity and fragmentation, which are being managed, although the evaluation offers some suggestions. The transition to the InvestEU umbrella structure has brought successes in policy coordination, efficiency gains, and simplified access for financial intermediaries. Nevertheless, there are challenges, such as high coordination costs for the Directorate-General for Economic and Financial Affairs (DG ECFIN) and high administrative and reporting costs for IPs. Additionally, some policy DGs report a lack of control and visibility on the extent to which their policy areas are being served.

There are strong linkages between the Fund and the Advisory Hub, while the Portal's fit within the InvestEU ecosystem needs improvement. Advisory support is crucial for generating project pipelines, building client capacity, and developing nascent markets, with clear targets for projects that align with EU policy objectives. The linkages can be strengthened with improved coordination between IPs and APs. By contrast, the Portal has not generated value as a pipeline for either the Advisory Hub or the Fund, and enhancing its contribution in this area would be helpful.

InvestEU complements several key EU programmes, such as the Recovery and Resilience Facility (RRF) and initiatives under Horizon Europe, but a more thorough analysis is needed. At macro level, the RRF focuses on immediate recovery, while InvestEU supports both recovery and strategic long-term investment. At sectoral level, European Institute of Innovation and Technology (EIT) Knowledge and Innovation Communities (KICs) and the Advisory Hub foster robust innovation and investment ecosystems. At company level, InvestEU provides comprehensive support through all development stages, from pre-seed to growth and expansion, with equity, debt, and venture debt financing. Meanwhile, the EIT and the European Innovation Council (EIC) cater to varying financing needs with pre-seed funding and blended finance.

Lessons learned and future direction

While the InvestEU Programme has achieved notable successes, it has the potential to be even more impactful. The current InvestEU budget is insufficient to meet the high demand and EU investment needs. The EU must scale up its annual investment from EUR 3.8 trillion to an amount in the order of EUR 5 trillion to meet its policy objectives and remain competitive. While InvestEU is not the only tool available, it is a powerful mean to leverage public and private resources effectively, supporting key Union policy priorities while providing significant flexibility for IPs to adapt their products to emerging priorities (e.g. more competitive industrial policy). NGEU deadlines led to heavily frontloaded approvals, exhausting available envelopes for many financial products by the end of 2025. Without budgetary reinforcements, new approvals for some products will cease post-2025[5]. It is crucial to enhance the financial and risk-bearing capacity of InvestEU to better address the EU's investment needs, policy objectives, and demand.

[5] InvestEU budget is around 30% lower than Commission's initial proposal, leading to high oversubscriptions for certain financial products.

In the remaining programming period, the Commission should consider increasing InvestEU's financial capacity through measures such as blending operations, utilising Member State resources, and using reflows from the European Fund for Strategic Investments (EFSI) and legacy financial instruments. Additionally, it could consider reducing the confidence level of value at risk (VaR) for provisioning from the current 95% to 90% to increase the risk-bearing capacity of the EU guarantee. **In the long term, the EU needs a bigger and bolder InvestEU Programme**, combining unfunded guarantees and a funded component, while enhancing the revolving elements of the budgetary guarantees across MFFs to maximise its impact.

While the programme is flexible and responsive to evolving needs, that adaptability could be enhanced by **creating a reserve within the budgetary envelope to target emerging priorities**.

The complex and lengthy setup of InvestEU provides valuable lessons for future programme launches. A key takeaway is that **building on existing legal and contractual arrangements, as well as leveraging established monitoring and reporting infrastructure**, would ensure continuity across MFFs and facilitate the continued deployment of successful financial products in the market.

The Commission, IPs, and many stakeholders have worked diligently over the years to make the open architecture work. Although it is still too early for a comprehensive evaluation, there are some visible successes, along with areas for improvement. The increasing number of IPs adds complexity to the Programme, and collaboration between IPs should be improved. **A structured information-sharing and collaboration framework between IPs and APs**, supported by the Commission, could help to mitigate this challenge.

Reducing complexity is crucial. Potential simplifications include eliminating redundancy between the guarantee request forms submitted to the Investment Committee (IC) and the policy checks carried out by the Commission, as well as streamlining legal documentation and reporting requirements, while ensuring sound financial management and control.

Another source of complexity is the sustainability-proofing process. Although InvestEU applies the principle of proportionality, sustainability proofing is still seen as onerous by some IPs and project promoters. Recognising equivalence between different approaches to implementing the DNSH principle is important. Accordingly, it is important to consider simplification, including enhanced proportionality and equivalence of sustainability-proofing requirements to make them less burdensome and more practical for IPs and project promoters.

Some adaptations to the Financial Regulation and State aid rules could provide a regulatory framework more conducive to repayable forms of support implemented by pillar-assessed financial institutions in indirect management, including simplifying administrative burdens. Such reporting simplifications are already being considered in the current MFF. The pillar assessment and guarantee negotiation processes could also be streamlined.

Finally, some enhancements to the Advisory Hub and the InvestEU Portal could be considered. Short-term improvements include enhancing visibility and awareness of the Advisory Hub and revamping the central entry point. Increasing financial and technological support will enhance the Portal's functionality.

Résumé analytique

Le programme InvestEU

Le programme InvestEU est une initiative stratégique conçue pour soutenir l'investissement dans l'ensemble de l'Union européenne (UE) grâce à une approche

fondée sur le marché et appuyant les objectifs des politiques de l'Union. Il comporte trois composantes : le fonds InvestEU, la plateforme de conseil InvestEU et le portail InvestEU. Le fonds InvestEU tire parti d'une garantie budgétaire de l'UE de 26,2 milliards d'euros qui renforce la capacité de prise de risque des partenaires de mise en œuvre et leur permet d'accroître leur financement d'investissements alignés sur les objectifs politiques de l'UE. La plateforme de conseil InvestEU se concentre sur l'amélioration de la qualité et la préparation des projets d'investissement tout en favorisant le développement d'écosystèmes d'investissement. Le portail InvestEU vise à améliorer la visibilité et l'accessibilité des opportunités d'investissement en Europe, en permettant aux investisseurs de trouver et de soutenir plus facilement des projets prometteurs.

Structuré autour de quatre volets d'action, InvestEU soutient des secteurs et des activités spécifiques alignés sur les objectifs politiques de l'UE: volet d'action «Infrastructures durables», volet d'action «Recherche, innovation et numérisation» , volet d'action «petites et moyennes entreprises ou PME», et volet d'action «Investissements sociaux et compétences». En mettant l'accent sur la transition écologique, InvestEU consacre des fonds importants à des projets liés au climat et à l'environnement et soutient la finance verte par le biais de produits financiers inspirés de la taxonomie, tels que la Garantie de Durabilité.

InvestEU présente plusieurs nouveautés. Le programme regroupe treize instruments financiers de l'UE et une garantie budgétaire, ainsi que treize programmes de conseil et d'assistance techniques auparavant distincts, en un programme unique et cohérent de soutien à l'investissement. Si le groupe de la Banque européenne d'investissement (BEI) reste le principal partenaire, mettant en œuvre 75 % de la garantie budgétaire de l'UE et du budget de la plateforme de conseil, le programme est ouvert aux banques et institutions nationales de promotion économique (BNPE) et aux institutions financières internationales (IFI), élargissant ainsi la collaboration et l'expertise. InvestEU permet également des opérations de financement mixte, qui combinent le soutien au titre du Fonds InvestEU avec le soutien d'autres programmes de l'Union, afin de remédier aux défaillances du marché ou aux conditions sous-optimales dans des secteurs spécifiques. L'introduction des compartiments "États membres" (EM-C) permet aux États membres de transférer à InvestEU une partie de leurs fonds de cohésion, de leurs fonds FRR (Facilité de reprise et résilience) ou des ressources propres. Cela leur permet de répondre à des priorités et à des besoins nationaux spécifiques tout en bénéficiant de la garantie de l'UE.

Cette évaluation

Centrée sur la période de 2021 à 2023, cette évaluation couvre la phase de démarrage d'InvestEU. Malgré une période de mise en œuvre limitée à moins de deux ans et un portefeuille de projets encore en développement, l'évaluation fournit des informations cruciales et un retour d'information précoce sur des aspects clés du programme, y compris sur ses nouvelles caractéristiques.

L'évaluation souligne le potentiel de transformation du programme, tout en mettant en évidence les domaines à améliorer. Au-delà de l'obligation réglementaire[6], cette évaluation vise à favoriser l'apprentissage et à guider l'orientation future des politiques. L'évaluation contribuera aux réflexions en cours sur le cadre financier pluriannuel (CFP), la souveraineté industrielle et la compétitivité de l'UE, en particulier à la lumière du récent rapport Letta[7] et

[6] Article 29 du règlement InvestEU (EU) 2021/523

[7] Letta, E., Much more than a market, 2024, https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf

du prochain rapport Draghi[8]. Il est largement reconnu que l'UE doit rapidement et considérablement augmenter ses investissements pour rester compétitive au niveau mondial, stimuler une croissance durable et atteindre l'objectif ambitieux de devenir une économie neutre en carbone d'ici 2050. InvestEU est une pierre angulaire de la réponse politique de l'UE, qui soutient l'investissement - en particulier dans le secteur privé - en s'appuyant sur des outils éprouvés et en intégrant des approches innovantes pour relever les défis actuels et futurs. La présente évaluation examine les fondements du programme InvestEU, en proposant une évaluation préliminaire de ses performances et en identifiant les moyens d'améliorer sa pertinence et son impact.

L'évaluation s'appuie sur un vaste ensemble d'éléments probants, en utilisant des méthodes de recherche primaires et secondaires. Elle comprend une analyse approfondie de la documentation du programme et des données du portefeuille, ainsi qu'un examen structuré de la littérature académique et grise. Les données factuelles sont également enrichies par une vaste consultation des parties prenantes, par le biais d'entretiens avec environ 150 acteurs clés, une enquête auprès des promoteurs de projets, un examen approfondi de certaines opérations, des études de cas thématiques et une participation à des événements pertinents. Cette approche globale garantit une compréhension solide et nuancée des premières performances d'InvestEU.

Principales conclusions de l'évaluation : fonds InvestEU

Malgré les difficultés initiales, le programme InvestEU est désormais pleinement opérationnel, avec des progrès significatifs en matière d'allocations de garanties, d'approbations et de signatures. La mise en place initiale du programme a été complexe et difficile, en raison de l'adoption tardive du règlement InvestEU (et des autres règlements sectoriels)[9], de la mise en place de nouveaux systèmes, processus et équipes, et de la négociation d'accords de garantie avec les partenaires de mise en œuvre. Toutefois, la mise en œuvre est désormais pleinement engagée : à la fin de 2023, 90 % des 26 milliards d'euros provenant du compartiment "UE" - augmentés d'une garantie supplémentaire de 3 milliards d'euros provenant des États de l'Espace économique européen (EEE) et de l'Association européenne de libre-échange (AELE)[10], des États membres de l'UE et de compléments provenant d'autres programmes sectoriels - avaient été alloués à seize partenaires de mise en œuvre. Cette dynamique s'est poursuivie, avec un deuxième appel à manifestation d'intérêt lancé en octobre 2023 et des progrès substantiels en matière d'approbations et de signatures. À la fin de l'année 2023, près de 80 % des 26 milliards d'euros de garantie alloués avaient été convertis en financements approuvés, dont 30 % avaient été signés par les partenaires de mise en œuvre, soit un volume total de financement signé de 19 milliards d'euros. Si l'échéance fixée pour le programme NextGenerationEU (NGEU) a donné une impulsion aux approbations, l'accent doit désormais être mis sur la conversion des approbations en volumes signés afin de maximiser l'impact du programme sur l'économie réelle et sur l'obtention de ressources supplémentaires pour soutenir le déploiement de produits financiers performants jusqu'à la fin du CFP.

À la fin de 2023, six compartiments "États membres" avaient été mis en place pour répondre à des besoins nationaux spécifiques. Les États membres concernés ont contribué à hauteur de 1,5 milliard d'euros au provisionnement (près de 15 % du budget alloué par l'UE au provisionnement). Cette contribution a été facilitée par la simplification des règles relatives à la mise en œuvre du principe consistant à «ne pas causer de préjudice

[8] In her annual State of the Union speech in September 2023, European Commission President Ursula von der Leyen announced the appointment of former European Central Bank (ECB) president, Mario Draghi, to prepare a report on the future of European competitiveness.

[9] Retard principalement dû à la nécessité de réorganiser les dépenses de l'UE pendant la pandémie COVID-19.

[10] Norvège et Islande.

important» et par la clarification de l'application des règles en matière d'aides d'État. Des efforts sont actuellement déployés pour élargir la portée des compartiments "États membres" au-delà du financement des PME afin de répondre à un ensemble plus large de priorités nationales et de besoins d'investissement.

Les possibilités de financement mixte au sein d'InvestEU s'avèrent être un outil flexible, efficace et efficient pour soutenir les investissements dans des domaines politiques clés. Tout d'abord, le financement mixte vient sous forme de compléments (ou "top-ups"), les programmes sectoriels de l'UE offrant une protection en première perte à des portefeuilles spécifiques d'InvestEU. Ces "top-ups" sont au nombre de huit et ciblent des domaines historiquement dépendants des subventions. Deuxièmement, des initiatives innovantes telles que le partenariat « UE- Breakthrough Energy Catalyst » et le Fonds social européen Plus (FSE+) combinent les ressources sectorielles de l'UE avec la garantie InvestEU pour fournir un soutien mixte au niveau du bénéficiaire, ce qui permet de réduire les risques et d'encourager les investissements. Enfin, l'infrastructure InvestEU est utilisée pour mettre en place des mécanismes de financement mixte, même sans recourir à la garantie de l'UE (par exemple, le mécanisme de la Banque européenne pour la reconstruction et le développement (BERD) pour les matières premières critiques), ce qui permet à la Commission de répondre aux priorités émergentes. Toutefois, la mise en œuvre du financement mixte peut encore être améliorée, notamment en ce qui concerne la prévisibilité et la gestion budgétaire.

Dans le cadre du programme InvestEU, les partenaires de mise en œuvre offrent une gamme complète de produits de financement pour répondre aux divers besoins du marché. Il s'agit d'instruments traditionnels tels que la dette senior, les garanties de portefeuille et les prises de participation indirectes, ainsi que d'offres innovantes. Parmi les produits uniques notables figurent les prêts pour la rétrocession (microfinance et logement social par la Banque de développement du Conseil de L'Europe (CEB) ; énergies renouvelables par la BEI) ; la dette à risque (BEI), la titrisation verte (BEI), les garanties spécifiques aux projets (CDP, BEI), le crédit privé et les investissements de renforcement des capacités (Fonds européen d'investissement (FEI)), et les prises de participation directes (InvestNL). L'évaluation n'a révélé aucune lacune dans l'offre de produits d'InvestEU, qui répond efficacement à un large éventail de besoins, allant des grands projets d'infrastructure au financement des différentes étapes de la croissance d'une entreprise. À l'avenir, il est essentiel de veiller à ce que les offres de produits d'InvestEU soient complémentaires et coordonnées, afin d'éviter la concurrence tout en s'alignant sur les besoins du marché.

La garantie budgétaire d'InvestEU fait preuve d'une forte additionnalité. Elle permet aux partenaires de mise en œuvre d'assumer des expositions à des risques plus élevés, ce qui leur permet de fournir des formes de financement plus risquées (par exemple, la dette à risque, les prises de participation directe), de s'adresser à des contreparties plus risquées (par exemple, les PME sans garantie et les start-ups) et/ou de financer des activités plus risquées (par exemple, la démonstration de technologies émergentes ou des projets d'infrastructure à grande échelle). En renforçant l'appétence des partenaires de mise en œuvre pour le risque, InvestEU facilite les opérations qui ne peuvent pas obtenir de financement du marché à des conditions raisonnables. Notamment, 95 % des promoteurs de projets ont déclaré que leurs projets n'auraient pas été réalisés du tout ou n'auraient pas été réalisés comme prévu sans le financement d'InvestEU, ce qui souligne son rôle crucial dans la réalisation ou l'accélération de l'investissement.

InvestEU a un impact significatif en matière de mobilisation de capitaux, bien que celui-ci ne puisse être quantifié avec précision. Sur la base des opérations approuvées d'ici à la fin de 2023, le fonds InvestEU devrait mobiliser environ 218 milliards d'euros d'investissements, dont 141 milliards d'euros (65 %) devraient provenir de sources privées. Pour le seul compartiment "UE", le Fonds devrait mobiliser 204,8 milliards d'euros sur une prévision de 372 milliards d'euros d'ici 2028, avec un effet multiplicateur anticipé de 14,77. Bien que ces chiffres reflètent les investissements privés réalisés avec le soutien d'InvestEU, et non pas uniquement grâce à lui, l'évaluation confirme un impact significatif en matière de mobilisation de capitaux. Dans une enquête, 63 % des promoteurs de projets ont indiqué que le financement garanti par InvestEU avait eu un impact critique ou significatif sur la décision d'autres financiers ou investisseurs de s'engager dans le projet. Les entretiens et l'examen approfondi des projets ont corroboré cette constatation. Toutefois, l'investissement total mobilisé ne peut être attribué uniquement à InvestEU, car d'autres acteurs et initiatives y ont également contribué. Le principal mécanisme de mobilisation des capitaux est l'atténuation des risques fournie par les partenaires de mise en œuvre par le biais du financement, de l'assurance qualité et de l'aide à la structuration, ainsi que de l'assistance technique dans certains cas. Cet effet de réduction des risques encourage d'autres financiers et investisseurs à participer, amplifiant l'impact d'InvestEU au-delà de ses contributions directes.

Bien qu'il soit encore trop tôt pour juger de l'efficacité et de l'impact du programme InvestEU, les premiers signes sont prometteurs et témoignent de son potentiel de transformation. Le programme InvestEU soutient la double transition de l'UE (verte et numérique) par le biais de multiples canaux. Il déploie stratégiquement des fonds publics pour réduire les risques et catalyser les investissements, construire et façonner les marchés en investissant dans les technologies émergentes (par exemple, l'espace, les technologies à double usage, les semi-conducteurs, l'économie bleue, l'informatique quantique), en lançant de nouveaux produits financiers ciblés et en offrant des services de conseil complets pour renforcer les capacités du marché et des institutions. Les investissements initiaux s'alignent fortement sur les objectifs politiques de l'UE. Le programme investit dans des activités et des investissements qui améliorent la productivité et qui ont des retombées importantes, comme les investissements verts, la recherche, le développement et l'innovation (RDI), et les investissements sociaux. Cela contribuera à l'emploi et à la croissance dans les années à venir. InvestEU ne se contente donc pas de répondre aux besoins d'investissement immédiats, mais jette les bases de la compétitivité à long terme de l'UE.

Les instruments de garantie tels qu'InvestEU sont intrinsèquement efficaces pour le budget de l'UE, offrant des avantages par rapport aux subventions et aux instruments financiers grâce à leur provisionnement partiel et à leur effet multiplicateur plus élevé (par rapport aux subventions). Les crédits de paiement cumulés au Fonds commun de provisionnement (FCP) pour InvestEU à la fin de 2023 s'élevaient à 3 milliards d'euros. Sur ce montant, une petite partie a été consommée. Cette consommation modeste reflète la phase initiale du programme - les revenus, les rendements et les pertes potentielles se matérialiseront sur une période de plusieurs années. Toutefois, des taux d'intérêt plus élevés pourraient accroître les besoins de provisionnement pour les portefeuilles de fonds propres, étant donné que la garantie de l'UE couvre les coûts de financement des fonds propres pour certains partenaires de mise en œuvre. Des ajustements mineurs de l'approche de la Commission en matière de provisionnement pourraient renforcer la capacité du fonds InvestEU et accroître son efficacité et son impact.

La valeur ajoutée européenne du fonds InvestEU est claire et évidente. En renforçant la capacité de prise de risque des partenaires de mise en œuvre grâce à la garantie budgétaire de l'UE, le fonds permet à ces derniers de financer des investissements à fort impact qu'ils ne pourraient autrement pas soutenir dans la même mesure. Le Fonds soutient les opérations transfrontalières, y compris les fonds de capital-investissement et de capital-risque opérant dans plusieurs pays, qui sont généralement hors de portée des initiatives nationales. En outre, il encourage la standardisation et l'innovation dans les produits et les pratiques des IFI, BNPE et des acteurs du marché (intermédiaires financiers et gestionnaires de fonds), en les alignant sur les priorités de l'UE.

Le programme InvestEU est essentiel pour répondre aux besoins urgents et croissants de l'UE en matière d'investissement. Le portefeuille diversifié d'activités et de produits d'InvestEU répond efficacement à ces besoins, comme le confirment les évaluations antérieures des instruments précédents, les rapports récents tels que le rapport Letta et la présente évaluation. Il a fait preuve d'adaptabilité et de flexibilité pour répondre aux nouvelles priorités politiques et aux nouveaux besoins d'investissement. La forte demande pour les produits du fonds InvestEU souligne leur nécessité et leur pertinence dans le paysage économique actuel. L'accent mis par InvestEU sur les objectifs politiques cible des domaines où les marchés sont soit inexistants, soit naissants, tels que les Garanties de Durabilité pour les PME, l'espace, les semi-conducteurs, l'informatique quantique et le capital naturel. Cela crée un besoin parallèle de services de conseil, garantissant que ces marchés émergents reçoivent le soutien nécessaire pour se développer et prospérer.

Principales conclusions de l'évaluation: plateforme de conseil InvestEU

La mise en œuvre de la plateforme de conseil InvestEU est en bonne voie. D'ici à la fin 2023, des accords relatifs à la plateforme de conseil ont été signés avec six partenaires consultatifs, et un protocole d'accord avec CINEA, pour un montant total de 374,35 millions d'euros de contributions de l'UE. Ces sept partenaires ont développé une gamme variée d'initiatives de conseil (27 initiatives d'ici la fin de 2023), bien qu'il y ait une certaine variation dans l'exécution des missions et l'utilisation du budget en raison des différentes étapes de mise en œuvre et de la nature unique de leurs services. À la fin de 2023, près de 70 millions d'euros (18 % du budget alloué à la plateforme de conseil) avaient été utilisés pour 844 missions (en cours ou achevées).

Le soutien fourni est complet en termes de type, de domaine éligible et de portée géographique. Le conseil aux projets constitue la majorité des missions (54% de l'utilisation du budget), avec des parts significatives allouées aux activités de renforcement des capacités (33%) et de développement du marché (13%). Les bénéficiaires finaux de l'assistance technique comprennent des PME, des entreprises et des autorités publiques dans l'ensemble des 27 États membres. Toutefois, certains pays (comme la France et l'Italie) bénéficient d'un soutien plus concentré, tandis que d'autres (comme l'Autriche, le Danemark, le Luxembourg, Chypre et la Hongrie) sont comparativement moins bien couverts. De même, tous les domaines éligibles sont couverts, bien qu'à des degrés divers. La BEI fournit l'aide la plus diversifiée et la plus complète, couvrant tous les États membres et toutes les domaines éligibles, tandis que d'autres partenaires ciblent des secteurs ou des segments spécifiques, offrant des services complémentaires.

Une analyse plus approfondie est nécessaire pour déterminer l'efficacité des initiatives de la plateforme de conseil. Il est trop tôt pour évaluer pleinement l'impact de la plateforme de conseil, de nombreuses missions (77%)[11] étant encore en cours ou en développement. Même pour les missions achevées, les résultats et les impacts se produisent souvent avec un certain décalage et les données ne sont pas encore disponibles pour évaluer l'efficacité des différentes initiatives de conseil. De futures évaluations doivent permettre de combler ces lacunes. Toutefois, les bénéficiaires interrogés se sont déclarés satisfaits de la qualité des services, et les indicateurs de performance clés indiquent une forte adéquation avec les priorités d'InvestEU et une forte mobilisation attendue de financements. Les activités de la BEI et de la BERD devraient contribuer à la diversification géographique de la réserve de projets d'InvestEU, les activités de la plateforme étant cruciales pour le déploiement des produits d'InvestEU et le développement des écosystèmes d'investissement.

Il faudra du temps pour réaliser les gains d'efficacité potentiels liés à la centralisation d'un large éventail d'activités de conseil. La plateforme de conseil vise à accroître l'efficacité et à éviter les chevauchements en centralisant les initiatives de conseil existantes et en élargissant le champ d'intervention d'InvestEU. Si cette centralisation permet

[11] À l'exception de Bpifrance, qui concerne des missions courtes et de petite envergure pour lesquelles il n'y a pas de preuves d'efficacité disponibles.

d'accroître l'efficacité, elle introduit également un certain degré de complexité, en particulier lors de la phase initiale de mise en place et de transition. La rationalisation de la coordination améliorera l'efficacité au fil du temps.

La valeur ajoutée européenne de la plateforme de conseil découle de sa couverture géographique et thématique étendue, offrant une combinaison unique de services de conseil et de financement qui n'est pas disponible dans plusieurs États membres. Cette offre combinée est un élément clé de la valeur ajoutée d'InvestEU. La BEI et la BERD contribuent de manière significative à l'extension de la portée géographique des services de conseil d'InvestEU. L'implication des BNPE renforce la présence locale, facilite la proximité avec les clients et tire parti des connaissances locales, ce qui favorise des partenariats étroits sur le terrain. Toutefois, la valeur ajoutée des BNPE pour l'UE pourrait ne pas être évidente, à moins que leur ciblage unique des juridictions d'origine avec une proximité linguistique ne soit intégré à une offre globale de services de conseil. Cette intégration permettrait de libérer des ressources pour d'autres partenaires consultatifs afin qu'ils se concentrent sur des secteurs spécifiques et sur un soutien multi-pays, améliorant ainsi l'efficacité globale et la portée des services de conseil d'InvestEU.

Principaux résultats de l'évaluation: portail InvestEU

Le portail InvestEU montre un engagement initial mais n’a pas encore démontré sa valeur au-delà des événements de mise en relation. À la fin de 2023, un peu plus de 1 500 projets avaient été publiés sur le portail, la liste étant continuellement mise à jour grâce à un processus de curation, de publication et de suppression de projets. Depuis son lancement, il y a eu 465 interactions entre les investisseurs et les promoteurs de projets, avec environ 450 investisseurs inscrits sur la plateforme. De 2021 à 2023, le portail InvestEU a co-organisé 48 événements de mise en relation et de présentation, ciblant un large éventail de participants, y compris des entreprises, des PME, des start-ups, des gouvernements, des organisations non gouvernementales (ONG), des universitaires, des décideurs politiques, des capital-risqueurs, des investisseurs providentiels, des banques, des agences publiques et des citoyens individuels. Cependant, au-delà de ces événements de mise en relation, le portail n’a pas encore établi sa valeur et son utilité au sens large au sein de l’écosystème InvestEU. Par exemple, il a eu une efficacité limitée dans l'amélioration de la visibilité des projets ou dans la connexion efficace des projets et des investisseurs.

Malgré ses caractéristiques uniques, la valeur ajoutée européenne apportée par le portail reste limitée pour le moment. Sa portée sectorielle et géographique plus large par rapport à d'autres plateformes similaires ne s'est pas encore traduite en une valeur ajoutée significative pour l'UE. Cela est dû au fait que la valeur ajoutée de l'UE apportée par le portail est contrainte par son effet limité sur la visibilité des projets inscrits et son utilité globale au sein de l'écosystème InvestEU.

Le portail a le potentiel d'ajouter de la valeur à l'écosystème d'investissement plus large, mais nécessiterait des améliorations en termes de ressources. Son efficacité globale et sa valeur ajoutée sont limitées par les ressources allouées. Un engagement plus poussé avec les utilisateurs du portail et des synergies améliorées avec le fonds InvestEU et la plateforme de conseil nécessiteraient des ressources supplémentaires pour la gestion du portail.

Constatations transversales

Le modèle de mise en œuvre avec un accès direct à la garantie de l’UE et un programme unique de soutien à l’investissement s'installe progressivement, mais certains défis subsistent. L’accès direct à la garantie favorise un partenariat mutuellement bénéfique, permettant aux partenaires financiers et aux partenaires consultatifs de développer leurs modèles économiques tout en aidant la Commission à atteindre ses objectifs politiques. Les avantages incluent une dynamique concurrentielle accrue et une sélection plus large de partenaires pour la Commission, un plus grand pool d'expertise et d'offres de produits, le renforcement des capacités et la standardisation des pratiques entre les partenaires de mise en œuvre. Cependant, cela introduit également de la complexité et de la fragmentation, qui sont gérables, mais l'évaluation propose quelques suggestions. La transition vers un programme unique a apporté des succès en matière de coordination des politiques, de gains d'efficacité et d'accès simplifié pour les intermédiaires financiers. Néanmoins, il y a des défis, tels que des coûts de coordination élevés pour la direction générale des affaires économiques et financières (DG ECFIN) et des coûts administratifs et de reporting élevés pour les partenaires de mise en œuvre. De plus, certaines directions générales en charge de programmes sectoriels signalent un manque de contrôle et de visibilité sur la mesure dans laquelle leurs domaines politiques sont servis.

Il existe de forts liens entre le fonds et la plateforme de conseil, tandis que l'intégration du portail dans l'écosystème InvestEU nécessite des améliorations. Le soutien consultatif est crucial pour générer une réserve de projets, renforcer les capacités des clients et développer des marchés naissants, avec des objectifs clairs pour les projets alignés sur les objectifs politiques de l'UE. Les liens peuvent être renforcés par une coordination améliorée entre les partenaires financiers et les partenaires consultatifs. En revanche, le portail n'a pas généré de réserve de projet pour la plateforme de conseil ou le fonds, et améliorer sa contribution dans ce domaine serait utile.

InvestEU complète plusieurs programmes clés de l'UE, tels que la facilité pour la reprise et la résilience (FRR) et les initiatives dans le cadre d'Horizon Europe, mais une analyse plus approfondie est nécessaire. Au niveau macro, la FRR se concentre sur la reprise immédiate, tandis qu'InvestEU soutient à la fois la reprise et l'investissement stratégique à long terme. Au niveau sectoriel, les communautés de la connaissance et de l'innovation de l'Institut européen d'innovation et de technologie (EIT) et la plateforme de conseil favorisent des écosystèmes robustes d'innovation et d'investissement. Au niveau de l'entreprise, InvestEU fournit un soutien complet à travers toutes les étapes de développement, du pré-amorçage à la croissance et à l'expansion, avec des financements en fonds propres, en dette et en dette à risque. Pendant ce temps, l'EIT et le Conseil européen de l'innovation (EIC) répondent à des besoins de financement variés avec un financement de pré-amorçage et un financement mixte.

Leçons clés et orientations futures

Bien que le programme InvestEU ait atteint des succès notables, il a le potentiel d'être encore plus impactant. Le budget actuel d'InvestEU est insuffisant pour répondre à la forte demande et aux besoins d'investissement de l'UE. L'UE doit augmenter ses investissements annuels de 3,8 trillions d'euros à un montant de l’ordre de 5 trillions d'euros pour atteindre ses objectifs politiques et rester compétitive. Bien qu'InvestEU ne soit pas le seul outil disponible, c'est un moyen puissant pour mobiliser efficacement les ressources publiques et privées, soutenant les principales priorités politiques de l'Union tout en offrant une flexibilité significative aux partenaires de mise en œuvre pour adapter leurs produits aux priorités émergentes (par exemple, une politique industrielle plus compétitive). Les délais de NGEU ont conduit à des approbations massivement anticipées, épuisant les enveloppes disponibles pour de nombreux produits financiers d'ici la fin de 2025. Sans renforcement budgétaire, les nouvelles approbations pour certains produits cesseront après 2025[12]. Il est crucial d'améliorer la capacité financière et de prise de risque d'InvestEU pour mieux répondre aux besoins d'investissement de l'UE, aux objectifs politiques et à la demande.

Pour la période de programmation restante, la Commission devrait envisager d'augmenter la capacité financière d'InvestEU par des mesures telles que les opérations de financement mixte, l'utilisation des ressources des États membres et l'utilisation des

[12] Le budget d'InvestEU est environ 30 % inférieur à la proposition initiale de la Commission, entraînant une forte demande excédentaire pour certains produits financiers.

reliquats du Fonds européen pour les investissements stratégiques (FEIS) et des instruments financiers du précèdent CFP. De plus, elle pourrait envisager de réduire le niveau de confiance de la valeur à risque (VaR) pour les provisions de 95 % à 90 % pour augmenter la capacité de prise de risque de la garantie de l'UE. **À long terme, l'UE a besoin d'un programme InvestEU plus grand et plus audacieux**, combinant des garanties non financées et une composante financée, tout en améliorant le caractère renouvelable des garanties budgétaires d'un CFP à l'autre pour maximiser son impact.

Bien que le programme soit flexible et réactif aux besoins évolutifs, cette adaptabilité pourrait être améliorée en **créant une réserve au sein de l'enveloppe budgétaire pour cibler les priorités émergentes.**

La mise en place complexe et longue d'InvestEU fournit des leçons précieuses pour les futurs lancements de programmes. Une conclusion clé est que s'appuyer sur les arrangements juridiques et contractuels existants, ainsi que tirer parti de l'infrastructure de suivi et de rapport établie, garantirait la continuité à travers les CFP et faciliterait le déploiement continu des produits financiers qui rencontrent un succès sur le marché.

La Commission, les partenaires de mise en œuvre et de nombreux intervenants ont travaillé assidûment au fil des ans pour permettre à d'autres institutions de bénéficier de l'accès direct à la garantie de l'Union. Bien qu'il soit encore trop tôt pour une évaluation complète, certains succès visibles existent, ainsi que des domaines d'amélioration. Le nombre croissant de partenaires de mise en œuvre ajoute de la complexité au programme, et la collaboration entre les partenaires de mise en œuvre devrait être améliorée. **Un cadre structuré de partage d'informations et de collaboration entre les partenaires financiers et les partenaires consultatifs, soutenu par la Commission, pourrait aider à surmonter ce défi.**

Réduire la complexité est crucial. Les simplifications potentielles incluent l'élimination des redondances entre les formulaires de demande de garantie soumis au Comité d'investissement et les contrôles de conformité effectués par la Commission, ainsi que la simplification de la documentation juridique et des obligations de déclaration, tout en assurant une gestion et un contrôle financiers solides.

Une autre source de complexité est le processus d'évaluation de la durabilité. Même si InvestEU applique le principe de proportionnalité, la vérification de la durabilité est toujours perçue comme contraignante par certains partenaires de mise en œuvre et promoteurs de projets. Reconnaître l'équivalence entre différentes approches pour opérationnaliser le principe consistant à «ne pas causer de préjudice important» est d'un grand intérêt. Sous cet angle, il est important de considérer la simplification, y compris une proportionnalité et une équivalence accrues des exigences de vérification de la durabilité pour les rendre moins contraignantes et plus pratiques pour les partenaires de mise en œuvre et les promoteurs de projets.

Certaines adaptations du règlement financier et des règles relatives aux aides d'État, y compris la simplification des charges administratives, pourraient **fournir un cadre réglementaire plus propice aux formes de soutien remboursables** mises en œuvre de manière indirecte par des institutions financières ayant passé avec succès le processus « d'évaluation des piliers ». Des simplifications concernant les obligations de déclaration sont déjà envisagées dans le CFP actuel. Les processus d'évaluation par pilier et de négociation de garantie pourraient également être simplifiés.

Enfin, certaines améliorations pourraient être apportées à la plateforme de conseil et au portail InvestEU. Les améliorations à court terme incluent l'amélioration de la visibilité et de la notoriété de la plateforme de conseil et la refonte du point d'entrée central. L'augmentation du soutien financier et technologique améliorera la fonctionnalité du portail.

Zusammenfassung

Das InvestEU-Programm

Das InvestEU-Programm ist eine strategische Initiative zur Förderung von Investitionen in der gesamten Europäischen Union (EU) durch einen politikgestützten und marktbasierten Ansatz. Es besteht aus drei Komponenten: dem InvestEU-Fonds, der InvestEU-Beratungsplattform und dem InvestEU-Portal. Der InvestEU-Fonds hebelt eine EU-Haushaltsgarantie in Höhe von 26,2 Mrd. EUR, um die Risikokapazität der Durchführungspartner zu verbessern und sie in die Lage zu versetzen, ihre Finanzierung für Investitionen auszuweiten, die mit den politischen Zielen der EU im Einklang stehen. Die InvestEU-Beratungsplattform konzentriert sich auf die Verbesserung der Qualität und Bereitschaft von Investitionsprojekten und fördert die Entwicklung von Investitionsökosystemen. Das InvestEU-Portal zielt darauf ab, die Sichtbarkeit und Zugänglichkeit von Investitionsmöglichkeiten in Europa zu verbessern und es Investoren zu erleichtern, vielversprechende Projekte zu identifizieren und zu unterstützen.

InvestEU ist in vier Politikbereiche gegliedert und unterstützt spezifische Sektoren und Aktivitäten, die mit den politischen Zielen der EU übereinstimmen: die Bereiche nachhaltige Infrastruktur (SIW), Forschung, Innovation und Digitalisierung (RIDW), kleine und mittlere Unternehmen (SMEW) und soziale Investitionen und Qualifikationen bzw. Fähigkeiten (SISW). Mit einem klaren politischen Fokus, insbesondere auf den ökologischen Wandel, stellt InvestEU beträchtliche Mittel für Klima- und Umweltprojekte zur Verfügung und unterstützt ökologische Finanzierungsinstrumente durch von der Taxonomie inspirierte Finanzprodukte wie die Sustainability Guarantee (Nachhaltigkeitsgarantie).

InvestEU führt mehrere neue Charakteristika ein. Es vereint 13 frühere EU-Finanzinstrumente und eine Haushaltsgarantie sowie 13 zuvor getrennte Beratungsinitiativen in einem einzigen, kohärenten Investitionsförderprogramm. Die Europäische Investitionsbank (EIB)-Gruppe bleibt zwar der wichtigste Partner und implementiert 75 % der EU-Haushaltsgarantie und des Budgets für die Beratungsplattform, doch die offene Architektur von InvestEU lässt auch nationale Förderbanken und -institute (NPBIs) sowie Internationale Finanzinstitutionen (IFIs) zu und erweitert dadurch die Kooperation und Fachwissen. InvestEU gestattet auch eine Reihe von Mischfinanzierungen, wie etwa Aufstockungen von InvestEU-Finanzprodukten durch andere EU- Programme, um hierdurch verfestigte Fälle von Marktversagen oder suboptimalen Investitionsbedingungen in bestimmten Sektoren zu beheben. Die Einführung von Mitgliedstaat-Komponenten (MS-Cs) ermöglicht es den Mitgliedstaaten, einen Teil ihrer Kohäsionsfonds, Mittel aus ihren Fonds der Aufbau- und Resilienzfazilität oder eigener Mittel auf InvestEU zu übertragen. Dies erlaubt den Mitgliedstaaten, spezifische nationale Prioritäten und Bedürfnisse zu bedienen und gleichzeitig von der EU-Garantie profitieren.

Die evaluierungsstudie

Diese Evaluierung deckt den Zeitraum von 2021 bis 2023 ab und damit die Startphase von InvestEU. Trotz des begrenzten Durchführungszeitraums von weniger als zwei Jahren und eines sich noch in der Entwicklung befindlichen Projektportfolios liefert die Evaluierung wichtige Einblicke und erste Rückmeldungen zu zentralen Aspekten des Programms, einschließlich seiner neu eingeführten Elemente.

Die Evaluierung unterstreicht das transformative Potenzial des Programms und zeigt gleichzeitig Bereiche auf, in denen Verbesserungen möglich sind. Über die Erfüllung einer rechtlichen Verpflichtung[13] hinaus zielt diese Evaluierung darauf ab, einen Lernprozess zu unterstützen und künftige politische Maßnahmen anzustoßen. Sie wird zu den laufenden

[13] Artikel 29 InvestEU-Verordnung (EU) 2021/523.

Überlegungen über den mehrjährigen Finanzrahmen (MFR), über die industrielle Souveränität der EU und die Wettbewerbsfähigkeit beitragen, insbesondere im Lichte des jüngsten Letta-Berichts[14] und des bevorstehenden Draghi-Berichts[15]. Es ist weithin anerkannt, dass die EU ihre Investitionen kurzfristig und erheblich steigern muss, um weltweit wettbewerbsfähig zu bleiben, nachhaltiges Wachstum zu fördern und das ehrgeizige Ziel einer CO2-neutralen Wirtschaft bis 2050 zu erreichen. InvestEU ist ein Eckpfeiler der strategischen Antwort der EU und unterstützt Investitionen - insbesondere im Privatsektor - durch den Einsatz bewährter Instrumente und innovativer Ansätze zur Bewältigung aktueller und künftiger Herausforderungen. Diese Evaluierung untersucht die Grundlagen des InvestEU-Programms, bietet eine vorläufige Bewertung seiner Leistung und zeigt Möglichkeiten zur Verbesserung seiner Relevanz und Wirkung auf.

Die Evaluierung stützt sich auf umfangreiches Datenmaterial, wobei sowohl primäre als auch sekundäre Forschungsmethoden eingesetzt wurden. Dazu gehören eine eingehende Analyse der Programmdokumentation und der Portfoliodaten sowie eine strukturierte Durchsicht der wissenschaftlichen und grauen Literatur. Die faktischen Daten werden durch eine umfassende Konsultation der Akteure angereichert, die durch Interviews mit etwa 150 Schlüssel-Akteuren, Umfragen bei den Projektträgern, vertieften Analysen, thematische Fallstudien und die Teilnahme an einschlägigen Veranstaltungen erfolgt. Dieser umfassende Ansatz gewährleistet ein solides und nuanciertes Verständnis der frühen Leistungen von InvestEU.

Die zentralen erkenntnisse der evaluierung: der InvestEU-Fonds

Trotz anfänglicher Probleme ist das InvestEU-Programm nun voll funktionsfähig, mit erheblichen Fortschritten bei der Bereitstellung von Garantien, sowie bei Projekt-Genehmigungen und -Unterzeichnungen. Die anfängliche Einrichtung des Programms war aufgrund der verzögerten Verabschiedung der InvestEU-Verordnung (und anderer sektoraler Verordnungen)[16], der Einrichtung neuer Systeme, Prozesse und Teams sowie der Aushandlung von Garantievereinbarungen mit Durchführungspartnern komplex und schwierig. Die Umsetzung ist jedoch inzwischen in vollem Gange: Bis Ende 2023 wurden 90 % der 26 Mrd. EUR aus der EU-Komponente ergänzt durch eine zusätzliche Garantie in Höhe von 3 Mrd. EUR von Staaten des Europäischen Wirtschaftsraums (EWR) und der Europäischen Freihandelsassoziation (EFTA)[17], den EU-Mitgliedstaaten und Aufstockungen aus anderen sektoralen Programmen – für 16 Durchführungspartner bereitgestellt. Diese Dynamik setzte sich fort mit einer zweiten Aufforderung zur Interessenbekundung im Oktober 2023 und erheblichen Fortschritten bei den Genehmigungen und Unterzeichnungen. Bis Ende 2023 wurden fast 80 % der bereitgestellten Garantien in Höhe von 26 Mrd. EUR in genehmigte Finanzierungen umgewandelt, wobei 30 % von den Durchführungspartnern unterzeichnet wurden, so dass sich das unterzeichnete Finanzierungsvolumen auf insgesamt 19 Mrd. EUR belief. Während das Fristende für das NextGenerationEU (NGEU)-Instrument einen Impuls für die Genehmigungen lieferte, muss sich der Schwerpunkt nun darauf verlagern, die Genehmigungen in unterzeichnete Volumina weiterzutreiben, um die Wirkungen des Programms auf die Realwirtschaft zu maximieren und zusätzliche

[14] Letta, E., *Much more than a market*, 2024, https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf.

[15] In ihrer jährlichen Rede zur Lage der Union im September 2023 kündigte die Präsidentin der Europäischen Kommission, Ursula von der Leyen, die Erstellung eines Berichtes über die Zukunft der europäischen Wettbewerbsfähigkeit durch den ehemaligen Präsidenten der Europäischen Zentralbank(EZB), Mario Draghi, an.

[16] Die Verzögerung ist in erster Linie auf die Notwendigkeit zurückzuführen, die EU-Ausgaben während der COVID-19-Pandemie neu zu organisieren.

[17] Island und Norwegen.

Ressourcen zu sichern, um den Einsatz erfolgreicher Finanzprodukte bis zum Ende des MFR aufrechtzuerhalten.

Bis Ende 2023 wurden sechs MS-Cs eingerichtet, um spezifische nationale Bedürfnisse zu erfüllen. Diese Mitgliedstaaten haben 1,5 Mrd. EUR für die Dotierung der Garantie bereitgestellt (fast 15 % der von der EU für die Dotierung vorgesehenen Mittel). Erleichtert wurde dies durch vereinfachte Regeln für die Umsetzung des Grundsatzes "Do No Significant Harm" (DNSH[18]) und eine klarere Anwendung der Vorschriften für staatliche Beihilfen. Es gibt laufende Bemühungen, den Anwendungsbereich der Mitgliedstaat-Komponenten über die Finanzierung kleiner und mittlerer Unternehmen (KMU) hinaus zu erweitern, um eine breitere Palette nationaler Prioritäten und Investitionsbedürfnisse abzudecken.

Die Möglichkeiten für Mischfinanzierung innerhalb von InvestEU erweisen sich als flexibles, effizientes und wirksames Instrument zur Unterstützung von Investitionen in Schlüsselsektoren. Erstens wird die Mischfinanzierung in Form von Aufstockungen genutzt, wobei sektorale EU-Programme einen Erstverlustschutz für bestimmte InvestEU-Portfolios bieten. Es gibt acht solcher Aufstockungen, die auf Bereiche abzielen, die traditionell auf Zuschüsse angewiesen sind. Zweitens werden im Rahmen innovativer Initiativen wie der EU-Breakthrough Energy Catalyst Partnership und dem Europäischen Sozialfonds Plus (ESF+) sektorale EU-Mittel mit der InvestEU-Garantie kombiniert, um eine verbundene Unterstützung auf Empfängerebene zu bieten und so das Risiko zu verringern und Investitionsanreize zu schaffen. Schließlich wird die InvestEU-Infrastruktur genutzt, um Mischfinanzierungsfazilitäten auch ohne Inanspruchnahme der EU-Garantie einzurichten (z.B. die Fazilität für kritische Rohstoffe der Europäischen Bank für Wiederaufbau und Entwicklung (EBWE)), die es der Kommission ermöglicht, auf neue Prioritäten zu reagieren. Die Umsetzung der Mischfinanzierung kann jedoch noch verbessert werden, insbesondere im Hinblick auf die Planbarkeit und das Haushaltsmanagement.

Im Rahmen des InvestEU-Programms bieten die Durchführungspartner eine umfassende Palette von Finanzierungsprodukten an, um unterschiedlichen Marktbedürfnissen gerecht zu werden. Dazu gehören traditionelle Instrumente wie vorrangige Darlehen, Portfoliogarantien und indirektes Eigenkapital sowie innovative Angebote. Darüber hinaus werden einzigartige Produkte angeboten, wie etwa Darlehen zur Weiterleitung (Mikrofinanzierung und sozialer Wohnungsbau von der CEB; erneuerbare Energien von der EIB), Wagniskredite (EIB), ökologische Verbriefungen (EIB), projektspezifische Garantien (CDP, EIB), Kredite an Privatunternehmen und Investitionen in Kapazitätsaufbau (Europäischer Investitionsfonds (EIF)) und direktes Eigenkapital (InvestNL). Die Evaluierung ergab keine Lücken im Produktangebot von InvestEU, das ein breites Spektrum von Bedürfnissen abdeckt; von großen Infrastrukturprojekten bis hin zur Finanzierung verschiedener Wachstumsphasen eines Unternehmens. Mit Blick auf die Zukunft ist es von entscheidender Bedeutung, sicherzustellen, dass die Produktangebote von InvestEU über die verschiedenen Durchführungspartner hinweg komplementär und koordiniert sind, um einen Preis-Wettbewerb der Produkte untereinander vermeiden und gleichzeitig eine Anpassung an die Bedürfnisse des Marktes zu gewährleisten.

Die InvestEU-Haushaltsgarantie weist einen hohen Mehrwert auf. Sie ermöglicht es Durchführungspartnern, höhere Risiken einzugehen und risikoreichere Finanzierungsformen (z. B. Wagniskredite, direktes Beteiligungskapital) bereitzustellen, risikoreichere Zielgruppen (z. B. KMU ohne Sicherheiten und Start-ups) anzusprechen und/oder risikoreichere Tätigkeiten (z. B. Demonstrationsvorhaben bei neuen Technologien oder große Infrastrukturprojekte) zu finanzieren. Indem InvestEU den Risiko-Appetit der Durchführungspartner erhöht, begünstigt es Projekte, die auf dem Markt keinen Zugang zu Finanzmitteln zu angemessenen Bedingungen erhalten. Bemerkenswerterweise gaben 95 %

[18] Zu Deutsch: Richte keinen signifikanten Schaden an.

der Projektträger an, dass ihre Projekte ohne die InvestEU-Finanzierung entweder gar nicht oder nicht wie geplant durchgeführt worden wären, was die entscheidende Rolle der Haushaltsgarantie bei der Ermöglichung oder Beschleunigung von Investitionen unterstreicht.

InvestEU hat einen nennenswerten Crowding-in-Effekt, der allerdings nicht genau quantifiziert werden kann. Auf Grundlage der bis Ende 2023 genehmigten Operationen wird der InvestEU-Fonds schätzungsweise rund 218 Mrd. EUR an Investitionen mobilisieren, von denen 141 Mrd. EUR (65 %) aus privaten Quellen stammen dürften. Allein für die EU-Komponente wird der Fonds bis 2028 schätzungsweise 204,8 Mrd. EUR mobilisieren, bei einem erwarteten Multiplikatoreffekt von 14,85 und einem Volumen von 372 Mrd. EUR. Nicht nur aufgrund dieser Zahlen, welche die mit Hilfe von InvestEU getätigten Privatinvestitionen widerspiegeln, ergab die Evaluierung deutliche Hinweise auf einen Crowding-in-Effekt. In einer Umfrage gaben 63 % der Projektträger an, dass die von der InvestEU garantierte Finanzierung einen entscheidenden oder erheblichen Einfluss auf die Entscheidung anderer Geldgeber oder Investoren hatte, sich zu beteiligen. Interviews und vertiefte Projektanalysen bestätigten diese Feststellung. Die insgesamt mobilisierten Investitionen können jedoch nicht allein auf InvestEU zurückgeführt werden, da auch andere (öffentlichen) Akteure und Initiativen einen Beitrag leisteten. Der wichtigste Mechanismus für das Crowding-in von Kapital ist die Risikominderung durch die Durchführungspartner bei Finanzierung, Qualitätssicherung und der Strukturierung des Projekts sowie in einigen Fällen durch beratende Unterstützung. Diese Risikominderung ermutigt andere Geldgeber und Investoren, sich zu beteiligen, wodurch die Wirkung von InvestEU über seine eigenen direkten Beiträge hinaus verstärkt wird.

Es ist zu früh, um die Wirksamkeit und Auswirkungen des InvestEU- Programms zu beurteilen. Erste Anzeichen sind aber vielversprechend und deuten dessen transformatives Potenzial an. Das InvestEU-Programm unterstützt den doppelten Wandel der EU (ökologisch und digital) über mehrere Kanäle. Es setzt öffentliche Mittel strategisch ein zur Risikominderung, zur Investitionsbeschleunigung, sowie zum Aufbau und zur Gestaltung von Märkten indem es in neu entstehende Technologien (z. B. Raumfahrt, Technologien mit militärischem und zivilen Verwendungen, Halbleiter, Meereswirtschaft, Quantencomputer) investiert; es leistet Pionierarbeit mit neuen gezielten Finanzprodukten und bietet umfassende Beratungsdienste an für den Aufbau von Markt- und institutionellen Kapazitäten. Die ersten Investitionen sind stark auf die politischen Ziele der EU ausgerichtet. Das Programm investiert in produktivitätssteigernde Aktivitäten und Investitionen mit erheblichen Spillover-Effekten, wie z. B. ökologische Investitionen, Forschung, Entwicklung und Innovation und soziale Investitionen. Dies wird in den kommenden Jahren zu Beschäftigung und Wachstum beitragen. InvestEU unterstützt somit nicht nur bei dem unmittelbaren Investitionsbedarf, sondern legt auch den Grundstein für die langfristige Wettbewerbsfähigkeit der EU.

Garantieinstrumente wie InvestEU sind von sich aus effizient im Hinblick auf den EU-Haushalt und bieten Vorteile gegenüber Zuschüssen und Finanzinstrumenten, da sie nur teilweise dotiert werden müssen und einen höheren Multiplikatoreffekt (im Vergleich zu Zuschüssen) aufweisen. Die kumulierten Zahlungsermächtigungen an den Gemeinsamen Fonds für die Dotierung von Garantien (CPF) für InvestEU beliefen sich bis Ende 2023 auf 3 Mrd. EUR. Davon wurde ein kleiner Teil verbraucht. Dieser bescheidene Verbrauch spiegelt die Anfangsphase des Programms wider – Einnahmen, Erträge und potenzielle Verluste werden sich über einen Zeitraum von mehreren Jahren ergeben. Höhere Markt-Zinssätze könnten jedoch den Dotierungsbedarf für Eigenkapital-Portfolios erhöhen, da die EU-Garantie die Finanzierungskosten für Eigenkapital für bestimmte Durchführungspartner abdeckt. Geringfügige Anpassungen des Dotierungs-Konzepts der Kommission könnten die Kapazität des InvestEU-Fonds verbessern und seine Effizienz und Wirkung steigern.

Der EU-Mehrwert des InvestEU-Fonds ist klar und deutlich. Indem er die Risikokapazität von Durchführungspartnern durch die EU-Haushaltsgarantie erhöht, ermöglicht der Fonds

Durchführungspartnern die Finanzierung von wirkungsvollen Investitionen, die sie sonst nicht in demselben Umfang unterstützen könnten. Der Fonds unterstützt grenzüberschreitende Operationen einschließlich Private-Equity-/Venture-Capital-Fonds, was in der Regel den Rahmen nationaler Initiativen sprengt. Darüber hinaus fördert er die Standardisierung und Innovation von Produkten und Praktiken von IFI/Nationalen Förderbanken und anderen Marktteilnehmern (Finanzintermediären und Fondsmanagern) und richtet sie dadurch auf die Prioritäten der Europäischen Union aus.

Das Programm InvestEU ist von entscheidender Bedeutung für die Deckung des dringenden und zunehmenden Investitionsbedarfs der EU. Das vielfältige Portfolio an Aktivitäten und Produkten von InvestEU bedient diesen Bedarf auf effektive Weise, wie frühere Bewertungen der Vorgängerinstrumente, aktuelle Berichte wie der Letta-Bericht und die aktuelle Bewertung bestätigen. Es hat sich als anpassungsfähig und flexibel bei der Reaktion auf neue politische Prioritäten und Investitionserfordernisse erwiesen. Die starke Nachfrage nach den Produkten des InvestEU-Fonds unterstreicht deren Notwendigkeit und Relevanz in der gegenwärtigen wirtschaftlichen Situation. InvestEU zielt auf Bereiche ab, in denen Märkte entweder nicht existieren oder erst in der Entstehung sind, wie Nachhaltigkeitsgarantien für KMU, Raumfahrt, Halbleiter, Quantencomputer oder Naturkapital. Parallel dazu entsteht ein Bedarf an Beratungsdienstleistungen, um sicherzustellen, dass diese aufstrebenden Märkte die für ihre Entwicklung und ihr Gedeihen erforderliche Unterstützung erhalten.

Die zentralen erkenntnisse der evaluierung: die InvestEU-Beratungsplattform

Die Umsetzung der InvestEU-Beratungsplattform ist gut vorangekommen. Bis Ende 2023 wurden mit sechs Beratungspartnern Beratungsverträge und mit CINEA eine Absichtserklärung unterzeichnet, die sich auf insgesamt 374,35 Mio. EUR an EU- Beiträgen belaufen. Diese sieben Partner haben ein breites Spektrum an Beratungsinitiativen entwickelt (27 Initiativen bis Ende 2023), wobei es aufgrund unterschiedlicher Umsetzungsphasen und der Einzigartigkeit ihrer Dienstleistungen gewisse Unterschiede bei der Aufgabenerfüllung und der Mittelverwendung gibt. Bis Ende 2023 wurden fast 70 Mio. EUR (18 % des zugewiesenen Budgets der Beratungsplattform) für 844 (laufende oder abgeschlossene) Aufträge verwendet.

Die geleistete Unterstützung ist umfassend hinsichtlich der Art, der abgedeckten Bereiche und der Reichweite. Die Projektberatung macht den Großteil der Aufträge aus (54 % der Mittelverwendung), wovon ein erheblicher Anteil auf den Aufbau von Kapazitäten (33 %) und die Marktentwicklung (13 %) entfällt. Zu den Empfängern der Beratungshilfe gehören KMU, Unternehmer und Behörden in allen 27 Mitgliedstaaten. Einige Länder (z. B. Frankreich, Italien) erhalten jedoch verstärkt Unterstützung, während andere (z. B. Österreich, Dänemark, Luxemburg, Zypern, Ungarn) vergleichsweise weniger gut abgedeckt sind. Ebenso werden alle förderungswürdigen Bereiche abgedeckt, wenn auch in unterschiedlichem Ausmaß. Die EIB bietet die diversifizierteste und umfassendste Unterstützung und deckt alle Mitgliedstaaten und förderfähigen Gebiete ab, während andere Partner auf bestimmte Sektoren oder Segmente ausgerichtet sind und ergänzende Dienstleistungen anbieten.

Weitere Analysen sind erforderlich, um die Wirksamkeit der Initiativen der Beratungsplattform zu bestimmen. Es ist noch zu früh, um die Auswirkungen der Beratungsplattform vollständig zu bewerten, da viele Aufträge (77 %)[19] noch in Arbeit oder in Vorbereitung sind. Selbst bei abgeschlossenen Aufträgen treten die Ergebnisse und Auswirkungen oft erst mit zeitlicher Verzögerung ein, und es liegen noch keine Daten vor,

[19] Ausgenommen Bpifrance, wo es sich um kleine, kurzfristige Aufträge handelt, für die keine Nachweise über die Wirksamkeit vorliegen.

um die Wirksamkeit der verschiedenen Beratungsinitiativen zu beurteilen. Diese Lücke in der Evidenzbasis muss durch künftige Evaluierungen geschlossen werden. Die befragten Begünstigten äußerten sich aber zufrieden über die Qualität der Dienstleistungen, und die wichtigsten Leistungsindikatoren (KPIs) deuten auf eine starke Ausrichtung auf die Prioritäten von InvestEU hin sowie auf eine Mobilisierung von Finanzmitteln im erwarteten Maße. Die Aktivitäten der EIB und der EBWE werden voraussichtlich zur geografischen Diversifizierung der InvestEU- Pipeline beitragen, wobei die Aktivitäten der InvestEU-Plattform für den Einsatz von InvestEU-Produkten und die Entwicklung von Investitionsökosystemen entscheidend sind.

Die Realisierung potenzieller Effizienzgewinne durch die Zentralisierung einer breiten Palette von Beratungstätigkeiten wird Zeit benötigen. Die Beratungsplattform soll Prozesse vereinfachen und Überschneidungen vermeiden indem bestehende Beratungsinitiativen zentralisiert werden und der Interventionsbereich von InvestEU erweitert wird. Diese Zentralisierung führt zu mehr Effizienz, aber auch zu einer gewissen Komplexität, insbesondere in der Anfangs- und Übergangsphase. Eine Verschlankung der Koordinierung wird die Effizienz im Laufe der Zeit erhöhen.

Der EU-Mehrwert der Beratungsplattform ergibt sich aus ihrer umfassenden geografischen und thematischen Abdeckung, die eine einzigartige Kombination von Beratungsdiensten und Finanzierung bietet, die in mehreren Mitgliedstaaten nicht verfügbar ist. Dieses kombinierte Angebot ist ein Schlüsselelement des Mehrwerts von InvestEU. Die EIB und EBWE tragen wesentlich dazu bei, die geografische Reichweite der Beratungsdienste von InvestEU zu erweitern. Durch die Einbindung der Nationalen Förderbanken wird wiederum die Präsenz vor Ort erhöht, Kundennähe gefördert und lokales Wissen genutzt, wodurch engere Partnerschaften vor Ort ermöglicht werden. Der EU-Mehrwert der Nationalen Förderbanken würde jedoch nur dann sichtbar, wenn ihre Ausrichtung auf sprachlich nahe Heimatmärkte mit der allgemeinen Unterstützungsleistung der Beratungsplattform kombiniert werden. Eine solche Verknüpfung würde Ressourcen für andere Beratungspartner (internationale Finanzinstitutionen) freisetzen, die sich auf bestimmte Sektoren und länderübergreifende Unterstützung konzentrieren und so die Gesamtwirksamkeit und -reichweite der InvestEU-Beratungsdienste erhöhen könnten.

Die zentralen erkenntnisse der evaluierung: das InvestEU-Portal

Das InvestEU-Portal findet anfänglichen Anklang, muss seinen Wert über Matchmaking-Veranstaltungen hinaus aber noch unter Beweis stellen. Bis Ende 2023 wurden etwas mehr als 1 500 Projekte auf dem Portal veröffentlicht, wobei die Liste fortlaufend aktualisiert und kuratiert wird. Seit dem Start des Portals gab es 465 Interaktionen zwischen Investoren und Projektträgern, wobei etwa 450 Investoren auf der Plattform registriert waren. Von 2021 bis 2023 hat das InvestEU-Portal 48 Matchmaking- und Pitching-Veranstaltungen mitorganisiert. Diese richteten sich an ein breites Spektrum von Teilnehmern, darunter Unternehmen, KMU, Start-ups, Regierungen, Nichtregierungs-Organisationen (NGOs), Akademiker, politische Entscheidungsträger, Risikokapitalgeber, „Angel"-Investoren, Banken, öffentliche Einrichtungen und einzelne Bürger. Über diese Matchmaking-Veranstaltungen hinaus muss das Portal jedoch noch seinen breiteren Wert und Nutzen innerhalb des InvestEU-Ökosystems unter Beweis stellen. So trägt es etwa nur begrenzt dazu bei, die Sichtbarkeit von Projekten zu verbessern oder Projekte und Investoren effektiv zusammenzubringen.

Trotz seiner einzigartigen Eigenschaften bleibt der EU-Mehrwert des Portals bisher begrenzt. Sein im Vergleich zu anderen ähnlichen Plattformen größerer sektoraler und geografischer Anwendungsbereich muss sich noch in einem erheblichen EU-Mehrwert niederschlagen. Dies liegt an seiner beschränkten Wirkung auf die Sichtbarkeit der registrierten Projekte und seinem beschränkten allgemeinen Nutzen innerhalb des InvestEU-Ökosystems.

Das Portal könnte einen Mehrwert für das breitere Investitionsökosystem bieten. Dies würde aber eine Aufstockung der Ressourcen erfordern. Die Gesamtwirksamkeit und der Mehrwert des Portals werden durch die zugewiesenen Ressourcen eingeschränkt. Eine weitere Einbindung der Portalnutzer und verbesserte Synergien mit dem InvestEU-Fonds und der Beratungsplattform würden zusätzliche Ressourcen für die Verwaltung des Portals erforderlich machen.

Bereichsübergreifende Erkenntnisse

Das Modell der offenen Architektur und das Dachkonzept von InvestEU etablieren sich langsam, aber es gibt noch einige Herausforderungen. Das Modell der offenen Architektur ermöglicht eine für beide Seiten vorteilhafte Partnerschaft, die es Durchführungs- und Beratungspartnern ermöglicht, ihre Geschäftsmodelle zu entwickeln und gleichzeitig die Kommission bei der Verwirklichung ihrer politischen Ziele zu unterstützen. Zu den Vorteilen gehören eine stärkere Wettbewerbsdynamik und größere Auswahl an Partnern für die Kommission, ein größerer Pool an Fachwissen und Produktangeboten, und der Aufbau von Kapazitäten und die Standardisierung von Praktiken zwischen Durchführungspartnern. Andererseits führt es auch zu einer gewissen - allerdings beherrschbaren - Komplexität und Fragmentierung. Die Evaluierung enthält hierzu einige Vorschläge. Der Übergang zur InvestEU-Dachstruktur hat Erfolge bei der politischen Koordinierung, sowie Effizienzgewinne und einen vereinfachten Zugang für Finanzintermediäre gebracht. Dennoch gibt es Herausforderungen, wie z. B. hohe Koordinierungskosten für die Generaldirektion Wirtschaft und Finanzen (GD ECFIN) und hohe Verwaltungs- und Berichterstattungskosten für Durchführungspartner. Darüber hinaus beklagen einige Generaldirektionen einen Mangel an Kontrolle und Sichtbarkeit hinsichtlich des Umfangs, in dem ihre jeweiligen Politikbereiche bedient werden.

Es bestehen enge Verknüpfungen zwischen dem Fonds und der Beratungsplattform, während die Einbindung des Portals in das InvestEU-Ökosystem verbessert werden muss. Die Beratungsunterstützung ist entscheidend für die Erstellung von Projektpipelines, den Aufbau von Kundenkapazitäten und die Entwicklung neu entstehender Märkte mit klaren Projektzielen in Übereinstimmung mit den politischen Zielen der EU. Die Verbindungen können durch eine bessere Koordinierung zwischen Durchführungs- und Beratungspartnern noch gestärkt werden. Im Gegensatz hierzu hat das Portal weder für die Beratungsplattform noch für den Fonds einen Wert als Pipeline geschaffen. Eine Verbesserung seines Beitrags wäre hilfreich.

InvestEU ergänzt mehrere wichtige EU-Programme, wie die Aufbau- und Resilienzfazilität (RRF) und Initiativen im Rahmen von Horizont Europa, doch ist eine gründlichere Analyse erforderlich. Auf Makroebene konzentriert sich die RRF auf die unmittelbare Erholung von Krisen, während InvestEU sowohl die Erholung als auch strategische langfristige Investitionen unterstützt. Auf sektoraler Ebene fördern die Wissens- und Innovationsgemeinschaften des Europäischen Innovations- und Technologieinstituts (EIT) und die Beratungsplattform ein stabiles Innovations- und Investitionsökosystem. Auf Unternehmensebene bietet InvestEU umfassende Unterstützung in allen Entwicklungsphasen, von der Vorgründungsphase bis hin zu Wachstum und Expansion, mit Eigenkapital-, Fremdkapital- und Risikokreditfinanzierungen. Indes decken das EIT und der Europäische Innovationsrat (EIC) mit Pre-Seed- Finanzierung und Blended Finance die unterschiedlichen Finanzierungsbedürfnisse ab.

Schlussfolgerungen und künftige Ausrichtung

InvestEU hat beachtliche Erfolge erzielt, aber hat Potenzial, noch mehr Wirkung zu entfalten. Das derzeitige InvestEU-Budget reicht nicht aus, um die hohe Nachfrage und den Investitionsbedarf der EU zu decken. Die EU muss ihre jährlichen Investitionen von 3,8 Billionen Euro auf die Größenordnung von 5 Billionen Euro aufstocken, um ihre politischen Ziele zu erreichen und wettbewerbsfähig zu bleiben. InvestEU ist zwar nicht das einzige Instrument, das zur Verfügung steht, aber es ist ein wirksames Mittel, um öffentliche und private Ressourcen zu nutzen, die politischen Prioritäten der Union zu unterstützen und gleichzeitig Durchführungspartnern Flexibilität bei der Anpassung ihrer Produkte an neue Prioritäten (z. B. eine wettbewerbsfähigere Industriepolitik) zu bieten. Die Fristen der NGEU haben zu einer starken Vorverlegung der Genehmigungen geführt, weshalb die verfügbaren Mittel für viele Finanzprodukte bis Ende 2025 erschöpft sind. Ohne eine Aufstockung der Haushaltsmittel werden nach 2025 keine neuen Genehmigungen für einige Produkte mehr erteilt werden können.[20] Es ist von entscheidender Bedeutung, die Finanzierungskapazität und Risikotragfähigkeit von InvestEU zu erhöhen, um dem Investitionsbedarf, den politischen Zielen und der Nachfrage in der EU gerecht zu werden.

Im verbleibenden Programmplanungszeitraum sollte die Kommission erwägen, die finanzielle Kapazität von InvestEU aufzustocken, durch Maßnahmen wie die Mischfinanzierungen, die Nutzung von Mitteln der Mitgliedstaaten und die Verwendung von Rückflüssen aus dem Europäischen Fonds für strategische Investitionen (EFSI) und alten Finanzinstrumenten. Darüber hinaus könnte sie in Erwägung ziehen, das Konfidenzniveau des Value at Risk (VaR) für die Rückstellungsbildung von derzeit 95 % auf 90 % zu senken, um die Risikotragfähigkeit der EU-Garantie zu erhöhen. **Langfristig benötigt die EU ein größeres und mutigeres InvestEU-Programm,** das nicht mit Liquidität ausgestattete Garantien und eine Liquiditäts-Komponente kombiniert und gleichzeitig die revolvierenden Elemente der Haushaltsgarantien über den Mehrjährigen Finanz Rahmen (MFR) hinaus verbessert, um seine Wirkung zu maximieren.

Das Programm ist zwar flexibel und kann auf sich ändernde Bedürfnisse reagieren, doch könnte diese Anpassungsfähigkeit durch die **Schaffung einer Reserve für neu entstehende Prioritäten innerhalb der Haushaltsmittel** verbessert werden.

Die komplexe und langwierige Einrichtung von InvestEU liefert wertvolle Lehren für künftige Programme: Eine wichtige Erkenntnis ist, dass **Aufbauen auf bestehenden rechtlichen und vertraglichen Vereinbarungen** sowie **Nutzen einer etablierten Überwachungs- und Berichterstattungsinfrastruktur** die Kontinuität über den MFR hinaus gewährleisten und die weitere Einführung erfolgreicher Finanzprodukte auf dem Markt erleichtern würde.

Die Kommission, die Durchführungspartner und viele Interessengruppen haben im Laufe der Jahre gewissenhaft daran gearbeitet, die offene Architektur funktionstüchtig zu machen. Obwohl es für eine umfassende Bewertung noch zu früh ist, gibt es einige sichtbare Erfolge, aber auch Bereiche mit Verbesserungspotenzial. Die zunehmende Anzahl von Durchführungspartnern macht das Programm komplexer, und die Zusammenarbeit zwischen den Durchführungspartnern sollte verbessert werden. **Ein strukturierter Rahmen für den Informationsaustausch und die Zusammenarbeit zwischen den Durchführungs- und Beratungspartnern** - unterstützt von der Kommission - könnte dazu beitragen, diese Herausforderung zu bewältigen.

Die Verringerung der Komplexität ist von entscheidender Bedeutung. Zu den möglichen Vereinfachungen gehören die Beseitigung von Redundanzen zwischen den dem Investitionsausschuss vorgelegten Garantieantragsformularen und den von der Kommission durchgeführten Policy-Checks sowie die Verschlankung der rechtlichen Dokumentation und der Berichterstattungsanforderungen bei gleichzeitiger Gewährleistung einer soliden Finanzverwaltung und -kontrolle.

Eine weitere Quelle der Komplexität ist der Prozess der Nachhaltigkeitsprüfung. Obwohl InvestEU den Grundsatz der Verhältnismäßigkeit anwendet, wird die Nachhaltigkeitsprüfung von einigen Durchführungspartnern und Projektträgern immer noch als belastend empfunden. Es ist wichtig, die Gleichwertigkeit der verschiedenen Ansätze zur Umsetzung des DNSH-Prinzips anzuerkennen. Dementsprechend sollte eine Vereinfachung in Betracht

[20] Das Budget von InvestEU liegt rund 30 % unter dem ursprünglichen Vorschlag der Kommission, was zu hohen Überzeichnungen für bestimmte Finanzprodukte führt.

gezogen werden, einschließlich einer verbesserten Verhältnismäßigkeit und Gleichwertigkeit der Anforderungen an die Nachhaltigkeitsprüfung, um diese weniger belastend und praktikabler für Durchführungspartner und Projektträger zu gestalten.

Anpassungen der Haushaltsordnung und der Vorschriften für staatliche Beihilfen könnten einen förderlicheren Regelungsrahmen für rückzahlbaren Formen der Unterstützung schaffen, da es sich um Finanzinstitute handelt, die geprüft worden sind (Säulenbewertung). Die Finanzinstitute sind zudem im Rahmen der indirekten Verwaltung tätig. Die Anpassungen können mit einer Vereinfachung des Verwaltungsaufwands einhergehen. Derartige Vereinfachungen der Berichterstattung werden bereits im aktuellen MFR in Betracht gezogen. Die Verfahren zur Säulenbewertung und zur Aushandlung von Garantien könnten ebenfalls verschlankt werden.

Schließlich könnten gewisse Verbesserungen der Beratungsplattform und des InvestEU- Portals in Betracht gezogen werden. Zu den kurzfristigen Verbesserungen gehören die Erhöhung der Sichtbarkeit und des Bekanntheitsgrads der Beratungsplattform und die Überarbeitung des zentralen Zugangspunkts. Eine verstärkte finanzielle und technische Unterstützung würde darüber hinaus die Funktionalität des Portals verbessern.

1 Introduction

Launched in 2021, the InvestEU Programme is a cornerstone of EU efforts to drive sustainable investment, foster innovation, and create jobs across Member States. This report offers a formative and early evaluation of the Programme's progress, achievements and areas for improvement, reflecting on its initial stages of implementation. By focusing on initial outcomes and implementation processes, the evaluation provides crucial insights to guide the Commission, implementing partners (IPs) and advisory partners (APs) in fine-tuning the Programme for greater impact.

1.1 Overview of the InvestEU Programme

The InvestEU Programme is a policy-driven and market-based instrument that aims to support investment within the EU. It consists of three components: the InvestEU Fund, the InvestEU Advisory Hub, and the InvestEU Portal. The Programme is structured around four policy windows, each targeting specific sectors and objectives aligned with the EU policy goals: (i) Sustainable Infrastructure Window (SIW); (ii) Research, Innovation, and Digitalisation Window (RIDW); (iii) Small and Medium-sized Enterprises Window (SMEW); and (iv) Social Investment and Skills Window (SISW).

- **The InvestEU Fund – based on an EU budgetary guarantee of EUR 26.2 billion – is designed to enhance the risk-taking capacity of IPs**, enabling them to support investments in key EU policy areas. The Fund seeks to mobilise EUR 372 billion of additional public and private investments[21]. It is implemented by selected IPs through guarantee agreements (GAs) signed with the European Commission. The EU budgetary guarantee is distributed across four policy windows, as illustrated in Figure 1.

Figure 1. Indicative allocation of the EU budgetary guarantee across policy windows

Source: ICF.

- **The InvestEU Advisory Hub provides project advisory, capacity-building and market development support to foster the development of investment-ready project pipelines and investment ecosystems**. This support is delivered by selected APs, which offer a range of tailored advisory initiatives. A central entry point, managed by the Commission, directs public and private project promoters, intermediaries, and local/central authorities looking for advisory support to the most suitable initiative offered by the Advisory Hub.
- **The InvestEU Portal is an online database for investment projects**. Its primary aim is to increase the visibility of EU-based projects seeking financing, while providing investors with information on investment opportunities.

[21] Regulation (EU) 2021/523 (InvestEU Regulation).

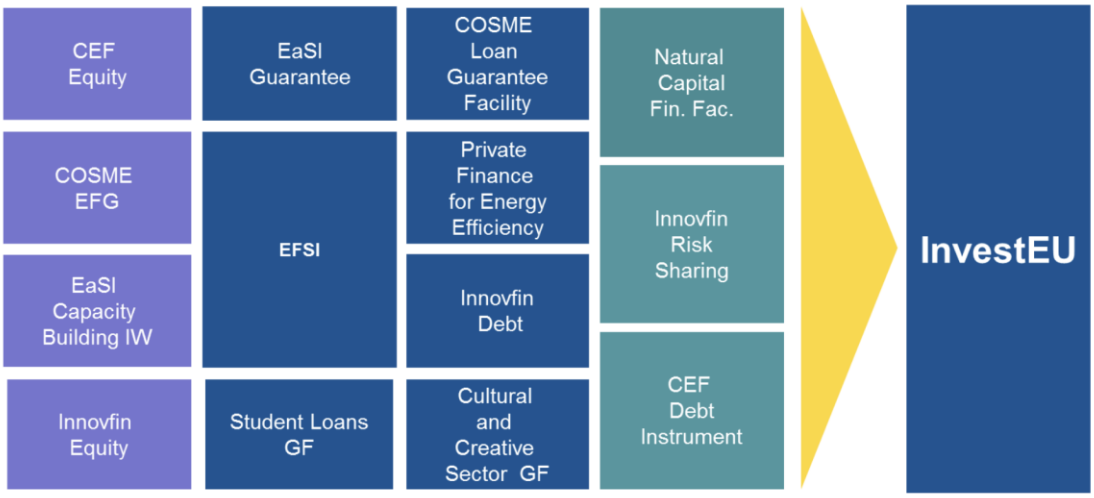
The EUR 10.5 billion budget earmarked for the InvestEU Fund allows the EU budget to provide a guarantee of EUR 26.2 billion[22]. These funds come from NextGenerationEU (NGEU) (EUR 5.93 billion) and from the Multiannual Financial Framework (MFF) budget and reflows (EUR 4.53 billion). In addition, EUR 430 million has been allocated to the InvestEU Advisory Hub, the InvestEU Portal and accompanying measures.

1.2 Salient features of the InvestEU Programme

The InvestEU Programme incorporates several novel features:

Umbrella framework: The InvestEU Fund brings together 13 EU financial instruments and an EU budgetary guarantee (the European Fund for Strategic Investments (EFSI)) into a single EU investment support Programme.

Figure 2. Umbrella framework of the InvestEU Fund



Source: European Commission.

Similarly, the Advisory Hub acts as a central entry point for 13 existing advisory initiatives, including the European Investment Advisory Hub (EIAH).

Figure 3. InvestEU Advisory Hub: central entry point

[22] The guarantee is provisioned at 40%, meaning that EUR 10.5 billion is set aside to cover potential calls made on the guarantee.

Source: European Commission.

Open architecture: The European Investment Bank Group (EIBG) remains the main partner under the InvestEU Programme, responsible for delivering operations covered by 75% of the EU budgetary guarantee and for deploying 75% of the Advisory Hub budget. However, InvestEU marks a departure from EFSI by being open to national promotional banks and institutions (NPBIs), as well as international financial institutions (IFIs). This inclusive approach broadens the scope of collaboration and leverages a wider range of expertise to achieve the Programme's strategic objectives.

Member State compartments: Member States have the possibility to set up a Member State compartment (MS-C) by allocating a part of their shared management funds, Recovery and Resilience Facility (RRF) funds and/or own resources to the InvestEU Fund. The rationale behind the MS-C is to give Member States the flexibility to address specific national needs and priorities, while reaping the benefits of the EU guarantee (leverage effect, use of readymade products, etc.). The MS-C is a novelty introduced under InvestEU. It builds on the lessons of the Small and Medium-Sized Enterprises (SME) Initiative, a joint financial instrument of the Commission and the EIBG to stimulate SME financing. The SME Initiative was supported through the financial resources of Member States from the European Structural Investment (ESI) Funds and co-financed by the EU through the COSME and Horizon 2020 programmes and other resources of the EIBG. A key factor affecting take-up of the SME Initiative was that it operated under two distinct sets of rules[23]. Under InvestEU, there is a unified set of rules, streamlining the process and expanding the range of financial products beyond SME financing. The introduction of the MS compartment aims to simplify administration, increases efficiency and complementarities, and provides a broader array of support options to meet Member States' diverse investment needs.

A spectrum of blending possibilities[24]: 'Blending' is often understood by end users (such as financial institutions and project promoters) in a broader sense, that is, as a structuring approach bringing together repayable and non-repayable forms of finance at project level. However, as per the Financial Regulation, 'blending operation' involves combining investment support from the EU budget (e.g. grants and/or repayable resources) with **repayable support from financial institutions** to achieve a higher impact[25]. The InvestEU Programme enables easier and more efficient blending of its support with EU grants and financial instruments from sectoral programmes, including the EU Emissions Trading Scheme (ETS) Innovation Fund. Through blending operations, InvestEU support is combined with grants and financial instruments from other EU sectoral programmes under a single set of rules, while remaining consistent with the policy objectives and eligibility criteria of the sectoral programme.

Other salient features of InvestEU include:

- **InvestEU represents a more strategic and policy-driven approach than EFSI**, aligning investments with key EU policy objectives such as the European Green Deal, digital transformation, social cohesion, and strategic autonomy. It is structured around

[23] The SME Initiative had to comply with two different sets of rules of the respective originating Fund: (i) the Financial Regulation and sectoral rules of funds coming from EU-level instruments (such as COSME and Horizon); and (ii) the Common Provisions Regulation, which applies to the European Regional Development Fund (ERDF)/European Agricultural Fund for Rural Development (EAFRD) contributions.

[24] Combination of EFSI and ESIF financing was allowed by the EFSI Regulation, but was constrained by several challenges, which have been addressed by the InvestEU Regulation, such as co-financing not at operational level but higher level, streamlining legal requirements, etc.

[25] European Commission, *Blending operations under InvestEU*, Internal note, July 2020.

four policy windows that reflect EU priorities and incorporates more thematic and targeted financial products than EFSI.

- **A smaller risk-bearing capacity compared to the centrally managed financial instruments under the previous MFF**. The combined budget of EFSI (provisioned at 35%) and all previous financial instruments (provisioned at 100%) was EUR 15.57 billion. EFSI had a budgetary guarantee of EUR 26 billion from the EU, supplemented by EUR 7.5 billion from the European Investment Bank's (EIB) own resources, giving it a total risk-bearing capacity of EUR 33.5 billion. The ex-ante estimated multiplier for the InvestEU guarantee is also slightly lower (11.4[26] compared to 15 for the EFSI), reflecting the Fund's enhanced focus on additionality rather than volume. Furthermore, the Commission's initial proposal for InvestEU[27] envisaged an EU budgetary guarantee of EUR 38 billion (provisioned at 40%) and a financial envelope of EUR 525 million for the implementation of the Hub, the Portal and accompanying measures. The budget allocated to the Programme was reduced in the final adoption of the InvestEU Regulation, while its policy objectives remained unchanged.
- **Focus on supporting the EU's green transition.** Building on the experience from EFSI, InvestEU commits to dedicating a minimum of 30% of its overall financial envelope to climate-relevant activities, and 60% of funds under the SIW are expected to contribute to climate or environmental objectives. A dedicated climate and environmental tracking methodology has been developed to measure the contribution of specific financing and investment operations to InvestEU's climate and environmental targets. A sustainability-proofing methodology has also been established to review the environmental, climate and social impacts of projects before approval. The sustainability-proofing takes into account the do no significant harm (DNSH) principle and the technical screening criteria of the EU Taxonomy. The Commission, in collaboration with IPs, financial intermediaries (FIs), and project promoters, has developed a Sustainability Proofing guidance to operationalise this principle.
- **Alignment with the Just Transition Mechanism (JTM)**, a key element of the European Green Deal. It aims to support EU territories most affected by the transition towards climate neutrality by providing them with tailored support. JTM consists of non-repayable funds (grants) from the Just Transition Fund, as well as repayable and combined instruments from the Just Transition Scheme under InvestEU, and the combination of EU grants and EIB own resources loans under the Public Sector Loan Facility (PSLF). InvestEU can support investments in the framework of approved Territorial Just Transition Plans (TJTPs). The Just Transition Scheme under InvestEU expects to mobilise EUR 10-15 billion for projects in identified territories or benefiting their transition. The instruments are supported by a wide range of advisory support.

Finally, **the InvestEU Programme governance structure** is set out in Figure 4.

[26] The multiplier effect reflects the relationship between the EU budgetary guarantee and the investment mobilised. It was initially estimated at 11.35 taking account of potential IP contributions. The calculation was as follows: EU guarantee (EUR 26.2) + 25% of IP contribution (0.25* EUR 26.2) leading to the 372 billion of investment mobilised. Without the IP contributions, the multiplier effect is 14.2

[27] COM(2018) 439 final

Figure 4. InvestEU governance bodies

1.3 Objectives and scope of the evaluation

The timing and scope of this evaluation are driven by the InvestEU Regulation. Article 29 of the Regulation requires the Commission to submit an independent evaluation of the Programme to the European Parliament and to the Council by 30 September 2024. To fulfil this requirement, the Commission has appointed a team of consultants (ICF S.A.) to conduct an independent external evaluation by May 2024.

In addition to fulfilling the regulatory requirement, this evaluation aims to foster learning and inform future policy directions. By harnessing evidence, insights, and learnings on various aspects of design, governance, and delivery, the findings will be instrumental in informing decision-making on potential fine-tuning or changes that could enhance the design and functioning of the Programme.

The evaluation covers the period 2021-2023, when the Programme was in its start-up phase. The InvestEU Regulation did not enter into force until March 2021, with retroactive effect from January 2021. This delay was primarily due to the need to reorganise EU spending during the COVID-19 pandemic and its aftermath. InvestEU subsequently became a key component in financing the EU's recovery from the crisis. However, further delays occurred, as GAs with IPs were only signed from 2022 onwards. Additional complications arose from Russia's war of aggression against Ukraine, the energy crisis, high inflation and the tightening of credit markets, which affected the wider macroeconomic and policy context in which the Programme is implemented. Overall, this evaluation covers less than two years of actual implementation, resulting in a small and young portfolio of projects that is still building. Consequently, there are limited outputs and outcomes to assess at this stage.

Given the limited timeframe for analysis, the evaluation focuses on the design, processes, and early outputs and outcomes of the InvestEU Programme. This evaluation presents an invaluable opportunity to critically assess the foundations on which the Programme is built and identify ways to enhance its relevance and impact. More specifically, the evaluation focuses on:

- How well the Programme addresses investment barriers in Europe and channels capital towards identified needs and policy objectives.
- Programme adaptability and responsiveness to changing market conditions and needs.
- Whether the right conditions are in place for InvestEU to achieve its desired impact.
- Whether the Programme is on the right track or requires course correction based on initial findings and stakeholder feedback.
- A preliminary assessment of performance based on early outputs, outcomes and emerging impacts, providing a foundation for deeper analysis in future evaluations.

The early insights gathered through this evaluation will lay the groundwork for more comprehensive future assessments of the InvestEU Programme. Conducting this evaluation was a complex and challenging task due to the intricate governance and implementation structure of the InvestEU Programme, as well as practical challenges in accessing and assembling data from multiple sources. However, this experience has provided valuable methodological and practical lessons that will inform and improve the approach to future evaluations and assessments of the Programme, including preparatory work to support the impact assessment for its successor under the next MFF. This interim evaluation should ideally be followed by a more extensive and in-depth assessment by 2025 in order to obtain a deeper understanding of the Programme's long-term effectiveness and impact. This process of evaluation and refinement will ensure that the InvestEU Programme under the next MFF remains a robust and adaptive tool for driving sustainable investment, innovation, and job creation across the EU.

1.4 Structure of the report

The remainder of this report is structured as follows:

- Section 2 details the evaluation approach and explains the methodology.
- Section 3 explains the evaluation design, reflecting the ex-ante rationale for the InvestEU Programme.
- Section 4 provides a description of Programme implementation to date.
- Section 5 reports the findings of the evaluation on each of the five criteria assessed – effectiveness, efficiency, coherence, relevance and EU added value. It also delves deeper into two key cross-cutting issues: the open architecture and the umbrella framework.
- Section 6 presents the lessons learned and concludes the report.

This report is supported by a technical annex, which should be read in conjunction with the main report.

2 Evaluation approach and methodology

This section describes the evaluation and methodological approach. It provides a brief explanation of the overall approach to the evaluation, followed by an overview of the methods adopted, including caveats and limitations. The last sub-section describes the challenges encountered throughout the evaluation process in more detail, as well as the lessons that can be learned.

2.1 Approach to the evaluation

The design of the evaluation and choice of methods was guided by several key considerations:

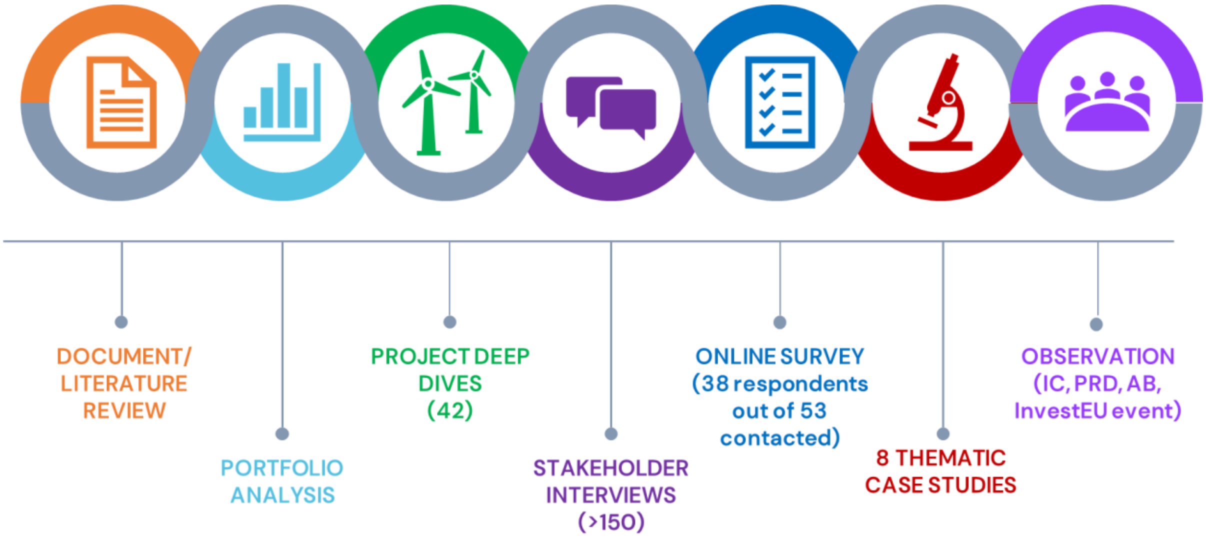
- **The evaluation criteria and questions to be addressed:** The Terms of Reference (ToR) for the evaluation outlined a series of questions to be addressed, focusing on effectiveness, efficiency, coherence, relevance and EU added value. To systematically address these questions, an evaluation framework was developed (see Annex 2), detailing the necessary data and evidence, as well as the methods and sources for building a rich and robust evidence base.
- **Impact pathways of the InvestEU programme:** The impact pathways serve as a foundational tool for assessing the effectiveness of different components of the Programme. These pathways outline the anticipated mechanisms through which InvestEU is expected to achieve various outcomes and impacts, functioning as testable hypotheses for the evaluation (section 3). By explicitly mapping these pathways, the evaluation aimed to (i) identify the necessary data sources and methods to demonstrate outputs and results, and test underlying assumptions; (ii) assess the feasibility of gathering this evidence at an early stage of implementation (see point below).
- **Early stage of Programme implementation.** Given the early stage of the Programme's implementation, there were significant limitations on evaluating its effectiveness and efficiency, as well as on testing the impact pathways. While available portfolio data was utilised wherever possible, the limited availability of quantitative data (on KPIs/KMIs for example) was taken into consideration when designing the evaluation. Therefore, the evaluation relies heavily on qualitative approaches, such as interviews, project deep dives, and case studies, which provide a rich, contextual understanding of the Programme's initial implementation, early achievements and operational dynamics.
- **Novel aspects of the Programme**. The evaluation methodology envisaged thematic case studies specifically designed to explore issues considered particularly important given the innovative aspects and ex-ante rationale of the Programme.

By considering these factors, the present evaluation aims to provide meaningful insights into the initial implementation and innovative aspects of the InvestEU Programme, setting the stage for more comprehensive evaluations as it matures.

2.2 Overview of evaluation methods

To ensure methodological rigour, the evaluation combines both qualitative and quantitative methods where feasible. This mixed-methods approach serves multiple purposes: (i) triangulation: elaborating, cross-checking or clarifying results across methods; (ii) developmental: using the results from one method to develop the use of other methods; and (iii) expansion: extending the depth and breadth of enquiry by using different methods for different enquiry components. The evaluation framework (see Annex 2) details how these methods are integrated and how data from different sources are triangulated to build a comprehensive evidence base.

Figure 5. Evaluation of the InvestEU Programme – main methods



The specific research methods are summarised below.

Document/literature review

Review and analysis of existing information on the design, implementation and performance of the InvestEU Programme.

The review covered programming documents (e.g. InvestEU Regulation, investment guidelines, methodologies and guidance notes approved by the Steering Board, minutes of governance bodies), monitoring reports (operational, financial, risk reports), policy documents, academic studies and other relevant documents. Four analytical outputs were used to inform the evaluation:

- A literature review covering investment needs and gaps in specific policy areas or sectors (e.g. green transition, digital transformation, access to finance for SMEs).
- A review of all available evaluations of EU guarantees and financial instruments preceding InvestEU.
- A mapping of features of the financial products offered by each IP.
- A mapping of policy priorities and objectives relevant for the InvestEU Programme.

Portfolio analysis

Dissection and analysis of data relating to approved and signed operations to look at aspects such as: approvals and signatures by IP; geographical, thematic and sectoral spread of investments; aggregation of key performance indicators (KPIs) or key monitoring indicators (KMIs), such as multiplier effect, investment mobilised, etc. The scope of the analysis includes operations approved and signed before the end of December 2023.

Initially, the portfolio analysis followed a bottom-up approach, based on the reports submitted by the IPs to the European Commission and, once validated, shared with the evaluation team. However, this approach proved extremely challenging and time-consuming[28], creating conflicts with the timetable for delivery of the evaluation. To overcome these challenges, the evaluation team opted to use a comprehensive dataset provided by the Directorate-General for Economic and Financial Affairs (DG ECFIN). This dataset, based on validated operational

[28] Delays in signature of non-disclosure agreements (NDAs) with IPs/APs prevented access to the full set of operational reports until April 2024.

reports until the end of December 2023, offered a more efficient and reliable basis for analysis.

To complement the analysis of the Fund portfolio, an in-depth descriptive analysis of Advisory Hub assignments was undertaken, providing additional insights into the operational effectiveness and outreach of the advisory services.

Project deep dives

A thorough review of selected InvestEU Fund operations and Advisory Hub assignments sought to delve deeper into aspects such as market failures/suboptimal investment situations addressed, and the additionality of InvestEU support and IP financing or AP support.

The evaluation team conducted:

- 32 InvestEU Fund project deep dives.
- 10 InvestEU Advisory Hub deep dives.

Stakeholder interviews

A wide range of stakeholders were interviewed to gather their perspectives on the relevance, effectiveness, efficiency, coherence, and EU added value of the Programme. Stakeholder consultations covered:

- **Investment Committee (IC)**: All 12 members of the IC were interviewed.
- **National authorities**: 18 interviews were conducted with representatives from national authorities, some of whom are also members of the Advisory Board.
- **IPs/APs:** All IPs and APs were interviewed since the scoping phase, most more than once. In addition, a follow-up questionnaire covering topics such as product offerings, risk and additionality was submitted to all IPs.
- **Financial intermediaries**: Eight financial intermediaries and fund managers were interviewed.
- **Beneficiaries**: Eight interviews were carried out with beneficiaries of advisory support, as well as one interview with an organisation representative.
- **Withdrawn NPBIs**: Four NPBIs that initiated negotiations to join InvestEU as IPs but then withdrew were interviewed.
- **European Commission**: At least 92 Commission officials were consulted during various stages of the evaluation (scoping, data collection and synthesis). In addition to DG ECFIN, various Directorates-General (DGs) were consulted: Budget (DG BUDG), Internal Market, Industry, Entrepreneurship and SMEs (DG GROW), Research and Innovation (DG RTD), Employment, Social Affairs and Inclusion (DG EMPL), Communications Networks, Content and Technology (DG CNECT), Mobility and Transport (DG MOVE), Environment (DG ENV), Education, Youth, Sport and Culture (DG EAC), Defence Industry and Space (DG DEFIS) and Maritime Affairs and Fisheries (DG MARE). Some DGs were consulted more than once. In addition, a follow-up questionnaire covering topics such as efficiency, blending and the umbrella framework was submitted to several DGs.

Other relevant stakeholders, such as the rapporteurs to the European Parliament on the InvestEU Programme and several industry representatives, were also contacted but the evaluation team received no response.

Online surveys

In order to capture targeted feedback from InvestEU project promoters, an online survey was disseminated via five IPs[29]. The sample frame consisted of 53 direct operations signed by the end of December 2023. Of these, 38 project promoters responded (response rate = 71%). The survey covered topics such as the characteristics of the financing received and project progress, other sources of financing considered, the impact of the financial support, feedback on conditions and requirements associated with the financing, and awareness of the InvestEU Advisory Hub and Portal.

Thematic case studies

An in-depth study of specific aspects or themes of the InvestEU Programme was undertaken using a mixed-methods approach. The following eight themes were selected as case study topics:

- Possibilities and challenges to effective blending of InvestEU financing with other public funds.
- MS-C: early findings and lessons.
- Benefits and downsides of involving multiple IPs and APs.
- How InvestEU is working as an umbrella programme: synergies, added complexity and effectiveness in achieving policy objectives.
- How the InvestEU Fund and Advisory Hub support innovative and high-risk projects with potential for significant societal impact.
- InvestEU's contribution to financing green and greening finance.
- How InvestEU supports the EU's digital transition.
- External communication, outreach and matchmaking/pitching events organised by the InvestEU Portal.

Case study monographs can be found in Annex 6, with many findings also included in the main report.

Observation

The evaluation team participated in several meetings and events as observers:

- **Policy Review Dialogues** between the Commission and the EIBG in November 2023.
- **InvestEU Advisory Board** meeting in December 2023.
- **IC** meeting in January 2024 where the European Bank for Reconstruction and Development (EBRD), Nordic Investment Bank (NIB) and InvestNL presented operations for approval.
- **'InvestEU: Financing Europe's future' conference** and **EU Sustainable Investment Summit** in January 2024.
- **Portal matchmaking** event organised by EuroQuity in January 2024.

This immersive engagement allowed the evaluation team to: (i) capture a wide array of perspectives (ranging from IPs to final recipients and wider stakeholders); (ii) develop a nuanced understanding of the operational realities, challenges, successes, and the perceptible impact of the Programme on final recipients; (iii) identify areas for improvement.

[29] EIB, European Investment Fund (EIF), Council of Europe Development Bank (CEB), NIB, and the EBRD.

2.3 Challenges, limitations and practical lessons to inform future evaluation approaches

The interim evaluation of the InvestEU Programme encountered several challenges and limitations, providing valuable lessons for improving future evaluation approaches.

- **The considerable time and effort required to coordinate NDAs with several IPs posed a significant obstacle to the progress of the evaluation**. This process delayed or restricted access to key documents, data and the InvestEU Management Information System (MIS). Future evaluations should ensure more streamlined processes for NDA coordination, possibly by establishing pre-agreed frameworks with IPs and APs that outline clear timelines and responsibilities.
- **The intensive coordination required with various IPs and APs to access essential information,** such as documents for deep dives and responses to clarification questions, contributed to further delays and consumed substantial resources. Contact points for the evaluation were provided at all IPs. However, in several instances, the response from these contact points was delayed, and in some cases, follow-up requests from the evaluation team were not addressed. To enhance future evaluations, it is recommended that a dedicated liaison role or team be established (as successfully implemented by some IPs) to ensure smoother information exchange and timely access to critical data. This proactive approach will better facilitate the evaluation process and address the challenges experienced in the current evaluation.
- **The bottom-up approach to compiling the portfolio dataset, which relied on progress/operational reports from IPs, proved challenging and time-consuming**. Transitioning to a comprehensive portfolio dataset provided by DG ECFIN, based on validated operational reports, significantly improved efficiency. Future evaluations should consider adopting similar approaches from the outset, using centrally validated datasets to streamline the analysis process and enhance data reliability, and leveraging data science to draw more meaning from the data.
- **The evaluation faced constraints due to the limited time and budget available**, which restricted the depth of analysis, particularly on relevance and effectiveness of individual Advisory Hub initiatives. To address this gap, further assessment of advisory initiatives could be carried out as part of a future evaluation and/ or impact assessment of proposal for a successor programme under the next MFF.
- **Given the Programme's complexity, multiple rounds of interviews with IPs and Commission services were necessary to understand the nuances and intricacies**. However, qualitative research is resource-intensive, and stakeholders should be prepared in advance for this intensity. Future evaluations should plan for adequate timeframes and budget allocations to allow for comprehensive data collection, in-depth interviews, and meaningful analysis. This includes setting realistic deadlines and allowing the flexibility to adapt to unforeseen challenges.
- **This early evaluation is focused heavily on EIBG operations**, particularly feedback collected from project promoters and financial intermediaries (see Annex 5). A follow-up evaluation is required to get a more balanced perspective and ensure accountability across all IPs. To avoid evaluation fatigue, the follow-up evaluation could focus on the IPs that could not be adequately covered as part of the current evaluation. This is important as not all NPBIs have the practice or the capacity to undertaken independent evaluations of their operations.

3 Rationale for the InvestEU Programme

This section outlines the ex-ante rationale for each component of the InvestEU Programme. The rationale for intervention is embodied in the intervention logic or impact pathways for each component. These pathways have been developed on the basis of InvestEU documents (legal basis, impact assessment, etc.), complemented by empirical evidence from past evaluations and economic studies, as well as insights derived from evidence collected throughout the evaluation.

3.1 Impact pathways for the InvestEU Fund

The InvestEU Fund addresses the need to boost investment in strategic areas that are crucial for the EU's future, such as green transition, strategic industrial autonomy, digital transformation and innovation. The Fund’s rationale is based on the proven effectiveness of budgetary guarantees and financial instruments in addressing market failures and suboptimal investment conditions. By enhancing the risk-taking capacity of IPs, the budgetary guarantee enables these partners to de-risk investments and target areas typically overlooked by the private sector due to low returns.

The Fund's success depends on several critical assumptions:

- Design of financial products: financial products must be well-designed to meet market needs effectively.
- Targeting: investments must be aligned with EU policy areas, as defined in Annex II of the Regulation.
- Additionality: the EU guarantee and IP financing should be additional, as defined in the Annex V of the InvestEU Regulation.
- Project pipelines: a robust pipeline of high-quality, well-prepared investment opportunities to ensure successful fund deployment.

InvestEU does not operate in a vacuum. External factors such as the policy and geopolitical context, macroeconomic conditions, other public funding programmes such as RRF and regulatory environment significantly affect the investment landscape and the Fund's performance. Additionally, factors such as technological advancements, economic conditions (e.g. inflation, demand), societal shifts (e.g. ageing populations, rising inequality, urbanisation), and evolving expectations (e.g. sustainable and responsible consumption) play crucial roles in the success of projects and activities financed through InvestEU support.

3.2 Impact pathways for the InvestEU Advisory Hub

The Advisory Hub addresses the need for expert guidance and capacity-building to enhance the quality and readiness of investment projects and develop investment ecosystems. Many project promoters face challenges in preparing and developing sound and bankable projects due to their limited expertise and resources. The Hub addresses these challenges by providing specialised assistance to project promoters to enhance the design, preparation, and implementation of projects. This support ensures that projects meet high-quality standards and are financially viable, improving their chances of securing investment. In addition to project-specific advisory support, the Advisory Hub supports institutional or organisational capacity-building and market development through awareness-raising activities and preparatory work to develop the market for certain types of investments that are currently underserved.

The impact pathways are based on the assumption that the Hub's support is well-designed and targeted and that there is ownership and use of the outputs of the advisory assignments by clients. It presupposes that advisory services are visible and accessible to those who need them. These assumptions are crucial for the Advisory Hub to achieve its intended impact.

External factors affecting the uptake and implementation of the Advisory Hub's services include the availability of alternative offers and financial and technical capacity to invest. Broader economic conditions, political stability, and changes in regulatory policies also play significant roles in shaping the investment climate.

3.3 Impact pathways for the InvestEU Portal

The Portal addresses the need for enhanced visibility and accessibility of investment opportunities within Europe. By centralising project information, the Portal aims to reduce the search costs for project promoters and potential investors and improve the ability of project promoters to secure financing. It also facilitates networking opportunities through various channels, in particular matchmaking events, and provides a platform for promoters and investors to connect and exchange information.

Critical assumptions underpinning the Portal's impact pathways include:

- Quality of projects listed on the Portal.
- Investor willingness and capacity to invest.
- Quality of project information (accurate, comprehensive, and up-to-date information is essential for attracting investors).
- Confidence in data security of the Portal.
- Active use of the Portal by both project promoters and investors.

The success of the Portal is influenced by several external factors. General economic conditions play a crucial role in shaping investment sentiment and the availability of capital, impacting the willingness and ability of investors to commit funds. The presence of competing investment platforms or services could affect the Portal's attractiveness to both project promoters and investors, potentially drawing interest away from the Portal. Variations in investment culture across different EU countries may also affect how the Portal is used and its success in different contexts.

Figure 6. Impact pathways for the InvestEU Fund

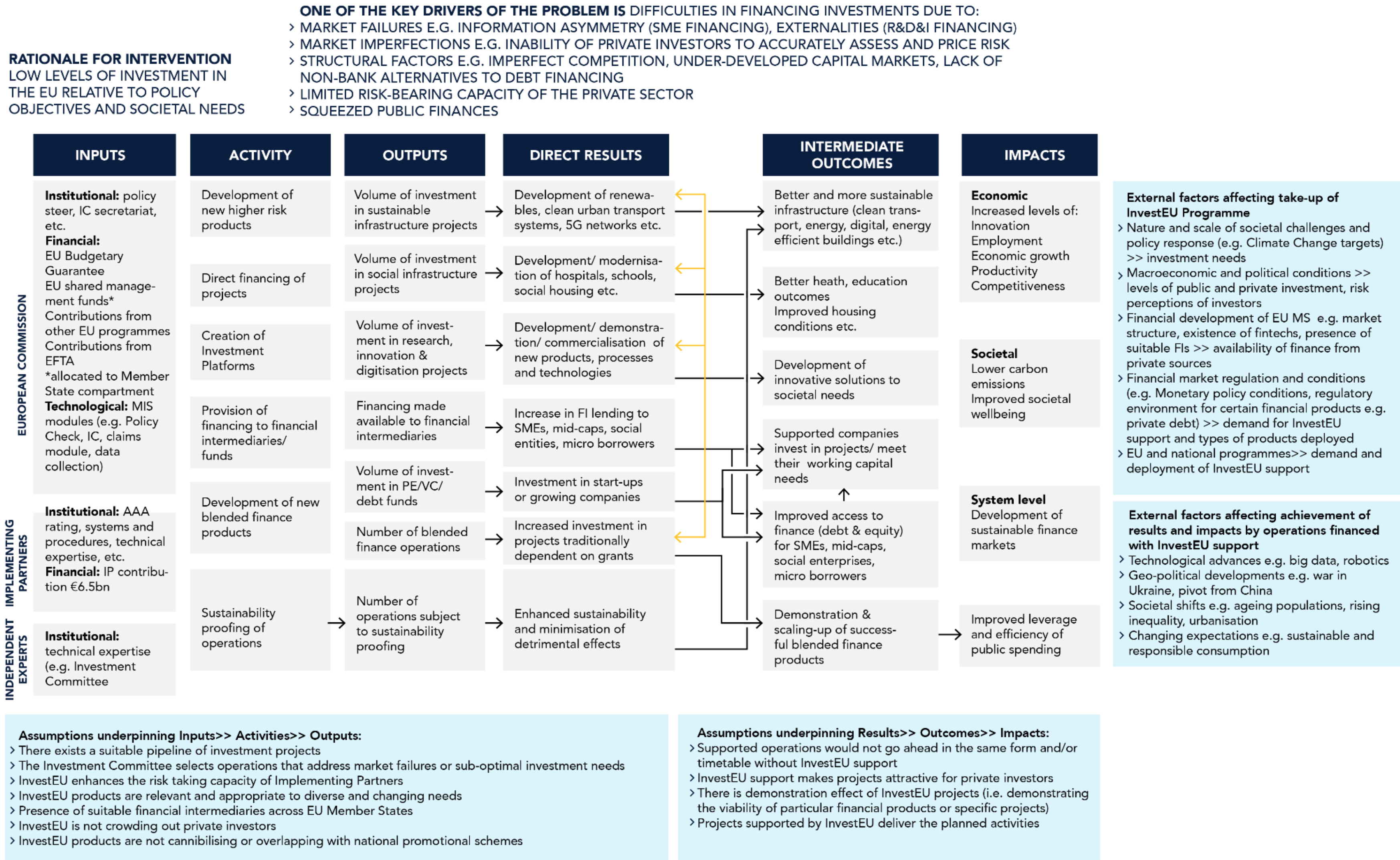


Figure 7. Impact pathways for the InvestEU Advisory Hub

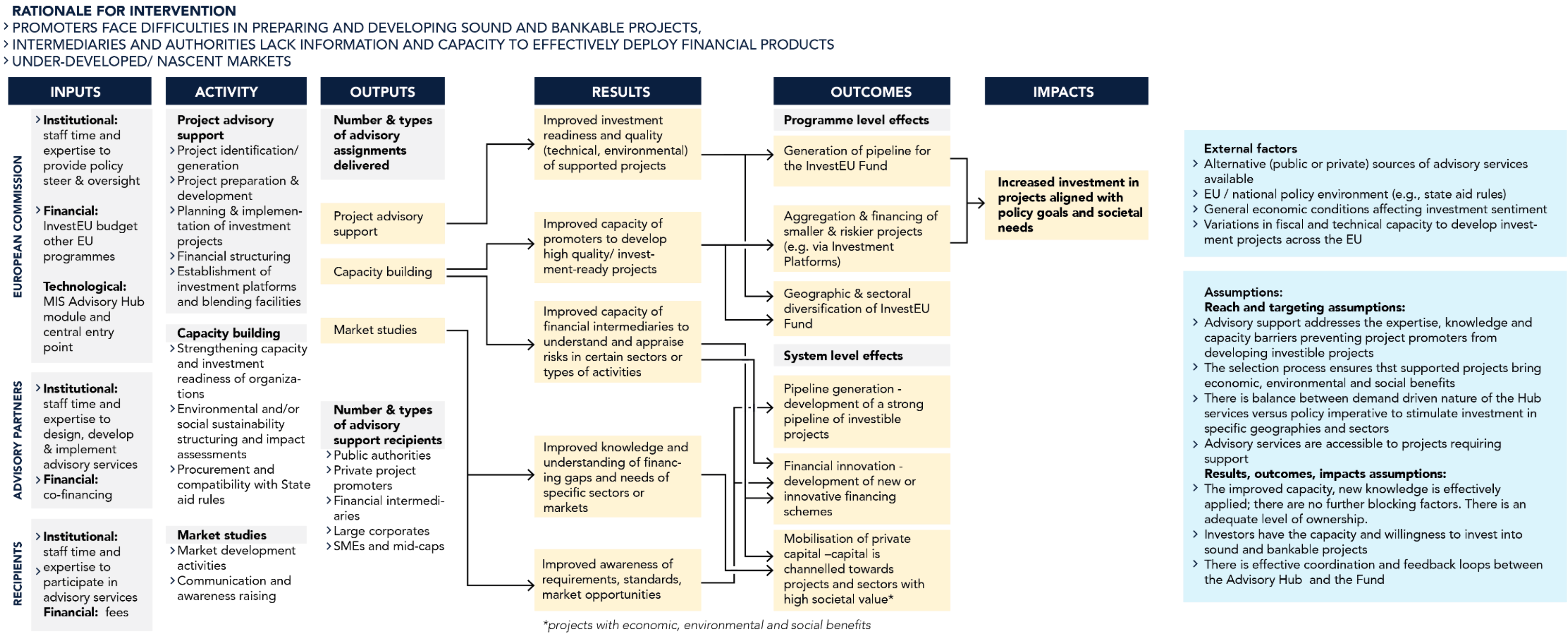
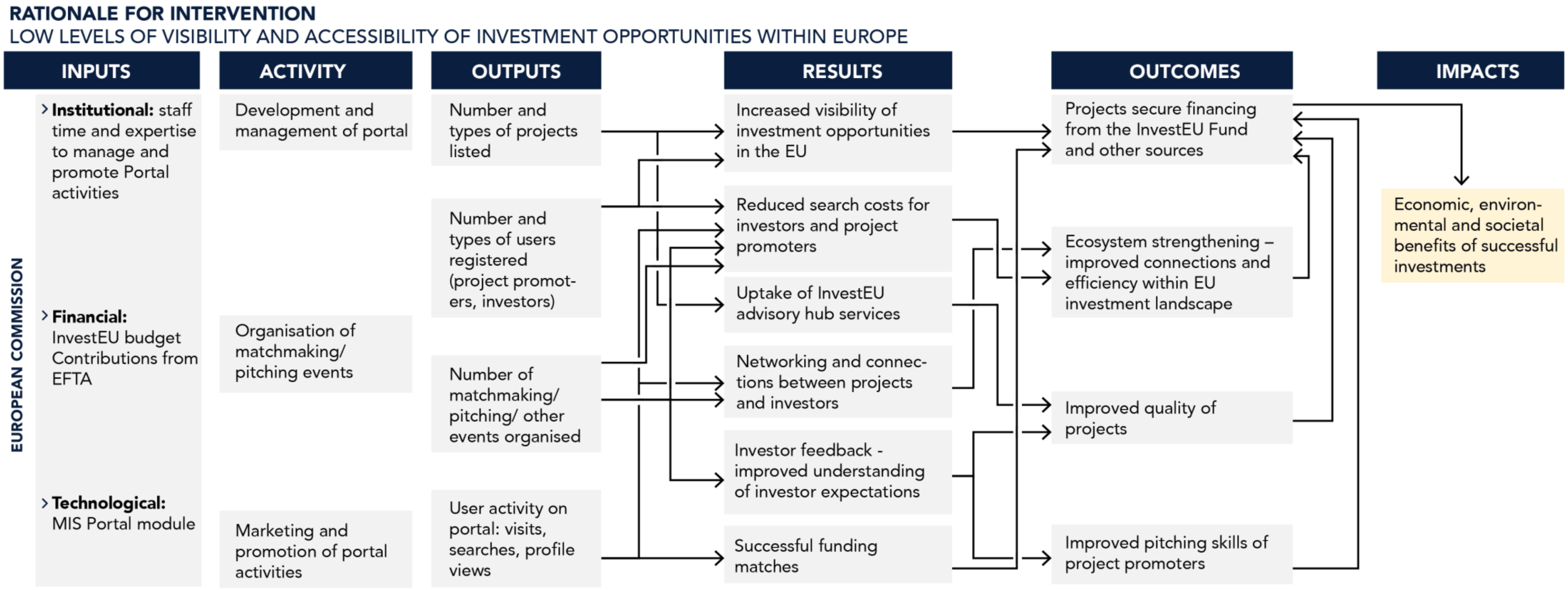


Figure 8. Impact pathways for the InvestEU Portal



Assumptions: Effective communication and marketing: there is effective dissemination and promotion of the portal's services among investor community and project promoters
Value proposition: the portal offers a clear value proposition to project promoters and investors
User compliance: projects provide accurate up-to-date and comprehensive information about projects tailored to needs of investors
Technology adoption: Users are willing to utilise an online platform for investment purposes
Responsiveness: project promoters are responsive to investors requests for information
Trust: users have confidence in the security and credibility of the platform
Diversity: the diversity of projects and investors are interesting for the two parties
Capacity: investors have willingness and capacity to invest

External factors
General economic conditions affecting investment sentiment and availability of capital
The presence of competing investment platforms or services could influence the portal's attractiveness to both project promoters and investors
Potential for data breaches or cyber-attacks could undermine trust in the portal
Variations in the investment culture across different EU countries may affect the portal's usage and success in different contexts

4 Programme implementation during 2021-2023

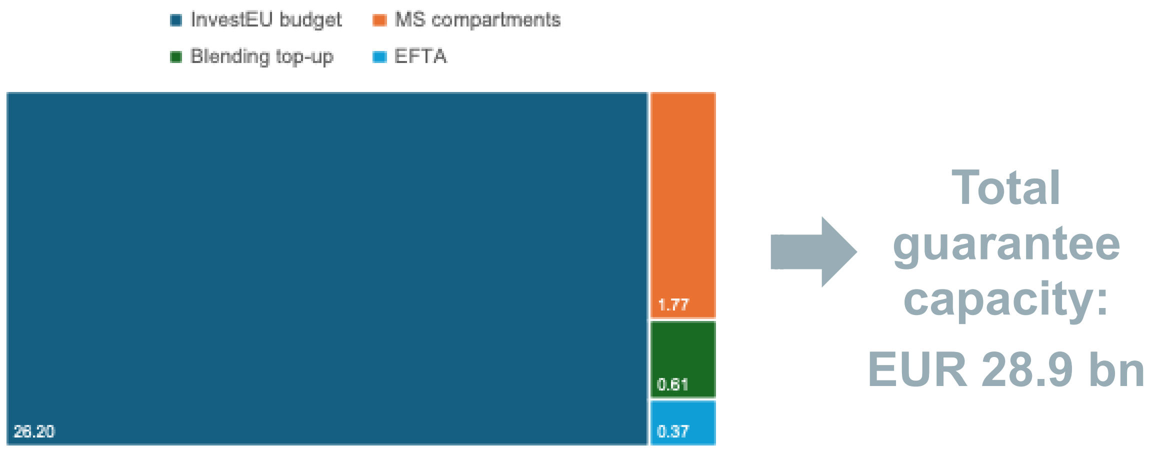
This section takes stock of the Programme's implementation until the end of 2023. It describes the operations and activities of the Fund, the Advisory Hub and the Portal.

4.1 InvestEU Fund

4.1.1 Overview of signed GAs

The guarantee capacity of the InvestEU Programme was reinforced by additional contributions from sectoral programmes (via blending top-ups), European Economic Area (EEA)-European Free Trade Association (EFTA) countries (Norway and Iceland) and six Member States (MS). Altogether, these contributions provide an additional guarantee capacity of EUR 2.6 billion to the Programme (Figure 9). While these contributions represent modest proportions of the overall guarantee available (10%), they are nonetheless crucial for extending the Programme's reach and allowing it to better meet the high demand and ambitious policy objectives set forth by the EU.

Figure 9. Guarantee capacity of the InvestEU Programme, EUR billions, December 2023



Source: Based on data provided by DG ECFIN.

By the end of 2023, 90% of the guarantee had been allocated to 16 IPs. Taking account of the above financial reinforcements, GAs amounting to EUR 26.16 billion had been signed with 16 IPs by the end of 2023 (Table 1). The IPs for the EU compartment consist of five IFIs, and nine NPBIs from seven Member States. The Programme's reach extends through two additional IPs who are exclusively in the implementation of MS-Cs. The EIF accounts for the largest share (52%) of the GA, followed by the EIB, at 33%, while the remaining 14 IPs account for almost 15% of the allocated GA.

Table 1. Allocation of InvestEU guarantee across IPs

IP	Geographical coverage of EU Member States	GA signature date	InvestEU guarantee	Blending top-up	EFTA	MS-C	Guarantee allocation to IP	Share of total guarantee allocation	Peak deployment year***
EIF	EU-27	7 March 2022	11 568 772 356	308 159 472[30]	183 183 687	1 420 952 952	13 481 068 467	52%	2024
EIB	EU-27	7 March 2022	8 045 460 198	300 000 000	183 183 687	-	8 528 643 885	33%	2026-2027
EBRD	Central Europe, Baltic States, Cyprus and Greece	14 December 2022	610 000 000	-	-	141 784 150	751 784 150	3%	2025
Bpifrance	France	27 April 2023	500 000 000	-	-	-	500 000 000	2%	2025-2026
CDP	Italy	16 February 2023	495 250 000	-	-	-	495 250 000	2%	2023
CDC	France	20 December 2022	372 500 000	-	-	-	372 500 000	1.4%	2023
CDPE	Italy	7 October 2022	372 000 000	-	-	-	372 000 000	1.4%	2023
BGK*	Poland	20 April 2023	277 784 000	-	-	-	277 784 000	1.1%	N/A
Garantiqa	Hungary	7 August 2023	273 900 000	-	-	-	273 900 000	1.1%	2026

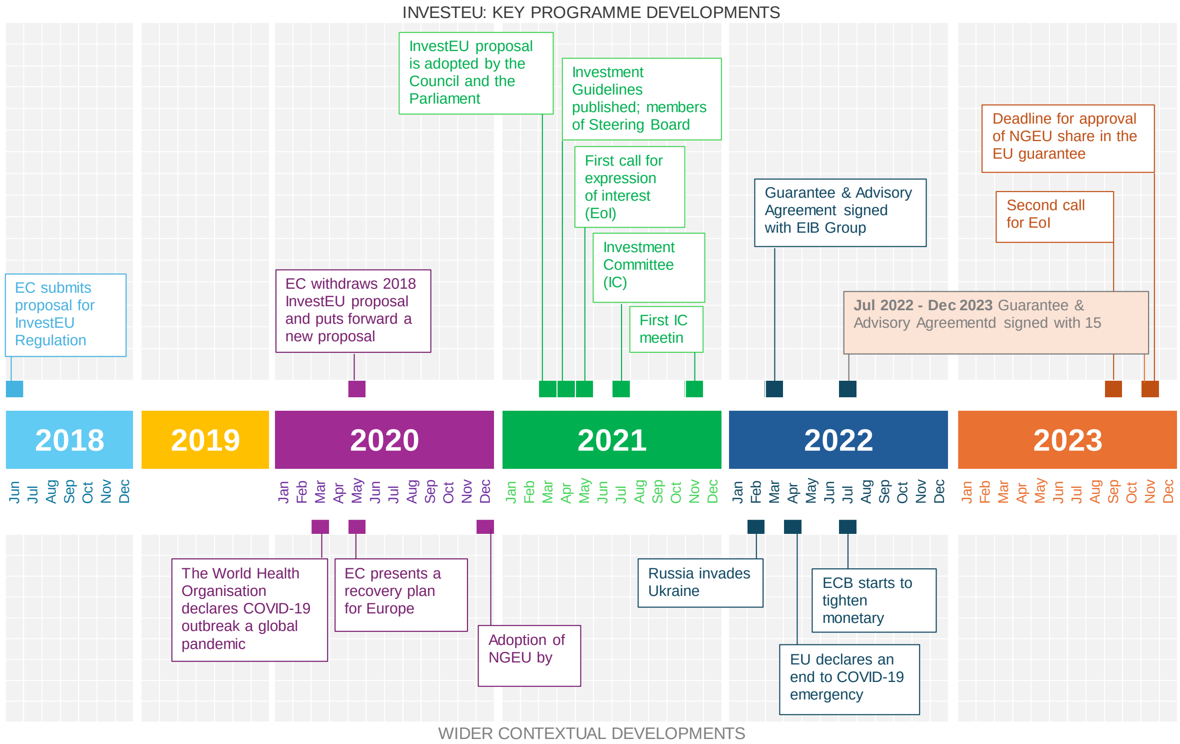
[30] GA already committed. The total EIF top-ups amount to EUR 871 million, including all indicative amounts from the GA.

IP	Geographical coverage of EU Member States	GA signature date	InvestEU guarantee	Blending top-up	EFTA	MS-C	Guarantee allocation to IP	Share of total guarantee allocation	Peak deployment year***
NIB	Nordic and Baltic states	12 December 2022	114 000 000	-	-	-	114 000 000	0.4%	2025
InvestNL	Netherlands	4 August 2023	210 000 000	-	-	-	210 000 000	0.8%	2025
CEB	EU-27 excluding Austria	28 November 2022	159 125 000	-	-	-	159 125 000	0.6%	N/A
ICO**	Spain	14 February 2023	156 250 000	-	-	-	156 250 000	0.6%	2025
PMV	Flanders (Belgium)	14 December 2023	70 000 000	-	-	-	70 000 000	0.3%	2024
BDB***	Bulgaria	7 November 2023	-	-	-	125 000 000	125 000 000	0.5%	N/A
NRB****	Czechia	20 December 2023	-	-	-	80 000 000	80 000 000	0.3%	N/A
TOTALS			**23 225 041 554**	**608 159 472**	**366 367 374**	**1 767 737 102**	**25 967 305 502**	**100%**	

Source: Based on data provided by DG ECFIN. These amounts take into consideration a foreign exchange buffer of EUR 36,233,000 in the case of BGK . ** The InvestEU guarantee includes an amount of EUR 31,250,000 to cover funding costs and administrative fees. ***Based on survey of Ips; ****Involved in implementation of MS-C only. The amounts for blending top-up provided here refer to the committed amount as of end-2023 (not the total indicative amount included in the GAs).*

The negotiation of GAs was time-consuming and complex for the Commission and the IPs. The first GA was signed with the EIB and the EIF in March 2022, almost 15 months after the official start of the Programme. The remaining GAs were signed between October 2022 and December 2023 (Figure 10).

Figure 10. InvestEU timeline



Source: ICF.

Consequently, the anticipated pace of InvestEU Fund deployment varies across IPs, with peak utilisation (in terms of approvals) forecasted over different time horizons. For instance, the EIF anticipates 2024 as its peak deployment year, while the EIB projects its peak period between 2026-2027, subject to evolving economic conditions and strategic planning. The CDC and CDP Group (including CDP and CDPE)[31] anticipated peak percentage of approvals of InvestEU guaranteed lending/investment to occur in 2023, while Bpifrance, EBRD, Garantiqa, ICO, InvestNL and NIB expect peak utilisation around 2025-2026.

Several factors contributed to the delayed and slow start of the Programme:

- Delayed adoption of the InvestEU Regulation.
- Significant changes compared to previous MFFs, such as the introduction of an umbrella framework, an open architecture, and a new governance model that necessitated the establishment of new systems, procedures and teams.
- Operational challenges, such as finding solutions for funding costs[32] of equity products and foreign exchange costs.

[31] Peak considered in terms of IC approval process as both CDP Spa and CDP Equity had mainly been entrusted with NGEU budget and were therefore required to have all operations approved by end of 2023

[32] Although funding costs were also covered under EFSI, new solutions had to be found because of the requirements of the Financial Regulation that did not apply to EFSI.

- Internal discussions within the Commission on budgetary and competition issues, and the need to ensure a level playing field among IPs, for example by revising the revenue sharing terms.
- Programme design choices such as blending options, MS-Cs, combining of EFSI and InvestEU portfolios while offering greater flexibility, were complex and time-consuming to set up.
- Navigating the requirements of the Financial Regulation was challenging for some of the 'new' IPs during the pillar assessment and GA negotiation processes.
- InvestEU has specific sections within the State aid framework, but general and horizontal State aid rules still apply. The general and horizontal State aid rules (such as reporting) however, are complementary to the product specific rules and have been aligned with InvestEU reporting rules. Overall, the State aid rules for InvestEU products are lighter than the typical State aid rules. IPs however, needed additional time to understand these rules and design their financial products accordingly.

Many IPs highlighted a lack of clarity and flexibility as the main problems during the GA negotiation phase. Issues raised by IPs included:

- Lack of information on contractual clauses, as the GA template was not published with the first call for expression of interest (although it was made available to IPs soon after and information sessions were organised as well as the possibility to ask follow-up questions).
- No clear guidance on how to deal with exchange rate risk.
- Lack of clarity and guidance from the Commission on the practical implications of the legal details of the contract. For example, one IP reported transposing some data provision requirements back-to-back in contracts with final recipients and getting a lot of pushback.
- IPs had to develop product parameters on the basis of partial guidelines and information. For example, pricing of the guarantee was not known upfront, making it difficult for IPs to develop products and project pipelines.
- While flexibility on some aspects was appreciated (e.g. pricing or fee structure), IPs highlighted inflexibility on the clauses and legal aspects of the contract, as well as reporting requirements.
- Many IPs are not public sector entities and had not previously dealt with State aid rules, which are normally a prerogative of government entities (e.g., Ministries) and required carrying out a completely new set of actions.
- Some IPs had to negotiate and accept additional State aid rules on top of those already agreed with the national government. One IP explained that as per GBER rules on State aid calculation, cumulation and the possibility of supporting the same investments from different aid schemes create unfavourable conditions for InvestEU beneficiaries in comparison to other support schemes. The currently applied InvestEU State aid cumulation rules indicate that the amount of InvestEU financing has to be deducted from the eligible investment costs (Article 8 p.3b: “the nominal amount of the financing supported by the InvestEU Fund shall be deducted from the total eligible project costs, obtaining the total remaining eligible costs”). Therefore, any loan backed by the InvestEU Guarantee lowers the amount of costs eligible for support from other public schemes such as grants.
- Some provisions of the GA template were based on clauses agreed with the EIBG. IPs joining the InvestEU implementation at a later stage felt that some of these provisions did not reflect their business models.

- One IP highlighted lengthy negotiations on aspects such as risk remuneration of equity investments and compliance with market norms.

InvestEU introduced complexity and novelty, implying a steep learning curve. Nevertheless, significant progress has been made. For example, the second call for expressions of interest introduced pivotal enhancements, such as a standardised GA template, comprehensive documentation (e.g. risk templates), readily available product offerings, transparent pricing structures, and a State aid framework. Additionally, the Management Information System (MIS) has undergone further development (see box below). Important lessons from this initial phase should see future MFFs leveraging the foundational framework established by InvestEU, fostering continuity and efficiency in successor programmes.

Development of the InvestEU MIS

The development of the InvestEU MIS was raised by the European Commission in 2019, before the adoption of the InvestEU Regulation. The complexity was acknowledged from the outset, given the potentially high number of IPs and APs involved. Existing systems were reused to the extent possible (e.g. EU login, Ares), while adding aspects not already available within existing systems. Between 2019 and 2022, MIS development focused on eight/nine modules covering the key aspects of the Programme. Most of the modules are now operational, except for the IC module, which is in a very advanced development stage (expected to go live in Q3 2024) and the risk module (yet to be developed).

Unforeseen sub-modules, such as the claims to payment, the Commission non-objection and the master data, were also developed and are now operational. A user management module is being developed and introduced to avoid email exchanges and provide for secure communication and interaction between partners.

More than 270 external users from IPs/APs have now been using MIS for several months.

4.1.2 Deployment of the EU budgetary guarantee by IPs

This sub-section analyses how IPs are deploying the InvestEU guarantee to address market failures and suboptimal investment conditions.

4.1.2.1 Range of products developed

New product development versus scaling-up or modification of existing products

IPs have used the guarantee to develop new products, expand/modify existing products, or a combination of the two. IPs are using the InvestEU guarantee to: (i) expand the volume of existing products (thus accepting higher levels of risk exposure); (ii) modify the scope of existing products, such as offering more favourable conditions (e.g. longer maturities, lower prices and/or reduced collateral requirements); and (iii) develop new products (e.g. serving higher risk segments of the market as compared to their standard operations) or proposing riskier financial products as compared to their standard offering (e.g. junior debt or venture debt) (Figure 11). Institutions such as BGK, ICO and PMV have developed new financial products, while others such as Bpifrance, CEB, Garantiqa and InvestNL have focused on scaling-up or enhancing existing products. CDC, CDP Group, the EBRD and EIBG have leveraged the InvestEU guarantee to develop new financial products and to scale up their existing offerings.

Figure 11. IPs' use of InvestEU guarantee, December 2023

	To deploy new products previously not offered by the IP	To scale-up or modify existing IP products
BGK	✓	
ICO	✓	
NIB	✓	
PMV	✓	
BPIFrance		✓
CEB		✓
Garantiqa		✓
InvestNL		✓
EBRD	✓	✓
CDC	✓	✓
CDP Group	✓	✓
EIB	✓	✓
EIF	✓	✓

Source: Survey of IPs.

Notes: The risk templates submitted by IPs at the time of expressing their interest described whether a product is new or existing.

New product development under the InvestEU Programme:

- BGK has launched a new direct investment loan product supported by the InvestEU guarantee (under SIW and RIDW). This product allows BGK to finance operations that go beyond its typical risk appetite and capacity. The InvestEU guarantee enables BGK to offer more favourable loan conditions, such as longer maturities, lower prices and/or reduced collateral requirements, and invest in higher-risk operations. It is difficult for commercial banks to accept research and innovation (R&I) from a risk perspective: according to BGK, commercial banks normally enter at TRL 5 or above and need predictable cashflows or collateral to lend to companies or projects[33]. The InvestEU guarantee enables BGK to finance R&I projects even when limited collateral is available, allowing it to fill a financing gap for innovative companies.
- CDC is using the InvestEU guarantee to create new products in indirect equity investment, and to invest in Marguerite III, a new greener generation of pan-European infrastructure funds.
- CDP has introduced several new products under the InvestEU Programme, such as the *SIW Thematic Debt Financial Product* and the *SISW/SIW General Debt Financial Product*. These products provide junior debt for strategic infrastructure projects. Additionally, the CDP has rolled out *Intermediated Equity Financial Products* to support the development of the Italian venture capital ecosystem and investment in sustainable infrastructure, as well as additional future renewable energy generation capacity, particularly in the wind sector.

[33] The Technology Readiness Level (TRL) does not directly determine a bank's ability to finance an investment. If a reputable corporate client with a strong balance sheet, seeks to invest in R&I projects at TRLs below 5, a commercial bank could still provide financing. This is particularly viable when the investment is supported by a public guarantee, which mitigates the bank's risk exposure.

- The EIF and the Commission have co-developed a new portfolio guarantee product (Sustainability Guarantee) and a pilot facility to allow Export Credit Agencies (ECAs) to support EU SMEs exporting to Ukraine. The EIF is also implementing several new thematic-focused sub-products under the *SMEW and RIDW Joint Equity Product*, e.g. digital and culture & creative sector (CCS) enabling sectors[34]. Similarly, the so-called IPO Initiative has been designed to facilitate public listings of EU companies.
- The EIB has introduced *Green Securitisation*, an innovative financial instrument that builds on its existing securitisation products. It offers financial intermediaries synthetic securitisation solutions, where EIB participates in mezzanine tranches of securitisation structures beyond what it could typically undertake at its own risk. Underpinned by these structures, financial intermediaries have to originate new substantial portfolios of entirely green assets, contributing to accelerating private sector climate-friendly investments in line with the eligibilities and objectives of InvestEU, as well as within the logic of supporting the subdued EU green securitisation market.
- The EBRD is delivering new products, such as portfolio risk-sharing products in which it has a stake at the first loss level, the use of proceeds for final recipient loans is limited to green investments, and the portfolios covered comprise newly generated loans only. These product features were not previously offered by the EBRD (offering portfolio risk-sharing products for green loans only is a novel product on the market as a whole, while the stake at first loss level was not previously a feature of established products).
- ICO is investing in sustainable infrastructure funds focusing on higher-risk and less mature technologies, aligned with environmental and climate goals.
- NIB is implementing a new product to expand the reach of its direct lending operations to higher risk segments of the market. More specifically, the InvestEU guarantee allows the NIB to support uncovered tranches (it would typically use Export Credit Agencies covered facilities for higher risk operations). The NIB may also take part in an ECA covered tranche alongside an InvestEU tranche in cases where the financing needs of a project are significant.
- PMV is using the InvestEU guarantee to invest at earlier stages in infrastructure and/or to take on a higher-than-usual commercial or technology deployment risk.

IPs are leveraging the InvestEU guarantee to either extend their existing products to new markets and clients or to improve the terms and reach of their current offerings. For example:

- The InvestEU guarantee has allowed Bpifrance to scale-up and modify the terms of its existing product, Prêt Nouvelle Industrie. The product finances material and intangible expenses, as well as working capital needs for industrial demonstrators, pilot factories, or the creation of new production facilities for innovative technologies developed by SMEs and small mid-caps. It is a high-risk product offering collateral-free and long-term financing to businesses exposed to high levels of technological and/or industrial risk and with mainly intangible assets or insufficient collateral.
- CDC has scaled up two of its direct debt products to provide more extensive support for Priority Districts (*Prêts revitalisation urbaine,* PRU, which support projects with social impact in selected urban areas) and sustainable tourism projects (*Prêts relance tourisme,* PRT).
- CDP has scaled-up its operations, particularly through FIA3 – affordable social housing fund of funds, to offer larger equity support to the underserved social housing

[34] Some of these products build on previous pilots. For example, Joint Equity product for digital is partly the successor of AI/Blockchain pilot under InnovFin.

market in Italy and strengthen the signalling effect to attract other public and private investors.

- CEB is expanding its operations and taking on higher-risk projects in both the social infrastructure and micro/social finance areas. The guarantee enables it to reach out to riskier borrowers and offer bigger amounts and/or more favourable financing terms.
- The EBRD has used the InvestEU guarantee to enhance the terms of its debt products for infrastructure financing projects. The guarantee allows it to extend its direct lending product either by: (a) adapting the terms of its debt financing (e.g. cost, tenor, exposure limits) to better match the economics of projects that meet policy objectives, or (b) incentivising project promoters to be more ambitious in the design/performance of the benefiting investments[35]. The EBRD is preparing to use an upcoming initiative allocation to support a new portfolio of direct equity investments.
- The EIB has used the InvestEU guarantee to scale up a wide range of its financing products (developed under predecessor instruments such as EFSI, InnovFin and the Connecting Europe Facility (CEF)). The scaling of its Venture Debt (VD) product was significantly augmented under InvestEU to finance the growth stage of innovative European companies. Launched in 2016, VD offers long-term debt with equity features, offering greater flexibility and less stringent repayment structures compared to traditional senior debt. The EIB's strategic deployment under InvestEU also includes scaling-up thematic products, such as *Green Transition* and *Thematic Innovation*, which build on successful predecessors namely InnovFin Infectious Diseases Finance Facility (IDFF), InnovFin Energy Demonstration Projects (EDP) and CEF Debt Instrument . These products address a wider array of sectors and support technologies across different maturity levels, from early development to large-scale deployment. Finally, the EIB has scaled up the use of counter-guarantees on performance and advance payment bonds to support crucial infrastructure financing.
- The EIF has built on the success of its predecessor guarantee products and continues to support SME competitiveness (COSME LGF successor), Innovation & Digitalisation (InnovFin SMEG & COSME LGF successor), CCS Guarantee successor, and microenterprises and social enterprises (successor to the Employment and Social Innovation programme (EaSI) Guarantee). It has scaled-up the Skills & Education guarantees piloted under the EFSI. Capacity-building investments are being pursued on a limited basis under InvestEU, mainly delivered by means of subordinated debt. The InvestEU guarantee has enabled the EIF to expand its activities in infrastructure and social infrastructure. Finally, the European Scale-up Action for Risk capital (ESCALAR) - first piloted under the EFSI – is being continued under InvestEU as a horizontal option (fund managers can opt for an ESCALAR structure at the time of application).
- As per its mandate, InvestNL only provides risk financing (in the form of equity) to highly innovative companies with high technology risk, high market risk, high execution risk and high capital requirements. The InvestEU guarantee allows InvestNL to provide higher investment amounts, extending the runway for these companies and leveraging their position as a cornerstone investor.
- Garantiqa is implementing an uncapped guarantee product to finance riskier SME segments, such as start-ups. The InvestEU guarantee allows Garantiqa to finance riskier SMEs even in the absence of collateral. It also enables Garantiqa to offer larger amounts and longer maturities.

Types of products developed: debt versus equity

[35] The EBRD uses lower lending rates as an incentive for clients to scale up faster or to higher standards.

IP product offering under InvestEU is wide-ranging. IPs have developed a mix of products, including debt and guarantees, as well as equity/quasi-equity (QE). Most IPs (11 out of 14, except PMV, InvestNL and ICO) offer debt or guarantee products under InvestEU. Several IPs (EIF, EIB, CDC, CDP, CDPE, PMV, ICO, InvestNL) are offering equity products, most indirectly, with the exception of InvestNL. Only the EIB, EIF, CDC and CDP offer both debt and equity products. Unique product offerings include: loans for on-lending, microfinance, social housing (CEB), large financing amounts for project finance in major infrastructure projects in the field of renewable energy and Net Zero Industry manufacturing (EIB); venture debt (EIB); green securitisation (EIB); project specific guarantees (CDP, EIB); capacity-building investments (EIF); direct equity (InvestNL).

Table 2. Product types offered by IPs under InvestEU, December 2023

	Direct			**Indirect**	
	Debt (direct loans)	**QE**	**Equity**	**Debt (guarantees)**	**Equity**
IPs providing this type of finance:	BGK Bpifrance CDC CDP CEB* EBRD EIB NIB	EIB	InvestNL	EIF EIB EBRD Garantiqa	CDP CDPE CDC EIB EIF ICO PMV
Types of products in this category *(December 2023):*	Senior debt Junior /subordinate debt Performance guarantees	Venture debt	Pari-passu equity	Capped/ uncapped portfolio guarantees Green securitisation Loans for on-lending Project specific loan guarantees	Fund investments FoF investments Investment platforms

Source: ICF mapping based on GAs, IP induction presentations, PRD presentations, deep dives.

*Notes: Table only shows products by IP offered under InvestEU. For example, the EIB can also do indirect equity but is not included in the table above; *CEB only offers loans, both directly to project promoters and through FIs for on-lending. The risk-sharing structures for indirect products under InvestEU were primarily designed for guarantee products, which CEB does not offer. Accordingly, a hybrid approach was agreed with the European Commission for its product in the micro/social finance sector, which is restricted to certain types of FIs (primarily MFIs and NBFIs).*

Direct debt products offered by IPs have common features as well as differences. At a high level, for SIW and RIDW, NIB loans seem very similar to EIB loans (e.g. minimum ticket size and maximum maturity). However, compared to EIB direct loans, direct loans (especially when offered by NPBIs) can be different: having longer maturities (CDC – 50 years, BGK – 32 years) or much lower minimum amounts (CDC - EUR 10 000, CDP - EUR 10 000), or different counterparts and sector focus (e.g. CDC's focus on sustainable tourism), for the same policy window.

When it comes to direct loans to finance social infrastructure, the EIB, CEB, EBRD, CDP and CDC all have a product offer under SISW. All IFIs can finance public sector entities, but the CEB and EBRD have lower minimum amounts compared to the EIB[36] (EUR 1 million and

[36] Although the EIB can support smaller tickets via Investment Platforms

EUR 3 million, respectively). For CDC and CDP, the much lower EUR 10 000 minimum loan size applies and, in the case of CDC, support is meant exclusively for targeted districts of French cities (cumulating social challenges).

Most portfolio guarantee products target specific market segments or sectors, except two general product lines implemented by the EIF and Garantiqa under SMEW. Several portfolio guarantees target specific sectors that correspond to specific market failures or risk profiles, such as the EIF's Sustainability Guarantee and green portfolio guarantees offered by the EBRD, Innovation & Digitalisation Guarantee (EIF), CCS Guarantee (EIF), Microfinance (EIF), Social and Skills Guarantee products (EIF). The box below provides a more detailed comparison of *a priori* similar guarantee products. Key observations include:

- Green/sustainable portfolio guarantee products implemented by the EIF and EBRD: Despite sharing similar objectives, these products do not have the same scope. The EIF's Sustainable Guarantee product has the largest scope. EBRD green guarantee products have a more restrictive scope, covering a sub-set of the EIF's targeted areas. In terms of eligibility criteria, EBRD guarantees cover both public sector and large private enterprises (see box below).
- SME competitiveness guarantee products implemented by EIF and Garantiqa: Both IPs have the same primary focus (extended in the case of the EIF to account for challenges linked to the COVID-19 crisis and Russia's war of aggression against Ukraine). Garantiqa, however, specifies a focus on so-called Assisted Areas (i.e. rural areas) in Hungary, which are more likely to be underserved by generalist instruments.

Comparison between green/sustainable portfolio guarantees offered by the EIF and EBRD

The EBRD's green guarantee products cover sectors such as sustainable transport, clean energy transition (energy efficiency, renewable energy), transition to circular economy, modernisation, and decarbonisation of industry, sustainable tourism, biodiversity/nature-based solutions/green infrastructure. Public sector entities and mixed entities are also eligible.

The EIF's Sustainable Guarantee product has the widest sectoral scope. Similar to the EBRD, it covers green investments in the fields of climate change mitigation (energy, transport and industry sectors) (under the SIW and SMEW), transition to circular economy, protection and restoration of biodiversity and ecosystems (under the SMEW). It also covers additional investment areas, including water resources & pollution prevention and control, climate change adaptation, sustainable forests and agricultural practices, and social accessibility investments. Green enterprises are also eligible for support under the SMEW. The eligibility criteria are not linked to specific investment areas; rather, the objective is to help green enterprises to maintain or develop their activity. Green enterprises are defined by various criteria, such as: having been awarded a clean tech or green prize within the last three years, or a grant or funding from an EU/national institution/body/support scheme from a predefined list; having registered at least one renewable or clean tech-related technology or other relevant technology right related to climate and environmental sustainability in the last three years; having registered an eco-label or environmental certificate from a predefined list), etc. Public sector entities and mixed entities are not eligible for EIF support.

EIF-guaranteed loans to final recipients can be larger (EUR 7.5 million) than those from the EBRD (EUR 5 million (capped) or EUR 2 million (uncapped) guarantee portfolio). The EIF does not have a set maximum duration for the underlying loans while for the EBRD, the maximum duration is set at 10 or 15 years, depending on the nature of the project or relevant market failures.

EIF and Garantiqa SME competitiveness portfolio guarantees

Both guarantee products share the same primary focus on: i) financing enterprises that would otherwise not be granted loans (e.g. start-ups or other categories of SME that are typically excluded); ii) providing improved conditions (e.g. increased maturities, reduced collateral); and iii) providing new types of financing (e.g. subordinated loans).

However, the EIF SME Competitiveness Guarantee product also focuses on: i) providing solvency and recapitalisation support for SMEs negatively affected by the COVID-19 pandemic; and ii) supporting export credit agencies in their mission to support the export of goods or services to Ukraine.

Garantiqa’s geographical scope is Hungary and its objective is to deploy at least 50% of the guarantee in Assisted Areas. Supported transactions are expected to be smaller (EUR 2 or 3 million maximum, versus EUR 7.5 million for the EIF).

Source: ICF mapping, based on GAs, IP presentations, PRD presentations, deep dives.

Intermediated debt products can be complementary even when targeting the same sector. For example, while both the EIF and CEB explicitly target microfinance, they use different products. The EIF offers capped guarantees, while CEB provides direct loans to microfinance institutions for on-lending purposes. Both institutions target a wide pool of intermediaries, microfinance institutions, not-for-profit organisations, and other non-bank financial institutions. The EIF also supports commercial banks, which will use the guarantee to expand into this market. In addition, its capacity-building investment product aims to enhance the institutional capacity of financial intermediaries operating in the microfinance, social enterprise finance and/or skills, education and training finance space.

The EIF has certain distinctive indirect equity offerings. For example, it is the only IP that has a product – the Capital Markets Union (CMU) vertical – focusing on investments in cross-border funds, and a pan-European capital market via support to private credit funds. It targets generalist investment strategies, but includes sustainability objectives and represents an area of high EU added value. In the SISW and SMEW policy windows, the EIF’s indirect equity offer is unmatched, as there is no other product offer (SMEW) or only products with restricted scope (e.g. CDP’s focuses exclusively on affordable social housing in Italy under SISW whereas EIF's Social Impact Equity covers social entrepreneurship, social impact investing & social innovation, skills & education).

Under RIDW and SIW policy windows, however, there is less sectoral differentiation between IPs’ indirect equity offers. The EIF and other IPs show minimal sectoral differentiation in their offer, although the EIF has a broader geographical scope. This apparent lack of sectoral differentiation may reflect the broadly defined product schedules designed to maintain flexibility. Looking at the portfolio data from the end of 2023 (rather limited for IPs other than the EIB and EIF), it is not apparent that IPs support fundamentally different types of operations under their respective product lines. Marguerite III, for instance, benefits from support from the EU under the InvestEU Fund via several IPs (EIF, CDPE, ICO, CDC). Other large NPBIs have invested in Marguerite III without the support of the EU guarantee (e.g. BGK, *Kreditanstalt für Wiederaufbau* (KfW)).

To avoid distortionary effects, it is crucial to ensure that InvestEU products developed by IPs do not compete with each other in the market. When IPs compete in the market, it can indicate that their financing is not truly additional and that risks are not being adequately priced (if competition is based on price or terms and conditions such as tenor which should ultimately be reflected in price)[37]. Moreover, such competition can lead to an inefficient allocation of resources, as multiple IPs might duplicate efforts rather than targeting underserved areas or sectors. This redundancy not only wastes public funds but also dilutes the impact of each IP's intervention. Final recipients might engage in 'deal shopping' to find the most favourable terms, which, while advantageous for them, is inefficient and counterproductive for the IPs providing financing and for the EU taxpayer. However, similar or overlapping product offerings are not inherently problematic as long as they are not in

[37] This mispricing of risks on the back of the EU guarantee can lead to irresponsible borrowing by projects.

direct competition. In certain cases it may even be necessary. This could be the case in specific markets (geographies, sectors, market segments) or crisis situations where demand exceeds the capacity of a single IP to fulfil it.

Nevertheless, the risk of inefficient use of resources as IPs scale-up their offer of products must be mitigated. As a relatively simple and quick win, the Commission could initiate a thorough mapping exercise of all IP products, produced and validated by the IPs with relevant stakeholders, including IC members and IPs. This approach would not only foster coordination between IPs on demand and supply, but would facilitate standardisation of approaches, whenever appropriate, and identification of potential gaps in the InvestEU product offer.

General versus thematic products

The distinction between general and thematic products is not consistently applied. According to the InvestEU Investment Guidelines, direct debt thematic products are classified as those products with a thickness of first loss piece (FLP) of 50% or more with InvestEU guarantee coverage being up to 95% of FLP. The higher EU guarantee coverage is linked to expectation of higher additionality. However, this distinction is not consistently applied within the Programme:

- The EIF's products are by nature high risk (equity, guarantees for portfolios of micro, social enterprises and SME financing), and have high guarantee coverage, but are not classified as thematic products.
- There is no difference between the underlying riskiness or additionality of the CDC product; rather, the product deployed in the market is identical in risk profile and features, but the thematic product benefits from a higher EU guarantee coverage compared to the general product.

Table 3. Characteristics of thematic debt products deployed by IPs

IP	InvestEU product	Type of financing provided	Type of activity financed	Nature of risk
EIB	Green Transition Investment	VD/QE	Emerging technologies at demonstration or first of a kind (FOAK) stage	Riskier operations compared to general products Both the financial product deployed (VD/QE) and the activity financed are risky (high technology/market risk)
EIB	RIDW Thematic Innovation	VD/QE	Deep techs and therapeutics start-ups	Riskier operations compared to general products Both the financial product deployed (VD/QE) and the activity financed are risky (early-stage financing of companies, projects and technologies that EIB would otherwise not be able to finance)
CDC	SISW Thematic Debt	Direct long-term loans	New built infrastructure or renovation of existing buildings and public infrastructure in targeted districts of French cities (cumulating social challenges)	Legal requirement to have 100% guarantee coverage for this type of loan (difficulties in accessing market guarantees)
CDP	SIW Thematic Debt	Subordinated junior and senior loans	Investment projects in the clean energy and low carbon innovation and future mobility sectors	Higher risk profile stemming from (e.g market, counterparty, regulatory) aspects, undermining the capability of the project to raise adequate funding from senior lenders Aim to rebalance the capital structure so that the project becomes viable both for the promoter and senior lenders
EBRD	Thematic Debt Product	Direct loans	Investments in sustainable infrastructure or research innovation and digitalisation	Riskier operations are expected to be financed under the thematic as compared to EBRD's general debt product under InvestEU, such as those in which the EBRD is supporting the development of a whole supply chain, or where there are higher levels of technology risk. This is in contrast to operations where there is more of a 'point-source' risk to mitigate

IP	InvestEU product	Type of financing provided	Type of activity financed	Nature of risk
				(e.g. merchant risk in clean energy generation facilities)

Source: ICF mapping based on GAs, IP presentations, PRD presentations, deep dives.

4.1.2.3 Approval and signature volumes (as of December 2023)

Despite the Programme's two years' start -up phase, almost 77% of the InvestEU guarantee was approved by the IC by the end of 2023. The NextGenerationEU (NGEU) deadline (see box) provided a strong impetus for speeding-up delivery. Nevertheless, some IPs suggested that the short timeframe for developing a pipeline may have resulted in a less farsighted and strategic allocation of InvestEU resources. In the absence of the deadline, they would have deployed the guarantee more steadily and strategically, and across a wider range of sectors.

Table 4. Guarantee utilisation by IPs, 31 December 2023

		Guarantee utilisation (EUR million)		Utilisation as % of allocation	
IP	Guarantee allocation to IP	Approved operations	Signed operations	Approved operations	Signed operations
EIF	13,481	11,216	5,442	83%	40%
EIB	8,529	6,860	1,625	80%	19%
EBRD [1]	752	355	3	47%	0.3%
BPI	500	25	-	5%	
CDP [2]	495	480	-	97%	0%
CDC	373	80	-	21%	
CDPE	372	372	372	100%	100%
BGK [3]	278	69	-	25%	
Garantiqa	274	274	-	100%	
NIB	114	83	22	73%	19%
InvestNL	210	32	21	15%	10%
CEB	159	118	68	74%	43%
ICO [4]	156	108	-	69%	
PMV	70				
BDB [5]	*125*				
NRB [5]	*80*				
TOTALS	**25,967**	**20,072**	**7,553**	**77%**	**29%**

Source: Based on data provided by DG ECFIN. [1] Figures slightly deviate from the end-2023 operational report submitted by IP. The figures reported here include a stand-alone operation approved internally by IP before 31 Dec 2023, and which cleared IC approval in January 2024 (but was considered approved by year-end under the GA for purposes of NextGenEU). [2] the figures reported here are based on CDP's operational report although there might have been some changes subsequently. For example there is a difference of EUR 20 million in the approved amount for a specific operation and the Investment Platform is reported as approved (not signed) in the operational report. Moreover, CDP does not report on the KPI/KMIs under the Platform or submit other reports

(Financial statements, annual risk report, etc.) as there were no signed operations as of end 2023. [3] Includes foreign exchange buffer. [4] Includes funding costs and administrative costs. [5] Involved in implementation of MS-C only.

NGEU deadline

The amount of InvestEU guarantee (EUR 26.15 billion) is composed of an amount of the guarantee provisioned from NextGeneration (EUR 14.82 billion guarantee with 40% provisioning = EUR 5.93 billion) and an amount of the guarantee provisioned from MFF, and from reflows and surpluses from legacy instruments (EUR 11.32 billion guarantee, provisioned at 40% = EUR 4.53 billion)

The entire NGEU share of the EU guarantee had to be allocated to operations approved by the IPs by the end of 2023, and at least 60% of that share had to be approved by the end of 2022. InvestEU deadlines initially required the signature of approved NGEU - attributable operations one year after approval, with the latest signature on 31 December 2024. However, following the Strategic Technologies for Europe (STEP) amendment, the NGEU share of operations can now be signed by 31 August 2026. The extension of the NGEU deadline for signatures significantly alleviates the pressure on IPs.

As of 31 December 2023, the utilisation of the InvestEU guarantee across different policy windows shows a varied distribution of approvals and signatures relative to the allocated amounts. A significant portion of the guarantee allocation under the SMEW, RIDW, and SIW has already been approved (74% or more), while progress under the SISW is lagging. Moreover, the share of approved guarantees for the SIW (37%) and RIDW (26%) closely mirror their respective allocations (38% and 25%). In contrast, the SISW's share of approved guarantees (8%) falls short of its allocated share (11%)[38]. Conversely, the SMEW accounts for a larger share of the approvals (30%) compared to its allocation (26%). It is however important to note that no definitive conclusions can be drawn at this stage, as (i) 10% of the guarantee envelope is yet to be allocated to IPs; (ii) 23% of the guarantee allocated to IPs is yet to be approved and 71% is still to be signed**.**

Table 5. Utilisation of guarantee by policy window, as of 31 December 2023

	EUR million			Share of policy window		
	Allocation	Approval	Signature	As % of total allocation	As % of total approval	As % of total signature
SIW	9,900	7,355	1,898	38%	37%	25%
RIDW	6,600	5,123	1,860	25%	26%	25%
SMEW	6,900	6,018	3,348	26%	30%	44%
SISW	2,800	1,513	448	11%	8%	6%

[38] The challenges in deploying InvestEU support under SISW further discussed under the section on effectiveness

TOTALS	26,200	20,009*	7,553	100%	100%	100%

*Source: DG ECFIN analysis based on Operational Reports to 31 December 2023. * this figure is slightly different from the one reported in previous table as it does not include a stand-alone operation approved internally by EBRD before 31 December 2023, and which cleared IC approval in January 2024 (but was considered approved by year-end under the GA for purposes of NextGenEU). This operation was not reported in the IP's year-end operational report for 2023.*

As of December 2023, EUR 42.3 billion of InvestEU guaranteed operations had been approved. This combines framework operations and standalone projects. The distribution of these approvals is skewed towards the EIF and EIB, which together constitute 88% of the approvals, at 45% and 43%, respectively. Such distribution aligns with expectations, given that the EIBG accounts for the majority of the InvestEU budget and had an early start in programme deployment. Operationalisation of the Programme among IPs is expected to unfold at different paces, with a peak in utilisation forecasted across different timescales as previously indicated in Table 6.

Table 6. Volume and number of approved operations, by IP and type, EUR million, December 2023

	Financing approved (EUR million)			No of operations		
IP	Framework	Standalone	Total	Framework	Standalone	Total
EIF	17,799.14	1,263.00	19,062.14	41	29	70
EIB	6,988.96	11,083.67	18,072.63	15	47	62
EBRD	1,408.36	-	1,408.36	5	1	6
CEB	145.00	225.42	370.42	1	5	6
NIB	300.00	50.30	350.30	1	2	3
CDC	167.00	-	167.00	3	-	3
BPIFrance	51.00	-	51.00	1	-	1
CDP	600.00	250.00	850.00	6	3	9
CDPE	520.00	100.00	620.00	2	1	3
ICO	-	174.50	174.50	-	3	3
BGK	120.00	-	120.00	2	-	2

	Financing approved (EUR million)			No of operations		
IP	Framework	Standalone	Total	Framework	Standalone	Total
InvestNL	-	53.75	53.75	-	3	3
Garantiqa	1,048.00	-	1,048.00	6	-	6
PMV			-			-
TOTALS	**29,147.46**	**13,200.64**	**42,348.11**	**83**	**94**	**177**

Source: Based on data provided by DG ECFIN on 8 May 2024.

Notes: CDP: the figures reported here are based on CDP's operational report although there might have been some changes subsequently. For example there is a difference of EUR 20 million in the approved amount for a specific operation and the Investment Platform is reported as approved (not signed) in the operational report; EIF: standalone operations are a unique count; Several operations have multiple transaction lines.

Framework operations account for 69% of the approved volume of financing. The high share of framework operations in the InvestEU portfolio can be attributed to two main factors: the need to accelerate Programme deployment to meet the NGEU deadline; and, more importantly, a conscious effort to optimise the deployment process. Framework operations enable more streamlined and pragmatic implementation for the IPs, especially when dealing with high volumes of small-scale sub-operations. This approach mitigates the potential inefficiencies and delays that would arise if the IC were required to approve each sub-project individually. On the other hand, downsides include low transparency towards the public (sub-operations are not published online on the Programme webpage listing InvestEU operations), and low granularity of ex-ante information available to the governing bodies at sub-operation level at the time of approval (although IPs provide information on potential pipeline). This means that while overall types of operations are clear, the specifics of individual sub-operations may not be as transparent, particularly to those not directly involved in the Programme[39]. There is also a potential risk that the emphasis on common characteristics in framework operations could lead to a homogenisation of projects, with diverse and innovative projects not receiving the necessary attention or financing because they do not fit the 'common characteristics' model.

Signed volume of financing stood at EUR 19.2 billion at the end of 2023, leaving an estimated EUR 23 billion (more than half of the approved financing) at the pre-contracting stage. This highlights the importance of streamlining processes to convert approved financing into contract signatures and, ultimately, disbursements. Accelerating this process is crucial to realise the Programme's intended timely impact on the real economy. To date, less than half (37 out of 80) of the approved frameworks have translated into signed sub-operations. Identifying and developing project pipelines within the 46 frameworks lacking a signed sub-operation is vital to expediting the Programme's implementation and amplifying its impact on the real economy.

[39] Compared to European Fund for Strategic Investments (EFSI), framework operations under InvestEU provide more granular information at the sub-operation level. Ex-post IPs provide detailed reporting on the sub-operations and the Commission has possibility to steer the implementation through PRDs.

Table 7. Volume and number of signed operations, by IP and type, EUR million, December 2023

	Financing signed (EUR million)			No of operations		
IP	**Sub-operations**	**Standalone**	**Total**	**Sub-operations**	**Standalone**	**Total**
EIF	10,152.67	1,130.00	11,282.67	284	26	310
EIB	1,266.20	5,679.30	6,945.50	49	35	84
EBRD	10.60	-	10.60	1	-	1
CEB	62.00	152.50	214.50	3	4	7
NIB	50.00	37.60	87.60	1	2	3
CDC	-	-	-	-	-	-
BPIFrance	-	-	-	-	-	-
CDP	-		-	-		-
CDPE	520.00	100.00	620.00	5	1	6
ICO	-	-	-	-	-	-
BGK	-	-	-	-	-	-
InvestNL	-	35.75	35.75	-	2	2
Garantiqa	-	-	-	-	-	-
PMV	-	-	-	-	-	-
TOTALS	**12,061.47**	**7,135.15**	**19,196.62**	**343**	**70**	**413**

Source: Based on end-2023 data provided by DG ECFIN.

Notes: CDP: the Investment Platform is reported as approved (not signed) as per the operational report ; CDPE: operations include two investment platforms (counted as framework operations); EIF: standalone operations are a unique count of operations; Several operations have multiple transaction lines.

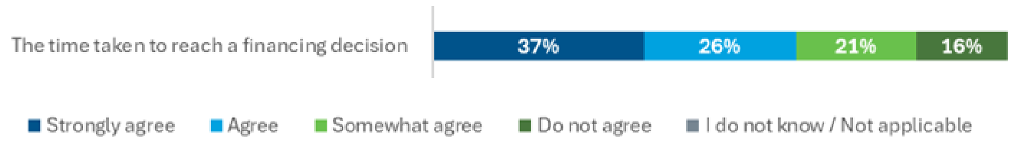
Feedback from project promoters and financial intermediaries underscores the need to expedite application approval and contract signature processes. While there is widespread appreciation of the professionalism and competence of the IP team, particularly in financial and legal matters, there are notable concerns and frustrations about delays in processes. A striking 84% of project promoters surveyed agreed (to varying extents) that the time taken to reach a financing decision is excessive. Their responses highlight several areas for improvement to streamline the financing process:

- Address lengthy internal approval timescales and streamline decision-making processes.
- Reduce the complexity of legal documentation and approval chains, especially for SMEs.
- Some promoters highlighted the need to modernise document signing technologies to improve efficiency.
- Provide greater visibility into the IP's internal processes and shorten the time from term sheet to disbursement.
- Establish clearer timetables and milestones to enhance predictability.

Interviews with financial intermediaries in indirect operations echoed these concerns, emphasising the need for faster approval and signature processes.

Figure 12. Project promoter feedback on IP time to reach financing decision

Q12. Please indicate to what extent you agree that the following aspects of the Implementing Partner's financing (in comparison to alternative sources of finance) were overly burdensome or potentially discouraging?



Source: ICF survey of project promoters (direct operations signed until the end of December 2023).

The multi-layered approval process introduced by InvestEU adds to the time lag between the submission of the request for financing and contract signature. The InvestEU's governance framework involves a three-step approval process (Commission policy check – except for EIB, which is subject to Article 19 of the InvestEU Regulation and IC approval on top of the IP's own internal approval/gating process). While this framework enhances oversight and ensures alignment with EU policy objectives, it also adds layers of administrative workload and extends the length of the decision-making process. The evaluation team did not have access to the complete set of key data points to determine the time lag between various stages of the process[40]. Tracking this data via MIS in the future could help to identify bottlenecks.

4.1.3 Use of MS-C

The MS-C is a novelty under InvestEU that allow Member States to enhance the EU guarantee, enabling a more targeted approach to addressing specific national priorities. Depending on each country's objectives, MS-Cs can be used to top-up existing EU compartment products or to offer products tailored to specific national needs. The allocation of structural and national funds to EU financial instruments has been encouraged since the early 2000s, aiming to increase the efficiency and leverage of EU funds[41]. MS-Cs under InvestEU build on previous experience and learning (e.g. SME Initiative) to offer more flexibility and simplicity.

[40] While timeline for policy check, IC approval, and internal IP approval can be established from various datasets, the date of receipt of financing request by IP is not readily available.

[41] Jacques Delors Institute, 'The Member State Compartment of the InvestEU fund: How does it work? Will it fly?', *Policy Paper,* No 248, March 2020.

Six Member States have signed a Contribution Agreement (CA) with the Commission. Table 8 presents a snapshot of MS-Cs at the end of December 2023. Spain has also committed to set up an MS-C by contributing EUR 500 million from its RRF funds, while the CA is expected to be signed in Q3 2024.

MS-Cs focus on SME financing. The main product deployed is portfolio guarantees, although the two EBRD MS-Cs (Greece and Romania) are also accompanied by advisory support. Most MS-Cs contribute to financial products set up under the SMEW or the SIW. In most cases, these are top-ups to existing EU compartment products, although some products have also been developed by NPBIs specifically for their respective markets.

In some Member States, when more than one IP offers products under the same policy window, these products differ in scope. In Romania, the MS-C is used for already existing financial products, namely the EIF's Sustainability Guarantee and the EBRD's Green Uncapped Guarantee. While both aim to support green initiatives, the EBRD's product is more narrowly focused on projects related to energy efficiency, renewable energy in buildings, and sustainable transport. The EIF's product has a broader scope, extending to efforts in climate change adaptation, biodiversity restoration, and ecosystem conservation. Similarly, in Bulgaria, BDB’s Sustainable Investments Guarantee focuses on waste and water management, air quality, and support multimodal transport. Additionally, the MS-C is being used for two SME-focused guarantee products: the EIF’s SME Competitiveness Guarantee; and another developed by BDB. Both aim to enhance SMEs' access to finance, but BDB's product goes further to support innovation, digitalisation, green transition, and businesses in the CCS.

Table 8. Overview of MS-Cs

Member State	IPs	MS contribution (EUR million)				Provisioning rate	Guarantee capacity (EUR million)	Policy window	Products	GA signature date	No of operations approved
		Shared	RRF	National	Total (and as % of GDP '22)						
BG	EIF + BDB	125	150		275 (0.32%)	100%	275	SIW, SMEW	BDB SMEs Guarantee Product (Capped and Uncapped) BDB Sustainable Investments Guarantee Product EIF Sustainability Guarantee EIF SME Competitiveness Guarantee	EIF: August 2023 BDB: November 2023	2 framework operations
CZ	NRB	80			80 (0.03%)	100%	80	SMEW	NRB Capped Guarantee Product	December 2023	
EL	EIF + EBRD		489.4		489.4 (0.24%)	85.53%	572.2	SIW, RIDW, SMEW	EIF Sustainability Guarantee EIF SME Competitiveness Guarantee EIF Innovation and Digitalisation Guarantee EBRD Capped Guarantee Product in relation to green and digital investments (tailored)	EIF: September 2023 EBRD: December 2023	EIF: 3 framework operations

Member State	IPs	MS contribution (EUR million)				Provisioning rate	Guarantee capacity (EUR million)	Policy window	Products	GA signature date	No of operations approved
		Shared	RRF	National	Total (and as % of GDP '22)						
FI	EIF	17.7		73.6	91.3 (0.03%)	91.3%	100	SIW, SMEW	Sustainability guarantee for Finland	August 2023	1 framework operation
MT	EIF	9.5		4.25	13.75 (0.08%)	83%	16.55	SMEW	SME Competitiveness Guarantee	October 2023	
RO	EIF + EBRD		539		539 (0.19%)	74.45%	723.97	SIW, SMEW	Sustainability Guarantee SME Competitiveness Guarantee EBRD Green Uncapped Guarantee Framework	May 2023	EIF: 3 framework + 2 operations EBRD: 1 framework operation
		232.2	**1178.4**	**77.85**	**1488.45**		**1767.72**				

Source: European Commission, DG ECFIN. Note : Figures have been rounded off to millions

4.1.3.1 Key drivers and motivations

Interviews with stakeholders from Member States that have already set up MS-Cs and those that have decided not to set it up revealed a series of enabling factors and barriers, as well as learnings and recommendations for improvement.

One of the key drivers that led Member States to contribute national, cohesion or RRF funds to the MS-C was the increased demand for such financial products in the market. This motivated the relevant Member States to transfer additional funds to ensure that there are sufficient resources to cover national needs with either tailored or existing instruments that match local requirements. The existence of the MS-C, the EU compartment, and IPs' resources also provided an opportunity to leverage and mobilise private investment. The positive experience with similar instruments in the past, such as the SME Initiative, was another strong driver, providing a strong base for Member States to build on and ensuring continuity in the market. Finally, the simplified and streamlined process, as communicated by the European Commission, incentivised Member States to join.

For Member States that have not established an MS-C, the interviews typically indicated an absence of need, due to a high-performing existing setup. Generally, these were Member States where the existing allocation and ways of managing structural funds works well, removing the need for active consideration of allocating resources to MS-Cs. The fact that cohesion funds are managed at regional level while the decision to set up an MS-C is taken at national level may also be seen as shifting resources from regional to national priorities, possibly acting as a barrier. The timing of Member States' recovery and resilience plans (RRPs) preparation also played a role: countries that decided to set up an MS-C early had the opportunity to allocate funds from the RRF. This option may not have been as appealing or feasible for those preparing their RRPs later. The suitability of guarantees versus grants was a topic of discussion, especially in the post-COVID-19 context, when immediate financial needs for SMEs were acute. In such scenarios, the direct financial support offered by grants was often seen as more appropriate than guarantees. Finally, there were concerns about the potential overlap with existing financial instruments in the market. The fear was that introducing an MS-C could lead to competition or duplication of effort (cannibalisation) with these existing tools, complicating rather than easing the financial landscape.

4.1.3.2 Barriers, challenges and lessons

The simplification and speed of processes was identified as a key area for improvement, although it was acknowledged that, as a novel feature, MS-Cs required an initial learning period. There was a delay in setting up MS-Cs, due to the initial lack of clarity on the financial products that would need to be compliant with State aid rules. Eventually the products offered by the IFIs were understood to fall outside the State aid rules.

The combination of funding sources and regulatory frameworks initially created some complications, such as the additional DNSH requirements and the different climate and digital tagging requirements under RRF and InvestEU. However, the Commission has taken steps to streamline this process, modifying the RRF technical guidance on DNSH in September 2023 so that the InvestEU sustainability proofing in combination with the application of EIBG and EBRD's internal policies (which are Paris-aligned) is deemed sufficient. Establishment of a single and streamlined set of rules was identified as a key learning for successful uptake and quicker implementation of the Programme.

Another area identified as burdensome and lengthy is the pillar assessment for new IPs. NPBIs and smaller banks with fewer resources, but local expertise participating in MS-Cs particularly highlighted this as an area of concern requiring streamlining. A specialised advisory team within the Commission was proposed for NPBIs not yet pillar assessed. Separate from the team assessing the applications, this advisory team could offer support to candidate IPs during the call period on administrative matters and substantial issues (e.g. financial products for those NPBIs which are not yet pillar assessed).

Apart from the simplification of processes, it was suggested that EU guarantee to IPs could be provided in local currency for non-euro Member States. This would avoid the exchange rate risk that could prevent countries from joining. As the EU budget operates in euros, the EU guarantee is currently provided in euros. However, InvestEU has offers the possibility to cover foreign exchange losses from the EU guarantee and the possibility to pay EU guarantee in local currency but with the cap in euros (as agreed with BGK). The example of the Romania MS-C demonstrated that the process of implementing a budgetary guarantee on the basis of contributions in euros is suboptimal as it requires the Member State to reserve a meaningful part of their contribution for hedging purposes. The buffer approach (or hedging reserve in the case of the EIF MS-C) currently in place is extremely complicated and financially inefficient. Thereby, resources are set aside for hedging and cannot be used to guarantee transactions in the supported portfolio, thus reducing the overall impact of the instrument on the real economy. Alternative approach, implying opening a compartment in non-EUR currency in the CPF, could be considered especially since the SME Relief Package Communication and the STEP Regulation, encourage the use of InvestEU MS-C in view of the oversubscription of the InvestEU products. Some Member States have already expressed interest to provide a voluntary contribution to the InvestEU Guarantee and to the MS-C of the Common Provision Fund (CPF) in their local currency to be implemented by the EIF as well as other IPs.

Member States underlined the importance of regular reporting on the implementation of MS-Cs. This ensures that Member States are kept informed and enables timely input to any further reporting requirements (e.g. the RRF assessment). An annual report on the implementation of MS-Cs is foreseen in CAs and GAs and due by end-June every year. The first such report is expected at the end of June 2024, based on annual financial and operational reports as of 31 December 2023.

4.1.4 Use of blending within InvestEU

A range of blending options and structures is possible under the InvestEU framework. In the current MFF, financial instrument support from sectoral programmes must be provided within the InvestEU framework (Table 9, options 1 to 5). Blending operation under InvestEU has three features: (i) it involves funds from sectoral programme (financial instrument, grant or both); (ii) there must be at least one type of repayable Union support (financial instrument or budgetary guarantee or both); (iii) there must be repayable financing/investment provided by the IP.

Table 9. Spectrum of blending options, MFF 2021-2027

	Blending operation under InvestEU framework					Grant blending operations
	Involving InvestEU guarantee			Not involving InvestEU guarantee		
	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Grants	X		X	X		X
Financial instruments		X	X	X	X	
InvestEU budgetary guarantee	X	X	X			
IP resources	X	(X)	X	X	X	X

	Blending operation under InvestEU framework					Grant blending operations
	Involving InvestEU guarantee			Not involving InvestEU guarantee		
	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Examples	(upcoming EaSI blending facility) CEF blending - Alternative Fuels Infrastructure Facility (AFIF)*	Eight blending top-ups	Horizon 2020 and European Innovation Fund contribution to the EU-Catalyst Partnership	-	(upcoming EBRD Critical Raw Material (CRM) facility)	CEF AFIF Public Sector Loan Facility (PSLF)

Source: ICF, based on European Commissions internal note on blending operations under InvestEU prepared in 2020. Under CEF AFIF, IP financing can also be combined with the InvestEU budgetary guarantee

InvestEU provides a streamlined legal framework for blending. Through blending operations, the InvestEU support can be combined with grants and/or financial instruments from other EU programmes. Alternatively, financial instrument (and grant) support from other EU programmes (without the use of the InvestEU support) can be delivered under the InvestEU Programme. All of these forms of blending operations take place under a single set of rules, while ensuring consistency with the policy objectives and compliance with the eligibility criteria set out in the rules of the Union programme under which the support is provided (Table 9, Options 1 to 5)[42].

To date, blending within InvestEU has predominantly been utilised as 'top-ups' (**Table 9, option 2)** where the financial instrument support takes the form of a guarantee, offering first loss protection to specific InvestEU portfolios. These top-ups have been established by various DGs, including Health and Food Safety (DG SANTE) plus the Health Emergency Preparedness and Response Authority (HERA), Research and Innovation (DG RTD), Climate Action (DG CLIMA), DG CNECT, DG MARE and DG DEFIS. Table 10 outlines the eight blending top-ups signed to dates. These initiatives address market failures or suboptimal conditions in specific sectors, such as high barriers to entry in the space or defence sectors, or financing gaps in the audiovisual sector. Discussions on additional blending top-ups are underway, based on factors such as availability of funding from sectoral programmes, policy priorities, and market demand**.**

[42] In accordance with Article 6(2) and 6(4) of the InvestEU Regulation, as long as the InvestEU guarantee is used or the sectoral support takes the form of a financial instrument, the implementation of such blending operation must be carried out under a single set of rules, namely Title X of the Financial Regulation Financial instruments, budgetary guarantees and financial assistance.

Table 10. Overview of blending top-ups

Name	Parent DG/entity	Sectoral programme	Indicative amount [EUR million from sectoral programme*]	Other contribution	Target investment areas/targeted sectors	Product(s) description
Implemented by EIB (topping-up EIB thematic products)						
HERA Invest funding instrument	HERA DG SANTE	EU4Health programme	100	EIB contribution	SMEs that develop medical countermeasures addressing health threats	Venture debt
Green Premium aka EU-Catalyst Partnership	DG CLIMA DG RTD (in partnership with Breakthrough Energy Catalyst)	EU ETS Innovation Fund Horizon Europe	420	Catalyst: EIB contribution	EU-based projects with high scaling and impact potential	Venture debt Equity Grant
Implemented by EIF						
Defence Equity Facility	DG DEFIS	European Defence Fund	100	Not applicable	Defence innovation, technologies	Equity Capacity-building activities
CASSINI Seed and Growth Funding Facility	DG DEFIS	European Space Programme	196	Sectoral programme contributions are matched on a 1:1 basis by InvestEU resources and/or EIF contributions	Investments targeting space technology (upstream) and digitaldigital services using space data (downstream)	Risk capital
MEDIAINVEST	DG CNECT	Creative Europe	70	Sectoral programme contributions are matched on a 1:1 basis by InvestEU resources and/or EIF contributions	Audiovisual companies active in the production and distribution of content in their start-up, growth and transfer phases	Equity Investment-readiness support Capacity-building activities
Investment Platform for Strategic Digital Technologies	DG CNECT	Digital Europe	240	Sectoral programme contributions are matched on a 1:1 basis	AI, Blockchain /DLT, Cybersecurity, Internet of Things (IoT),	Equity and QE

Name	Parent DG/entity	Sectoral programme	Indicative amount [EUR million from sectoral programme*]	Other contribution	Target investment areas/targeted sectors	Product(s) description
				by InvestEU resources and/or EIF contributions	quantum computing and other digital technologies	
Chips Fund	DG CNECT	Digital Europe	125	Not applicable	Semi-conductor chips and semi-conductor technologies	VD and equity-based financing
Blue economy	DG MARE	European Maritime, Fisheries and Aquaculture Fund	140	Sectoral programme contributions are matched on a 1:1 basis by InvestEU resources and/or EIF contributions	Investments targeting blue economy	Equity and QE
Total			1,391			

*Sources: GAs signed with the EIBG, information presented in December Policy Review Dialogues, press releases and policy DGs' work programmes. Note: *Indicative contribution from sectoral programmes, based on GA.*

In addition to using blending to top-up existing products, InvestEU enables grants to be combined with the InvestEU budgetary guarantee and financial instruments to provide 'blended finance' or concessional finance. This combines repayable and non-repayable support delivered to the final recipient to achieve the necessary de-risking of the investment is achieved. Under option 1 (Table 9), grants can be also combined with the InvestEU budgetary guarantee to provide concessional finance. Currently, there are no blending operations under this option. However, a new initiative is being developed to combine grants from the EaSI strand of the European Social Fund Plus (ESF++) with the InvestEU budgetary guarantee (see box below). The existing CEF T- AFIF programme already offers this possibility but no such operations have materialised yet. Option 3 combines grants, financial instruments, and the budgetary guarantee, e.g. the EU Breakthrough Catalyst Partnership, which provides various financing options to projects, including VD/QE (EIB financing backed by InvestEU guarantee) or equity (provided by Breakthrough Catalyst) and grants (from Horizon 2020 or Breakthrough Catalyst).

Forthcoming blending initiative under EaSI

A EUR 20 million contribution from the EaSI strand of ESF+ [43] is set aside to complement the financial products under the Social Investment and Skills Window (SISW) of the InvestEU Programme with a non-repayable component.

The objective of the contribution is to increase the impact of the existing InvestEU products to further developing the social investment market and the microfinance ecosystem and provide additional support to final beneficiaries, in particular microfinance institutions, microenterprises and social enterprises.

The type of support provided in blending operations could take the form of grants or other types of non-repayable support, including transaction cost support, investment grants, interest rate subsidies, business development services, and guarantees, and. It will allow to de-risk investments that would otherwise be considered too risky.

Finally, the InvestEU infrastructure can be used to set up blending facilities even without utilising the EU guarantee. Where the InvestEU guarantee is not used, the EU support from a sectoral programme, provided in the form of a financial instrument (or combination of a financial instrument and a grant,) can be delivered through a blending operation under the InvestEU rules (Table 9, options 4 and 5). This is the case envisaged in Article 6(3) of the InvestEU Regulation. For instance, the forthcoming EBRD CRM facility (see box below) operates without an InvestEU guarantee. However, DG GROW leveraged the InvestEU Programme infrastructure, such as InvestEU rules and an existing GA with EBRD (by adding a product schedule), making blending easier and more efficient.

Forthcoming EBRD CRM facility

Set to be implemented by the EBRD, the CRM facility will provide investment support to explore critical and strategic raw materials, in line with the goals outlined in the European Critical Raw Materials Act. The aim is to identify CRM potential and promote strategic projects both within the EU and in third countries to secure a sustainable and reliable supply of the CRMs that are fundamental for the Union's strategic interests and its transition to a carbon-neutral, sustainable, digital, and smart economy

The blending initiative is supported by a EUR 25 million EU contribution from Horizon Europe. It leverages EBRD experience in financing mining projects, but focuses on earlier stages where EBRD would typically not have intervened without EU support. It is expected that a limited number of projects will be supported with equity during their exploration stage, when the risk is

[43] Annex to 2024 annual work programme within the framework of the ESF,+, particularly the EaSI strand.

higher (e.g. risks to economic viability, geological and technical risks, legal uncertainties, social acceptance issues). The geographical scope for the blending operations includes EBRD's countries of operation within the EU[44] and countries associated with Horizon Europe Programme outside the EU[45].

Outside the InvestEU framework, blending schemes can take the form of EU grants combined with financing from IPs or other financial institutions not covered by any EU support (Table 8, option 6). Examples include the CEF AFIF and PSLF, both of which operate independently of the InvestEU framework.

4.1.4.1 Policy DGs' motivations and drivers for setting-up blending operations under the InvestEU framework

The decision to set up blending top-ups originates from the policy DGs. These decisions are often based on market studies conducted or commissioned by policy DGs to identify and confirm financing gaps[46] or build on successful pilots. For example, pilot projects such as the BlueInvest Fund pilot under EFSI and the InnovFin Space Equity Pilot demonstrated the sector's capacity to absorb market-based instruments.

The rationale for setting-up blending top-ups is to boost the InvestEU Fund's capacity to support specific policy objectives. InvestEU, operating with a budget smaller than its predecessors under the previous MFF, faces a significant demand that outweighs its resources. More specifically resources are insufficient to provide thematic finance at scale for sectors such as next-generation climate technologies, deep tech, space, chips, and therapeutics. In this context, blending is an important tool for augmenting programme resources in support of strategic priorities. A provisioning rate of 100% for blending operations under the InvestEU Programme and higher protection for IPs significantly enhances their capacity to support a larger volume of high-risk operations.

Blending top-ups allow more outreach efforts and market building activities from IPs. This ensures that policy DG's sector is more proactively served by IPs (see examples in section 4.1.4.3).

Blending top-ups offer a more efficient alternative to grants, with the capacity to unlock additional funding. Through these top-ups, policy DGs that have traditionally relied on grants to support their sectors (such as the blue economy through the European Maritime, Fisheries and Aquaculture Fund, and the CCS sector through Creative Europe) are moving away from sole reliance on grants. The strategy of combining contributions from sectoral programmes with those of the InvestEU Fund and contributions from IPs increases the leverage of public funds: sectoral programme contributions are matched on a 1:1 basis by InvestEU resources and/or EIF contributions in most of (4 out of 6) of the top-ups implemented by the EIF. Combined, these resources are expected to mobilise significant additional public and private capital.

A critical consideration for policy DGs is to maintain high policy steer, control and visibility. Some policy DGs have reported a lack of visibility of how well their policy areas are served under InvestEU, given the current governance setup and reporting mechanisms, particularly for intermediated products. They seek more detailed, segmented reporting enriched with policy-relevant tags to gain greater insight into operations.

---

[44] Bulgaria, Czechia, Estonia, Greece, Croatia, Hungary, Latvia, Lithuania, Poland, Romania, Slovenia, Slovakia.

[45] Albania, Armenia, Bosnia and Herzegovina, Georgia, Kosovo, Moldova, Montenegro, North Macedonia, Serbia, Tunisia, Türkiye, Ukraine.

[46] Financing gaps in relation to Defence Equity Facility, Blue Economy, and space.

Blending top-ups address this concern to some extent by ring-fencing specific amounts for approvals and signatures within their sectors, thereby providing more visibility and control. EIB and EIF also provide very detailed information on blending operations at PRDs. For the two EIB top-ups, since they are linked to the thematic financial products, the policy DGs also receive the eligibility checklist for their opinion on the individual operations at early stage. However, there are still some challenges (see next section).

Policy DGs can leverage the unique strengths of various IPs depending on their objectives. For example, DG GROW have chosen the EBRD for CRM and DG EMPL is in discussion with CEB and EIF for their microfinance initiative, taking advantage of the open architecture framework. The close policy dialogue between IPs and the Commission allows the identification of market gaps and areas needing more resources.

Operationally, these top-ups are very efficient and quick to implement. They are implemented under a single set of rules (InvestEU rules), with terms negotiated and agreed by a single DG (ECFIN), while ensuring compliance with the eligibility rules of the sectoral programme. This is one of the advantages of the umbrella framework compared to the situation under the previous MFF (where each DG was negotiating own terms with IPs). The expertise in DG ECFIN and one single point at the Commission for contractual terms adds value to policy DGs and IPs. From the perspective of DG ECFIN, this standardisation facilitates oversight and ensures consistency across different funding streams**.** For IPs, this implies implementing an existing product, focusing on a sub-set of eligible sectors.

4.1.4.2 Challenges to blending operations under InvestEU framework and areas for improvement

Legal, policy and operational hurdles emerge when integrating diverse financing sources, each grounded in distinct legal frameworks.

Policy DGs flagged two main downsides of using blending top-ups:

- **Insufficient visibility of the implementation and impact of blending top-ups for indirect equity operations**. For indirect equity operations, policy DGs would like to see more granular reporting by IPs. Reporting poses more challenges when blending top-ups concern multiple policy priorities, like the Investment Platform for Strategic Digital Technologies under the Digital Europe Programme. Although outside the evaluation time period, it is worth highlighting that information provided to policy DGs as part of the June 2024 PRDs addresses this issue.
- **Potential dilution of the contribution of sectoral programmes.** Some DGs voiced concerns that blending top-ups could dilute policy focus in the case of intermediated equity products. Some advocated for more operation-specific information during pipeline discussions, suggesting that these engagements should occur with greater frequency for enhanced clarity and strategic alignment. There was a concern that blending operations support generalist funds rather than those dedicated to certain sectors[47]. This situation could arise from the absence of dedicated funds in nascent sectors such as space, or a lack of investor appetite for specialised funds. In such cases, these sectors are covered as part of diversified fund strategies rather than being the primary focus. The cross-cutting or enabling nature of certain digital technologies means that funds are frequently more interested in commercial applications of the technology rather than the technology itself. Nonetheless, some policy DGs noted that there may be cases where generalist funds' plans to invest in a specific sector are not sufficiently assessed

[47] At the time of conducting interviews for the evaluation, only four of the 13 operations signed in the space sector involved investments in dedicated space funds

before inclusion under the blending top-up. There is a need for close collaboration to ensure a clear and common understanding between the Commission and the IP on the state of the market within a specific policy domain or sector, to agree on strategic deployment of blending top-ups, and to foresee capacity-building actions to increase the availability of specialised funds where needed. The market studies described above are a solid base on which to build this common understanding.

- **DGs somewhat lack the financial incentives to channel more financial instrument support through InvestEU.** The final destination of reflows from financial instruments is not fully clear to all stakeholders.

IPs recognise the potential of blending, but have identified several factors that constrain its effective deployment and areas for improvement:

- **Lack of predictability of funding**. The top-ups are not always committed as planned by policy DGs. Total amounts inserted in GAs are indicative and could potentially be subject to change following the mid-term review of the MFF (for example Russia's ongoing war against Ukraine affects policy priorities and the Union budget). As it was always with support in the form of financial instruments, funds from sectoral programmes set aside for blending top-ups cannot be legally committed before the annual budget commitment by the Commission. Consequently, the funds announced for blending top-ups are vulnerable to budgetary cuts.
- **Mechanism of annual commitments resulting in deployment challenges.** Blending top-ups implemented by the EIF (e.g. financial instruments under past MFFs) are committed in annual commitment notices. By end-2023, 35% of the total indicative top-up amounts had been committed. For 2024, it is unclear whether the entirety of the planned budget commitments will actually be committed. Only EUR 128.57 million of EUR 173 million indicative amount was confirmed by April 2024. The date of commitment is not determined ex-ante, as it depends on the approval of the (annual) work programme underlying the relevant EU sectoral programme. For 2023, commitments for some top-ups were received and confirmed in late December 2023 and thus deployed with a delay. The uncertainty creates planning challenges and withholds the building up of a healthy pipeline until funds are confirmed (in order to avoid any subsequent reputational risk vis-à-vis the market and applicants. Investment ecosystems and pipelines are built over years, and to be effective, need to be sustained for the duration of the programme. IP need visibility over a multi-year timeframe before they can communicate their long-term support to a given industry or sector. Consistency of support is essential. There are significant costs to pre-emptive or unexpected reductions in availability of financing, including damage to IP reputation as a long-term supporter of ecosystems, and direct effects on funds in the investment pipeline when their application is dropped due to an unexpected absence of resources.
- **More flexibility**. When combining more than one blending top-up, more flexibility in the allocation of sectoral resources to final recipients across themes would allow for increased market acceptance and more fluid deployment of the mandates, creating a stronger financing market for the targeted themes
- **Need for further simplification of rules.** Although InvestEU provides a streamlined legal framework for blending[48] it still poses challenges. For example, issues such as exclusions, DNSH rules, and climate tracking can result in very small or negligible differences in the rules that delay and prevent successful

[48] The InvestEU rules apply, while ensuring consistency with the policy objectives and compliance with the eligibility criteria set out in the sectoral programme.

blending. It is important to consider how the rules for blending can be made more flexible and whether consistency should be achieved at the level of policy objectives rather than (more detailed) eligibility criteria. However, given the nature of blending, which involves the transfer of resources from more policy-specific programmes to defined financial products under InvestEU, policy DGs typically want to have a higher degree of control over the parameters of blending operations (such as eligibility criteria and targeting) than the typical transactions under InvestEU.

- **Further leveraging the potential of blended instruments.** The European Long-Term Investors' Association (ELTI)[49] have proposed blending instruments that combine grants (from EU sectoral programmes) with EU financial instruments and budgetary guarantee and IP financing . ELTI suggests that for projects with high positive externalities (such as infrastructure projects with significant upfront costs not covered by long-term revenues), the grant component in blended instruments can unlock additional financing and is more appropriate for "internalising externalities". According to ELTI, blended support is crucial for financing projects and initiatives that lack commercial viability, de-risking certain investments, or incentivising investment is areas where private investment is still nascent. ELTI also advises adding a fourth pillar to InvestEU 2.0, dedicated to blending instruments (alongside the Fund, the Hub and the Portal)[50].

From DG ECFIN's perspective, the challenges are legal and administrative in nature:

- **Complex reporting requirements deriving from the fact that two different Union sources and two different forms of support are used**: The need for separate reporting on the blending and EU compartments complicates the reporting process, especially as guarantees are applied differently across these compartments (e.g. the FLP is covered by the top-up, after which claims are made against the EU compartment). This dual-reporting requirement places a significant burden on IPs and poses challenges for DG ECFIN when certain IPs do not distinguish between blending and EU compartments in their reporting.
- **Budget management and accounting**: the segregation[51] of the accounting system demands that DG ECFIN, delegated by the various policy DGs, manages multiple sources of finance and budget lines for fund transfers to the Common Provisioning Fund (CPF). As a result, it is currently managing 59 budget lines linked to InvestEU implementation (alongside nine different sources of finance).

4.1.4.3 Success stories and innovations

Blending top-ups play a crucial role in developing specific ecosystems and increasing focus on underserved policy priorities. Although InvestEU has a broad coverage of eligible areas and policy priorities, it is fundamentally demand-driven. Blending top-ups can, however, play a pivotal role in stimulating demand in areas that might otherwise remain underserved. Market-making and capacity-building efforts of IPs (marketing, events, fund interactions), together with advisory support, as well complementary initiatives from policy DGs can facilitate deployment of the blending top-up and InvestEU as a whole, especially in areas not yet ready for market-based instruments.

[49] ELTI, *Strategic outlook Activating the EU budget for long-term needs,* Brussels, 2024.

[50] Blending is already presented as a fourth key element of the InvestEU in the definitions included in the InvestEU Regulation: 'InvestEU Programme' means the InvestEU Fund, the InvestEU Advisory Hub, the InvestEU Portal and blending operations, collectively

[51] The Financial Regulation also obliges separate accounting and monitoring for different finance source/ budget lines. Each programme counts as a separate finance source in the EU budget.

Consistent, sustained investment in underdeveloped sectors drives growth and development in that sector. As an example, the Blue Economy segment is much more developed than before, and has grown an ecosystem from almost a standing start (see box below).

Blue economy

The 2018 market study[52] indicated that the finance sector supporting the blue economy is still developing and is not as mature as more established sectors. This observation was supported by the fact that many financing platforms were not solely focused on the blue economy, but, rather, encompassed a wide range of sectors, some of which included elements of the blue economy. Additionally, the exact level of investment in blue economy sectors was not well-defined, due to a lack of comprehensive data.

Today, a specific ecosystem has begun to be established[53]. It is estimated that there are around 30 venture capital (VC) funds in Europe dedicated to the blue economy. This was assessed as reflecting the successes of:

- The blue economy top-up, under which two operations are signed and two are approved as of end-2023 (Blue Revolution, Agrifood Fund, Infinity Recycling Circular Plastics Fund, Growth Blue);
- The BlueInvest Pilot Programme implemented under EFSI (EUR 70 million of EU contribution, matched by EIB/EIF contribution). Four funds were selected, one of which specialised in blue economy and three others in broader agrifood or industrial biotech strategies. There is now a growing portfolio of final recipients;
- The BlueInvest Platform[54], which encompasses various activities to advance investment and growth within the blue economy sector, including matchmaking, investment readiness, capacity-building for Financial Intermediaries/Fund Managers, supporting regional or national initiatives, promotion and dissemination;
- Other blue economy policies, programmes and initiatives.

Blended support has the potential to transform and accelerate the scaling-up of emerging technologies. By combining different sources of financing (e.g. from EU and other public sources, commercial investors) and types of financing (repayable and non-repayable), blended support can bridge the financial gaps that often hinder the development and commercialisation of innovative technologies. This approach not only mitigates risks for private investors, but it also mobilises significant capital for high-impact projects. The EU-Breakthrough Energy Catalyst initiative is one example of an innovative blending initiative under the InvestEU Programme.

EU- Breakthrough Energy Catalyst

The EU-Catalyst Partnership is a new innovative public–private partnership (PPP) involving cooperation of the EU with Breakthrough Energy Catalyst (backed by the Gates Foundation, it focuses on decarbonising carbon intensive sectors through investments in critical technologies).

In Europe, the initiative is expected to mobilise overall EUR 840 million between 2023 and 2026. It is supported through a EUR 420 million EU contribution (EUR 200 million from Horizon Europe and EUR 220 million from the Innovation Fund). The EU- Breakthrough Energy Catalyst's contribution is funded by private corporate sponsors.

---

[52] European Commission, *Study to support investment for the sustainable development of the Blue Economy*, 2018.

[53] BlueInvest, *Investor Report: Unlocking The Potential Of The Blue Economy*, 2024.

[54] Ibid.

The EU- Breakthrough Energy Catalyst includes: i) a blending top-up of an InvestEU thematic finance product and ii) blended support at project level. Projects can receive a ‘repayable’ component (e.g. VD backed by InvestEU via an EIB blending operation and/or equity from Breakthrough Energy Catalyst) and a ‘non-repayable’ component on a case-by-case basis (e.g. a CAPEX grant from Breakthrough Energy Catalyst and a matching grant from Horizon Europe).

Why is it important?

According to the International Energy Agency (IEA), 35% of the emissions reductions required by 2050 depend on technologies currently under development and not yet commercially available, such as clean hydrogen, sustainable aviation and maritime fuels, waste-to-value processes, long-duration energy storage, carbon removal and decarbonisation of the industry. These technologies are not just important for fighting climate change, but for maintaining EU leadership in green technologies.

Why is blended support needed?

These technologies often lack the necessary finance and structures to scale up. For capital-intensive hard-tech solutions, achieving profitability often takes many years, and product-to-market fit can be hindered by a green premium and a lack of buyers. This situation does not align with the typical risk appetite of private investors. FOAK projects, in particular, fall into a gap where VC finds the investment size too large, while infrastructure investors and project finance lenders deem the risk too high.

What difference will it make?

As of end-December 2023, two European projects had been selected for support through the EU-Catalyst partnership. One of them, Energy Dome's CO_2 battery project in Sardinia, is one of the world's largest alternative long-duration energy storage projects, addressing the critical need for storage solutions due to the increasing role of renewables which tend to be intermittent.

4.2 InvestEU Advisory Hub

The InvestEU Advisory Hub acts as the central entry point for public authorities, project promoters and financial intermediaries seeking advisory support and technical assistance. The main objectives of the Advisory Hub are to: (i) provide advisory support for origination and development of projects that are financially viable and technically sound; (ii) develop the capacities of project promoters, public authorities, and financial intermediaries to enhance their project preparation, access to finance, and implementation capabilities; and (iii) support market development in sectors where financing products or investments lag behind their potential. This section looks at the implementation of the InvestEU Advisory Hub activities over the period 2021 to 2023.

At the end of December 2023, Advisory Agreements had been signed with six partners, alongside a Memorandum of Understanding (MoU) with the European Climate, Infrastructure and Environment Executive Agency (CINEA). Table 11 presents a detailed breakdown of the budget allocation and utilisation for each AP as of 31 December 2023, alongside the number of assignments undertaken. The EIB currently accounts for 71% of the total advisory budget allocation, which includes top-ups from sources other than InvestEU, CINEA budget and resources from the PSLF. This represents the EU contribution for the period 2021-2024. Over the period 2021-2027, the EIB is expected to implement at least 75% of the advisory budget[55]. By the end of 2023, 19% of the total advisory budget (EUR 69.8 million) had been utilised for 844 assignments (ongoing or completed).

[55] Under the InvestEU Programme, a budgetary envelope of EUR 430 million has been dedicated to advisory support, the Portal and other accompanying measures.

Table 11. Advisory Hub budget allocation and utilisation, by AP, 31 December 2023

AP	Date of Advisory Agreement signature	Budget allocation (EUR) *	Budget utilisation (EUR)**	Number of ongoing & completed Assignments	Budget utilisation as % of allocation	Average size of assignment (EUR)
Bpifrance	27. Jul 22	10,135,896	3,377,798	449	33%	7,523
CDC	22. Nov 22	5,000,000	38,004	3	1%	12,668
CDP	04. Jul 22	5,000,000	5,277,276	120	106%	43,977
CEB	26. Jan 23	8,090,270	1,133,000	4	14%	283,250
CINEA	28. Aug 21	20,000,000	321,000	9	2%	35,667
EBRD (including MS-C)	09. Feb 23	60,230,000	3,244,389	75	5%	43,259
EIB (including top-up)	04. Mar 22	265,900,000	56,444,108	184	21%	306,761
Total		**374,356,166**	**69,835,575**	**844**	19%	82,744

Source: DG ECFIN. Bpifrance and EIB have more recently updated their budget utilisation. However, the evaluation report is based on dataset provided by ECFIN in April 2024.

*Notes: *Estimated EU contribution based on signed Advisory Agreements, including top-ups and MS-C contributions. ** Based on the total amount of the forecasted value of all competed and ongoing assignments. ***The budget utilisation figure could exceed the allocated EU budget as Advisory Partners (and sometimes beneficiaries) are also cost-contributing to the final value of the advisory assignment budget. The amount reported by CDP and included in the table (i.e. EUR 5,277,276) represents the estimated assignment costs and commitments which were combining the EU contribution (EUR 4,847.460) and AP contribution. The corresponding overall financial envelope mentioned in the advisory agreement signed with CDP is EUR 6.7m (combining EU and CDP contributions). As this split is not available for the other advisory partners, the above table are based on data as extracted from QLIK.*

The seven APs have developed an extensive range of advisory initiatives (19 of which have portfolio data available and are represented here), which aim to support the development of a robust pipeline of investment projects in each policy window across specific target sectors (environment, energy efficiency, social sectors, digital transformation, etc.) and clients (public and private sector). The Advisory Hub's overall objective is to provide advisory support for the identification, preparation, development, structuring, procuring and implementation of investment projects, and to enhance the capacity of project promoters and financial intermediaries to implement financing and investment operations. Such support may cover any stage of the life cycle of a project or financing of a supported entity. The advisory initiatives may include all three types of support (project advisory, capacity-building, market development) or focus on a specific one.

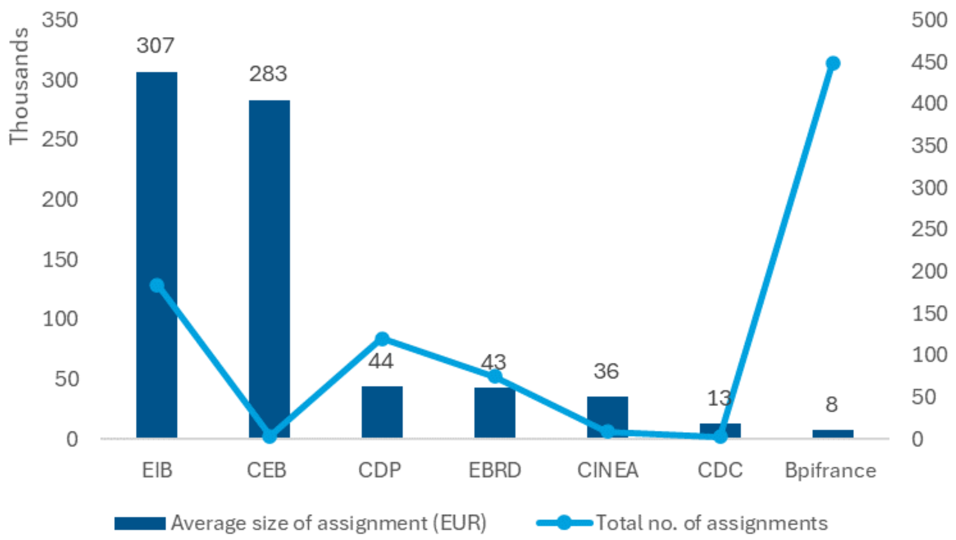
The APs are at different stages of implementation, **reflecting the distinctive nature of the advisory services they provide**. There is considerable variation in the number and average size of assignments delivered, as well as budget utilisation:

- CDP, which supports public entities in Italy to implement infrastructure projects (through project support, capacity-building and awareness-raising), has utilised 79% of its advisory budget allocation (when comparing budget allocation and utilisation comprising both EU and AP contribution). It is actively managing 120 assignments, each averaging EUR 43 977.

- Bpifrance has used one-third of its allocated budget, focusing on SME support in France through a high volume of small, short-term assignments averaging EUR 7 523[56]. These assignments, often lasting less than a week, target early-stage project development, including a notable emphasis on Industry 4.0 adoption. Bpifrance also provides specific advisory support to companies dealing with the impact of Russia’s war against Ukraine.
- The EIB has utilised one-fifth of its budget allocation. Its advisory support is deployed across all policy windows, covers all types of advisory support and a broad spectrum of sectors (from digital, to environment, transport and logistics, to energy and social sectors) and clients across all the Member States. One of the initiatives managed by EIB, Cross-Sectoral Advisory Support, supports cross-sectoral projects and horizontal activities across all policy windows, or when support is not available under a specific policy window. The Cross-Sectoral Advisory Support also includes support on sustainability action and gender-smart advisory. The average size of an EIB advisory assignment is relatively large (EUR 306 761), indicating the EIB's engagement in more extensive and possibly complex projects.
- CEB is delivering four assignments in the social sector and has utilised 14% of its budget allocation. CEB is specifically focusing on social sectors (education and skills, affordable housing), with a strong emphasis on specific initiatives targeting market development in the social sector, as well as capacity-building for financial intermediaries and MFIs operating in the sector. CEB also has an advisory initiative to mitigate the social and economic consequences of Russia’s war against Ukraine.
- To date, the EBRD has utilised 5% of its total budget across 75 assignments. Its initiatives support sustainable infrastructure, advisory for innovative projects and small businesses, as well as crisis response measures addressing the most pressing needs from Russia’s war against Ukraine. It also has an initiative that targets financial intermediaries (local banks, leasing companies) and advises them on green and innovative finance. The EBRD advisory has a strong presence in countries in the Cohesion Regions (central and eastern Europe).
- CINEA and CDC are just starting out, with a low volume of assignments and budget utilisation. CINEA's nine assignments, averaging EUR 35 667 each, focus on environmental and energy sectors, while CDC's three assignments, averaging EUR 12 668, focus on very small municipality revitalisation projects in France.

[56] Within the InvestEU Advisory Hub, the funding structure involves Bpifrance covering a significant portion of the costs. The EU budget and the recipient company each cover a small share of the cost.

Figure 13. Average size and number of assignments, by AP



Source: Advisory Hub data at end-2023.

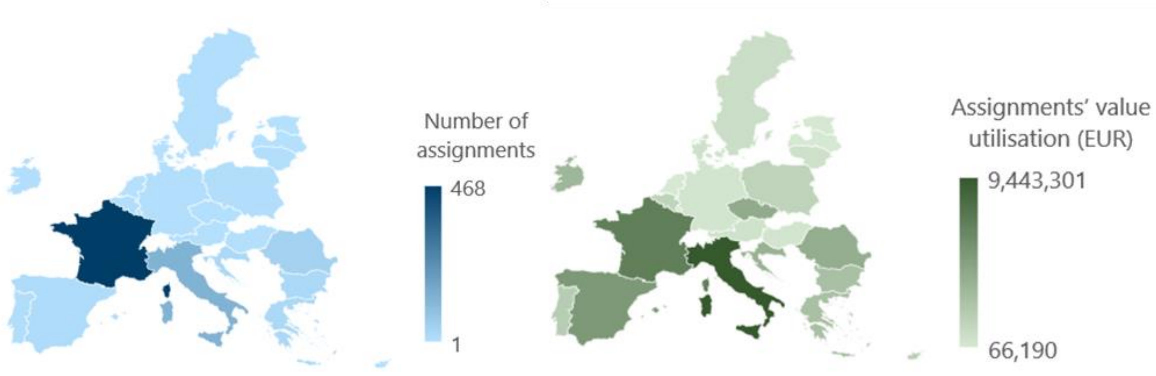
Advisory Hub assignments cover all 27 Member States, although certain countries have received more concentrated support, often through the involvement of NPBIs. The portfolio predominantly consists of single-country assignments, which constitute 96% of the total number of assignments and 75% of the budget utilisation. A total of 810 single-country assignments are being implemented in 25 Member States[57], with a significant concentration in France and Italy, at 468 and 134 assignments, respectively. These two countries together represent 75% of the assignments, facilitated by Bpifrance and CDP, but account for only 31% of the budget utilisation[58]. By contrast, in the majority of Member States (17), fewer than 10 advisory assignments were delivered[59]. This distribution underscores a broad yet targeted approach, indicating that while the Advisory Hub's services span the EU, focused support is provided in specific Member States by local NPBIs. 34 multi-country assignments, mainly focused on market development or capacity-building studies by the EIB or occasionally the CEB, utilise the remaining 25% of the budget as of December 2023.

[57] The Advisory Hub portfolio includes data for 753 assignments, including single country assignments. No 'single country assignments' have been implemented in Finland or Slovakia.

[58] This analysis concerns 810 assignments out of 844 for which country data are available.

[59] The InvestEU Advisory Hub is a demand driven instrument. Usualy, if the market conditions are not yet mature enough, those countries benefit first from capacity building advisory support and multi-country assignments

Figure 14. Advisory Hub assignments, by country of implementation (single country assignment), 31 December 2023



Source: Advisory Hub data at end-2023.

While project advisory makes up the bulk of assignments, significant portions of the budget are utilised by capacity-building and market development activities. Project advisory is the most frequently used advisory service by far, representing 77% of the assignments and 54% of the total project utilisation. Although capacity-building, especially market development actions, are offered far less frequently, they account for 46% of the budget utilisation and 23% of the assignments. These assignments tend to be larger in nature and significant resources have been invested to develop the relevant areas. For example, capacity-building provides high leverage, as it has lasting effects on clients' capabilities, and market development activities are essential to build a pipeline in less common sectors.

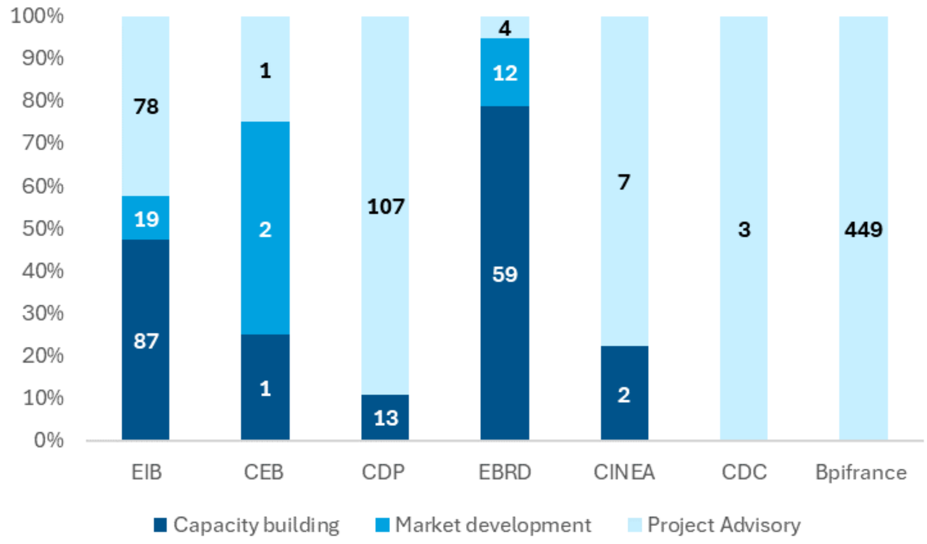
Table 12. Types of advisory support provided

Type of support	Number of assignments	Budget utilisation (EUR)	Average size of assignment	% of total number	% of total budget utilisation
Project advisory	649	37 839 473	58 304	77%	54%
Capacity-building	162	22 754 786	140 462	19%	33%
Market development	33	9 241 315	280 040	4%	13%
Total	844	69 835 574	159 602	100%	100%

Source: Advisory Hub data at end-2023.

NPBIs and CINEA primarily offer project advisory support, with some capacity-building, while the EIB, EBRD and CEB provide comprehensive support across all areas. Of the APs, Bpifrance, CDP, CDC and CINEA have mostly focused on project support. However, many have also undertaken some capacity-building assignments to support their project advisory work. This is because many capacity-building activities are intended to have a strong link to investments, enabling project implementation and developing project pipelines. Only the EIB, EBRD and CEB have undertaken market development activities and are actively providing all three types of advisory support, with the EIB focusing on projects and capacity-building linked to investments. The EBRD has a particularly strong focus on capacity-building to provide technical assistance, foster long-term institutional development, and facilitate successful project implementation.

Figure 15. Type of support provided by the AP



Source: Advisory Hub data at end-2023.

Advisory initiatives are purposefully specific in their support rather than universally providing all three areas of support (Figure 15). The following four Advisory Hub initiatives have a strong focus on **market development,** with 91% of the total budget utilisation concentrated on this type of support:

- EIB Advisory Support for SMEs and Research, Innovation & Digitisation (EUR 2 904 650; 10 assignments).

EIB Sustainable Infrastructure Advisory (EUR 2 838 125; five assignments)[60].

- EIB Cross-Sectoral Advisory Support (EUR 1 963 250; three assignments).
- CEB market assessment and pipeline identification in six priority segments of the SISW (EUR 700 000; one assignment).

The following five Advisory Hub initiatives have a strong focus on **capacity-building,** at 82% of total budget utilisation:

- EIB Advisory for Microfinance and Social Enterprise Finance (EUR 7 539 240; 50 assignments).
- EIB Sustainable Infrastructure Advisory (EUR 4 857 475; 21 assignments).
- EIB Capacity-building for intermediaries in the area of SMEs and Research, Innovation & Digitisation Finance (EUR 2 449 950; two assignments).
- EIB Cross-Sectoral Advisory Support (EUR 2 112 350; nine assignments).

CDP Infrastructure Advisory Services (EUR 1 661 242; 13 assignments).

[60] Although the EIB Sustainable Infrastructure Advisory (SIA) has a strong focus on project advisory among its portfolio of assignments, its assignments focusing on market development and capacity-building have a notable impact at the InvestEU portfolio level, given the budget and reach of the initiative compared to the other initiatives under InvestEU. The SIA's budget utilisation comprises just over one-third (36.5%; EUR 25.6 million out of EUR 69.8 million) of the InvestEU budget utilisation to date. This translates to 21% of the InvestEU budget utilisation towards capacity-building and 31% towards market development (47% attributable to SIA).

The following five Advisory Hub initiatives have a strong focus on **project advisory,** at 86% of total budget utilisation:

- EIB Sustainable Infrastructure Advisory (EUR 17 897 293; 36 projects).

EIB ELENA (EUR 4 054 600[61]; two projects).

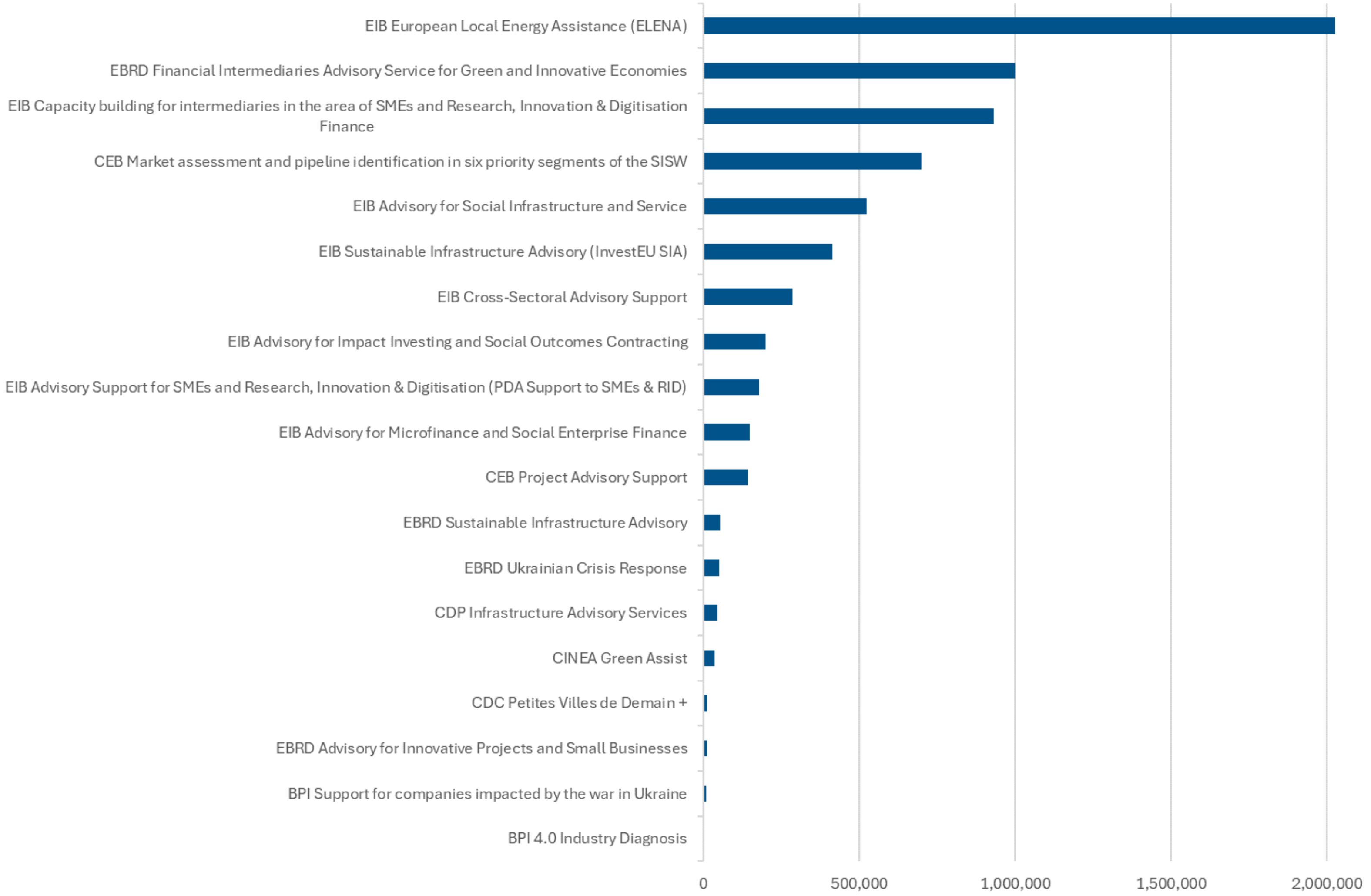
CDP Infrastructure Advisory Services (EUR 3 616 033; 107 projects).

- EIB Advisory for Social Infrastructure and Service (EUR 3 472 300; seven projects).
- EIB Advisory Support for SMEs and Research, Innovation & Digitisation (EUR 3 339 450; 29 projects).

The budget utilisation figures do not fully take into account the specific intricacies of the advisory initiatives. While the EIB initiatives tend to have a high impact in terms of budget utilised across all support areas, this masks some of the impact when the number of projects is considered. For example, the EBRD's Advisory for Innovative Projects and Small Businesses accounts for the largest number of capacity-building initiatives, and Bpifrance's and CDP's assignments account for the largest number of project advisories, having focused on many small activities (Figure 16).

[61] The total budget utilisation for the two European Local Energy Assistance (ELENA) assignments was revised to EUR 3 910 600 due to an error in one of the budget utilisation figures. This error was notified after the analysis was conducted.

Figure 16. Advisory initiative, by type of support



Source: Advisory Hub data at end-2023.

The clients of the Advisory Hub assignments include SMEs, corporates, public authorities and the Commission services. The Commission services can request Advisory Hub support, typically focusing on market and pipeline development to better target InvestEU financing to a given sector. While the largest number of advisory assignments target SMEs (535 of 844, 63%), their share of total budget utilisation is comparatively low, at 13% (EUR 9.1 million). This is driven by the fact that the vast majority of the SME support (84%) is delivered by Bpifrance through smaller support initiatives (average size of EUR 7 523). The average size of an SME assignment is EUR 17 084 across all APs' projects. About half of the budget utilisation (49%, EUR 34 million) has benefited public authorities, with targeted assignments making up 22% (188 projects) of the total advisory portfolio. Their average size is EUR 182 667, over 10 times higher than for SMEs. Corporates account for 14% of the advisory portfolio (120 assignments) and 36% of the budget utilisation (EUR 25.2 million). The average size of an advisory assignment targeting corporates is EUR 209 621. Only one assignment targets the Commission services, with a budget utilisation value of EUR 1.2 million[62]. This assignment will support the development of a pipeline of bankable projects in the CRM field.

Table 13. Assignments, by type of client

Type of client	No of assignments	Budget utilisation (EUR)	Assignments (%)	Budget utilisation (%)	Average size (EUR)
SMEs	535	9 139 705	63%	13%	17 084
Public authorities	188	34 341 372	22%	49%	182 667
Corporates	120	25 154 497	14%	36%	209 621
Commission services	1	1 200 000	0,1%	2%	1 200 000
Total	**844**	**69 835 574**	**100%**	**100%**	**82 744**

Source: Advisory Hub data at end-2023.

The differences in clients across the APs are notable. Some APs have focused on a specific group of clients: the EBRD's and Bpifrance's clients are primarily SMEs, whereas CDP's and CDC's clients are public authorities. Most APs provide support to both corporates and public authorities. The majority of the EIB's support (57%) has targeted corporates, while EIB support accounts for 88% of all support provided to corporates. This diverse group of clients includes financial intermediaries, aiming to serve varied groups of clients, including SMEs and micro-enterprises. CINEA's Green Assist also has a strong focus on corporates, with eight out of the nine assignments focusing on this client group. Apart from the EBRD and Bpifrance, other APs are not focused on SMEs (e.g. only 18 of EIB's 184 advisory assignments target SMEs). The majority of this support has been provided via the advisory support initiative for SMEs and Research, Innovation and Digitisation.

Table 14. APs, clients, and average project value utilisation

AP	Commission services	Corporates	Public authorities	SMEs	Total no of assignments	Budget utilisation (EUR)	Average size of assignment (EUR)
Bpifrance	0	4	0	445	449	3 377 798	7 523

[62] There may be some misclassification of clients in the database. For example, the evaluation selected the assignment 'Thematic Study on Sustainable Liquid Fuels' for a deep dive. When that study was also conducted on behalf of the Commission, the client was classified as an SME.

AP	Commission services	Corporates	Public authorities	SMEs	Total no of assignments	Budget utilisation (EUR)	Average size of assignment (EUR)
CDC	0	0	3	0	3	38 004	12 668
CDP	0	0	120	0	120	5 277 276[63]	43 977
CEB	0	1	3	0	4	1 133 000	283 250
CINEA	0	8	1	0	9	321 000	35 667
EBRD	0	2	1	72	75	3 244 389	43 259
EIB	1	105	60	18	184	56 444 108	306 761
Total	**1**	**120**	**188**	**535**	**844**	**69 835 574**	**82 744**

Source: Advisory Hub data at end-2023.

Table 15 provides more granular analysis, by advisory initiative. It shows that three EIB Advisory Hub initiatives have had a strong focus on supporting **corporates,** with 75% of the total budget utilisation provided via these assignments:

- EIB Sustainable Infrastructure Advisory (EUR 8 726 150; 30 assignments).
- EIB Advisory for Microfinance and Social Enterprise Finance (EUR 6 708 385; 44 assignments).
- EIB Advisory Support for SMEs and Research, Innovation & Digitisation (EUR 3 425 075; 24 assignments).

Four initiatives have had a strong focus on supporting **public authorities,** with 85% of budget utilisation towards public authorities:

- EIB Sustainable Infrastructure Advisory (EUR 15 429 793; 30 assignments).
- CDP Infrastructure Advisory Services (EUR 5 277 276; 120 assignments).
- EIB Advisory for Social Infrastructure and Service (EUR 4 195 000; eight assignments).
- EIB Cross-Sectoral Advisory Support (EUR 4 113 550; 13 assignments).

Four initiatives have had a strong focus on supporting **SMEs,** with 81% of budget utilisation towards SMEs:

- Bpifrance Support for companies impacted by the war in Ukraine (EUR 2 809 144; 282 assignments).
- EBRD Financial Intermediaries Advisory Service for Green and Innovative Economies (EUR 2 million, 64 assignments).
- EIB Advisory Support for SMEs and Research, Innovation & Digitisation (EUR 1 745 525; 11 assignments).
- EIB Advisory for Microfinance and Social Enterprise Finance (EUR 830 855; six assignments).

[63] This budget utilisation represents the estimated assignment costs and commitments which combine the, combining EU contribution and contribution from the AP contributions (EUR 4 847 460).

Table 15. Project clients, by advisory initiative

Advisory initiative	Commission services	Corporates	Public authorities	SMEs	Total	Total (EUR)	Average assignment value utilisation (EUR)
Bpifrance 4.0 Industry Diagnosis	1			166	167	535 555	3 207
Bpifrance Support for companies impacted by the war in Ukraine	3			279	282	2 842 243	10 079
CDC Petites Villes de Demain		3			3	38 004	12 668
CDP Infrastructure Advisory Services		120			120	5 277 276[64]	43 977
CEB Market assessment and pipeline identification in six priority segments of the SISW		1			1	700 000	700 000
CEB Project Advisory Support	1	2			3	433 000	144 333
CINEA Green Assist	8	1			9	321 000	35 667
EBRD Advisory for Innovative Projects and Small Businesses				64	64	785 118	12 267
EBRD Financial Intermediaries Advisory Service for Green and Innovative Economies				2	2	2 000 000	1 000 000
EBRD Sustainable Infrastructure Advisory	2				2	109 270	54 635
EBRD Ukrainian Crisis Response		1		6	7	350 001	50 000
EIB Advisory for Impact Investing and Social Outcomes Contracting	1				1	200 000	200 000
EIB Advisory for Microfinance and Social Enterprise Finance	44			6	50	7 539 240	150 785

[64] This budget utilisation represents the estimated assignment costs and commitments which combine the, combining EU contribution and contribution from the AP contributions (EUR 4 847 460).

Advisory initiative	**Commission services**	**Corporates**	**Public authorities**	**SMEs**	**Total**	**Total (EUR)**	**Average assignment value utilisation (EUR)**
EIB Advisory for Social Infrastructure and Service			8		8	4 195 000	524 375
EIB Advisory Support for SMEs and Research, Innovation & Digitisation (PDA Support to SMEs & RID)		24	7	11	42	7 474 100	177 955
EIB Capacity-building for intermediaries in the area of SMEs and Research, Innovation & Digitisation Finance		2	1		3	2 799 950	933 317
EIB Cross-Sectoral Advisory Support		3	13		16	4 588 325	286 770
EIB ELENA		1	1		2	4 054 600[65]	1 955 300
EIB InvestEU SIA	1	30	30	1	62	25 592 893	412 789
Total	1	120	188	535	844	69 835 574	82 744

Source: Advisory Hub data at end-2023.

[65] The total budget utilisation for the two ELENA assignments has been revised to EUR 3 910 600 due to an error in one of the budget utilisation figures. This error was notified after the analysis was conducted.

The advisory support has aligned with many of the EU's top policy priorities, particularly those under InvestEU. Over time, Advisory Hub support will translate into developing the key policy sectors highlighting the added value of the Hub.

Five eligible areas account for the majority of advisory support. At portfolio level, much of the advisory has focused on:

- Energy sector, driven by support from several APs (EUR 29 119 718; 74 assignments).
- Mobility/smart transport solutions driven by support from CDP, EBRD and EIB (EUR 20 316 235; 88 assignments).
- Supporting SMEs and small mid-caps, driven by Bpifrance, EBRD and EIB support to this sector (EUR 19 340 357; 593 assignments).
- Environment driven by support from EIB, CINEA and Bpifrance (EUR 17 267 128; 109 assignments).
- Social investments, driven by CDP and EIB support to this sector (EUR 16 562 897; 135 assignments).

Considering the top policy priorities, the Advisory Hub support on digital technologies and services, as well as digital infrastructure, is less pronounced than for the other top areas. The total budget utilisation for these areas was EUR 3 756 530, covering 14 EIB and 167 Bpifrance assignments. Dedicated assignments targeting digital technologies and services are in the pipeline will be implemented in 2024. Most APs focus on three or more eligible areas, except CEB, which focuses solely on social investments. Only EIB is active in all 14 eligible areas. Table 16Table 1 presents an overview of the support towards eligible areas[66]. Several Advisory Hub assignments focus on more than one eligible target area. Multiple eligible areas can be supported as part of a single advisory assignment, which leads to double counting of some assignments.

[66] The portfolio includes an analysis of the value of investments towards the eligible areas. The value of investments is higher than the value of the budget utilisation because assignments support more than one eligible area and it was not possible to accurately break down the budget across the eligible areas.

Table 16. Assignments, by eligible area and AP (number of projects)

Eligible area	Bpifrance	CDC	CDP	CEB	CINEA	EBRD	EIB	Total	Budget utilisation (EUR)	Average assignment size (EUR)
SMEs and small mid-caps	449	0	0	0	0	70	74	593	19 340 357	32 614
Digital technologies and services	167	0	0	0	0	0	9	176	2 296 880	13 050
Social investments	0	2	60	4	0	0	66	132	16 562 897	125 476
Environment	47	2	6	0	6	2	46	109	17 267 128	158 414
Mobility	0	1	50	0	0	4	33	88	20 316 235	230 866
Energy	0	2	5	0	1	4	62	74	29 119 718	393 510
RDI	0	0	1	0	1	0	20	22	5 729 800	260 445
CCS and media	0	2	0	0	0	0	3	5	662 904	132 581
Digital connectivity infrastructure	0	0	0	0	0	0	5	5	1 459 650	291 930
Tourism	0	1	0	0	0	0	3	4	1 048 300	262 075
Sustainable bioeconomy	0	0	0	0	1	0	2	3	937 750	312 583
Industrial Site Rehabilitation	0	0	0	0	0	0	2	2	832 575	416 288
Seas and oceans	0	0	0	0	0	0	2	2	693 450	346 725
Defence industry	0	0	0	0	0	0	1	1	450 000	450 000
Total (eligible areas covered within advisory projects)	663	10	122	4	9	80	328	1 216	116 717 644	95 985

Eligible area	Bpifrance	CDC	CDP	CEB	CINEA	EBRD	EIB	Total	Budget utilisation (EUR)	Average assignment size (EUR)
No of individual projects	449	3	120	4	9	75	184	844	69 835 574	82 744

Source: Advisory Hub data at end-2023.

4.3 InvestEU Portal

The latest statistics on the InvestEU Portal show that **1 518 projects have been published, out of 3 409 submitted**, to end-2023. The proposed investments by all published projects amount to EUR 14.59 billion[67]. From its launch on 20 April 2021 until the end of 2023, there were 465 contacts between investors and project promoters. The estimated number of investors registered is 450[68].

Between 2021 and 2023, a total of 48 matchmaking and pitching events were co-organised by the InvestEU Portal. More specifically, 12 Portal events were organised in 2021, 17 in 2022 and 19 in 2023. Of these, almost half (20) saw the direct involvement of the Portal team (along with external partners), while the rest (28) were organised by the Commission, either independently or in close collaboration with external partners (including the European Business Angels Network (EBAN), the European Network of Research and Innovation Centres and Hubs (ENRICH), the Enterprise Europe Network (EEN), and EuroQuity/Bpifrance). The format of independently and/or jointly organised events varied: the majority (29) took place in person, while the rest (19) were online. Target groups included businesses, SMEs, start-ups, governments, non-governmental organisations (NGOs), academics, policymakers, VC, angel investors, banks, public agencies (including local agencies), and individual citizens.

[67] European Commission data.

[68] European Commission estimates.

5 Evaluation findings

This section outlines the main findings of the evaluation on the effectiveness, efficiency, and relevance of each component of the InvestEU Programme. It also addresses cross-cutting issues such as coherence, open architecture, and the umbrella framework, highlighting the EU's added value.

5.1 Effectiveness of InvestEU

5.1.1 InvestEU Fund

5.1.1.1 Investment mobilised

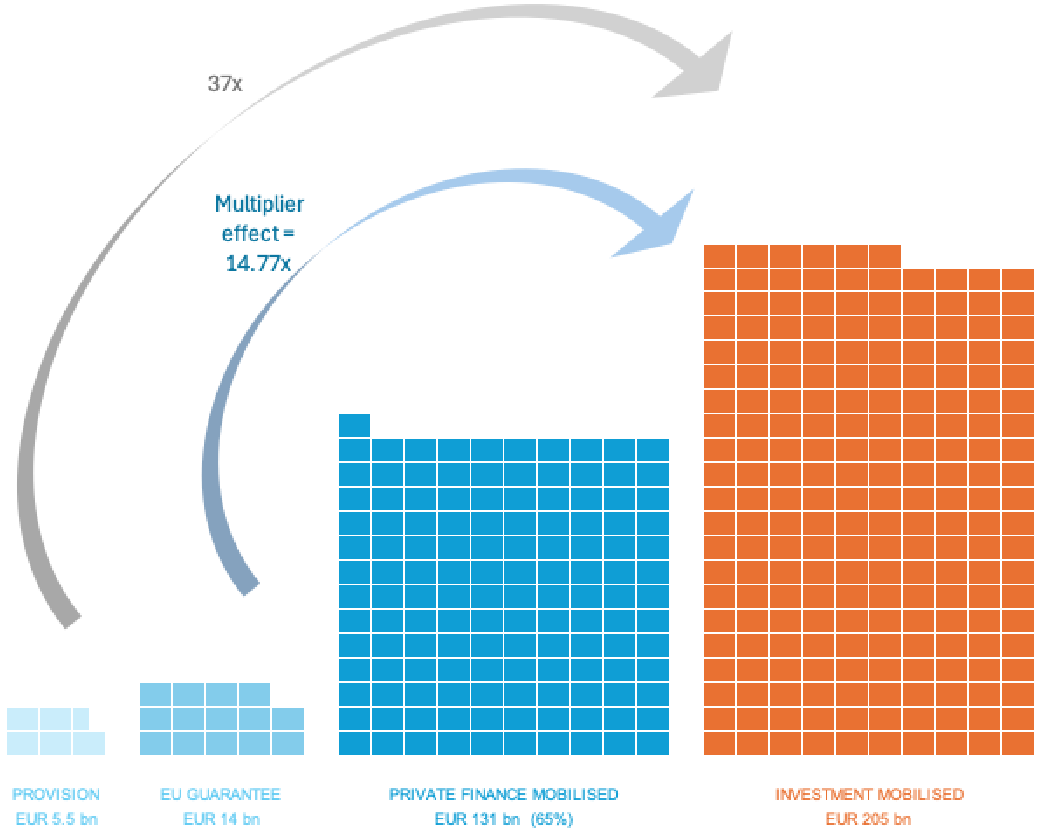
The Programme is on track to mobilise a significant volume of public and private investment. The Commission’s expectation (not a target) is that the InvestEU Fund will mobilise more than EUR 372 billion of public and private investment over the period 2021-2027 on the back of an EU guarantee of EUR 26.2 billion[69]. Based on operations approved by the end of 2023, the InvestEU Fund is estimated to mobilise around EUR 218 billion of investment, with EUR 141 billion expected from private sources. For the EU compartment alone, the Fund is estimated to mobilise EUR 204.8 billion (against an expectation of EUR 372 billion by 2028), with EUR 131 billion expected from private sources. This means that private financing will account for nearly 65% of the total mobilised investment, almost comparable with the 67% achieved under the EFSI[70] at the end of 2023. However, the InvestEU portfolio is still building up.

While InvestEU is more policy-oriented, the EFSI serves as a valuable benchmark because it also relied on a budgetary mechanism and offered many similar financial products (although there are differences under InvestEU as reported in section 4.1.2.1). Comparing the two programmes provides insight into the effectiveness of EU budgetary guarantees and specific products in attracting private investment, while taking account of evolution of broader market and economic context. Given the scale of the EU's investment needs, public funding alone is insufficient and private capital is essential to bridge the funding gap. The InvestEU portfolio is still evolving and its full impact will become clearer over time. However, it is important to deploy products that leverage private capital. This approach not only maximises the use of public funds, but encourages greater private sector participation, driving more substantial and sustainable investment in the EU's strategic priorities.

[69] Regulation (EU) 2021/523.

[70] Many EFSI SMEW products contained additional significant FLP coverage from financial instruments . EFSI multipliers were achieved with EFSI guarantee and additional amounts from financial instruments taking the FLP.

Figure 17. Investment mobilised based on approved financing as of 31 December 2023 under the EU compartment



Source: Based on data provided by DG ECFIN.
Notes: Figures adjusted to avoid double-counting of joint operations with more than one IP; EU guarantee amount only relates to IPs reporting investment mobilised.

The high-level figure of investment mobilised should be used with caution. Firstly, these figures, based on approvals, represent expectations rather than actual outcomes. Over time, as the Programme progresses, more reliable estimates will become available, based on actual signatures[71]. Secondly, there is variation across IPs. The estimates are based on standalone and sub-operations for all IPs, except for the EIB, which includes framework operations (and standalone operations) and thus relies on assumptions about future approved sub-operations[72]. Finally, there is no causality or attribution, as indicated in the InvestEU Leverage and Multiplier Effect Methodology. This is a reasonable and pragmatic approach because it is extremely difficult to objectively determine causality through monitoring systems alone. Indeed, crowding-in (taking account of causality/ attribution) is normally assessed via evaluation exercises, and even so there are

[71] IPs are required to report on the investment mobilised for approved operations as well as for signed operations. The investment mobilised of approved operations is a first measure to determine if the Programme is on track to reach its target of EUR 372 billion set out in the InvestEU Regulation. The investment mobilised of signed operations is also considered; however, one should take into account that the InvestEU programming period ends in 2027 and there could still be signatures of operations until the end of 2028. It should also be noted that this approach was also used to estimate initially the investment mobilised for the EFSI programme

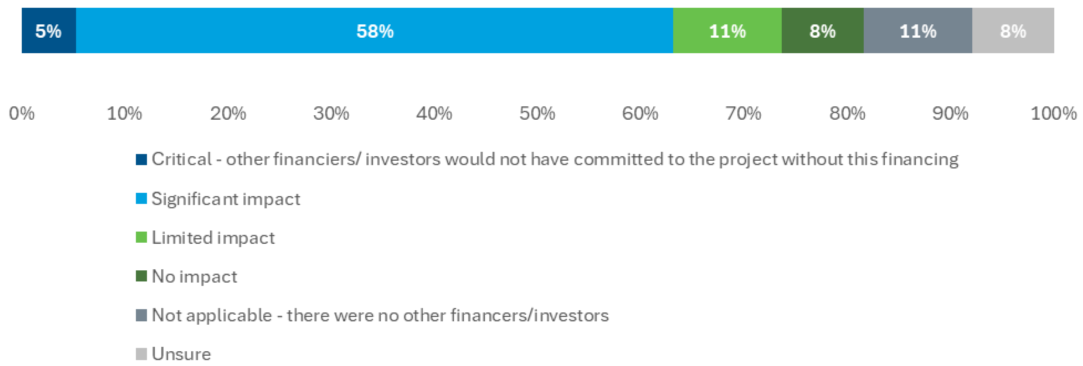
[72] In line with its Guarantee Agreement reporting requirements, at the approval level, EIB reports the total investment mobilised based on both Framework Operations and stand-alone operations. Whereas at the signature level, EIB reports the investment mobilised based on sub-operations and stand-alone operations, aligning with the rest of the Implementing Partners.

complexities and practical challenges (e.g. the need for data on projects' capital stacks, timing of involvement of various financiers and investors, the challenges in accessing appropriate contact details for other investors/ financiers and surveying them).

Despite these methodological challenges, the evaluation provides indicative evidence of the crowding-in effect of the InvestEU guarantee. The majority of the project promoters surveyed (63%) reported that the InvestEU guaranteed financing had a critical or significant impact on other financiers' or investors' decisions to commit to the project. Conversely, a small percentage of respondents (8%) indicated the absence of any crowding-in effect.

Figure 18. Crowding-in effect of InvestEU backed financing

Q: How did the InvestEU guaranteed financing affect other financiers or investors' decisions to commit to your project?



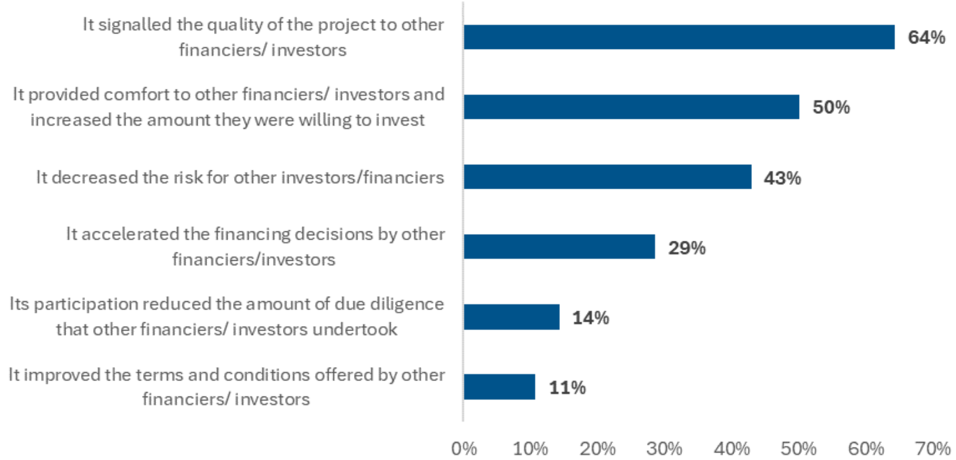
Source: ICF survey of project promoters.

Notes: Direct standalone operations or sub-projects only (N= 38).

Of those that identify some level of impact, the majority noted that it signalled the quality of the project to other investors (quality stamp has a de-risking effect), half noted that it prompted other investors to increase the amount they were willing to invest, and several others said that it decreased the risk for other investors. One respondent who selected 'Other' stated that the IP's participation enabled current investors to continue their participation. Another, who selected 'Significant impact', stated that the IP's participation had a very negative impact on their ability to attract other investors, as the IP made the process very difficult and time consuming by delaying the responses to the project promoter's request for approvals; effectively preventing them from raising the capital required to scale up.

Figure 19. Crowding-in channels.

Q: How did the Implementing Partner's participation influence other financiers' or investors' decision to commit to the project? Please select all that apply



Source: ICF survey of project promoters.

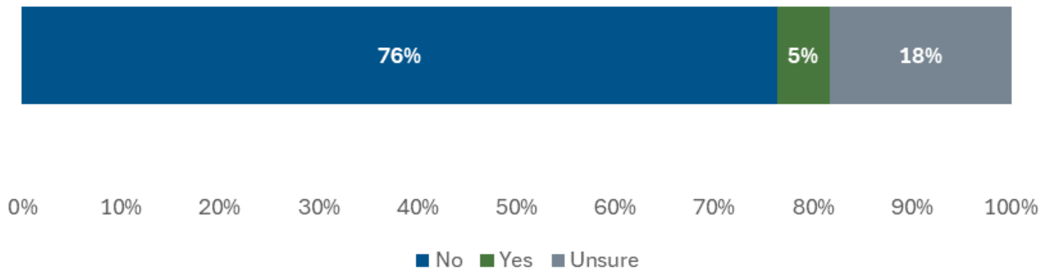
Notes: Direct standalone operations or sub-projects only (N= 38).

There is limited evidence of a crowding-out effect from InvestEU financing. The main source of evidence is project promoter surveys, which reflect the unique experiences and perceptions of the project promoters and may thus imply inherent bias. Accurately determining crowding-out effects requires granular data on investment patterns (sources and uses) and insights from investors and financiers. However, gathering this information is extremely challenging, if not impossible, for several reasons. Despite not being a perfect method, evidence from the survey provides some insights. It indicates that the majority of project promoters (76%) believe that the InvestEU guaranteed financing did not crowd out or discourage potential investors or financiers. However, 18% of respondents were unsure about the impact. This may reflect their limited visibility into the full fundraising process – project promoters may lack full visibility into the fundraising process, especially in syndicated or club deals organised by financial advisors.

While the InvestEU financing is generally viewed positively, with minimal evidence of crowding-out effects, specific concerns about investment conditions (rather than crowding out) were raised. Two respondents noted that the IP influenced their financing structures and relationships with other financiers. One reiterated that the company can now only raise equity through ordinary shares due to the constraints applied by the IP, severely discouraging both the project promoter and its investors, while the other noted that the same IP discouraged an existing lender by requiring their debt to be comparatively more senior than others'.

Figure 20. Crowding-out effects

Q: Did the InvestEU guaranteed financing crowd-out or discourage any potential investors or financiers?



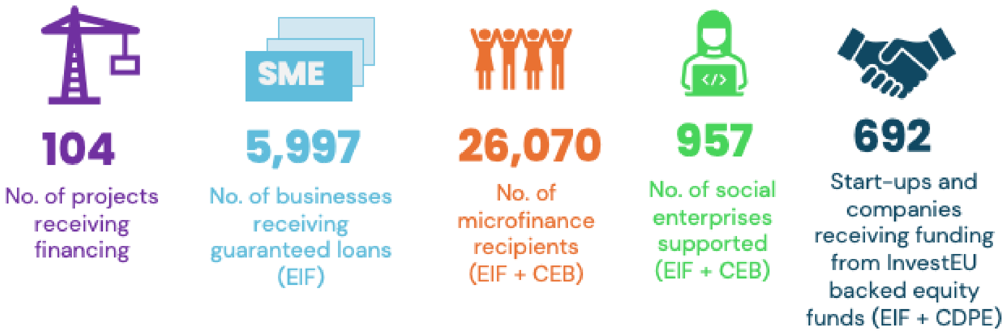
Source: ICF survey of project promoters.

Notes: Direct standalone operations or sub-projects only (N=38).

5.1.1.2 KPIs/KMIs

Given the early stage of Programme implementation, comprehensive data on KPIs/KMIs are limited, making meaningful aggregation and analysis challenging. Currently, only seven IPs[73] are reporting relevant KPIs/KMIs. Nevertheless, it is encouraging to observe that funds are beginning to flow into the real economy. Figure 18 presents some high-level KPIs/KMIs to illustrate the Programme's reach. These figures are expected to grow rapidly in the coming years as disbursements ramp up for direct operations and financial intermediaries/fund managers start building their portfolios. As the Programme matures, these metrics will provide a clearer picture of its impact and effectiveness.

Figure 21. InvestEU reach, 31 December 2023



Source: Based on data provided by DG ECFIN; figures based on aggregation of KPIs/ KMIs reported by IPs.

5.1.1.3 Geographical distribution of InvestEU financing

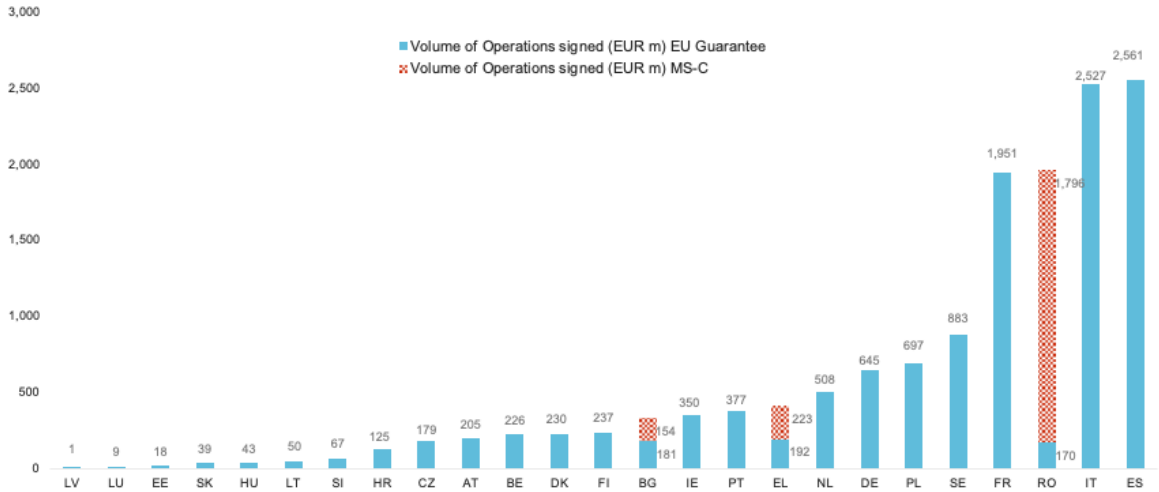
At this early stage, it is difficult to get a complete picture of the geographical distribution of financing supported by InvestEU. This is due to several factors: (i) geographic distribution can only be analysed for signed operations. Many approved operations are framework operations that do not have a specific geographic allocation; (ii) signed operations represent 30% of the approved financing, amounting to EUR 19.2 billion; (iii) notably, 24% (EUR 4.6 billion) of these signed operations have not been allocated to a specific country. When examining the geographical distribution of the

[73] EIB, EIF, CEB, NIB, CDPE, EBRD, InvestNL.

remaining EUR 14.6 billion in signed operations (Figure 19), the following picture emerges**:**

- The InvestEU signatures currently cover 25 Member States. By the end of 2023, there had been no signed operations specifically targeting Cyprus and Malta. However, given the current low volume of signatures, the geographical distribution of financing is expected to evolve and eventually cover all Member States as the portfolio expands (see for example Figure 24 based on RHOMOLO imputations). Specifically, there is a MS-C covering Malta, so operations there will materialise over time.
- Italy, Spain, Romania, and France have secured the largest volumes of signed financing, each receiving over EUR 1.5 billion. However, assessing the geographical distribution of financing in absolute terms can be misleading due to the varying economic sizes and capacities of Member States to absorb financing. Accordingly, the analysis also examines financing volumes in relation to Gross Domestic Product (GDP) (Figure 22).

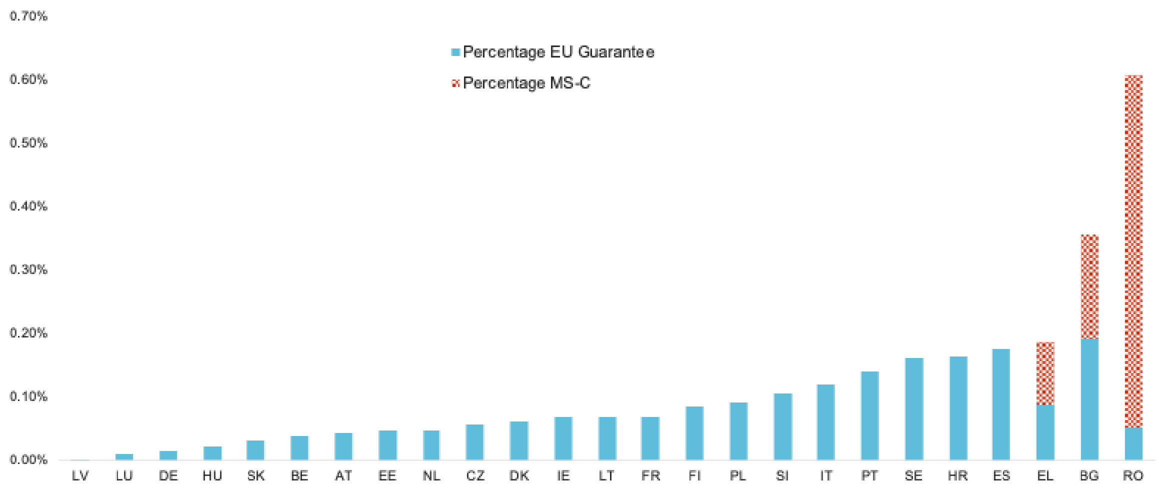
Figure 22. Signed InvestEU operations, by Member State (EUR million)



Source: DG ECFIN analysis based on Operational Reports to 31 December 2023. Notes: Total of EUR 19.2 billion includes EUR 4.6 billion not allocated to a specific country; Based on the Fund Manager's location or target portfolio distribution to account for pan-European players.

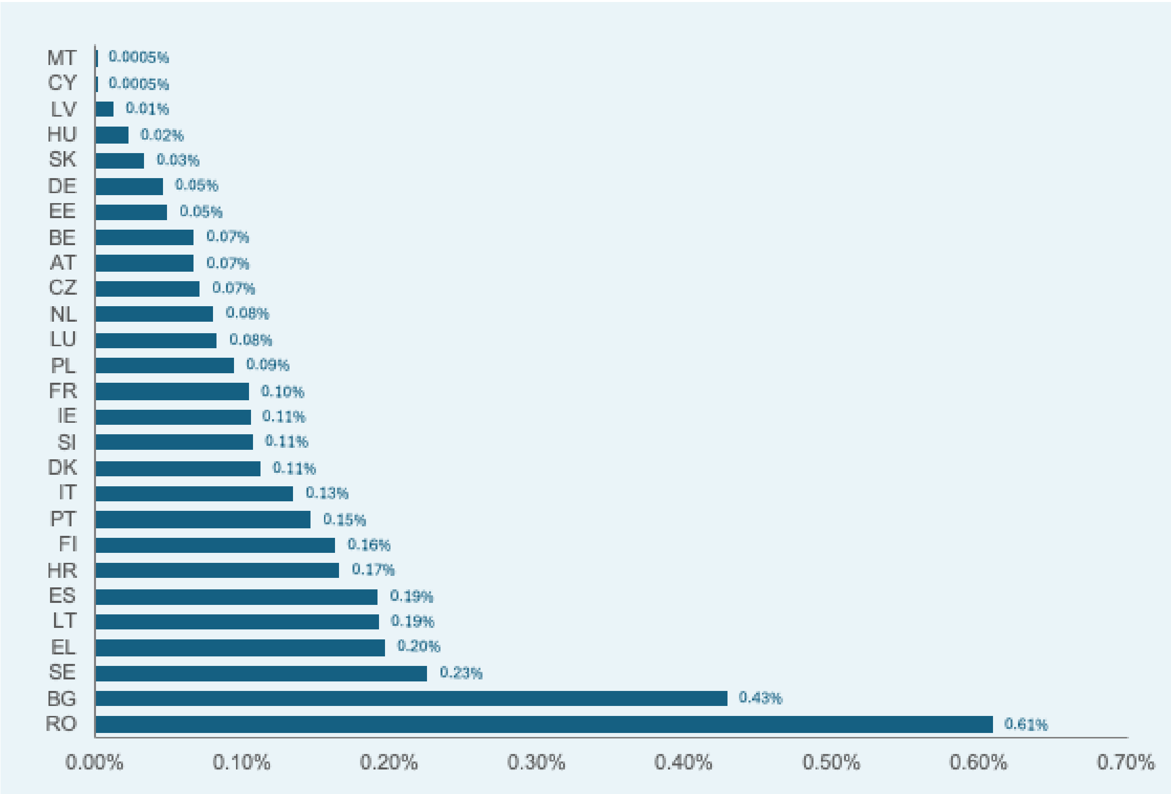
Romania (0.61% of GDP), Bulgaria (0.36% of GDP) and Greece (0.19% of GDP) rank among the top recipients of the InvestEU financing, thanks in large part of MS-Cs. Among the top countries benefiting in both absolute and relative terms are Romania, Greece, Spain, Portugal, Sweden, Italy and Poland. These insights reveal that while larger economies naturally secure more financing in absolute terms, smaller economies can rank higher in relative terms. The analysis presented in Figure 23 is further complemented by Figure 24 which is based on RHOMOLO imputations whereby signed financing not allocated to a specific country has been distributed to individual countries based on country specific distribution keys. There are no major changes in the overall geographical pattern of financing, except that Figure 24 shows coverage of all EU Member States.

Figure 23. Signed operations, by country (% of GDP)



Source: DG ECFIN analysis based on Operational Reports to 31 December 2023. Total of EUR 19.2 billion includes EUR 4.6 billion not allocated to a specific country. Notes: Based on the Fund Manager's location or target portfolio distribution to account for pan-European players.

Figure 24. Signed operations by country – based on RHOMOLO imputations (% of GDP)



Source: based on EIB-JRC RHOMOLO imputations. Investments initially allocated to multi-country or multi-sector are distributed to the individual countries and sectors based on product and country specific distribution keys. Where actual data from implementation is available already such data is used. Where country breakdowns are not provided either by target country name or weight by the project teams, GDP based breakdowns are used for the covered countries/regions. For equity operations, national and sub-national allocations are based on available European distribution of venture capital data (InvestEurope).

5.1.1.4 Sectoral distribution of InvestEU financing

Overall, the sectoral distribution of InvestEU financing (based on signatures) shows a strategic focus on manufacturing, energy, trade, and infrastructure, with significant investments in digitalisation and professional services. Manufacturing sector has received the largest share of InvestEU financing, accounting for 27.8% (EUR 5.3 billion) of the total signed operations. This indicates a strong emphasis on supporting the EU's manufacturing industry, in line with the Programme's strategic focus. Other dominant sectors are infrastructure comprising energy (15%), construction (8.4%) transportation and Storage (8.1%). The significant allocation to ICT (6.9%) represents a focus on digital infrastructure and technological advancement, while the allocation to Professional, Scientific, and Technical Activities (3.2%) reflects investment in knowledge-intensive services and innovation. This initial analysis is encouraging as it indicates that InvestEU is steering investment into critical areas such as ICT/digital, energy, and industrials, where EU corporate investment has been lagging compared to US counterparts[74].

However, it is essential to approach this data with caution, as previously noted caveats apply. The sectoral allocation is expected to evolve as signature volumes ramp-up. Moreover, determining an ideal or balanced sectoral allocation is inherently challenging, given that InvestEU is a policy-oriented programme designed to achieve broad objectives such as the green and digital transitions, which span multiple NACE sectors. In the following sub-sections, the evaluation therefore looks the early evidence on the Programme's contribution to these objectives.

Table 17. Sectoral distribution of signed operations, as of 31 December 2023

NACE	EUR million	% TOTAL	
SECTION C	5,330	27.8%	Manufacturing
SECTION D	2,883	15.0%	Electricity, gas, steam and air conditioning supply
SECTION G	2,421	12.6%	Wholesale and retail trade; repair of motor vehicles and motorcycles
SECTION F	1,617	8.4%	Construction
SECTION H	1,549	8.1%	Transportation and storage
SECTION J	1,330	6.9%	Information and communication
SECTION M	609	3.2%	Professional, scientific and technical activities
SECTION I	525	2.7%	Accommodation and food service activities
SECTION Q	509	2.7%	Human health and social work activities

[74] McKinsey Global Institute (2024) Investment: Taking the pulse of European competitiveness. June 2024

NACE	EUR million	% TOTAL	
SECTION A	491	2.6%	Agriculture, forestry and fishing
SECTION E	459	2.4%	Water supply; sewerage, waste management and remediation activities
SECTION B	342	1.8%	Mining and quarrying
SECTION N	291	1.5%	Administrative and support service activities
SECTION P	255	1.3%	Education
SECTION S	180	0.9%	Other service activities
SECTION K	124	0.6%	Financial and insurance activities
SECTION R	90	0.5%	Arts, entertainment and recreation
SECTION O	84	0.4%	Public administration and defence; compulsory social security
SECTION L	60	0.3%	Real estate activities
SECTION T	27	0.1%	Activities of households as employers; u0ndifferentiated goods- and services-producing activities of households for own use
SECTION U	22	0.1%	Activities of extraterritorial organisations and bodies
TOTAL	**19,196**		

Source: based on EIB-JRC RHOMOLO imputations. Investments initially allocated to multi-country or multi-sector are distributed to the individual countries and sectors based on product and country specific distribution keys. Where actual data from implementation is available already such data is used. Where country breakdowns are not provided either by target country name or weight by the project teams, GDP based breakdowns are used for the covered countries/regions. For equity operations, national and sub-national allocations are based on available European distribution of venture capital data (InvestEurope). Sector breakdowns for intermediated lending that is not targeting a specific sector follow either, for generalist equity fund operations, historical equity allocation patterns or, for credit line and guarantees, historical banking allocation data to eligible sectors

5.1.1.5 Looking beyond KPIs/KMIs: transformational potential of InvestEU

Investments align strongly with the EU's policy objectives. Initial investments include several examples of operations with high impact potential (Figure 25). Hydrogen-powered steel production, cutting-edge battery manufacturing, lab-grown meat production, a solar panel gigafactory, advanced geothermal energy systems, uncrewed vessels for ocean data collection, a commercial demo plant for green ammonia and hydrogen storage solutions are some of the projects supported through InvestEU.

Figure 25. Examples of projects with high impact potential

H2 Green Steel

The project involves creating a 2.5 million tons per year hydrogen-based steel plant with innovative electrolysis, direct reduced ironmaking, and electric arc furnace components to produce low-carbon, high-quality steel for various industries.

Northvolt

The project involves establishing a 42 GWh lithium-ion battery cell manufacturing and recycling facility in Skellefteå, Sweden, to supply European automakers with batteries for premium electric vehicles.

Energy Dome

The project involves building a unique utility-scale long duration energy storage facility in Sardinia, Italy, using a CO2 thermodynamic cycle to store and generate electricity.

Mosa Meat

This Dutch company aims to develop fully cultured beefburgers using cultivated meat technologies to replace conventional beefburgers with the same muscle/fat ratio at similar or lower costs.

3SunPV Gigafactory

3Sun Srl will develop TANGO, an industrial-scale facility at its 3Sun factory in Catania, Italy, to increase photovoltaic module production capacity from 200 MW/y to 3 GW/y using advanced tandem silicon-on-perovskite technology.

Eavor Loop

This introduces a pioneering closed-loop geothermal technology for generating baseload combined heat and power, aiming to enhance feasibility and scalability across diverse geological settings, potentially widening its application.

XOCEAN Uncrewed Vessels For Ocean Data

The project involves financing a fleet of Uncrewed Surface Vessels (USVs) to collect ocean data, primarily benefiting the offshore wind energy sector and marine science.

H2BATTERY

The project supports the world's first integrated battery-electrolyser system, which stores and supplies electricity as a battery and, when charged, splits water into hydrogen and oxygen as an electrolyser.

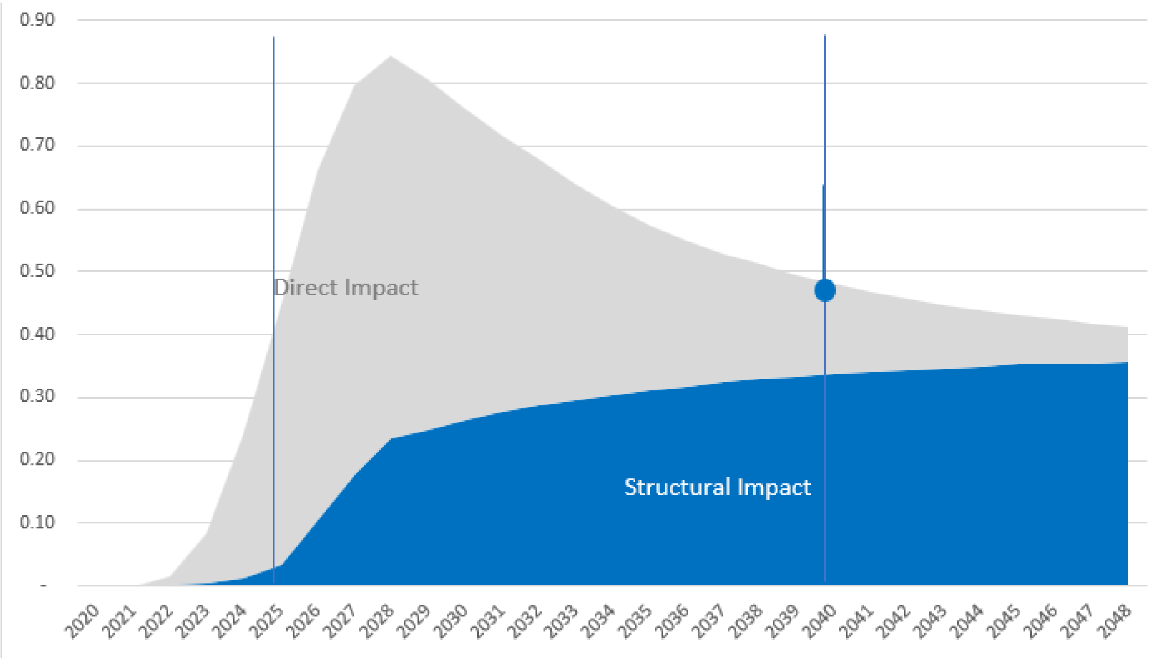
Printed Solar Cell Manufacturing Plant

The project focuses on establishing a commercial-scale manufacturing plant for dye-sensitized solar cells (DSC), aiming to meet market demand for Exeger's innovative technology.

Source: Press releases on IP websites; Icons by Freepik.

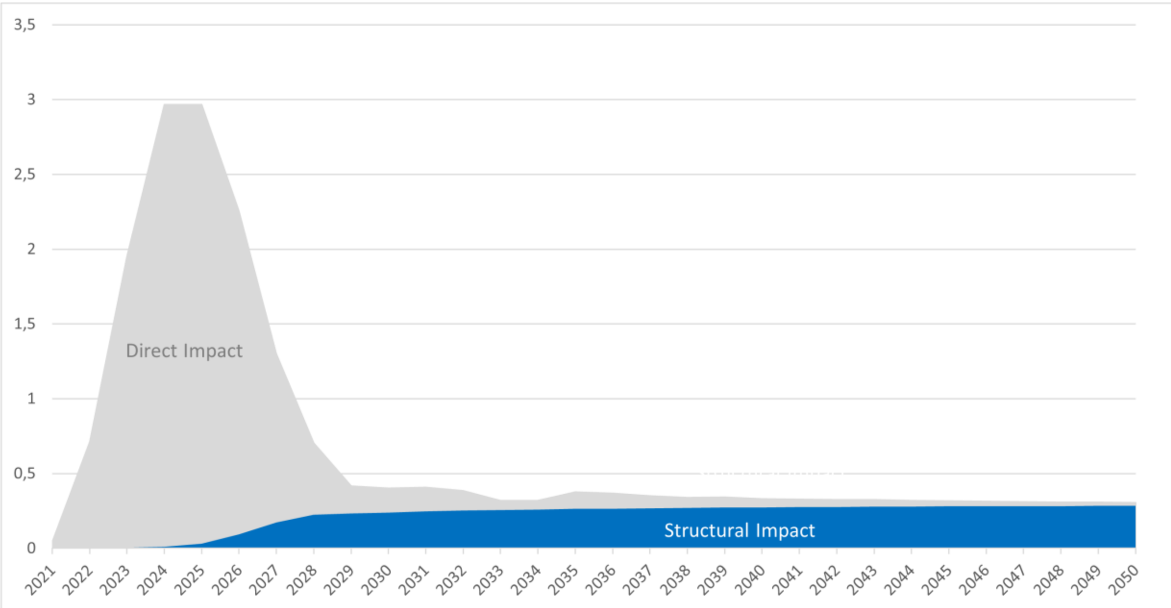
InvestEU is expected to contribute to long-term economic growth and jobs by supporting productivity-enhancing investments (e.g. digital, transport) and strong spillovers (green investments, RDI, social investments). The following figures present the first results obtained with the RHOMOLO model, showing the impact of InvestEU over time on GDP, investment mobilised, and jobs (in thousands), split into demand stimulus (investment) and structural effects.

Figure 26. GDP (% change over baseline), based on approvals



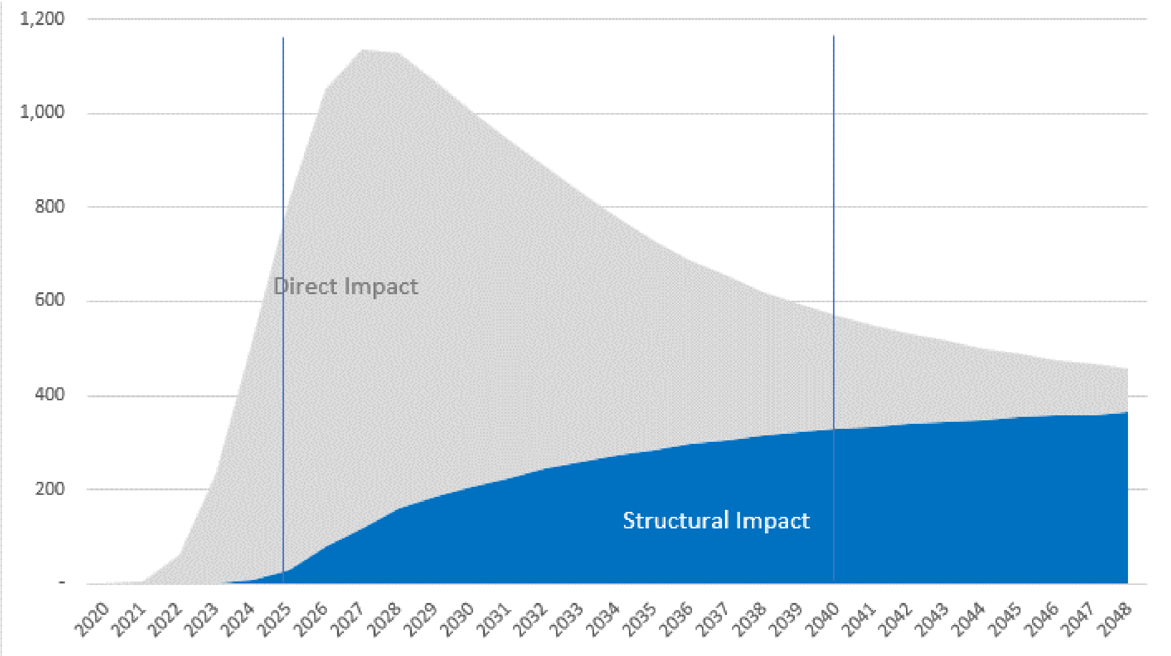
Source: Based on analysis generated by EIB-JRC RHOMOLO model.

Figure 27. Investment mobilised (% change over baseline), based on approvals



Source: Based on analysis generated by EIB-JRC RHOMOLO model.

Figure 28. Jobs (thousands over baseline), based on approvals



Source: Based on analysis generated by EIB-JRC RHOMOLO model.

Beyond the impacts of individual operations, the InvestEU Fund is likely to have significant systemic effects:

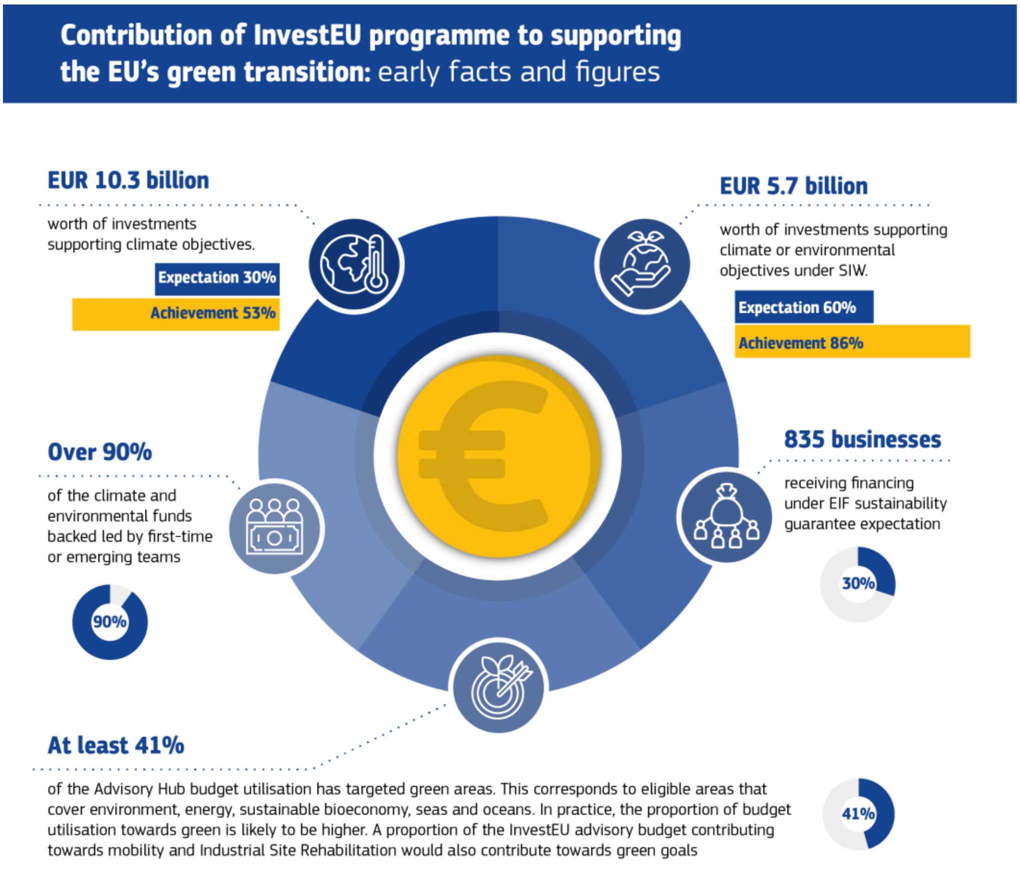
- **Building IP capacity**. Aligning NPBIs/IFIs with EU standards and mobilising investment in shared priorities, such as climate change, digitalisation, innovation etc., to kindle sustainable growth.
- **Enhancing the risk appetite of IPs**. By increasing IPs' risk tolerance, InvestEU facilitates investments that might otherwise be deemed too risky .
- Taken together, they have the capability to **build and shape markets and ecosystems**:
  - Greening the financial system: InvestEU promotes sustainable finance practices (e.g. sustainability proofing, climate tracking), and pioneering market deployment of sustainability guarantees, a product inspired by the EU taxonomy. For example, Letta's Report advocates for a European Green Guarantee (EGG), an EU-wide scheme to support bank lending to green investment projects and companies.
  - Developing ecosystems: InvestEU nurtures the development of ecosystems for social investment and the blue economy (building on the successes of predecessor programmes), and sows the seeds for non-existent or nascent markets such as CCS (specifically equity markets in this sector), space, dual use technologies and quantum computing to name a few.
  - Demonstration effect: InvestEU's innovative financial products (such as Sustainability Guarantees/ Green Portfolio Guarantees) encourage further market development and adoption.
  - Engaging financial intermediaries: EIF engages with a diverse range of financial intermediaries, including non-bank institutions such as universities (via the Student Loan Guarantee Facility and through the current InvestEU SISW instruments)) and Export Credit Agencies (through the forthcoming Trade Credit Facility), building capacity to channel finance to socially impactful activities.

By addressing these areas, InvestEU contributes to long-term market development and systemic improvements across various sectors. The evidence for this will become much clearer in the coming years.

5.1.1.6 Contribution to green transition

The European Green Deal is an ambitious initiative aiming to make the EU the first climate-neutral continent by 2050. Central to this vision is the EU Climate Law, enacted in July 2021, which legally binds the EU to achieving climate neutrality. It sets ambitious goals, including a reduction of net emissions by at least 55% by 2030 compared to 1990 levels. As mandated by the EU Climate Law, in February 2024 the Commission recommended an additional intermediate target of a 90% reduction in emissions by 2040.

The InvestEU Programme supports the EU's green transition via multiple channels. It strategically deploys public funds to de-risk and catalyse green investment, shaping markets by investing in emerging technologies, launching new sustainability-focused financial products, and offering comprehensive advisory services to build market and institutional capacity. The key achievements of the Programme so far are summarised in the figure below.



Source: DG ECFIN Operational reports at 31 December 2023. Notes: Energy KPIs only reported by four IPs (EIBG, NIB, EBRD, CDPE), preventing meaningful aggregation and analysis.

Development and deployment of emerging technologies

InvestEU supports investments in emerging technologies essential for the green transition but lacking fully developed markets, such as green hydrogen, sustainable aviation, and advanced battery technologies. With 35% of the emissions reductions required by 2050 needing to come from technologies in development and not yet at commercial scale[75], these investments are vital.

Scaling up manufacturing of green technologies in the EU is critical not just for the EU's green transition but for its industrial competitiveness. China currently dominates the global supply of clean energy technologies, holding at least 60% of the world's manufacturing capacity for most mass-manufactured technologies. In contrast, Europe imports about one-quarter of electric cars and batteries and nearly all solar photovoltaic (PV) modules and fuel cells[76]. By scaling up manufacturing capacity, the EU can reduce dependence on imports, drive down costs, create jobs, and enhance economic growth. The US Inflation Reduction Act, allocating nearly USD 369 billion between 2024 and 2030 to energy and climate initiatives, threatens to redirect green industry innovation towards the US. The global market for green technologies is expected to surge, with the IEA projecting a tripling of clean energy investments by 2030. The renewable energy sector alone could support 42 million jobs worldwide by 2050. As such, investing in green technologies represents a massive economic opportunity for the EU.

Limited access to external finance is one of the main barriers in the cleantech sector. In a recent survey of 139 cleantech companies, 36% reported 'limited access to external financing' as one of the main challenges they faced after entering the sector. Most companies use internal financing and bank debt to finance their projects (used by 81% and 58% of respondents, respectively); however, many companies would also consider alternative financing sources, such as green bonds (71%), hybrid financing (58%), asset-based financing (47%), private/venture debt (40%), and equity (30%).

Source: EIF Cleantech Survey results, 2024

Products such as InvestNL's direct equity and the EIB's VD channel capital into high-potential sectors, catalysing their development and deployment. For capital-intensive hard-tech solutions in particular, profitability is often many years away and product-to-market fit can be hampered by a green premium and a lack of buyers. This does not lend itself to the typical risk appetite of private investors. These technologies need support to reach tipping points to outperform incumbent technologies and gain significant market share. Equity and VD/QE products under InvestEU provide the necessary patient capital to bridge this gap, fostering innovation and enabling these technologies to mature and achieve commercial viability. Key investments under InvestEU include:

- Eavor Loop (EIB): Advancing geothermal heat and power as a stable and sustainable baseload source of energy.
- Printed Solar Cell Manufacturing Plant (EIB): Innovating solar cell production to drive down costs and increase adoption.
- H2Battery (EIB and NIB): Bringing a new green hydrogen technology to the market.
- Sunfire Solid Oxide Electrolyser (EIB): Support R&D and production of the hydrogen industry.

[75] IEA, here, 2023.

[76] European Commission, Investment needs assessment and funding availabilities to strengthen EU's Net-Zero technology manufacturing capacity, SWD(2023) 68 final.

EIF's private credit intervenes in both the scale-up and deployment of existing technologies. It supports the development of new technologies by providing growth capital to innovative companies and/or projects (after the initial venture capital, i.e. equity financing only phase) and for the scale-up and deployment of existing technologies by supporting alternative source of financing to mainly smaller players to support their growth and increase the deployment of renewable energy and energy efficiency projects. For existing technologies, private credit addresses a market that remains underserved by banks, in part due to their limited risk appetite. There is strong market demand for climate-sustainable private credit products. Despite an initial generalist product set up (DDF layered portfolio under the CMU product), increasing need for thematic financing is observed, with some one-third of funds signed to date, meeting the eligibility criteria of the Climate and Environmental Solutions Window.

The Advisory Hub has a crucial role in supporting the development of emerging technologies such as hydrogen and sustainable aviation fuels. Key initiatives include collaboration with the European Clean Hydrogen Alliance, accelerating advisory support to hydrogen innovators, building a pipeline of projects and creating synergies with new EU programmes, such as the EU Hydrogen Bank. A notable effort is the Hydrogen Infrastructure Advisory pilot programme, which offers advisory support on public and private investments in hydrogen infrastructure. This includes operationalising hydrogen strategies for various EU regions (e.g. France, Poland, Belgium) and cities (e.g. in Poland), as well as supporting hydrogen pipeline investment programmes led by grid operators. The Advisory Hub has supported several e-fuel projects in recent years and is working to expand the project pipeline for potential financing in the medium-term.

Market development for the Commission services in the field of sustainable energy use

Commission services procured a multi-country study from an AP to enhance capacity to prepare support actions, initiatives and future financial offers towards supporting products in the sustainable liquid fuel (SLF) market and development of the market itself.

The study was intended to provide the Commission with a current description of the SLF sector and barriers in its development, as well as proposals for how financial products should be designed to assist industry development.

On the basis of the study a list of projects will be identified that meet EIB financing criteria.

Supporting large-scale renewable energy projects

Energy supply accounted for 27% of the GHG emissions in the EU in 2022[77]. Investments in increasing renewable energy production capacity are essential for climate goals, as well as the EU's energy independence and global competitiveness. Key investments under InvestEU include:

- 3SUN PV Gigafactory (EIB): Boosting solar PV panel production.
- XOCEAN Uncrewed Vessels for Ocean Data (EIB): Facilitating the collection of key data for the offshore wind energy sector and for marine science.

[77] EEA, European greenhouse gases data viewer, n.d.

- Baltic Power Offshore Windfarm (EIB): Expanding offshore wind energy to strengthen renewable power capacity.
- EDPR Poland Green Energy Loan (EIB): Financing key renewable energy projects in Poland.
- Northvolt (EIB and NIB): Enabling and boosting the EU-based battery industry.
- Onshore Wind Farm in Finland (NIB): Co-financing a 198MW wind farm to boost renewable energy capacity.

The EBRD is financing renewable energy projects without offtake agreements. In Croatia, for example (Project Solis), it is providing a senior secured loan for the development, construction and operation of three solar power plants: PV Gradic, PV Gornji Humac, and PV Pelegrin. This project structure supports full merchant exposure and is expected to lead to a 0.4% (approx.) increase in national renewable electricity generation capacity and reduce CO_2 emissions by over 12 500 tons annually.

The EBRD is supporting the development of new biomethane production or conversion of biogas plants in Poland and Latvia, with a total capacity of 20 million m^3. Biomethane is a relatively new and emerging market. These operations are structured on a project finance basis, with the requirement for a long-term offtake agreement and reliable sources of feedstock supply, and will address completion risks with sponsor guarantees. The InvestEU guarantee will further mitigate technical, market and policy risks.

In parallel, the Advisory Hub supports renewable energy projects across the EU. This includes providing advisory support for the preparation of the 10 GW auction for floating offshore wind farms in Portugal, aiding the decarbonisation of energy supply on Greek islands, and facilitating the development of Battery Energy Storage Systems (BESS) in Bulgaria. Additionally, the Advisory Hub is helping regional and local authorities to develop and implement strategies to transition to renewable energy. Another major example is ELENA, the EIB’s dedicated advisory grant scheme implemented by the EIB supporting energy efficiency investment programmes.

Decarbonising agriculture and industry

Agriculture and industry together contributed 31% of the GHG emissions in the EU in 2022[78], underscoring their significant role in climate change. Globally, around one-third of human-caused GHG emissions originate from food systems. The largest share of these emissions comes from agriculture and land use/land-use change activities (71%), with the remainder from supply chain activities such as retail, transport, consumption, fuel production, waste management, industrial processes, and packaging. Private sector investment in decarbonising these sectors is hampered by high upfront costs, long payback periods, and uncertain returns. In addition, changing operational processes and upgrading technology to adopt sustainable practices can be disruptive and costly. InvestEU has a key role in addressing these financial barriers and driving the investments needed for decarbonisation. Examples include:

- Comet Upcycling Arabinoxylan Plant (EIB): Promoting upcycling to transform waste into valuable agricultural products.
- Protix (EIB): Supporting insect-based protein production.
- Agria Food Production Capacity (EIB): Enhancing the sustainability of food production systems.

[78] Ibid.

Energy efficiency of buildings

In 2022, residential and commercial buildings accounted for 12% of the EU's GHG emissions[79], highlighting the imperative to improve energy efficiency. The private sector is often hesitant to invest in energy efficiency projects (high upfront costs, long payback periods). Additionally, the benefits of energy efficiency, such as cost savings and emission reductions, are often realised over a longer time horizon, which can deter private investment focused on short-term returns. InvestEU plays a role in de-risking and incentivising these investments.

The EBRD supports a range of energy efficiency projects, backed by InvestEU. An EBRD loan of up to EUR 24 million is financing the development, construction, and operation of rooftop solar PV systems and other resource efficiency measures across a portfolio of retail properties in Slovenia and Slovakia. This initiative includes measures to provide on-the-job training and improve workforce diversity. Additionally, the EBRD's General Debt product offers lower lending rates to clients adopting higher green standards, such as enhanced energy efficiency in buildings, incentivising companies to exceed baseline environmental standards, and promoting broader adoption of sustainable practices.

The EIB supports energy efficiency as a transversal aspect in a range of investments with other primary objectives, notably social infrastructure projects such as hospitals, educational institutions, and social housing. For example, the Hannover Social and Affordable Housing project will be 100% Climate Action under Mitigation Energy Efficiency. Five schemes out of seven representing 82% of the total investment will achieve an energy performance at least 20% better than NZEB German national levels and the rest will target an energy performance at least 10% better than NZEB German national levels.

Low carbon transport and mobility

Investing in low-carbon transport solutions is essential for the EU to reduce its dependence on fossil fuels, improve air quality, and solidify its leadership in sustainable transport technologies. However, several significant barriers hinder the private sector from making these crucial investments. Beyond the usual challenges of high initial costs, long payback periods, and the uncertainties associated with new technologies, the infrastructure required for low-carbon mobility (e.g. electric vehicle (EV) charging stations; enhanced public transportation networks) demands substantial capital expenditure and complex coordination efforts. Key investments by the EIB include:

- Wingcopter Last Mile Delivery: Supporting the use of electric delivery drones for eco-friendly delivery services.
- Eldrive - Charging Station Network: Expanding EV charging infrastructure to support the growing EV market.
- Rocsys Robotic Charging: Innovating automated EV charging.
- RFI High-Speed Rail Palermo-Catania: Developing high-speed rail in Italy.
- Trucksters: Optimising long-haul trucking logistics through artificial intelligence (AI.).

NIB's EUR 150 million framework operation for clean mobility and transport will support further investments in clean mobility, green shipping and recharging infrastructure.

[79] Ibid.

Investments by the InvestEU Fund are complemented by the pipeline-building activities of the Advisory Hub. For example, the Hub actively engages with several innovative mobility players to prepare for InvestEU financing, including:

- Electric motorbike developer.
- Cargo drone developer.
- Charger manufacturing scale-up, and.
- Hydrogen truck as a service solution.

Nature-based solutions, natural capital and ecosystem restoration

Investments in nature-based solutions, natural capital, and ecosystem restoration are crucial for ensuring long-term availability of resources, maintaining ecological balance, and enhancing resilience to climate change and other environmental challenges. However, investments are often impeded by various barriers and challenges. One major barrier is investors' lack of awareness and understanding of the potential benefits and returns of nature-based solutions. Additionally, there is a limited availability of standardised metrics and frameworks for assessing the performance and impact of these investments. The long-term nature of returns from such investments can pose challenges for investors seeking quick financial gains. Finally, there are few large-scale, bankable projects, mostly in the public sector.

Despite these challenges, EIB actively collaborates with the Commission to identify and develop investment opportunities through the Advisory Hub. For example, an EIB-Commission working group is developing actionable ideas for finance and advisory offers based on the findings of a market study conducted by the Advisory Hub, titled "Investing in nature-based solutions"[80]. This report assesses the state of deployment of nature-based solutions in Europe and makes recommendations to increase support for nature-based solutions at scale. In parallel, a study has been launched to identify bankable projects in all areas of soil health. This study will contribute to the identification of funding gaps and inform the design of financial products suited to projects in these sectors. The Advisory Hub also hosts the Climate Adaptation Investment Advisory Platform (ADAPT)[81]. Set up in 2022, this advisory platform facilitates the deployment of technical and financial expertise to address specific investment and market needs and accelerate the financing of climate adaptation investments.

Finally, the EIF is making progress, seeing increased deal flow in the forestry sector to support sustainable management and reforestation with significant carbon capture potential. It is also exploring support for initiatives that enhance biodiversity and transition to regenerative agriculture, while addressing land concentration concerns.

Sustainable tourism

CDC supports sustainable recovery in tourism through its PRT loans, offering up to 50-year maturities. An example of eligible operation under this area, albeit not covered by the InvestEU guarantee, is the transformation of thermal baths in Vichy into a medical spa, with a 44% energy efficiency gain.

[80] EIB, 2023, *Investing in nature-based solutions*. Available at: https://www.eib.org/en/publications/20230095-investing-in-nature-based-solutions

[81] Climate Adaptation Investment Advisory Platform (ADAPT). Available at: https://advisory.eib.org/about/adapt

Net-zero education infrastructure

CDP supports the realisation of the first net-zero carbon academic and research facility in Italy, the new science and technology campus of the University of Milan, through a EUR 95 million loan with more than 25-year maturity. The new campus will accommodate more than 23, 000 people over an area of 200, 000 m^2. It m^2. Itis expected to achieve average energy savings of over 24% compared to standard benchmark buildings.

Pan-European initiatives

Marguerite III, managed by Marguerite Investment Management S.A., represents a unique pan-European initiative involving five major NPBIs (CDPE, BGK, CDC, ICO, KfW) and the EIF. With a target fund size of EUR 1 billion, it focuses on energy transition, sustainable transport, digital infrastructure, and circular economy sectors. The fund aims to make 10-15 investments, ranging from EUR 30 million to EUR 100 million each. Private investors will contribute at least 30% of the fund size, with the investment period spanning five years. The current portfolio includes six assets with an expected investment of EUR 377.5 million as of 31 December 2023. Project pipeline includes investments in new plastic recycling technology and biomass district heating.

Broad range of advisory services to support green transition

The Advisory Hub is supporting energy investments across the EU through a range of dedicated advisory support initiatives implemented by several APs, notably the EIB, the EBRD, CDP, and also by Bpifrance, CDC and CINEA.

Under the advisory initiative "Support for companies impacted by the war in Ukraine", Bpifrance is providing two types of project advisory support:

- Environment strategy: Initiating the energy and ecological transition of companies and helping them develop a roadmap for 2030
- Environment maturity: making teams aware of environmental issues, assessing the company's maturity with regard to environmental issues and the extent to which they are taken into account in its development strategy, identifying the priority issues for the company in terms of climate and environment, identifying the risks associated with climate change

The CDC's Petites Villes de Demain + / PVD + initiative supports small cities (less than 20 000 inhabitants) in investing in sustainability-oriented revitalization projects in various sectors, including energy efficiency, sustainable urban mobility, climate change actions, water-related green infrastructure, circular economy, natural resources, and biodiversity, ultimately contributing to the sustainable recovery of small cities.

Launching green financial products

The introduction of innovative financial products such as the Sustainability/Green Portfolio Guarantees has been revelatory. Launched in 2022, the Sustainability Guarantee facilitated EUR 438.5 million in financing by March 2024, supporting investments in climate change mitigation and sustainable enterprise development. For example, the Cloover Sustainability initiative supports households in Germany, the Netherlands, Spain, Sweden, and Italy by financing residential renewable energy segments such as solar panels, battery storage, heat pumps, and EV charging stations.

As of end-2023 (the latest available reporting period), EIF Sustainability Guarantee products had supported 835 final recipients, of which close to half supported investments in climate change mitigation (47%), closely followed by sustainable enterprise criteria (42%).

The EBRD is also implementing uncapped/capped green portfolio guarantees. For instance, it is providing an uncapped guarantee of EUR 80 million to a financial intermediary in Croatia, supplemented by a EUR 19 million InvestEU first loss risk cover (FLRC). This initiative aims to create a new EUR 100 million portfolio by offering capital relief and expanding the institution's lending capacity. The primary focus will be on financing housing association renovations, which are expected to reduce CO_2 emissions by 50 tonnes annually for every million euro invested.

InvestEU's advisory services are crucial for building the capacity of financial intermediaries to effectively deploy green finance products and support project promoters to develop high-quality projects. Key initiatives to date include technical assistance and tools such as a Sustainability Guarantee Tool and a Green Guide for Fund Managers, along with the development of a helpdesk to assist financial intermediaries with eligibility questions. Awareness-raising efforts included product-specific webinars, thematic webinars, roadshows, and participation in sustainable finance days to educate and support stakeholders. Capacity-building has been supported through the development of e-learning modules to enhance understanding and deployment of sustainable finance products.

Building VC ecosystem

InvestEU resources contribute to the development of a dedicated European climate and environmental VC ecosystem, which was virtually non-existent a few years ago. Under InvestEU, the EIF supports both generalist climate and environmental funds, as well as more thematic funds specialised along strategic verticals. Most of the European fund managers that have come to market are first or emerging teams raising their first or second fund generation, denoting the developing nature of the market. Through the InvestEU Programme, the EIF has been able to act as an anchor investor and facilitate the launch of funds with meaningful commitments. Over 90% of the climate and environmental funds backed have been led by first time or emerging teams. Industrial decarbonisation and environmental sustainability were the most important target area, at approximately one-third of commitments, reflecting more generalist climate and environmental impact fund strategies. There is, however, an increasing specialisation along strategic verticals, which maps onto the remaining target areas, with agrifood quite prominent, followed by energy, mobility and transport.

Building institutional capacity

The Advisory Hub is undertaking a range of advisory initiatives to build institutional capacity for green investments. Key examples include:

- Under the PPP Light Advisory Programme to EU public sector entities, the Advisory Hub is reviewing the Belgian Design-Renovate-Finance-Mechanism (DRFM) framework to accelerate federal buildings renovation and providing expert support related to hydrogen strategy in Wallonia.
- Further development of the Circular City Centre (C3), a competence and resource centre that supports EU cities in their circular economy transition. The C3 was developed and tested in a 2022 pilot phase with support from the Advisory Hub, in cooperation with Circle Economy. The C3 will continue under financing from the European Commission (DG RTD) for the 2023-2027 period.

Challenges and market dynamics

Interviews highlighted several challenges and market dynamics affecting green investment:

- **Administrative burden and complexity**
    - Complex eligibility criteria for sustainability guarantees impedes effective product deployment.
    - KPIs represent an additional burden for SMEs, requiring them to rely on external technical support or the Sustainability Guarantee online tool. Streamlined reporting and impact calculations would support financial intermediaries in marketing their products and reporting impacts, ultimately benefiting both SMEs and financial institutions.
- **Limited resources relative to demand**
    - The demand for resources to support sustainability initiatives and climate-focused investments exceeds available funding. EIF's Climate and Environmental VC funds and Private Equity Funds face severe resource shortages, particularly affecting high-risk profiles such as first-time teams and new entrants. Debt products are limited by the restricted InvestEU funds, impacting support for green enterprises. Overall, there is a gap between market needs and available resources in the EIB thematic finance.
- **Capacity issues**
    - A lack of skilled staff in sustainability hampers the financial intermediaries' ability to assess eligibility criteria at branch offices.
    - Many fund managers are emerging teams, requiring significant support from the EIF to achieve investment readiness.
- **Market state and dynamics**
    - The climate-focused equity and private credit market is nascent, characterised by an emerging investor ecosystem with a majority of first-time or emerging teams.
    - Macroeconomic and geopolitical challenges make fundraising difficult for funds, start-ups, and companies, leading to smaller fund sizes, lower valuations, and extended timelines.
    - There is a generalised and persistent funding gap, with uneven coverage across stages of company development, sectors, and geographies.
    - Emerging sectors such as energy efficiency, green hydrogen, and sustainable mobility need targeted investment efforts, unlike the well-developed renewable energy sectors.
    - There is an acute funding shortfall and a lack of financing instruments for scaling capital-intensive hardware and deep-tech climate and environmental technologies.
    - The US Inflation Reduction Act is drawing investment away from Europe, adding to the challenges faced by the European climate and environmental investment ecosystem.
- **Geographical constraints**
    - Many climate and environmental funds have pan-European or global strategies, but the InvestEU guidelines require a majority of investments to be directed to EU and EFTA-based beneficiaries. This restriction excludes potentially qualified investment opportunities.

5.1.1.7 Contribution to digital transformation

Many of the digital transformation aims under the InvestEU programme are closely aligned with the EU's digital targets for 2030 as set out in the box below.

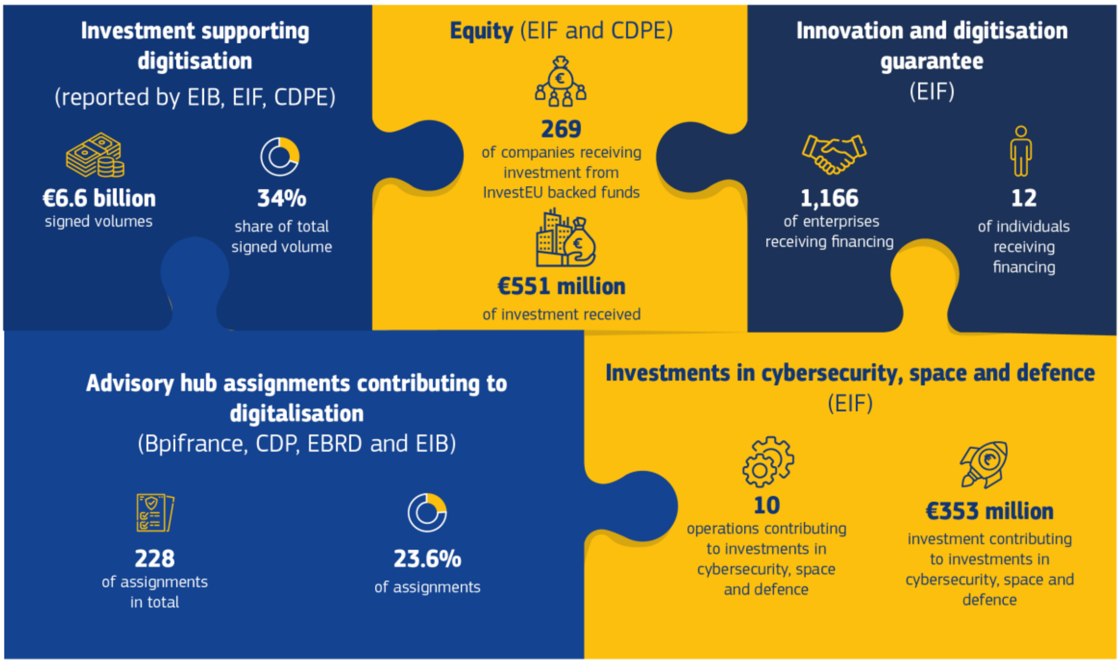
Digital transformation aims under InvestEU

- Strengthening Europe's presence on the in key parts of the digital supply chain (semiconductors, data technologies, 5G and quantum technologies which are of particular importance for security and strategic autonomy)
- Supporting digital transformation ecosystems and businesses equipping them with necessary digital tools
- Improving connectivity and bandwidth to ensure appropriate services for health, education, transport, logistics and media as well as reducing geographical digital divide
- Driving investments in audio-visual and media domains essential for democracy and cultural diversity, particularly in innovative media content and technologies, to improve long-term capacity to produce and distribute content and to compete globally in such areas
- Contributing to a sustainable, climate-neutral and resource-efficient economy through digital investments and green digital technologies.
- Developing and deploying digital technologies such as super-computing, artificial intelligence, blockchain, cloud data, and Internet of Things

Source: Invest EU and a Europe Fit for the Digital Age

An overview of the Programme's contribution to the above objectives is summarised in the figure below and further elaborated in the paragraphs that follows It should, however, be noted that given the early stages of Programme implementation, activity supporting digital transformation is currently concentrated among a few IPs/ APs.

Headline achievements of the Programme
(2021-2023)



Source: ICF based on IP operational reports and AP technical reports

Digitalisation of SMEs

Targeted portfolio guarantee products have been developed under InvestEU to support digitalisation of SMEs. By the end of 2023, this product had been adopted by 81 financial intermediaries, including 18 alternative finance providers, across 23 EU Member States.

Investment in digital technologies

While the guarantee products support SMEs to adopt and roll out digital technologies, promoting widespread use, products such as equity and venture debt support companies in developing and commercialising new technologies.

EIB provides venture debt under its thematic products, supporting the commercial deployment and scaling-up of new promising technologies. InvestEU is the only instrument where EIB deploys venture debt financing towards SMEs and mid-caps focusing on the early growth phase, complementing with the EIF financing [82]. For example, the EIB have invested in a Polish robotics company specialising in pick & place robots primarily used in warehouses. The company offers an artificial intelligence enabled robotic arm that picks, inspects, analyses and places products.

The CDPE and EIF are providing indirect equity. Investments in digitally focused start-ups have been made by the 4 funds[83] supported by CDPE. By the end of 2023, these

[82] Interviews with the EIB

[83] Fondo Acceleratori, Fondo Corporate Partners I, Fondo Evoluzione and Fondo Tech Transfer

funds had invested nearly EUR 15 million in 141 Italian start-ups. EIF backed funds have so far invested nearly EUR 536 million in 128 companies. These companies are investing in a range of digital technologies including education tech, space, AI, and quantum computing.

The EIF supports both dedicated (specialist digital) funds as well as diversified or generalist funds that include digital components. By the end of 2023, the EIF had invested in 58 funds directly contributing to the EU's digital objectives, 44 of which are dedicated/ specialist digital funds and 14 of which are more diversified or generalist funds supporting digital as part of their wider portfolio of investments[84]. A typology of these funds is provided in the table below.

Table 18. Typology of digital funds supported by the EIF under InvestEU

Dedicated digital Funds	Diversified Funds, including digital component(s)
These include **Funds which are *primarily* or *solely* dedicated to digital, and target areas in combination of several digital areas** such as: • Artificial Intelligence (AI); Blockchain and Distributed Ledger Technologies (BT/DLT); Cybersecurity; Education Tech; Digital connectivity; Other Digital; Quantum Computing; Semiconductor chips; Semiconductor technologies; Cultural and Creative Sectors There are also four Funds that are dedicated to a specific digital application: • Education Tech • Semiconductor chips; Semiconductor technologies • Cultural and Creative Sectors • (New) Space	This includes **Funds which have diversified strategies for financing but include some digital areas within their portfolio**. For example, these might include: • Financing towards Clean Energy Transition, Environment and Resources, social infrastructure, sustainable transport *together with Digital Connectivity and Data Infrastructure*. • Financing towards agriculture, natural capital preservation and use of land resources, Blue Economy, Defence, Industrial Technologies, Space, Life sciences and health, Mobility and transport solutions *together with Artificial Intelligence, Quantum Computing, Semiconductor chips and Semiconductor technologies*.

Source: InvestEU Fund portfolio data, as end of 2023.

Many of the EIF's 44 dedicated digital funds have broad investment strategies encompassing AI, Blockchain and Distributed Ledger Technologies, Cybersecurity, Quantum Technology and Other Digital areas. Collectively, these funds amount to EUR 6.5 billion[85]. InvestEU provides critical support to these digital funds, offering a strong market signal and enabling them to raise the necessary capital. Without EIF/InvestEU support, it is unlikely that the funds would be able to reach their minimum fund size.

The EIF has also supported 4 highly specialised funds. These include a dedicated fund for (New) Space, Education Technology, Cultural Creative Sectors and Semiconductor Chips and Semiconductor Technologies[86]. As part of their portfolio, the

[84] Analysis of the InvestEU portfolio data (as end of 2023). Based on the eligible areas provided, projects with digital focus were mapped and assigned to dedicated Funds (focus only or primarily on digital) and to diversified funds that focussed on digital with combination of other sectors. This mapping is 'imperfect'. Specifically, there could be more diversified funds with minor digital elements, which however have not been included, as digital eligibility area was not specifically selected in the dataset.

[85] This is based on the aggregate of target fund sizes, corresponding to the 44 funds.

[86] Dedicated digital funds with broad investment strategies can also cover these areas.

EIF have strived to support innovative funds, which are emerging in new market segments where technological applications and societal value come together, an example of which is Educapital II, an education technology fund.

Educapital II – Education Technology

The fund focuses on **early-stage pan-European investments in Edtech** providing financing to SMEs.

The Fund's strategy targets investments into **software and hybrid (tech-enabled hardware) solutions, such as Virtual Reality, AI and Cloud platforms, high-tech and 3D simulations for online education solutions**. The goal is to improve learning outcomes, reach marginalised population segments and enhance human capital.

The use of **the InvestEU guarantee allows EIF to support Edtech that otherwise would have remained underserved due to lack of operations targeting the education technology sector in the EU.** The EIF commitment in the Fund aims at contributing to the establishment of **the first education technology impact fund in the EU**, improving access to quality capital and incentivising the creation of new social impact business models focussing on the emerging edtech vertical.

This is the Fund manager's first collaboration with the EIF, highlighting **EIF commitment to support new managers**.

Operation statistics

Social Impact Equity Product -SISW / Equity Pari Passu Portfolio
Target size (EUR): 150m / EIF commitment: 25m / Guarantee amount: 17.5m
Expected no. of recipients c. 20-22 / Initial tickets in the range of EUR 3-7m

An example of EIF support to early-stage financing is the (new) space vertical which has applications across sectors. The EIF provided significant support and advice to the Fund and its managers as well as sizeable commitment to the fund.

ISAI EXPANSION III – New Space

The Fund provides **early-stage funding** (seed, start-up and other) for SMEs and small Mid-caps.

The Fund supports **upstream and downstream space activities that contribute to the development and competitiveness of the European space industry and other industries using space data for digital applications**. The Fund will invest in Aerospace and Enabling technologies segments with focus primarily on launchers, satellites, in-orbit service, space data, technological enablers, decarbonised aviation, vertical take-off and landing aircrafts, as well as drones. **There is a strong cross-sectorial focus with digital applications and services being developed towards using space data in combination with other data sources and integration of space data and services into innovative products in other sectors**. The focus here is on the adaptation of space technologies, products, applications and services to non-space economic sectors.

EIF's commitment in the fund will be instrumental to support the **Fund to reach the minimum fund size**, as well as attract additional investors and **catalyse the fundraising** towards the target fund size, in particular given the difficult fundraising environment towards early-stage investments in deep-tech which are capital intensive and require a longer time to mature and to exit that generalist equity investments.

The operations fit with InvestEU (New Space), and potentially the upcoming **Defence Top-Up from DG DEFIS.**

This is the Fund manager's **first collaboration with the EIF**.

Operation statistics:

SMEW RIDW Joint Equity Product - Enabling Sectors Sub-Product / Equity Layered Portfolio
Target fund size: EUR 200m/ EIF commitment: up to EUR 60m / EU Guarantee amount: EUR 27m
Expected no. of recipients: c. 32 / Entry tickets of c. EUR 0.25-7.5m

The 14 diversified EIF Funds finance digital technologies as part of their wider investment strategies across several sectors such as the environment, clean energy transition and agriculture. Overall, the average ticket size for dedicated funds is EUR 25.6 million, whereas the diversified funds tend to have a much higher average ticket size at EUR 61.1 million. On average, the dedicated digital funds have reached 17.3% of their target size, whereas the funds with diversified investment strategies have reached 20% of their target size[87].

Blending top-ups are enabling EIF to support entire ecosystems that would otherwise have received little attention under the current programme. However, the amounts committed are below that which these industries are capable of absorbing through PE/VC funding, as demonstrated by the number of good funds that the EIF turns down. Moreover, most deeptech investors are targeting more than one vertical[88], hence blending top-ups are necessary to help the funds reach their target fund sizes. In some areas, such as digital Europe – encompassing AI, blockchain, and cybersecurity – market demand exceeds available funding by 2-3x. For other areas, market demand is increasing concurrently with the deployment of the programme, and hence additional funding will be required to support these growing ecosystems.

Table 19. Overview of blending top-ups signed with the EIF

Sectorial programme	Indicative Amount mEUR	Parent DG/ entity	Target investment areas
Creative Europe Media Programme	70	DG CNECT	Investments into audio-visual production and distribution under CCS
Digital Europe Programme	240	DG CNECT	AI, Blockchain/ DLT, Cybersecurity, IoT, Quantum Computing and other strategic digital technologies
Digital Europe Programme	125	DG CNECT	Semi-conductor chips and semi-conductor technologies

Digital connectivity and infrastructure

The EIB's direct support to digital sector has included financing towards digital connectivity infrastructure. Digital connectivity infrastructure has been directed towards the design and deployment of high-capacity digital networks with fibre connectivity and development of Data Centres.

Fibreoptic Network Expansion in Poland

The project is focussed on the development of digital connectivity infrastructure, which supports the **deployment of very high-capacity digital networks with the aim of improving digital connectivity and access**. The Project deploys a new passive Fibre To The Home (FTTH) access network in areas of Poland where Very High Capacity Networks (VHCNs) are not currently available.

[87] Analysis of the InvestEU portfolio data (as end of 2023).

[88] This diversification strategy means that the funds need to be larger to effectively support a range of different technologies and industries

The **new network will pass 1.1 million homes and will be operated on a non-discriminatory wholesale access** basis only, selling wholesale services with equal terms and conditions to all retail operators.

Given that **the size of the required financing is one of the largest, if not the largest, non-recourse financing raised in Polish Zloty**, EIB participation diversified the Borrower's sources of funding. There is limited availability of the Polish Zloty in capital market, as it is more constrained in terms of amount and tenor than Euro capital market for instance.

EIB participation has contributed to the crowding-in of the co-investors (less experienced with the Polish market) **and co-lenders** (including local lenders less experienced with this type of financing), making them more comfortable with the financing structure.

Operation statistics:

SIW General Debt / Loans

Project cost: EUR 535.2 million/ EIB loan amount: EUR 131.19m

Impact:

No. of homes passed: 1.1 million

Advisory Hub activities contributing to digital transformation

The Advisory Hub data provides different insights depending on which indicator is analysed. When looking at breakdown of assignments by eligible area and AP, the Advisory Hub support in the area of digital technologies and services as well as digital infrastructure is comparatively less pronounced than other areas such as energy or mobility. The total budget utilisation for these areas has been EUR 3,756,530 covering 14 EIB and 167 Bpifrance assignments. Dedicated assignments targeting digital technologies and services are, however, in the pipeline for 2024.

Table 20. Number of advisory assignments contributing to digital eligible areas

Eligible area	BPI	CDC	CDP	CEB	CINEA	EBRD	EIB	Total	Budget utilisation (mEUR)	Average assignment size (EUR)
Digital technologies and services	167	0	0	0	0	0	9	176	2.3	13,050
Digital connectivity infrastructure	0	0	0	0	0	0	5	5	1.5	291,930

Source: Advisory Hub data as of the end of 2023

However, a slightly different picture is obtained when looking at data on Advisory Hub assignments contributing to the digitalisation policy objective. For example, the EBRD's Advisory Hub activities also support this objective. The Advisory Hub's contribution to digitalisation stands at 23.6%. Although this is less than its contribution to climate action (29%), it is still a meaningful share.

Table 21. Number of advisory assignments contributing towards specific EU objectives

Assignments contributing to	Bpifrance	CDC	CDP	CEB	EBRD	EIB	Total	%
Digitalisation	156		1		70	1	228	23.6%

*Source: Advisory Partners' Structured Annual Technical Reports, 2023. * More than one policy area can be selected for a single assignment*

A deeper analysis of the Advisory Hub dataset, extracted from Qlik, reveals that three advisory initiatives *so far* have provided advisory assignments supporting digital policy objectives and digital transformation. These are the **Bpifrance's 4.0 Industry Diagnosis, EBRD Advisory for Innovative Projects and Small Businesses,** and the **EIB's Advisory Support for SMEs and Research, Innovation & Digitisation**[89].

Bpifrance's project advisory has focussed on large volumes of short-term and relatively small sized assignments (EUR 3,000 – 3,200 average budget utilisation) in helping SMEs identify their main development challenges, including digitalisation, and determining how the transformation bricks of the industry of the future can contribute to the achievement of the company's strategic objectives. This includes guidance on adopting new technologies, improving operational efficiency, and enhancing competitiveness.

Within the framework of its **Advisory initiative for Innovative Projects and Small Businesses**, EBRD has appointed local consultants to provide tailored advice to SMEs in Bulgaria, Croatia, Greece and Romania on Information Communication Technology that will strengthen capacity and investment readiness of these companies.

The **EIB's Advisory initiative** has provided tailored support (project advisory, capacity building and market development) to foster the growth of the financial ecosystem towards investing in digital innovation across the EU.

InvestEU's added value in supporting the EU's digital transformation

The InvestEU guarantee has added a specific value towards the dedicated digital areas, and in particular towards those market segments that are new/emerging, focusing on deep tech and its applications[90]:

- The InvestEU guarantee has encouraged additional players/alternative lenders to finance SMEs focused on 'deep tech', which are out-of-scope for most mainstream commercial banks.
- Without the InvestEU guarantee, EIF would not have been in a position to provide a guarantee covering loans to final recipients in the culture and creative sector given the sector's difficulties accessing conventional credit markets, due to perceived high risk (intangible assets, uncertain returns).
- The InvestEU guarantee has been a necessary catalyst to crowd-in other lenders to invest in specific geographies such as the CEE region, increasing alternative source of financing for promising tech companies active in CEE.
- The InvestEU Guarantee has been essential in supporting European deep-tech investments, including new space with cross-sectoral deployment opportunities, which are substantially more capital intensive, requiring longer time to mature and to exit than generalist ICT investments.
- InvestEU is contributing to the development of investment ecosystems for emerging digital technologies through a combination of financing and advisory services (see box below).

[89] In the dataset received, the evaluation team could not identify CDP's assignment contributing to digital objectives.

[90] Findings from Deep Dives on digital investments.

Role of InvestEU in supporting the development of ecosystems for emerging technologies such as quantum computing

Quantum computing is a nascent market with limited investors[91] and remains a niche sector with less than 1% of total VC funding globally[92]. The EU is home to 25% of the world's quantum companies, yet accounts for less than 5% of global funding[93]. Despite an increase in VC funding for European quantum startups in 2023, a funding gap still exists especially for larger scale and early-stage projects. It is considered a long-term investment proposition, with mainstream adoption potentially 5-10 years away. While investors are gradually becoming more knowledgeable about quantum technologies, they remain cautious, seeking tangible use cases with clear commercial potential. Startups in this field thus, require patient capital to support extended research and development timelines and to develop tangible products with clear paths to profitability[94]. So far, EIB, EIF and CDPE have made direct (venture debt) or indirect (equity) investments in quantum technologies. If these investments prove successful, they could demonstrate the viability of the market and attract further interest.

In addition to financing, the EIB as part of the Advisory Hub is launching a Quantum Finance Lab, which will include workshops, a political event, and a web platform to foster a quantum technology community. The workshops will bring together key stakeholders to identify gaps and generate recommendations. The political event will feature high-level speakers, present workshop results, and outline follow-up actions. The web platform will facilitate ongoing information exchange, matchmaking, and regular content updates to keep the community engaged. The advisory activities will involve coordinating with various institutions, promoting dialogue, and identifying concrete actions and recommendations to incentivise private investments in quantum projects in Europe. Apart from this capacity building initiative, the EIB Advisory Hub is also providing project advisory support to leading European companies in the field of quantum technology to support their fund-raising efforts.

Challenges and constraints

A significant challenge facing IPs is the lack of resources relative to market demand across various support areas. For example, semiconductor manufacturing requires substantial initial investments, with a state-of-the-art fabrication facility costing around $20 billion. This high fixed capital expenditure is a major deterrent for investors. Moreover, the semiconductor industry demands continuous and consistent investment for operations and innovation, including ongoing costs for research and development, equipment upgrades, and maintaining a skilled workforce. Despite initiatives like the EU Chips Act, there are still gaps in the availability of venture capital and other financial resources for innovative SMEs and startups in the semiconductor sector[95]. Currently, the EIB is facing demand for large tickets to invest into semiconductors fabs in the EU. As this investment is high risk, it can only be addressed via thematic finance. Likewise, investments in quantum computing and HPC are also high-risk requiring equity or venture debt. However, current resources are inadequate to meet market demand. Likewise, the EIF and CDPE are also facing high demand for their products (see section 5.5).

5.1.1.8 Contribution to social investment

As of end-2013, the Investment Committee had approved EUR 2.7 billion of financing for social investments. This corresponds to an EU guarantee amount of EUR

[91] Many investors who have traditionally invested heavily in hardware technologies are reluctant to support quantum computing to the same degree. While there is no significant difference in average fund size between hardware and quantum computing investors, there are more than 5 times as many investors in hardware than in quantum. Source: State of Quantum 2024 Report

[92] State of Quantum 2024 Report

[93] EIB (2023) A quantum leap in finance. Available here

[94] Forbes (2024) Changed Times: Why Europe's Quantum Startups Need A Path To Profit. Available here

[95] ESPAS (2024) Global Semiconductor Trends and the Future of EU Chip Capabilities

1.47 billion or 7% of the total EU guarantee approved as of 31 December 2023. Although this figure falls short of the anticipated 11% share for SISW over the programming period, it is expected to evolve as the InvestEU portfolio continues to grow. The approved operations consist of 17 framework operations (including 3 multi-window operations) and 19 stand-alone operations across five IPs (Table 22). 40% of the approved financing had been signed by the end of 2023 (Table 23). This corresponds to 85 sub-operations and 13 standalone operations. Two IPs are yet to convert approvals into signatures.

Table 22. Approved operations in the SISW as of 31 December 2023

IPs	Amounts (EUR million)			Number of operations approved		
	Framework	Standalone	Total	Framework	Standalone	Total
EIF*	1,128	44	1,172	12	3	15
EIB	190	620	810	1	7	8
CEB	145	225	370	2	5	7
CDC	0	100	100	1	2	3
CDP**	36	220	256	1	2	3
TOTALS	**1,499**	**1,209**	**2,709**	**17**	**19**	**36**

*Source: Portfolio data provided by DG ECFIN. *Includes pro-rata allocation of 2 SISW-SIW framework operations. **Includes pro-rata allocation of 1 SISW-SIW framework operation (investment platform)*

Table 23. Signed operations in the SISW as of 31 December 2023

IPs	Amounts (EUR million)			Number of operations signed		
	Sub-operation	Standalone	Total	Sub-operation	Standalone	Total
EIF	398	44	442	82	3	85
EIB	-	440	440	-	6	6
CEB	62	153	215	3	4	7
CDC	-	-	-	-	-	-
CDP	-	-	-	-	-	-
TOTALS	**460**	**637**	**1,097**	**85**	**13**	**98**

Source: Portfolio data provided by DG ECFIN

Types of products deployed and activities supported

IPs have developed a range of products to support different activities in the social sector (Table 24). EIF, the most active IP under the SISW, has created two specialised portfolio guarantee products: one for microenterprises and social enterprises, and another to finance students, learners, enterprises investing in workforce skills, education providers, and additional service providers. These two portfolio guarantee products build-on the EaSI Guarantee and the Skills & Education guarantees pilot launched under EFSI in 2020 (which has been scaled-up under InvestEU). The EIF is also providing limited capacity-building investments (CBI), primarily through subordinated debt. The CBI product is available to any financial intermediary operating in the microfinance, social enterprise finance and/or skills, education and training finance space and supports the following three capacity building activities:

- Investment in organisational development and expansion of the Financial Intermediary, including branch expansion, scaling-up or building up of IT infrastructure (e.g. mobile banking, etc.), investment in human resources such as recruitment and training of staff;
- Strengthening operational and institutional capabilities aimed at contributing to the sustainability of the Financial Intermediary, including Greenfield Institutions;
- Institutional capacity building to increase the debt capacity of financial intermediaries while supporting them to retain a balanced socio-commercial profile.

Additionally, under its indirect equity offering, the EIF's climate and infrastructure funds include social infrastructure as one of six thematic strategies. This product supports investments in funds targeting areas such as health and care facilities, social services at the community level, educational and training infrastructure, digital equipment, affordable social housing, and related enabling services. Finally, EIF offers a specific indirect equity product to support social impact funds. Apart from dedicated products supporting the social sector, the EIF is also supporting operations contributing to this domain via other products. For example, under the Joint SMEW/RIDW Equity Product, EIF has supported a dedicated Ed-tech fund, EDUCAPITAL II (see digital case study) and another fund (Inovo Fund III) is, inter alia, making investments in Ed-tech start-ups.

CEB, a multilateral development bank with a social mandate, provides both direct and intermediated debt to support social investments. Alongside CEB, three other IPs – CDC, CDP, and EIB – offer direct loans for social investments. Furthermore, CDP provides indirect equity through its investment in Fondo Investimenti per l’Abitare (FIA 3), a fund of funds supporting affordable social housing projects.

In addition, as previously reported, a blending initiative is currently in the pipeline (combining resources from ESF+ with the InvestEU budgetary guarantee). This initiative will allow EIF and CEB to enhance their support to microfinance institutions, microenterprises and social enterprises.

Table 24. Range of products being deployed under SISW (as of December 2023)

InvestEU Products	EIF	EIB	CEB	CDC	CDP
Portfolio guarantees for microenterprises and social enterprises	X				
Portfolio guarantees for skills and education	X				

InvestEU Products	EIF	EIB	CEB	CDC	CDP
Intermediated loans for microenterprises and social economy			X		
Direct loans		X	X	X	X
Indirect equity	X				X
Capacity building	X				

Source: ICF analysis based on IP survey, interviews, Guarantee Agreements and presentations

The operations approved under SISW encompass key areas of social investment (Table 25). Several approved operations aim to enhance access to finance for social economy entities, including microenterprises and social enterprises, as well as for social purposes such as upskilling, education, and affordable housing. These initiatives are supported by both EIF and CEB, each offering distinct financial products. EIF provides portfolio guarantees and indirect equity investments, while the CEB offers loans for on-lending.

Furthermore, CDC's "Prêts Renouvellement Urbain" (PRU) loans supports urban social regeneration. It targets districts within selected cities that face significant social challenges, as identified by the "politique de la ville" framework. These loans support sectors such as education, healthcare and social services, water supply, wholesale and retail trade, accommodation and food services, public administration and defence, and arts and entertainment.

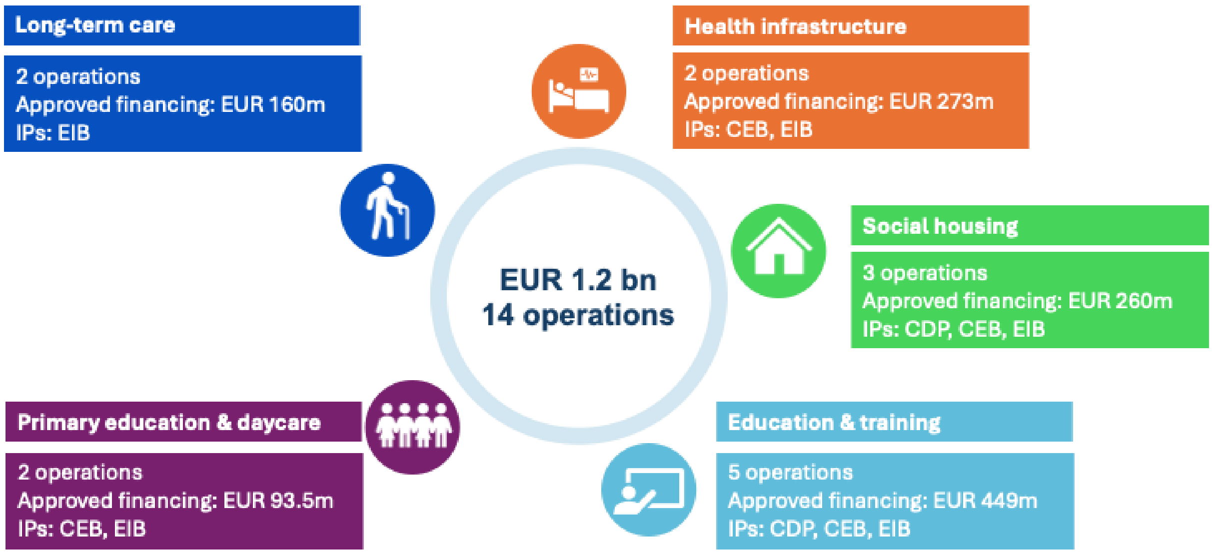
Table 25. Typology of social investments under InvestEU (based on approved operations as of 31 December 2023)

Social investment themes	EIF	EIB	CEB	CDC	CDP
Access to finance for microeneterprises and social enterprises	X		X		
Access to finance for skills and education	X		X		
Investment in social infrastructure (education and training, health, care etc.)	X	X	X		X
Urban social regeneration				X	

Source: ICF analysis based on portfolio data

Additionally, a number of approved operations focus on investments in social infrastructure (Figure 29). These investments include construction of a greenfield hospital in Bucharest (CEB), upgradation and modernisation of hospital in Tilburg (EIB), development of education infrastructure (CEB, CDP, EIB), and the construction of elderly care facilities. Social housing is also a key area of support for several IPs (CDP, CEB and EIB).

Figure 29. Overview of social infrastructure investments supported by InvestEU (based on approved operations as of 31 December 2023)



Source: ICF analysis based on portfolio data. The above chart includes operations under SISW only. Multi-window operations are not included

The box below provides a concrete example of how the InvestEU guarantee is enabling CEB to support a social housing operation in Catalonia, Spain.

Social and Affordable Housing in Catalonia (CEB)

This social and affordable housing project aims to provide lending support to the public sector financial institution, Institut Català de Finances, in Catalonia, Spain, for the **building or acquisition and refurbishment of publicly protected housing** (Viviendas de Protección Oficial, VPOs). These housing units are intended for rental to beneficiaries who are unable to rent or purchase housing at market conditions due to solvency or income constraints. The project targets up to 40 social housing operators, **delivering up to 1,600 social/affordable housing units, and benefiting up to 4,000 affordable social housing beneficiaries** upon completion.

The social and affordable housing sector is characterised by a low number of existing housing units, historical underinvestment compared to other EU countries, limited interest from private investors and escalating housing costs, especially rents. With **only 1.3% of the housing stock dedicated to social rental** and a significant proportion of the population experiencing housing exclusion and homelessness, **demand for social and affordable housing far exceeds supply**. Moreover, the reluctance of commercial banks to lend to social housing operators due to solvency and collateral constraints exacerbates the financing gap.

CEB's financing allows the Institut Català de Finances to increase its lending volume to social housing operators. This will enable ICF to address the financial constraints it faces in raising long-term funds at affordable rates from commercial markets. Therefore, the Institut Català de Finances will expand its role in financing social housing by significantly increasing the volume of lending and the coverage of municipalities. The non-financial benefits from CEB's participation include advisory support, risk assessments and project implementation assistance, which is expected to improve the overall viability and sustainability of social housing projects in Catalonia.

Operation statistics:

SISW General Debt / Loans

CEB loan amount: EUR 100m

Impact:

No. of social/affordable housing units: 1,600 / No. of social/affordable housing beneficiaries: 4,000

Finally, five dedicated advisory initiatives had been developed by the end of 2023, to support pipeline and ecosystem building activities in the area of social investment. These are as follows:

- CEB Market assessment and pipeline identification
- CEB Project Advisory Support
- EIB Advisory for Impact Investing and Social Outcomes Contracting
- EIB Advisory for Microfinance and Social Enterprise Finance
- EIB Advisory for Social Infrastructure and Service

Together these five initiatives accounted for 17% of the advisory budget utilisation during the evaluation period.

Spotlight on CEB Market assessment and pipeline identification

CEB has commissioned a study to assess the social sector infrastructure investment needs in nine EU countries: Belgium, Estonia, Finland, France, Italy, Latvia, Lithuania, Poland and Spain.

The purpose of the assignment is to contribute to the development of market responsive solutions in the countries listed above, by identifying and quantifying possible market failures in terms of needs and related funding gaps in six segments: affordable social housing, healthcare, universities and life-long learning and vocational training centers, student housing, elderly housing and early childhood education. The market studies' expected outcomes will include research materials on information gaps and asymmetries between demand and supply of certain infrastructure and services, the relevant needed and expected investment volumes, and financing gaps. CEB will organise a series of virtual events to disseminate the results of the study, engage in discussions with various social infrastructure stakeholders and inform interested parties of the opportunities available under InvestEU.

Challenges and opportunities

InvestEU represents an opportunity to steer more capital to social investments, by leveraging market-based instruments and advisory support. Historically, social economy entities and social investments have been reliant on public sector funding or philanthropic funding. Market-based instruments are slowly starting to gain traction in this sector, but their adoption faces several hurdles (e.g. lack of capacity to utilise market-based instruments, under-developed business models, low financial returns etc.). InvestEU is addressing some of these barriers through advisory activities and tailored financial products. Indeed most IPs (CDP, CEB and EIF) are facing a high demand for their products under SISW. On the other hand, social investments supported by the EIB, particularly social infrastructure investments, tend to typically be supported by the public sector, hence EIB's deployment of this window has been slower so far. EIB is able to finance most public sector operations on its balance sheet, and in those cases without needing the InvestEU guarantee. The need for the InvestEU guarantee arises for social investments undertaken by the private sector or social economy entities.

5.1.2 Additionality of the EU guarantee

All InvestEU operations are expected to be additional. According to the InvestEU Regulation (Annex V), additionality "means that the operations would not have been carried out or would not have been carried out to the same extent by other public or private sources without support from the InvestEU Fund". This de facto implies that:

- The financing of the operation would not have been carried out or would not have been carried out to the same extent by the IP without support from the InvestEU Fund (additionality of EU guarantee at IP level);

- The operation itself would not have been carried out or would not have been carried out to the same extent by the final recipient without the InvestEU backed financing received (additionality of EU guarantee at operation or final recipient level).

The evaluation examined additionality at both levels. However, it could not be quantitatively established due to the lack of data on the risk profile and capital consumption of standard versus InvestEU portfolios of all IPs. Accordingly, the assessment was primarily qualitative, based on an analysis of products and activities.

5.1.2.1 Additionality of the InvestEU guarantee at IP level

The InvestEU guarantee allows IPs to address the market gaps and suboptimal investment situations by pushing beyond their standard risk boundaries in pursuit of additionality. Several IPs mentioned that the guarantee enabled them to undertake transactions with a higher level of risk, including longer maturities or lower collateral requirements. Some stated that InvestEU enabled them to scale-up riskier forms of financing, such as direct equity (e.g. InvestNL), VC (e.g. CDPE) or VD (e.g. EIB), or concessional financing (CEB, EBRD). One IP explained that the additionality of the InvestEU guarantee can occur through three mechanisms: (i) by reducing the risk exposure of the IP, allowing it to offer financing on better terms and use this as leverage to ask the client for more impact; (ii) by allowing the IP to be more comfortably exposed to the client's market risk; and (iii) by allowing the IP to target riskier clients, e.g. small companies with little financial backing, as it reduces the IP's exposure to their inherently higher financial and default risk. By targeting riskier transactions (with the guarantee), IPs are better able to justify investing in Member States with relatively larger or more mature financial markets. At the same time, some of the IPs underlined that the guarantee is additional because it allows them to engage in market-building activities, such as development of debt and equity financial eco-systems for certain sectors (e.g. CCS) and technologies (e.g. space, semi-conductors). Several IPs noted that InvestEU allowed them to provide larger ticket sizes or more funding to final recipients compared to what they could offer without the programme. One explained that relatively larger tickets/shares in an operation are very helpful to companies because they provide longer duration and protect them from financial risk should private investors decide to drop out. This is linked to the increased risk-taking capacity enabled by the guarantee.

Higher risk for IPs under InvestEU manifests in three main ways:

- **Engaging with higher risk counterparts:** IPs, with the backing of InvestEU, are engaging with entities traditionally viewed as high risk. These include start-ups with an unproven track record and credit history, first time or emerging VC teams, and micro or social enterprises whose profiles do not conform to conventional commercial banking standards. Several IPs (e.g. Garantiqa, CEB, CDC, CDP Equity, EIB and EIF) are targeting riskier counterparts.
- **Deploying riskier financial products or conditions (relative to standard operations):** IPs are deploying financial instruments such as equity investments, VD, subordinate debt, or guarantees that intrinsically embody greater risk compared to traditional/vanilla loans. Additional risk can also emerge from particular conditions attached to the financing (e.g. longer tenors, larger tickets or loan amounts, or loans provided without collateral), but also from the specific conditions under which it is deployed (e.g. the EBRD’s financing of new renewable energy plants on a fully merchant basis, where revenue comes directly from market sales rather than secured long-term contracts).
- **Financing activities with inherently higher risk:** The InvestEU guarantee facilitates the financing of projects or activities with significant inherent risk factors (technological, project execution, market or financial risk), whether developing

cutting-edge technologies, or complex infrastructure projects requiring substantial upfront investment with long lead times and extended payback periods. For example, IPs such as Bpifrance, EIB, EIF, InvestNL and ICO are financing newer technologies and sectors, embracing the higher levels of risk associated with early stages of innovation.

Table 21 presents a detailed picture of higher risk under InvestEU in concrete terms for IPs.

Table 26. Nature of risk-taking under the InvestEU Programme, by IP

	Average risk profile of the InvestEU portfolio relative to the IPs standard portfolio	Nature of risk-taking by IP	Higher counterparty risk	Riskier financial products	Risky nature of activities being financed	Examples of high-risk activities financed by IP with InvestEU support
BGK	Too early to say, as the portfolio is yet to be developed	Financing of innovative companies or projects without predictable revenue and/or adequate collateral	Yes		Yes	*Not available. No individual operations approved so far*
Bpifrance	Significantly higher risk - approximately two to four notches down the rating scale	Supporting SMEs and small mid-caps with significant technological and industrial risk, providing them with unsecured, long-term financing	Yes	Yes	Yes	Financing of industrial demonstrators, pilot factories, or the creation of new production facilities for innovative technologies developed by SMEs and small mid-caps
CDC	Too early to say as the InvestEU portfolio is limited and in ramp-up phase	Risk is related to the type of counterparty rather than the activity financed - mostly small businesses or PPPs in deprived areas NB: The InvestEU guarantee complements existing guarantees in order to comply with the compulsory full guarantee coverage of the loans	Yes			*N/A*
CDP Group	Higher risk - up to two notches down the rating scale	Equity instrument to support start-ups and VC funds where both the financial product as well as the underlying investments are risky Debt products - providing junior debt to strategic infrastructure projects		Yes	Yes	Supporting funds investing in sustainable infrastructure assets Strategic infrastructure projects in the areas of future mobility and clean energy and low carbon innovation

	Average risk profile of the InvestEU portfolio relative to the IPs standard portfolio	Nature of risk-taking by IP	Higher counterparty risk	Riskier financial products	Risky nature of activities being financed	Examples of high-risk activities financed by IP with InvestEU support
CEB	Significantly higher risk - three to six notches down the rating scale	Counterparty risk - reaching out to new borrowers and increased support to entities with limited revenue-generating capacity, often excluded or underserved due to their ownership structure, e.g. non-profit foundations, social housing cooperatives, microfinance institutions, and social finance providers InvestEU allows CEB to do larger volumes and engage with new counterparts	Yes			Supporting investments in public goods/social infrastructure, e.g. education, healthcare, social care Access to finance for micro and social enterprises
EBRD	Too early to say as the InvestEU portfolio is limited and in ramp-up phase	InvestEU guarantee used to support projects that would be fundamentally sound but face different market barriers and perceived/real risks that the InvestEU guarantee can help to overcome		Yes	Yes	Construction of new renewable energy plants that are expected to operate on a fully merchant basis, new biofuels production facilities to be developed on a project finance basis
EIB	Significantly higher risk than the EIB standard portfolio	Deploying thematic products for highly innovative breakthrough technologies in sectors such as energy, green mobility, and digital technologies EIB also does higher volume of higher risk lending.	Yes	Yes	Yes	Financing for high-risk large scale renewable energy projects, Gigafactory projects, support for critical raw material supply chain etc.
EIF	Not applicable	Deploying a range of financial products (guarantees/counter-guarantees and equity) for specific segments/thematic areas, as well as more generally for start-ups, micro enterprises, SMEs and small mid-caps	Yes	Yes	Yes	Investing in first-time or emerging VC/private equity (PE) and private credit teams Providing access to finance to underserved SMEs

	Average risk profile of the InvestEU portfolio relative to the IPs standard portfolio	Nature of risk-taking by IP	Higher counterparty risk	Riskier financial products	Risky nature of activities being financed	Examples of high-risk activities financed by IP with InvestEU support
						Providing financing to SMEs investing in green transition, digital transformation or innovation Supporting access to finance for specific segments, e.g. micro and social enterprises Funds investing in start-ups and scaling-up
Garantiqa	Higher risk than standard portfolio (up to two notches down the rating scale)	Counterparty risk - riskier SMEs, such as start-ups or those lacking collateral	Yes			*N/A*
ICO	Higher risk than standard portfolio (up to two notches down the rating scale)	Investing in sustainable infrastructure funds with a focus on higher risk, less mature technologies	Yes	Yes	Yes	Financing renewable energy production and storage, circular economy (especially waste treatment), hydrogen production and storage
InvestNL	InvestEU-backed investments have the same risk profile as their standard portfolio, but the guarantee allows InvestNL to provide higher investment amounts. Besides, it allows InvestNL to have a higher risk profile on that portfolio level.	Providing risk capital through equity investments for innovative, early-stage technologies	Yes	Yes	Yes	Financing of highly innovative first-time plants and energy transition technologies

	Average risk profile of the InvestEU portfolio relative to the IPs standard portfolio	Nature of risk-taking by IP	Higher counterparty risk	Riskier financial products	Risky nature of activities being financed	Examples of high-risk activities financed by IP with InvestEU support
NIB	Significantly higher risk than the standard portfolio	Scaling-up lending to higher risk projects and counterparts. Typically, NIB would use facilities covered by a government export credit agency for higher risk operations. With InvestEU, NIB supports uncovered tranches, crowding-in other lenders. NIB may also take part in an ECA-covered tranche alongside an InvestEU tranche if and where there are greater financing needs	Yes	Yes	Yes	Main areas of focus supported by the InvestEU-supported product relate to the green transition in the energy and transport sectors, as well as industry decarbonisation and net zero technologies
PMV	Higher risk (equity) investments than PMV would typically take on its balance sheet	Creating an intermediated structure to take higher risk (equity) investments than PMV would typically take on its balance sheet	Most likely also yes	Yes	Yes	*Not available. No individual operations approved so far*

Source: ICF survey of IPs.

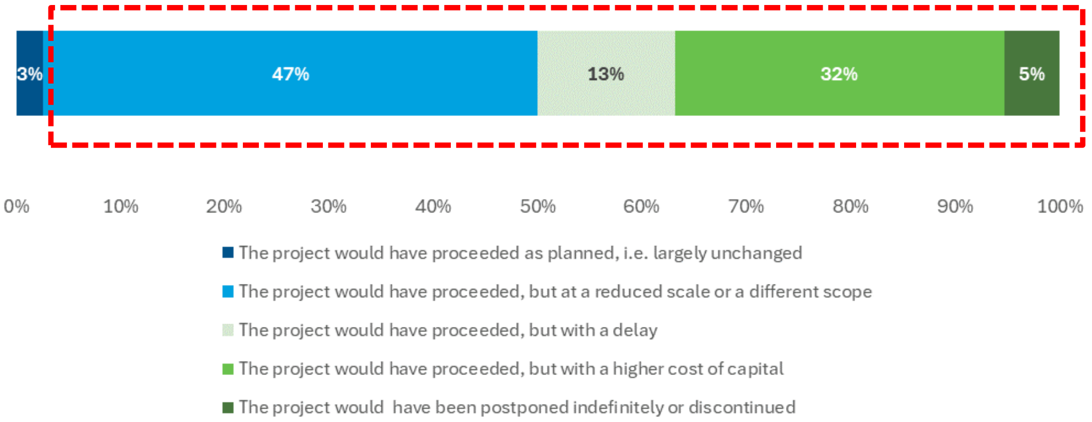
5.1.2.2 Additionality of InvestEU guarantee at operation/ final recipient level

The main source of evidence for analysing the additionality of the InvestEU-backed IP financing is a survey of project promoters. The survey targeted promoters of direct operations (standalone operations and sub-projects) implemented by the EIB, CEB and NIB. As such, the evidence base is limited and cannot be extrapolated across the InvestEU portfolio. The self-reported nature of this data also means an inherent risk of bias. However, sample-based deep dives confirmed the additionality of the InvestEU guarantee for the operations reviewed.

The project promoter survey points to high additionality of the InvestEU financing. Of those surveyed, 95% indicated that they would not have proceeded as planned without the InvestEU financing. Nearly half (47%) reported that, without the InvestEU backed financing, they would have scaled-back operations or altered project scopes. An additional 37% would have encountered higher financing costs or delays. This indicates that the InvestEU financing has been critical for accelerating or incentivising investment. Only one respondent believed their project would have advanced as planned, with or without InvestEU financing, but did not know if the financial terms would have been comparable.

Figure 30. Additionality of IP financing

Q: In the absence of the InvestEU guaranteed financing, what would have been the likely project outcome?

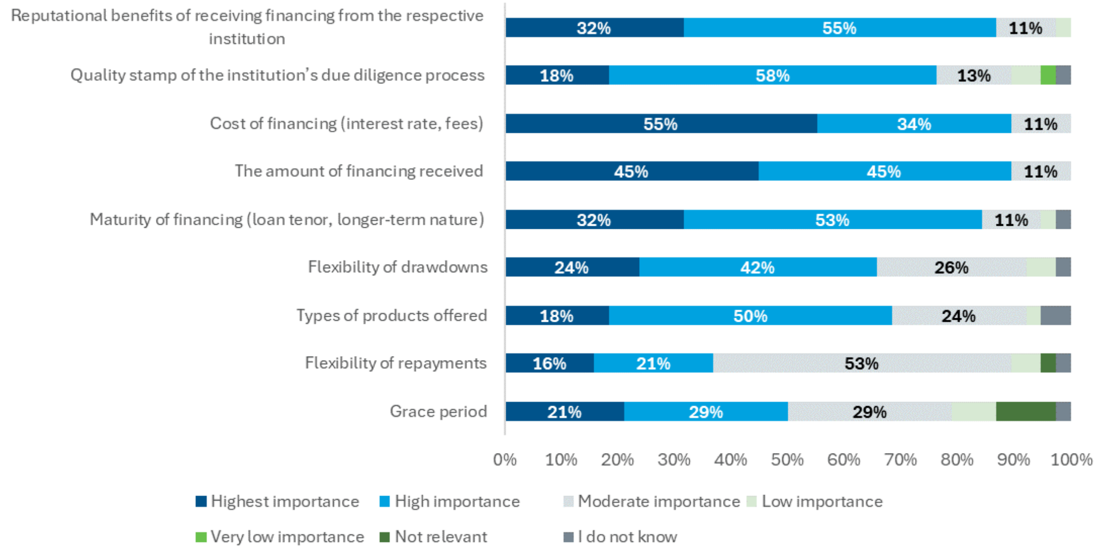


Source: ICF survey of project promoters. Direct standalone operations or sub-projects only (N=38).

The most important aspects of the InvestEU guaranteed financing, according to survey respondents, are financial, such as the cost of financing (89% rating it of high or of highest importance), amount of financing received (89%), and maturity (84%). Secondary benefits, such as reputational benefits (87%) and the quality stamp of the institution's due diligence process (76%), are also perceived as very important. One respondent mentioned the ability of the IP to crowd-in financing thanks to its reputation. Other factors were considered relatively less important, such as the types of products offered (68%), flexibility of drawdowns (66%), grace period (50%), or flexibility of repayments (37%).

Figure 31. Key features of IP financing, rated by project promoters

Q: Please rate the importance of the following aspects of the InvestEU guaranteed financing you received from the Implementing Partner (IP)?



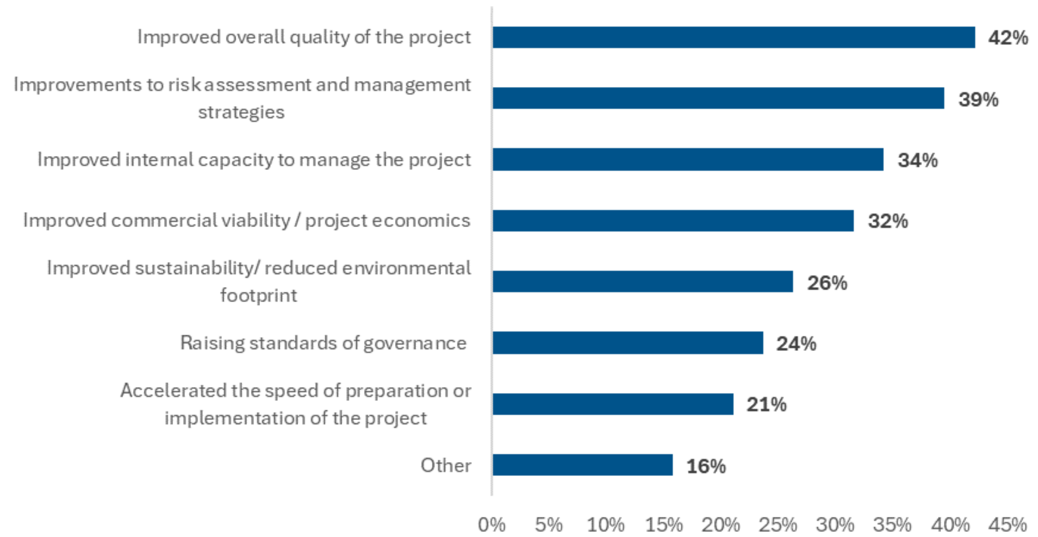
Source: ICF survey of project promoters.

Notes: Direct standalone operations or sub-projects only (N=38).

Apart from beneficial financing conditions, IPs add value to projects in other ways. Many survey respondents pointed to better overall quality of the project and better risk assessment and management strategies as a result of the due diligence process of the IP. Those who selected 'Other' cited reputational benefits, the development of a comprehensive data room which was later valuable to inform other investors, and support in preparation of sustainability reports.

Figure 32. Non-financial added value of IP financing

Q: Did the support and/or feedback provided as part of the due diligence process of the Implementing Partner contribute to improving any of the following aspects of your project? Please select all that apply.



Source: ICF survey of project promoters.

Notes: Direct standalone operations or sub-projects only (N=38).

The majority of respondents (60%) said that the InvestEU guaranteed financing they received had an innovative structure or features: 39% said it was an innovative financial structure or product not available in the market, while 21% mentioned the innovative features of the product. When asked to elaborate, they highlighted:

- Long maturity and bullet repayment structure based on equity raising goals, not just financial KPIs.
- Integration with green financing initiatives.
- Flexibility in investment usage, cooperative investment process, and minimal bureaucracy.
- Uncommon debt financing for pre-revenue stage biotech companies.
- Financing cost optimisation and institutional VD.
- Innovative financing for full merchant projects and streamlined due diligence processes.
- Unique features such as rolled-up interest, capital features, and lower interest rates with higher warrants.
- Tailored financing structures for new sectors with few precedents.
- Long-term project financing with sustainability and safety focus, offering milestone and drawdown flexibility.
- A structure put in place to cover default risks, allowing for extended loan duration.
- Subscription warrants and anti-dilution clauses, demonstrating adaptability to specific project and sector requirements.

FI interviews provided positive evidence of the additionality of intermediated products. Fund managers interviewed, highlighted the importance of the investment they received in achieving financial close or target size of hard-cap. As regards financial intermediaries using portfolio guarantees, an asset-backed finance provider in Eastern Europe highlighted the need for uncapped guarantees under InvestEU to achieve capital relief and risk sharing, particularly because such a product is unavailable in their country. The portfolio guarantee allows the intermediary to extend more credit to existing clients who have reached their credit exposure limits, as well as to new clients with weaker creditworthiness .

The credit decisions of the intermediary are based on three main considerations:

1. Creditworthiness of the borrower: Evaluated based on the probability of default or the obligor rating assigned to the borrower.
2. Quality of the asset: Assessed based on the asset being purchased by the borrower with the credit.
3. Structure of the transaction: Includes factors such as downpayment, loan term (tenor), and the residual value of the asset.

Clients benefit by accessing credit that would otherwise be unavailable, enjoying reduced downpayments, and securing financing tailored to their needs. Without the guarantee, the FI would be unable to undertake 80-90% of its portfolio volume.

When asked about improvements, the FI suggested broader eligibility criteria for the sustainability guarantee and more appropriate measures of energy efficiency, especially for agricultural and civil construction equipment. For instance, using per-unit emission reduction for businesses investing in higher capacity machinery is more suitable than percentage reductions in GHG emissions or energy consumption.

Another fintech company, based in Lithuania, highlighted that the InvestEU guarantee enables it to increase exposure to existing clients (with strong turnover but insufficient collateral), reach out to new, riskier clients, and offer bigger loans than it could otherwise. When operating in multiple countries, the EU guarantee is significantly more valuable than national guarantee schemes.

One FI highlighted a challenge for students with limited incomes, whose student loans are often rejected, or the approved amounts are insufficient. Solutions could include allowing parents to pay student loans or accepting guarantees from parents, which would provide much-needed financial support for students.

There are some caveats. These findings are based on a limited set of interviews and cannot be generalised, as additionality is highly context-specific, depending on the country and type of financial intermediary in the case of portfolio guarantees (type of bank, non-bank/alternative lender).

5.1.3 InvestEU Advisory Hub

A comprehensive analysis of the Advisory Hub's effectiveness is not yet feasible due to its early stage of implementation. A large majority of the Advisory Hub assignments are currently in progress or in the pipeline, with only a small proportion completed and a relatively low budget utilisation for most APs. At a portfolio level (excluding Bpifrance, which has delivered a large number of a very small project advisory assignments)), only 23% of the current Advisory Hub assignments have been completed and all APs, except for CDP, have utilised 33% or less of their allocated budget. This reflects the early stages of the Advisory Hub's implementation, as well as a continuation of other ongoing advisory supports, such the European Investment Advisory Hub, which still has funding to use. There is also a natural gap between the start of the assignments and when costs are incurred and budget utilised[96].

Table 27. Overview of current assignment status, by AP

AP	Support in progress	Completed assignments	Total	% of current assignments completed*	Budget utilisation as % of total budget allocation*	Average duration (of completed assignments)	Duration range
Bpifrance	0	449	**449**	100.0%	33.0%**	Less than 1 month	Less than 1 month
CDC	1	2	**3**	66.7%	1.0%	2 months	2 months
CDP	85	35	**120**	29.2%	7878.8 %	2.5 years	9 months to 3.5 years
CEB	4		**4**	0.0%	14.0%	N/A	N/A
CINEA	7	2	**9**	22.2%	2.0%	4 months	2 to 8 months

[96] Finalising the scope of the assignment, setting out deliverables, negotiating service agreement and procuring consultants can take months (depending on complexity of the assignment). However, these activities tend to incur small costs. Payments to consultants are based on deliverables and occur towards end of the assignments. Therefore, budget utilisation is not a measure of how well assignments are advancing and rather an indication of what proportion of budget has been subject to incurred costs thus far.

AP	Support in progress	Completed assignments	Total	% of current assignments completed*	Budget utilisation as % of total budget allocation*	Average duration (of completed assignments)	Duration range
EBRD	34	41	**75**	54.7%	5.0%	4 months	2 to 8 months
EIB	172	12	**184**	6.5%	21.0%	8 months	3 months to 1.5 years
Total	**303**	**541**	**844**	**64.1%**	**18.0%**		

Source: APs' Structured Annual Technical Reports, 2023; portfolio reporting data at end-2023.

*Notes: *Assignment end dates not always provided in MIS. The evaluation also looked at budget utilisation as a proxy indicator of the extent of implementation. However, utilisation depends on a number of factors and should be read cautiously to infer implementation progress; **Bpifrance has completed all ongoing assignments but has the budget to undertake more assignments. All CDP's assignments are ongoing or completed*

Even for completed assignments there is a delay in observing outcomes and impacts, limiting the availability of data for a restricted number of assignments and a limited set of KPIs/KMIs. Table 28 lists some of the indicators required under the InvestEU Advisory Hub operational reporting, for which data are currently available for preliminary analysis.

Table 28. Data currently available for limited set of Advisory Hub KPIs/KMIs

Indicator	Explanation	Scope of support	Limitations
1.1 Number of assignments with link to InvestEU Fund	Potential of the assignment to generate projects that are eligible to receive financing supported by the InvestEU Fund and/or AP's own resources but aligned with InvestEU priorities	All	Available for all IPs. Possible to measure but not very informative on its own right. Indicator is useful when it can be linked to the volume of funding mobilised as a result of the Advisory Hub assignment
1.2 Assignments contributing to core EU objectives/ policies	Assignments contributing to: (i) Digitalisation, (ii) Climate action, (iii) Strategic investment, (iv) Cohesion policy, (v) Just Transition	All	Available for all IPs and can be analysed
2.1 Volume of investment mobilised/volume of grants mobilised	Expected/estimated mobilised investments of the underlying investment project linked to the received InvestEU Advisory Hub support for completed project-specific assignments	Project support only	Limited data available. This can be highlighted for some of the completed assignments. Data are collected at completion followed-up after 12 months
2.2 Project maturity and progress to financing/ investment stage	Project maturity and progress to financing/ investment stage: *Investment ready (financial structuring, last mile advisory)*	Project support only	Limited data. Can measure the movement of a project to a higher state of readiness. As only a few assignments are

Indicator	Explanation	Scope of support	Limitations
			completed, this cannot be assessed on a scale yet

Source: InvestEU Advisory Hub Operational Reporting (KPI/KMI) – Methodology for Advisory Partners

A deeper analysis of effectiveness will become feasible as additional data become available. For example, post-assignment satisfaction surveys measure recipients' satisfaction with the advisory support received. The surveys gather recipients' views on the usefulness, relevance, quality and impact of Advisory Hub support, as well as their overall satisfaction with the services provided. Many satisfaction surveys have more or less similar outlines, and despite some minor differences, comparable analysis should be possible[97].

Overview of questions included in post-assignment satisfaction surveys

- **Usefulness** of the advisory support provided in the context of the project or programme.
- Relevance of the advisory support provided towards **addressing the project's needs.**
- **Quality of the expertise** provided in the context of the assignment.
- **Impact** of the advisory support on the project or the organisation
- **Overall satisfaction** with the advisory support received

Source: Post-assignment satisfaction surveys.

Once a reasonable number of projects have gathered data, a meaningful analysis can be conducted. Satisfaction survey results will provide useful insights into the support provided from the recipients' perspective. The answers will allow comparisons based on a Likert scale. While the response categories to the same question are not uniform, they all work on a scale from a positive outcome to a negative outcome, such as from 1 (not at all) to 5 (completely). Although precise comparisons between APs is not possible, the direction of satisfaction towards a specific area (e.g. impact of advisory support) is possible.

In the future it will also be possible to report on a wider set of KPIs/KMIs. Information on project maturity and volume of investment will become available after the completion of assignments, providing further evidence on effectiveness. The indicator on supported finance (due 12 months after completion of assignments) is another important data point. Data will also be available on KPIs/KMIs covering capacity-building and market development activities.

Finally, ongoing studies and internal AP analyses are expected to contribute valuable insights. For example, Bpifrance has indicated that it plans to conduct a quick analysis of its first two years of operation.

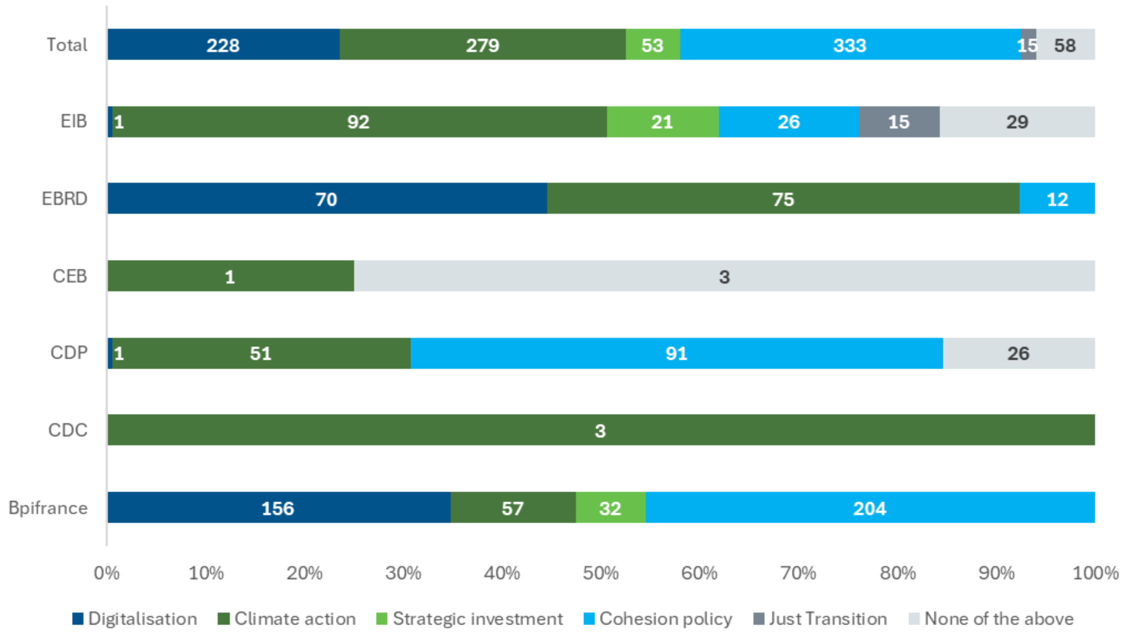
The rest of this section provides some early findings and insights into the effectiveness of the Advisory Hub.

[97] The project team reviewed sample satisfaction surveys for the EIB, CDC, CDP and CINEA. Only CINEA's satisfaction survey was different in its wording and content, as it first assesses the performance of the contractor and then has overall assessment questions on the Hub's support (similar to the other surveys). However, a direct question on the 'impact' of the Advisory Hub was not included in the survey even if this can be inferred from the responses to the other questions that assess the contractor's performance.

5.1.3.1 Advisory Hub contribution to specific policy objectives

The Advisory Hub has been effective in targeting key sectors and policy areas that are aligned with InvestEU eligibility and EU policy priorities. The Hub's assignments have targeted the eligible areas that are of high policy relevance, such as energy sector, mobility and sustainable infrastructure, social investments and support to SMEs and small mid-caps, and these have accounted for 82% of all advisory support to date. A large proportion of the budget utilisation (88%) has been directed towards these eligibility areas[98]. The analysis of the KPI on the number of assignments contributing towards the core EU objectives and policies supports the policy significance of the Hub's support. The EIB's assignments, the largest provider of Advisory Hub support, cover all policy areas to some extent. Across all APs, there is a strong link to climate action. Collectively, the closest links – in addition to climate action – are with cohesion policy and digitalisation. 'None of the above' corresponds to many other objectives and priorities outlined in the InvestEU regulation, such as support under Social Inclusive Finance Technical Assistance (SIFTA). As the number of assignments grow and the pipeline develops, a more concrete picture of the policy links is expected to emerge.

Figure 33. Advisory assignments contributing towards specific EU objectives



Source: APs' Structured Annual Technical Reports, 2023.

*Notes: *More than one policy area can be selected for a single assignment; **'None' is selected if none of the available five categories are applicable, or the assignments supports a broad range of activities, e.g. an intermediate product. Assignments with 'None' can align with many other objectives and priorities outlined in the InvestEU regulation (e.g. EIB support under SIFTA is often classified as 'none', despite supporting social investments and access to finance).*

[98] These eligibility areas were chosen 996 times out of 1 216 (82%) and the budget allocated represented EUR 102 606 335 out of EUR 116 717 644 (88%). More than one eligible area could be indicated for an assignment and therefore the number is higher than the total number of ongoing or completed assignments (N=844).

5.1.3.2 Contribution to investments in line with the InvestEU priorities

Existing indicators suggest that many assignments have the potential to generate investments or are aligned with the InvestEU priorities, at least. The KPI on the potential of the assignment to generate projects eligible to receive financing supported by the InvestEU Fund and/or through the AP's own resources aligned with the InvestEU priorities, shows a strong potential link to the InvestEU policy objectives and expected financing to be mobilised. Across the APs, 91% of the assignments and 83% of the related budgets have a reported link to the Fund.

This indicator should be interpreted with caution, however (see Table 23). Numbers appear high, with some IPs (Bpifrance, CDC, CEB, EBRD) systematically classifying their projects as having links to the Fund. In practice it may be the case that not all of these assignments will result in funded projects in the future. Contractually, APs are obliged to use at least 50% of the allocated advisory budgets towards assignments with the potential to be financed under the InvestEU Fund. However, this link is rather loose, as alignment with policy objectives also contributes towards this target without mobilised investment.

Table 29. Expected link to the InvestEU Programme – potential to generate projects eligible for financing

	Bpifrance	CDC	CDP	CEB	EBRD	EIB	Total
Total no of assignments	449	3	120	4	75	184	**835**
Total budget of assignments (EUR)	1 642 536	38 004	4 847 460	1 060 182	3 244 389	56 443 178	**67 275 749**
No of assignments with link to the InvestEU Fund	449	3	69	4	75	161	761
Budget of assignments with link to the InvestEU Fund (EUR)	1 642 536	38 004	2 938 201	1 060 182	3 244 389	46 811 128	**55 734 439**
% of total assignments linked with the InvestEU Fund	100.0%	100.0%	57.5%	100.0%	100.0%	87.5%	**91.1%**
% of total budget linked with the InvestEU Fund	100.0%	100.0%	60.6%	100.0%	100.0%	82.9%	**82.8%**

Source: APs' Structured Annual Technical Reports, 2023.

The exact extent to which the Advisory Hub support will lead to projects actually securing financing (thus generating a pipeline of investible projects and mobilising investment) **will be challenging to establish in the short term.** Monitoring and evaluation systems experience a time lag between delivery of outputs and realisation of results. There are also conceptual issues in establishing attribution and causality. Internal information systems are, at best, able to track financing coming from the originating organisation (not from other financiers)[99]. The follow-up is more complicated if a project received financing through sources other than InvestEU or APs' own resources. To that extent, there may be underreporting of the volume of investment generated in the real economy from the advisory projects.

[99] EIB, *Evaluation of the EIB Advisory activities in the European Union*, November 2023.

It is too early to make judgements based on the first data on the volume of investment and grants mobilised. This KPI is only reported for completed assignments. With a small proportion of assignments having been completed thus far, and many more in the pipeline, reflecting the low budget utilisation, there are limited data to undertake a meaningful analysis. The purpose here, in part, is to provide an early indication of the potential analysis that can be conducted once a larger volume of data flows in (notwithstanding the limitations described).

The limited data available from APs' structured technical annual reports on the volume of investment and grants mobilised shows that 44 assignments from three APs have mobilised EUR 3.7 billion worth of investment and one partner has mobilised EUR 3.56 million in grants, corresponding to seven assignments.

Table 30. Investment and grants mobilised with a link to InvestEU policy objectives

	Bpifrance		CDP		EIB		Total No. of assign ments	Total investment mobilised (EUR)
	Value (EUR)	*No. of assign ments*	*Value (EUR)*	*No. of assign ments*	*Value (EUR)*	*No. of assign ments*		
Volume of investment mobilised	8 017 0 00	10	2 838 185 3 27	33	882 286 0 47	1	**44**	**3 728 488 3 75**
Volume of grants mobilised**	(-)	(-)	3 560 000	7	(-)	(-)	**7**	**3 560 000**
Total	**8 017 0 00**	**10**	**2 841 745 3 27**	**33***	**882 286 0 47**	**1**	**44***	**3 732 048 3 75**

Source: APs' Structured Annual Technical Reports, 2023.

*Notes: *Total number of advisory assignments underlying the financing; there is an overlap between the assignments that mobilised investment and grants.*

The EUR 3.7 billion of investment mobilised[100] has targeted four sectors, with much of the investment mobilised towards mobility and sustainable infrastructure (72%). As a whole, 2.2% of Bpifrance's, 8.3% of EIB's and 94.3% of CDP's completed advisory assignments have contributed to mobilised investments[101]. A snapshot of the available data highlights the Hub's potential for value creation and developing the wider investment ecosystem around the InvestEU Programme. The investment mobilised is far higher than the advisory budget utilised towards the policy area by the organisation, underlining the effectiveness of the support.

[100] Does not include the volume of grants mobilised. A more detailed analysis for grants is not available at this stage.

[101] 17% of Bpifrance and 20% of CDP's assignments have mobilised grant financing.

Table 31. Completed assignments' contribution to EU policy priorities in the real economy via investment mobilised

	CDP		Bpifrance		EIB		Total AH budget utilisation (EUR)	Total investment mobilised (EUR)
Eligibility area	**AH Budget utilisation (EUR)**	**Investment mobilised (EUR)**	**AH Budget utilisation (EUR)**	**Investment mobilised (EUR)**	**AH Budget utilisation (EUR)**	**Investment mobilised (EUR)**		
Mobility and sustainable infrastructure	1 782 667	1 800 695 173			16 299 018	882 286 047	**18 081 685**	**2 682 981 220**
Environment and resources	676 422	80 000 000					**676 422**	**80 000 000**
SME and small mid-caps			3 377 798	8 017 000			**3 377 798**	**8 017 000**
Social investments	2 463 653	957 490 155					**2 463 653**	**957 490 155**
Total	**4 922 742**	**2 838 185 327**			**16 299 018**	**882 286 047**	**24 599 558**	**3 728 488 375**

Sources: APs' Structured Annual Technical Reports, 2023; portfolio reporting data at end-2023.

Data from the monitoring systems will be complemented by survey data, improving follow up. Follow-up survey data will be collected by all IPs directly from the project promoters after 12 months of completion. The survey will include questions about financing received from other financiers, potentially constituting a more comprehensive picture (assuming adequate response rates). However, a longer timeframe may be needed to establish whether financing has taken place, depending on the stage of maturity at which the assignment sought advisory support.

5.1.3.3 Contribution of InvestEU Advisory Hub activities to geographical diversification

One expectation is that the InvestEU Advisory Hub promotes 'geographic diversification with a view to contributing to the Union objectives of economic, social, and territorial cohesion and reducing regional disparities' (Recital 56 InvestEU Regulation). Advisory Hub assignments cover all 27 Member States, but certain countries have received more concentrated support, often through the involvement of NPBIs. A total of 810 single-country assignments are being implemented in 25 Member States[102], with a significant concentration in France (468) and Italy (134). These two countries together represent 75% of the assignments facilitated by Bpifrance and CDP, and 31% of the budget utilisation[103]. The majority of Member States (17) delivered fewer than 10 advisory assignments.

[102] The Advisory Hub portfolio includes data for 753 assignments, including single-country assignments. No single country assignments have been implemented in Finland or Slovakia.

[103] 844 assignments, for which country data were available for 810.

Looking at the number of assignments and the budget utilisation at end-2023, there is **a concentration of support in non-cohesion countries.** This reflects that larger NPBs from non-cohesion countries (Bpifrance and CDC from France; CDP from Italy[104]) are better equipped to become APs.

Table 32. Geographical spread of advisory assignments

Region	% of all assignments	% of budget utilisation
Cohesion	19%	45%
Non-cohesion	81%	55%

Source: Advisory Hub data at end-2023.

There may be less concentration in the future. The EIB contributes to geographical diversification via its capacity-building activities. Notably, it provides support to smaller or newer NPBIs to develop their advisory capabilities. The EBRD is also supporting the cohesion regions via its advisory activities on market development, capacity-building and project support. In the medium term, this is expected to enable them to participate more in advisory initiatives (see box below).

Enhancement of NPBIs under Bulgarian Ministry of Innovation and Growth

The work concerns two institutions i) the Bulgarian Development Bank Group (BDB), which supports SMEs and ii) the Fund Manager of Financial Instruments in Bulgaria (FMFIB), which manages financial instruments under cohesion policy. It entails:

- Conducting a strategic review of NPBIs' missions and analysing potential overlaps with private market stakeholders.
- Identifying market gaps and underserved sectors, such as social infrastructure and energy transition.
- Enhancing NPBIs' governance models based on international best practices.

This advisory aims to strengthen NPBIs' capacities to mobilise EU and IFI funding, supporting Bulgaria's economic, green, and digital transitions.

Establishment of National Investment and Development Bank (IDB) in Romania

The InvestEU Advisory Hub is assisting Romania’s Ministry of Finance to operationalise a new IDB, with plans to start financing activities in 2025. The IDB will focus on three strategic pillars:

- Access to finance for micro enterprises and SMEs.
- Infrastructure projects, including local and regional development.
- Promotion of a climate and energy-neutral economy and sustainable development.

The work entails:

- A feasibility study and designing at least three financial instruments to be implemented in the IDB's first operational phase (2025-2028).
- Training to build financial instrument implementation capacity for the new IDB team, based on an initial needs assessment.

[104] CDP has developed advisory activities for local public authorities with EIB support (Author, *Evaluation of EIB Advisory activities in the European Union*, November 2023).

This work builds on previous support received from the World Bank.

Finally, Advisory Hub activities support the deployment of InvestEU funding in various ways. For example, all financial intermediaries interviewed appreciated the web-based EIB Greenchecker tool for Sustainability Guarantee to assist with eligibility assessment and impact reporting requirements and the product-specific webinars organised by the EIF. Interviewees would like the Greenchecker tool to be made available in their local languages for the benefit of their staff and clients.

5.1.4 InvestEU Portal

According to Article 26 of the InvestEU Regulation, the main objective of the Portal is to provide visibility to EU-based projects to attract financing and investment. This section assesses the effectiveness of the Portal in respect of these objectives and the impact pathways set out in section 3.

While **the Portal is becoming more important and widely used**, and the matchmaking events are generally considered successful, **it is not yet possible to draw conclusions on the extent to which it has been effective in giving visibility to the projects published**. The evidence on experience of the Portal users, both promoters and investors, is mainly based on a European Commission survey, whose validity is limited by the very low response rate relative to the number of projects published and investors registered on the Portal[105]. The promoters mostly rejected the hypothesis that registration on the Portal increased their project's visibility or exposure to investors[106]. At the same time, they appeared quite positive about the benefits of using the Portal, including the visibility of investment opportunities[107]. This may indicate a moderately biased perspective of project promoters, who may be inclined to measure the success of their participation by whether they were contacted or funded as a result of using the Portal. Indeed, the trends in the number of visitors, views and even contacts have been positive over the three years of the evaluation period, bearing in mind that the likely lag in data reporting on contacts and financing. It may be that the Portal is still in a ramp-up phase and that the available quantitative and qualitative indicators do not yet fully reflect the increased visibility for projects included in the Portal's database.

This evaluation cannot determine the extent to which the Portal was directly responsible for investment. Of the projects published, 140 received funding after publication (9%). However, it is not appropriate to measure the success of the InvestEU Portal by its ability to match projects with investors, as this depends on several other factors, such as the project quality and investor interest (this is why the investment received by projects is not a direct objective of the Portal). In addition, these statistics are likely to underrepresent the actual proportion of projects that received funding following their publication on the Portal, due to the time lag and limitations in reporting.

[105] Response rate of project promoters: 3.8% of total published projects; response rate of investors: 3.1% of estimated number of registered investors.

[106] The majority of project promoters noted that registering their project on the Portal did not increase its visibility/exposure to investors (68% rated this as 1 or 2 out of 5) (European Commission project promoters and investors survey 2024: No of respondents: 57 project promoters and 14 investors.

[107] The majority of investors mentioned that the benefits of registering on the InvestEU Portal met their expectations (63% rated this as 4 or 5 out of 5), and that participation improved their awareness of investment opportunities (63%) (European Commission project promoters and investors survey 2024: No of respondents: 57 project promoters and 14 investors).

Matchmaking events[108] **were generally well-received**, especially joint ventures between the InvestEU Portal and partners like EBAN and EuroQuity/Bpifrance, which saw noteworthy engagement and participation from various stakeholder groups (project promoters/entrepreneurs, investors, financial institutions, industry leaders, government/policymakers, etc.). As a majority of the events focused on facilitating networking and collaboration between project promoters and investors, coaching and pitching events featured prominently among the array of events. The events were considered highly beneficial/value-adding, as evidenced by the significant number of connections forged between promoters and investors, resulting in an estimated EUR 13 million in secured investments over the course of the three years.

The InvestEU Portal has had limited benefits on the **quality of the projects**, according to project promoters[109]. However, there may be unobserved benefits from participation, as the Portal provides a structured environment that can enhance interactions between promoters and investors, potentially leading to learning opportunities for promoters and better-informed decisions by investors.

Investors generally see the value in registering on the Portal, **albeit not as initially anticipated**. In theory, the Portal provides an easy and efficient way to find projects that match their interests. However, as the Commission does not report on the number of registered investors, it is not possible to assess whether it has successfully generated interest within the investor community. Additionally, the Portal is not yet perceived as an effective tool for reducing investors' search costs in identifying worthwhile investments[110]. Interviews suggested that the effectiveness of the Portal in connecting projects and investors is diminished by the lack of active management and engagement with Portal users. The EuroQuity Portal offers some interesting strategies to address these issues, which are summarised below.

EuroQuity Portal: insights for InvestEU

The EuroQuity portal, established by Bpifrance in collaboration with KfW, exemplifies an innovative platform that effectively connects growth companies with development partners and investors. The service is available to all types of investor and advisory companies wishing to add their profile. Its advanced functionalities are reserved for companies based in France and Belgium, or belonging to a community. EuroQuity is operated by Bpifrance in France and by Wallonie Entreprendre in Belgium. Its goal is to gradually move into other countries, each time led by a major public operator.

A key factor behind EuroQuity's success is the strategic and active management of the portal by Bpifrance. A study conducted by Bpifrance comparing the fundraising success of companies listed on EuroQuity versus a control group highlighted the Portal’s effectiveness in connecting companies with investors.

Several innovative features contribute to EuroQuity’s effectiveness:

1. **Labelling and scoring system**: EuroQuity uses a labelling and scoring mechanism to enhance matchmaking possibilities. The EuroQuity Score (EQ Score) serves as a dynamic indicator of a company's activity and attractiveness on the Platform. This score is derived from various factors, including profile completion, news updates, likes, follows, membership in labels or communities, and the size of the extended network. An increase in EQ Score correlates with higher visibility and appeal to potential partners, ensuring more attention on EuroQuity events. This system effectively incentivises companies to remain active and engaged on the Portal.

[108] See thematic case study on matchmaking/pitching events organised by the InvestEU Portal.

[109] The majority of project promoters claimed that their participation in the Portal did not improve the quality of their project (77% rated this as 1 or 2 out of 5) (European Commission project promoters and investors survey 2024: No of respondents: 57 project promoters and 14 investors).

[110] The majority of investors said that the benefits of registering met their expectations (63% selected 4 or 5 out of 5), while for most it did not reduce search costs associated with identifying investment projects (71% selected 1 or 2 out of 5) (European Commission project promoters and investors survey 2024: No of respondents: 57 project promoters and 14 investors).

2. **Labels and communities**: Labels within EuroQuity denote affiliations with accelerators, competition centres, or certifications, grouping companies within similar innovation programs or incubators. Membership in these labels is important for calculating the EQ Score, enhancing a company's visibility and perceived value. Communities within EuroQuity foster interaction and engagement among members, creating a dynamic ecosystem that stimulates interest and collaboration.

For InvestEU, adopting similar strategies could bolster its Platform's success.

Finally, **the linkages between the Portal and the other two components of InvestEU, the Fund and the Advisory Hub, have not yet fully materialised**. The vast majority of respondents to the project promoters' survey had yet to use the InvestEU Portal[111]. While there is a requirement to share Portal projects with the Fund's IPs and the Advisory Hub's APs, the European Commission has no visibility of what partners do with this information, as there is no required feedback or follow-up. On the other hand, some IPs argued that the Portal does not reflect the way investment opportunities are identified and projects are generated in their business. According to them, most projects are not sufficiently large or developed to consider funding, a fact acknowledged by Commission officials. However, this is unlikely to improve without established feedback loops between the Commission and the IPs/APs. Upcoming IT upgrades are expected to improve the interoperability with the Fund and Advisory Hub.

5.2 Efficiency of InvestEU

5.2.1 InvestEU Fund

As demonstrated by previous EFSI evaluations, budgetary guarantee instruments such as InvestEU are inherently efficient for the EU budget, offering advantages over grants and financial instruments through their partial provisioning and higher multiplier effects. However, their operational efficiency can be impacted by various factors. These include operational challenges, significant delays and costs that affect the Commission and stakeholders (e.g. IPs, final recipients). This section examines the budget and provisioning aspects of the InvestEU guarantee, as well as aspects hindering its operational efficiency.

5.2.1.1 Multiplier effect

Based on operations approved by the end of December 2023, the estimated multiplier effect of InvestEU has exceeded expectations. The approved financing indicates an expected multiplier effect of 14.77 for the EU compartment, (against an expectation of 14.2). This means that for every euro of public money approved, an additional EUR 14.77 is expected to be generated in total investment. The expected multiplier effect for the Fund (both EU and MS-C) is expected to be slightly higher at 14.85. The InvestEU leverage effect is estimated at 5.62[112]. This indicates that for every euro from the InvestEU budget, EUR 5.62 of financing is expected to be provided to final recipients by IPs.

However, some caution should be exercised in taking these at face value. As previously indicated, these figures are based on approvals (given the early stage of the Programme) and as such, represent expectations rather than actual outcomes. Secondly, there is variation across IPs, with the data including both stand-alone and sub-operations for all IPs (where reported) except for the EIB which includes stand-alone operations and framework operations (and thus based on assumptions about future approved sub-

[111] Of the 25 respondents (66% of the total) that were aware of the Portal, only 16% (n=4) has used it. ICF's project promoter survey; number of respondents: 38 project promoters.

[112] This figure is not available for the EU compartment

projects). Finally, deep dives show that there are variations across IPs in the level of supporting information provided to underpin the calculations of leverage and multiplier effects. Established IPs base their assumptions on historical data and provide detailed explanations, while newer IPs tend to lack such specificity. Table 33 presents the reported multiplier effect by IP.

Table 33. Leverage and multiplier effect by IP (based on operations approved as of 31 December 2023, EU compartment and MS-C)

	InvestEU	InvestEU
	Leverage Effect	**Multiplier Effect**
EIB	2.63	14.15
EIF	8.72	16.44
CEB	3.14	6.29
EBRD	4.21	8.18
NIB*	4.20	432.07
CDPE**	3.50	8.80
	16.20	40.50
	5.70	14.20
ICO**	4.05	25.31
	3.90	3.90
	3.70	3.70
InvestNL**	2.00	4.00
	2.00	5.94
CDP**	2.00	2.66
	2.00	11.00
	2.40	8.40
Invest EU	**5.62**	**14.85**

*Source: DG ECFIN analysis with adjustments for double-counting. * Following the validation workshop, NIB explained that the very high multiplier effect in certain cases is a consequence of the very large scale of the supported investments and of the different layers in the capital structure, characterised by different risk profiles. However, NIB did not share the requested project documents with the evaluation team to understand the mechanics of the notably large multiplier effect. ** Data reported at operation level*

Table 34 provides an overview of the target and expected achievement of leverage and multiplier effects for past instruments. The InvestEU multiplier effect compares favourably against many past instruments, although some instruments (e.g., COSME equity and guarantee instruments, CEF risk-sharing debt instruments) yielded higher multiplier effects. It is important to note that various instruments, such as budgetary guarantees and financial instruments, have different underlying mechanisms for leverage and investment mobilisation. Likewise, there are differences between products (loans versus guarantees versus equity) and sectors. Hence, the comparative overview is not meant to indicate the cost-effectiveness of one instrument over the other, but rather to provide a broad understanding of their potential impacts and variations.

Table 34. Leverage and multiplier effect by Programme

Programme	Type of instrument	Financial Instruments/ products	Leverage effect (ratio)		Multiplier effect (ratio)	
			Target	Achieved*	Target	Achieved*
IPE	Budgetary guarantee	**EFSI comprising a range of debt and equity products**	N/A	13.00	15	15.75
Creative Europe Programme	Guarantee Instruments	**Cultural and creative sectors CCS Guarantee Facility**	5.70	5.70	13.39	9.76
CEF	Equity Instruments	**CEF Equity**	5.20	1.82	10.00	8.33
	Risk Sharing Instruments	**Risk Sharing debt instruments (CEF DI)****	N/A	2.88	6 to 15	24.02
COSME	Equity Instruments	**EFG (COSME)**	4 to 6	11.00	N/A	21.00
	Guarantee Instruments	**Loan Guarantee Facility (LGF - COSME)**	20 to 30	21.00	NA	26.00
EaSI	Equity Instruments	**EaSI CBI (Capacity Building Instrument)**	2.00	1.00	3.80	1.80
	Guarantee Instruments	**EaSI-G**	5.50	7.50	7.70	10.50
Erasmus+	Guarantee Instruments	**Student Loan Guarantee Facility (Erasmus+)**	6.20	0.97	6.20	0.97
Horizon 2020	Equity Instruments	**InnovFin Equity (H2020)**	6.00	7.49	11.40	14.23
	Guarantee Instruments	**InnovFin SME Guarantee (H2020)**	9.00	8.95	12.60	12.53
	Risk Sharing Instruments	**Horizon 2020 Loan Services for R&I Facility*****	9.09	5.95	18.18	15.24
LIFE	Guarantee Instruments	**Private Finance for Energy Efficiency Instrument (PF4EE)**	5.33	3.64	6.67	4.86
	Risk Sharing Instruments	**Natural Capital Financing Facility (NCFF)**	2 to 4	1.36	N/A	1.90

*Source: Draft budget of the EU 2024, working document part X and XI. *Figures as of 31/12/2022. **CEF Operational report (31/12/2022) reports different figures: target leverage effect = N/A; achieved leverage effect = x2.51; target multiplier effect = x6; achieved multiplier effect = x23.97. ***InnovFin Debt Operational report (31/12/2022) reports different figures: target leverage effect = x9; achieved leverage effect = x13.4; target multiplier effect = x18; achieved multiplier effect = x37.5.*

5.2.1.2 Consumption of EU guarantee

Only a small amount of the provisioning budget had been consumed by the end of 2023. By virtue of the InvestEU Regulation, a financial envelope of EUR 10.5 billion is envisaged for provisioning the InvestEU guarantee. Of this, EUR 39 million had been consumed by the end of 2023 under the EU compartment (see Table 35). As per the table, the Guarantee had mainly been used for administrative fees, funding costs and hedging costs. The programme is still in its initial phase, which explains the very modest amount of guarantee call claims up to now. As InvestEU is a guarantee instrument and does not offer liquidity, the EU guarantee is used to cover funding costs for the share of equity investments covered by the EU guarantee through the InvestEU Regulation. In a higher interest rate environment, these funding costs can become substantial (equity operations are long term), reducing the funds available for guarantee provisioning.

As the InvestEU portfolio is still young, the actual outflows and inflows are limited at this stage and as such it is **not possible to determine the net cost of the EU guarantee at this early stage.** The net cost of the EU guarantee can be calculated by adjusting the budgetary outflows to take account of the any inflows or revenue streams. Outflows include payments due to implementing partners upon: (i) calls on the EU guarantee resulting from defaulting loans; (ii) value adjustments of equity portfolios (accounting losses); (iii) impairments on equity operations; (iv) expenses such as funding and recovery costs incurred by implementing partners and exceptionally, reimbursement of the residual risk and the operational costs of certain types of operations[113]. Inflows include remuneration of the EU guarantee by the implementing partners and recovery proceeds.

Table 35. Consumption of EU guarantee (EUR), 31 December 2023

InvestEU Programme	Provisioning	EFTA Contribution	Claims 2022 -2023
EU Compartment (40%)	10,460,924,029	150,372,093	38,959,043
MS-Compartment	1,488,437,415	0	2,957,935
TOTAL	11,949,361,444		41,916,978

InvestEU Claims: EU Compartment

Description of cost type	2022	2023	Total
Guarantee Call Claims	70,470	3,174,784	3,245,254

[113] Article 18 of the InvestEU Regulation allows cost coverage of duly justified high risk operations in support of EU policy goals: “the coverage of such costs by the Union budget shall be limited to the amount strictly required to implement the relevant financing and investment operations, and shall be provided only to the extent to which the costs are not covered by revenues received by the implementing partners from the financing and investment operations concerned”

Administrative Fees	0	10,802,082	10,802,082
Cost of Funding for Equity and Hedging Guarantee Operations	1,512,220	21,857,821	23,370,041
Guarantee Call Claims paid out of Hedging Amounts	0	1,515,738	1,515,738
Interest on Hedging Amounts	807	25,121	25,928
TOTAL	1,583,497	37,375,546	38,959,043

InvestEU Claims: MS Compartment

Description of cost type	2022	2023	Total
Guarantee Call Claims paid out of Hedging Amounts	0	2,957,935	2,957,935
TOTAL	0	2,957,935	2,957,935

EU + MS compartments	1,583,497	40,333,481	41,916,978

Source: DG ECFIN; 2023 data include Q4 2023 claims paid in 2024.

5.2.1.3 Budget and provisioning aspects

A common provisioning fund as capital reserve

The mechanism set up in the Financial Regulation for all budgetary guarantees in the current MFF, including for InvestEU is very much based on EFSI. The EFSI and InvestEU provisioning needs are estimated ex-ante (upfront). One important feature has been changed for all EU programmes with provisioning. A Common Provisioning Fund (CPF) with a centralised treatment (reporting system, investment strategy, oversight) for budgetary guarantees was created. Basically, each EU guarantee programme is connected with an own compartment in the CPF where their provisioning is gradually built up. The CPF has a single investment strategy and any generated gains are reinvested.[114]

Payment appropriations to the CPF for InvestEU cumulated until 2023 for provisioning count to EUR 3.257 bn (excluding external assigned revenues).[115] For the whole implementation period of InvestEU provisioning is envisaged to reach EUR 10.5 bn with a target provisioning rate of 40%, in line with the stipulations in the InvestEU regulation.[116] There are two questions to answer: firstly, if the ramp up of the provisioning works without losses from the investment of the compartment of the CPF and achieving sufficient

[114] Draft General Budget of the European Union for the Financial Year 2024, Working document, Part XI, Budgetary Guarantees, Common Provisioning Fund and Contingent Liabilities, page 81

[115] Draft General Budget of the European Union for the Financial Year 2025, Working document, Part XI, Budgetary Guarantees, Common Provisioning Fund and Contingent Liabilities, page 23

[116] ibidem, page 87

revenues from the investment of the compartment and legacy portfolios. Secondly, if the provisioning covers the losses over the lifetime with a sufficiently high Value at Risk approach.

As regards the first question one would expect that a strategy of "hold to maturity" and investment of the money of the respective compartment in (relatively) short tenors can avoid any shortfalls. Unrealised losses for the InvestEU CPF compartment are reported with EUR 66 m for 2022 and 78 m for 2023.[117] In line with a prudent Treasury- Strategy, these unrealised losses are not expected to transform into realised losses.[118] Certain elements of the investment strategy of the CPF should be published, as well as which gains and losses were realised in the respective years.

InvestEU provisioning

The design of InvestEU was developed and approved in a period of time where interest rates for public entities were close to zero or even negative. This has changed, and the bullet 10-year German Bund bonds stand at the end of May 2024 at 2.66% p.a. There is no evident impact in respect to provisioning for the loan portfolios of InvestEU. However, higher interest rates could negatively impact the provisioning for equity operations. The guarantee of the Commission comes without liquidity.

The IPs for the equity operations need to secure liquidity from the investment either from the market or from a parent institution or by other means. The Commission has put in place a number of safeguards in this respect, including setting up funding cost buffers on top of the EU guarantee allocated to an IP in order to cover funding costs related to equity operations according to agreed methodologies (for the share of investments covered by the EU guarantee). The money comes from the provisioning envelope. A simplified estimate is listed below to show the potential order of magnitude related to funding cost:

- InvestEU volume EUR 26.2 billion, assuming 25% equity count for EUR 6.55 billion.
- Interest rate for such equity operations is assumed to be 2.6% per annum over 10 years.
- The result of EUR 1.703 billion has to be deducted from the overall provisioning of the equity operations, at EUR 2.62 billion (40%). In such an isolated consideration that assumes average 40% provisioning for equity and does not cater for the potential gains and revenues generated by the same equity portfolio, around 65% of the provisioning for equity operations could be used for coverage of funding cost.
- A broader consideration: the increase in the provisioning for InvestEU (loans and equity) by comparison to EFSI of 5% (35-40%) counts for EUR 1.31 billion. This could cover most of the interest rate payments for the equity operations.

It is too early to draw a final picture of this issue, as revenue, returns and potential losses will materialise over a period of several years – not to mention the evolution of, and the interest rate curve will evolve under the lifetime of the Programme. Annual reporting could usefully include an estimate of the share of the provisioning used to pay interest rates of the InvestEU equity operations over the lifetime.

---

[117] Ibid, page 87

[118] After this report has been written the new Draft General Budget of the European Union for the Financial Year 2025 was published. Working document, Part XI, Budgetary Guarantees, Common Provisioning Fund and Contingent, page 96, footnote 61 mentions that as expected the unrealised losses have gone: "Also including unrealised gains of EUR 73.351.517…"

Some standardisation has taken place in respect of the provisioning. The new equity operations under InvestEU receive EIF model-based provisioning estimates.[119]. These estimates replace the expert judgement (a kind of Delphi approach) for the old equity operations under EFSI. Such a step is logical also in respect to an given the increasing number of VD operations, being as QE is already close to equity products. With this standardisation, the methodological approach is similar for both product types and more comparable than before.

Taken together, the mechanisms of provisioning can be considered as stable and goal-oriented. Some new developments point towards standardisation and scaling; with each new product of the family of budgetary guarantees, the volume of liabilities is growing.

Combination of portfolios

According to Article 7, InvestEU Regulation (EU) 2021/523) a combination of portfolios has taken place between operations implemented by the EIB under InvestEU, D1 and D2 portfolios, with the already existing EFSI-IIW debt standard and debt hybrid portfolios. Losses and other guarantee calls will be covered pro rata from both portfolios. End of year 2023 the percentage of the newly created InvestEU First Loss Piece (FLP) to the total FLP in combined portfolio stand at 4.3% for the D1 portfolio and 0% for the D2 portfolio.

Impact of Value at Risk (VaR) consideration to increase volume of InvestEU

During the implementation of EFSI the provisioning rate was lowered from 50% to 35%. Given a fixed amount of the budgetary guarantee for EFSI, a significant increase of the total amount of signed obligations and thus of the volume of operations was made possible. EFSI was able to meet accordingly a higher share of the demand to boost investments.

Since InvestEU was approved as a successor programme to promote four strands of investment with the respective policy windows, several stakeholders worried about a potential mismatch between a high demand and a relatively moderate size of InvestEU. After a late start of InvestEU, the main implementing partner of the EU, the EIB Group, reported high demand well beyond the size of the investment programme. The Commission developed STEP, but instead of an additional proposed guarantee of EUR 10 bn only EUR 1.5 bn were approved and dedicated exclusively to the Defence Fund. Other potential levers to increase the InvestEU volume could be (i) blending operations with support from sectorial EU programmes, and (ii) attracting resources managed by MS such as EU Structural Funds or national Funds as well as RRF funds.

Looking into the technicalities of InvestEU, two further approaches could be considered, (iii) merging (even further) EFSI and InvestEU portfolios[120] to and (iv) lowering the confidence level of Value-at-Risk (VaR) over lifetime from 95% to 90%, both to support a higher volume of financing under InvestEU.

Different EU programmes show different levels of VaR over lifetime. Big portfolios such as InvestEU could be treated with a high level of prudence. A 95% confidence level of VaR points in this direction. Some smaller portfolios are treated differently with 90%. However,

---

[119] Email from DG ECFIN on 23 May 2024 (DG ECFIN).

[120] If this mechanism could be implemented it could be considered for other legacy portfolios and the respective investment support programmes as well

EFSD+ is a relatively new budgetary guarantee programme with VaR for lifetime at 90%, where the volume exceeds the volume of EFSI or the volume of InvestEU.

DG ECFIN estimates that the impact of a shift from 95% VaR over lifetime to 90% and based on the relatively small portfolio available as of end-2023 would imply that provisions required for the 90% VaR over lifetime would be some 11% smaller.[121]

One argument in favour of moving to a confidence level of 90% could be the positive track record since the start of EFSI. **The Commission can decide about the VaR level**.

As InvestEU is still in a relatively early stage, a change in the provisioning rate seems to be less logical. Within certain ranges (up to 15%[122]), it would require a **delegated act** of the Commission for the new generation of budgetary guarantees. A change in regulation is only needed for changes beyond this limit.[123]

If the Commission intends to increase the volume of InvestEU, a modest reduction of the confidence level of VaR required over lifetime of operations could be considered.

Reconsider combination of Portfolios in a different way

The volume needed to cover losses in reality is rather likely to be lower than the money put aside according to a VaR approach with a high level of confidence. Over time looking at predecessor programmes with an increasing number of exits or a higher volume of repayments, the real development shows if losses are e.g. closer to the expected loss or closer to the higher amount of the VaR approach. The calculation made by DG ECFIN for InvestEU at the early state of implementation results in an amount of the expected loss being rather half of the VaR with 95% confidence over lifetime. **One could bring the argument that the amounts taken from taxpayers' money to finance provisioning have to serve investment-support programmes rather than generating gains for a CPF.** Following this argument, the combination of portfolios could play a role. A **change in the regulation** seems to be required, if provisioning in predecessor programmes is not fully needed and should be re-used to increase the volume of InvestEU. One could and should wait until a success in the life cycle of an investment support programme is there - e.g. when an increasing part of operations is either repaid (loans) or sold (equity). It could be considered to take one part of generated gains to increase the "firepower" of CPF and to utilise another part to boost successor programmes in the next MFF respectively.

The impact of such an approach could be in the same order of magnitude as a modest reduction of the confidence level.

5.2.1.4 Factors affecting operational efficiency of the Fund

Pillar assessment

Most IPs indicated that the pillar assessment was cumbersome and lengthy, involving considerable administrative effort and time. One IP mentioned that it had a negative impact on the timeliness of the negotiation of the GA. Several IPs reported seeking external support, such as consultants, to manage the intensive, short-term workload and to mitigate risks arising from the complexity of the assessment. One IP suggested that the Commission could instruct external consultants on how to conduct a mock pillar assessment, which it considered crucial for facilitating the process for potential

[121] email 23 May 2024

[122] Article 29 (6) of InvestEU Regulation

[123] email 16 May 2024

IPs. Overall, the pillar assessment is seen as particularly burdensome for smaller IPs and could discourage other smaller NPBIs from participating in the Programme. While acknowledging that pillar assessment is a one-off exercise which is a prerequisite and necessity for delegating responsibility to IPs, there is a clear need for simplifications and efficiencies to be introduced.

Responding to EoI and negotiation of guarantee agreements

As detailed in section 4.1.1, the IPs/ APs encountered considerable challenges in the negotiation of GAs/ AAs and invested considerable time and effort in navigating the requirements of and responding to the call for expression of interest and subsequent GA/ AA process. These challenges and issues are not repeated here. But suffice to note that improvements and learning on both the Commission and IP/AP side should contribute to making the process more efficient in future, but further simplifications could be considered e.g. standardisation of financial structures.

Investment approval process

The investment approval process is labour-intensive, demanding extensive effort at various stages from both the Commission and the IPs. For IPs, this includes preparing documents, responding to inquiries, preparation and active participation in IC meetings, in addition to their own internal approval procedures. One small IP explained that it has three staff preparing policy check documents and five staff are involved in the entire IC documents and process. In total, it takes 8 to 10 working days to complete the process for each investment proposal submitted for approval, which is quite substantial. Project promoters and financial intermediaries have flagged the long lead times between submission of request for financing and contract approval and signature.

A primary concern highlighted by IPs in relation to the IC approval process is the redundancy in information requirements, which often mirrors the data needed for the policy checks. This creates a considerable overlap of effort, with one IP estimating that 70-80% of the information provided is duplicated across both processes. The forthcoming MIS developments are expected to resolve the issue, however. Some of the IC members interviewed mentioned that the guarantee request form (GRF) needs to be streamlined and redesigned to focus on information that allows them to assess additionality, such as syndication opinion (where applicable), ownership/ultimate shareholders in the project, sources and use of funds particular for equity, capital stack, risk, project IRR compared to others, etc. According to some IPs however, the IC information requests (e.g. ultimate shareholders in a project) tends to go beyond its narrow mandate of assessing additionality, raising questions about their role.

The IC relies on the quality of the submission documents, which were not optimal initially. To discharge its role, the IC needs to gather evidence in relation to market situation, book building / capital raising process, corporate and financial structures, project IRR as compared to others, sources and uses of funds etc. Through concerted effort, there has been an improvement in the quality of information provided by IPs. There is also a learning curve, implying lower effort needed over time.

Reporting requirements

The InvestEU Regulation foresees three main classes of reporting requirements: operational, financial and risk reporting. The GA also foresees additional “complementary reporting requirements”. Cumulatively, IPs must report to the Commission on a bi-monthly, semi-annual, and annual basis. The reporting requirements of the Programme stem from a combination of the Financial Regulation, State aid rules and InvestEU Regulation.

Most IPs highlighted the demanding nature of the reporting requirements, which they find burdensome due to their frequency and complexity. Some put the reporting requirements into perspective, arguing that they are not proportional to the actual contribution of the guarantee to the IPs' investments. Others compared them to other similar programmes, such as the EFSD+ or the Ukraine Facility, which they perceive as simpler. Indeed, one IP wondered why there are differences between the approach used by the Commission for InvestEU versus the EFSD+. Some IPs expressed challenges in adapting their existing reporting and monitoring systems to meet InvestEU requirements, including issues with definitions and alignment with sustainability proofing criteria. In addition, several IPs reported that the reporting requirements are disproportionately burdensome for smaller IPs and dissuade them from participating in the Programme. Overall, most IPs agreed that there is room for further streamlining of reporting procedures, as well as for improved flexibility and proportionality to ensure that they are not overly burdensome to the point of limiting the effectiveness of the Programme. Several IPs indicated that the risk template used by the Commission is not suitable for equity, having been designed with debt operations in mind. The Commission, however, considers the risk template to have informative content and obliges IPs to provide structured risk relevant information, irrespective of the nature of the underlying operation. The latest version of the risk template includes some additional fields specific to equity operations. In its position paper, ELTI highlighted the need to (i) reduce overlaps and inconsistencies between relevant rules (InvestEU eligibility criteria, state aid, financial regulation requirements, etc.); (ii) streamline reporting requirements in terms of deadlines, templates, and required information. In particular, the obligation of yearly audits and controls, reviewed by an external auditor, is considered a disproportionate burden by IPs (especially considering the fact that they have been pillar assessed).

The nature of the reporting can be overwhelming for target final recipients, **especially if they are SMEs, making financing less attractive to them**. In their responses to the open call for evidence, several stakeholders[124] flagged their concerns relating to disproportionate and burdensome (when compared to previous programmes) eligibility and reporting requirements. ELTI and CDP pointed out that the reporting requirements tend to penalise smaller projects (e.g. start-up/scale-ups, SMEs, small mid-caps, small municipalities), which must provide IPs with the necessary information to secure the loan/investment (e.g. Just Transition, gender aspects, KPIs/KMIs). The InvestEU reporting requirements thus represent a cost that not all final recipients can bear, especially compared to the financial benefits of the InvestEU guarantee. One IP noted that its choice of product to finance under InvestEU was constrained by the nature of the requirements that could be imposed on its reference financial intermediaries. According to several stakeholders, the reporting requirements are burdensome and more complicated than the previous programme.

Policy DGs on the other hand, have mentioned repeatedly that the information/data they receive is sub-optimal to deliver effectively the policy steer mandated by the co-legislators. At the PRDs, IPs/APs provide detailed information although these dialogues take place separately for each IP/AP and as such, it can be difficult for policy DGs to obtain a coherent and comprehensive picture.

Communication activities and visibility

[124] FranceActive, EAPB, Eurocommerce, AECM, representatives of MFIs

The Commission has undertaken a number of communication activities to promote the InvestEU Programme. Key promotional events include the launch event in March 2021, which saw unprecedented participation, with over 1 500 participants, and the high-level event ‘InvestEU: Financing Europe's Future’ in January 2024, which attracted 700 participants online and in person. Roadshows were held in almost all Member States, as well as Norway and Iceland, to promote the benefits of the programme. Specialised events such as EU finance days and sustainable finance days targeted stakeholders and Member States in relation to a specific policy window, and InvestEU was also promoted at prominent EU events such as the Brussels Economic Forum and the EU Sustainable Investment Summit. The Commission showcased successful projects made possible by InvestEU through regular press and social media activities. The InvestEU website continues to provide InvestEU-related updates through its News and Events section, which also includes a database of approved projects. A database of KPIs and KMIs will be launched shortly. Finally, other communication activities include an animated video explaining the basic concepts of InvestEU and its objectives, a dedicated InvestEU logo, and other promotional material.

The Commission's communication focuses on highlighting the role of InvestEU in supporting the EU objectives of economic recovery, green and digital transition, employment and prosperity across Europe by leveraging private investment. The target groups depend on the type of communication activity and may include financial institutions (potential and current IPs, financial intermediaries), investors and their organisations, project promoters and beneficiaries, legislators (European and national parliaments), representatives of Member States, the media and the general public.

In addition to activities to promote InvestEU to external stakeholders, the Commission has taken several measures to keep internal stakeholders informed. A bi-monthly newsletter is circulated to the Commission's internal stakeholders, highlighting past and upcoming events, as well as notable projects and signed agreements. Monthly communication and promotion calls are held with the policy chair DGs and the EIBG to discuss ongoing and planned activities. Regular articles on the Commission's intranet keep staff informed of the Programme's development. An annual meeting with the European Semester Officers ensures that updates are disseminated to all Member States. In addition, the DG ECFIN summer school includes a dedicated workshop on InvestEU.

Stakeholders emphasise the need for clearer communication and greater political ownership of InvestEU to enhance its visibility and public understanding. This evaluation cannot determine the success of internal and external communication efforts in promoting the InvestEU Programme, as this is beyond the scope of the study. However, stakeholders agree that effective communication is crucial for supporting the Fund's deployment and for expanding and diversifying the project pipeline. Some IC members noted that the Programme remains difficult to understand, with the wider public and stakeholders (beyond those directly involved) lacking sufficient awareness, knowledge, and understanding of how it works. This point was also made by some stakeholders in their responses to the open call for evidence. For example, Philea – Belgium highlighted the need for more awareness and training opportunities for foundations and philanthropic investors, while applauding the masterclass organised by EIF in October 2022.

Eurocommerce requested for better communication of what is available and clearer guidance on how to access not only InvestEU but also other public support. During the InvestEU event[125], a broad range of stakeholders emphasised the need to communicate the Programme's impact using simple, relatable metrics. An IC member suggested for example, that instead of reporting on new renewable energy generation capacity, it would be more impactful to report on the number of additional premises benefiting from this

[125] InvestEU: Financing Europe’s future, 23 January 2024

capacity, and likewise the increase in places for elderly or childcare. Additionally, some IC members called for greater political ownership of InvestEU as a key factor in enhancing its visibility and public understanding. Finally, communication between the Commission and Member States could also be improved: several Member States would like more proactive communication and reporting, as the annual progress report was not ideal for fine-tuning practices in the evolving Programme.

5.2.2 InvestEU Advisory Hub

5.2.2.1 Adequacy of budgetary allocation

By the end of 2023, 18% of the total advisory budget (EUR 69.8 million) had been utilised for 844 assignments (ongoing or completed), with all partners except CDP having utilised 33% or less of their budgeted allocation. The budget allocation for the EIB (71% of total allocation) for the period 2021-2024 includes several top ups, and resources from the PSLF. Over the period 2021-2027, the EIB is expected to implement at least 75% of the InvestEU advisory budget[126]. There is little information to judge the overall demand for Advisory Hub support, and as the situation currently stands, the budgetary allocation appears appropriate. The number of assignments is expected to grow steadily.

Table 36. Advisory Agreement budget allocation and utilisation, by AP, 31 December 2023

AP	Date of Advisory Agreement signature	Budget allocation (EUR)	Budget utilisation (EUR)	Number of ongoing & completed assignments	Budget utilisation as % of allocation	Average size of assignment (EUR)
Bpifrance	27 July 2022	10 135 896	3 377 798	449	33%	7 523
CDC	22 November 2022	5 000 000	38 004	3	1%	12 668
CDP	4 July 2022	6,700,000	5 277 276[127]	120	79%	43 977
CEB	26 January 2023	8 090 270	1 133 000	4	14%	283 250
CINEA	28 August 2021	20 000 000	321 000	9	2%	35 667
EBRD (including MS-C)	9 February 2023	60 230 000	3 244 389	75	5%	43 259
EIB (including top-up)	4 March 2022	274 000 000	56 444 108	184	21%	306 761
Grand total	**/**	**384,156,166**	**69 835 574**	**844**	**18%**	**82 744**

Source: DG ECFIN.
Notes: Estimated EU contribution based on signed Advisory Agreements, including top-ups and MS-C contributions.

[126] A budgetary envelope of EUR 430 million has been dedicated to advisory support, the Portal and other accompanying measures.

[127] This budget utilisation represents the estimated assignment costs and commitments which combine the, combining EU contribution and contribution from the AP contributions (EUR 4 847 460).

Most APs have utilised the majority of their budget towards project advisory (54% across all partners), except CEB, whose assignments have primarily focused on market development, and the EBRD, which has directed most of its support towards capacity-building. While the EIB has utilised around half of its budget for project advisory, its assignments also have a strong focus on capacity-building to provide technical assistance. While the APs are utilising budgets so as to best serve their clients' support needs, collectively they provide a strong support network across different types of advisory support. However, at present it is hard to say how the advisory support corresponds to exact demand for specific advisory assignments.

Table 37. Budget utilisation towards advisory support activities

AP	Capacity building (in million)	%	Market development (in million)	%	Project Advisory (in million)	%	Budget utilisation (in million)
Bpifrance	0.00	0.0%	0.00	0.0%	3.38	100.0%	**3.38**
CDC	0.00	0.0%	0.00	0.0%	0.04	100.0%	**0.04**
CDP	1.66	31.5%	0.00	0.0%	3.62	68.5%	**5.28**
CEB	0.17	15.0%	0.92	80.8%	0.05	4.1%	**1.13**
CINEA	0.10	29.9%	0.00	0.0%	0.23	70.1%	**0.32**
EBRD	1.72	52.9%	0.27	8.3%	1.26	38.8%	**3.24**
EIB	19.11	33.9%	8.06	14.3%	29.28	51.9%	**56.44**
Total	**22.75**	**32.6%**	**9.24**	**13.2%**	**37.84**	**54.2%**	**69.84**

Source: Advisory Hub data at end-2023.

5.2.2.2 New governance structure and associated costs

The Advisory Hub was intended to increase efficiencies and avoid overlaps by centralising a number of existing advisory programmes and widening the scope of intervention under the InvestEU Programme. Hub initiatives cover several types of advisory activities across sectors. In doing so, they have also absorbed several European Commission-funded advisory programmes from the previous MFF. The European Commission is responsible for the Hub's budget, and acts as the central request register and reporting centre. This has created a new governance framework, updates to reporting methods, and content.

While this increase in scope presents an opportunity to increase efficiency, it also creates some complexity in applying a standardised approach across different types of advisory initiatives. The intention was that returns to the widened scope should prove positive over time. Realising the potential efficiencies from grouping a wide range of advisory activities will take time, and complexity will be the limiting factor, both in terms of set-up and over the period of implementation[128]. This includes detailed reporting requirements, especially for tracking each combination of Hub initiative and source of funds[129].

[128] EIB, *InvestEU Advisory Hub Annual Technical report,* July – December 2022.

[129] Ibid.

The InvestEU Advisory Agreement mandate was adjusted to the existing architecture implemented under its predecessor, the EIAH. However, the experience from EIAH implementation did not prepare for the additional complexity and coordination required. The set-up costs were likely underestimated in the short term, notably the requirements for adapting systems, organisational structures, and reporting frameworks[130]. In addition, given that JASPERS is integrated in the mandate, another level of complexity is included, increasing coordination efforts. This complexity also limits the desire to include new and smaller top-ups in the mandate, due to increased administration costs. The InvestEU Advisory Hub Annual Technical report for EIB (July-December 2022) highlighted significant set-up costs and coordination costs of the Hub. Efficiency over time would be increased if there were ways to streamline the coordination costs. The Commission did not impose a specific structure for the implementation of the InvestEU Advisory Hub within the EIB.

5.2.2.3 Communication activities and visibility

The relevance of the Advisory Hub could be better communicated and reinforced to showcase its value. It seems as though the recipients rate the support received very highly, yet there are issues with understanding the entire service offer and what it can deliver in practice (taking into account the early stage of implementation) among all the stakeholder groups.

The InvestEU Advisory Hub is not well known by potential recipients or IPs beyond flagship initiatives, such as ELENA – the European Local Energy Assistance, which is known for its own brand. Awareness of the entire spectrum of the Advisory Hub offer under the InvestEU is therefore lacking beyond brand recognition. Potential recipients have limited knowledge of products provided by the InvestEU Advisory Hub and partial visibility of the exact types of 'products' on offer for recipients, beyond a headline topic such as 'project advisory'. Some recipients interviewed as part of the deep dives were of the believed that the scope of the InvestEU advisory services could have been more clearly communicated. It was difficult for potential recipients to ascertain the actual scope of advisory services. Typically, they attempted to determine the scope by referring to marketing information available on the APs' websites. However, the general feeling was that it was very difficult to understand the exact details of the support offer. As a result, the assessment of the justification for utilising the support proved to be a demanding and sometimes a complex process. Only once when recipients spoke to the AP did the full offer become clear.

The results from the project promoter survey furthermore highlighted that while the majority of the respondents (68%) were to some degree aware of the Advisory Hub support, the vast majority of them to some degree, most (85%) had not made use of the Advisory Hub's services[131]. This is likely because projects are ongoing and there is lead-time for advisory services to take effect. However, it suggests room for improvement in showcasing the Advisory Hub's service offer and the benefits of the service to project promoters.

Some IPs questioned the value or relevance of the Advisory Hub to their specific sector/area due to the lack of deep understanding of the specialist market segments. There is a perception that the Advisory Hub is unable to effectively support the development of the pipeline for social projects and microfinance or for digital projects in areas such as cloud and edge computing. Yet, there is evidence to suggest that effort is taking place, but at an early stage and not yet visible yet in terms of it having been

[130] Ibid. No further qualification or quantification for the statement is provided in the report.

[131] ICF project promoter survey: number of respondents: 38 project promoters. Survey directed to existing project promoters under the InvestEU Fund.

translated to a strong project pipeline. For example, the EIB Advisory for Microfinance and Social Enterprise Finance has 50 ongoing capacity -building assignments ongoing, 44 of which target financial institutions and 6 of which target SMEs. It is therefore conceivable that the results of these activities will materialise in the future. For some of the more emergent /niche technological sectors, speciality knowledge may be lacking on one hand and the market may not be mature enough for a wide-scale commercial application, limiting adoption on the ground. Together with the lead time to deploy advisory support, this reflects the early stage of the advisory services provided and the InvestEU's ambition to develop an investment pipeline in innovative and underserved areas where promoter capacities and supporting market and ecosystems still need to be developed.

5.2.3 InvestEU Portal

The resources allocated to the InvestEU Portal have been quite limited, which may partly explain why it has yet to live up to expectations. The activities that have proven successful, such as the partnerships and matchmaking events, require comparatively more financial resources. Evidence on the commitments to and the cost of the Portal activities is limited. This evaluation gathered estimates that can be useful to contextualise the efficiency of the Portal, based on the information provided by DG ECFIN:

- **Human resources within DG ECFIN** in charge of managing the InvestEU Portal: Three officials (dedicating about 90%, 80%, and 50% of their time, respectively), amounting to about 2.2 full-time equivalents (FTEs)[132].
- **Events and partnerships**: The estimated cost per event, typically organised in partnership with the EBAN and ENRICH is about EUR 30 000. Additionally, the two-year partnership with EuroQuity amounts to roughly EUR 35 000 per year[133]. Table 32 compares these estimated costs of events and partnerships with the number of events organised, aggregated from 2021 to 2023.

Table 38. Estimated costs of events and partnerships, 2021-2023

Partner/organiser	No of events	Total cost (EUR thousand)
EBAN	7	210 (e)
ENRICH	4	120 (e)
EuroQuity	11	70
Other	26	780 (e)

Source: ICF calculations. Notes: e = estimate, assuming unitary cost per event is equal to EUR 30 000. Several factors influence the actual cost of an event, primarily whether it is held onsite or online. Over the three years, at least half of the events were entirely onsite.

- **Commitments for communication activities**: each year, an average of EUR 91 000 is committed to communication activities[134] (Table 33).

[132] Interviews with European Commission officials.

[133] Ibid.

[134] Budget of the InvestEU Portal, 2021-2023.

Table 39. Budget commitments to communication activities

Year	Commitments (EUR thousand)	No of operations
2021	91	7
2022	109	3
2023	75	3

Source: Data provided by DG ECFIN

Despite the efforts, **the Portal is not very visible to potential investors or project promoters**, even among those that benefited from the InvestEU Fund or Advisory Hub. Indeed, the project promoter survey revealed that one-third of the project promoters that benefited from the InvestEU Fund were not aware of the Portal services[135]. Similarly, investors agreed that the Portal is not a well-known tool among the investor community[136].

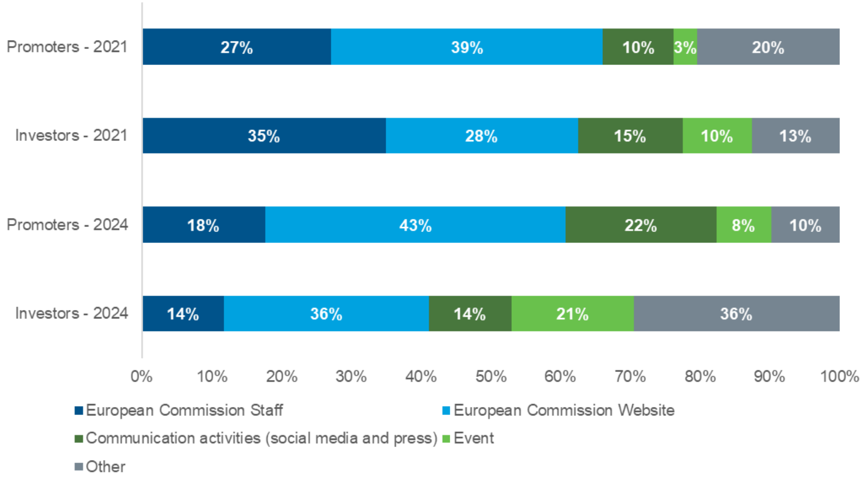
Figure 34 shows the channels through which project promoters and investors were made aware of the Portal, according to their answers to the 2021 and 2024 iterations of the survey[137]. The European Commission's website remains an important communication channel, while the role of Commission's staff, predominant in the early life of the Portal, has decreased over time. Communication activities seem to have grown as a driver of awareness of promoters, which is evidence of the successful outcome of these activities. On the other hand, events and 'other' channels, which may include word of mouth, are increasingly significant communication channels for potential investors. According to the Portal's partners, there is room for improvement in promotion strategies, such as diverse activities and events to engage a wide set of investors and project promoters.

[135] 4ICF Project promoters survey (N=38): 34% of respondents unaware of the Portal; 18% had only heard of the Portal. Of those that were aware of the Portal, only 16% (n=4) had used it..

[136] 86% of investors said that the InvestEU Portal is not a well-known tool among the investor community to search for investment opportunities (European Commission project promoters and investors survey 2024: No of respondents: 57 project promoters and 14 investors).

[137] 'Where did you hear about the Portal?': the category 'Communication activities (social media and press)' includes the press, LinkedIn, Facebook and Twitter, and excludes InvestEU communication activities, as that option was not present in the 2021 survey (European Commission project promoters and investors survey 2024: No of respondents: 57 project promoters and 14 investors).

Figure 34. Communication channels – survey responses, end-2021 vs start-2024



Source: DG ECFIN surveys of project promoters and investors registered on the Portal

5.3 Coherence of InvestEU

5.3.1 Internal coherence of the InvestEU Programme: linkages between the Fund, the Advisory Hub and the Portal

The Advisory Hub is expected to play a key role in supporting the deployment of the Fund. Advisory support is crucial to generate project pipelines in line with EU policy objectives, build capacity of less sophisticated clients, and build non-existent or nascent markets. APs have clear targets for the share of support that should go to projects with the potential to feed the InvestEU pipeline and that align with policy objectives (minimum 50%).

The Advisory Hub nurtures investment eco-systems in several key areas. For example, working closely with the EIF, it provides interested mandators tailored support to foster the growth of the financial ecosystem investing in digital innovation across the EU. Through bilateral technical assistance, the Advisory Hub provided support to NPBIs in Finland, Slovenia and Croatia and is currently providing support to ICF in Catalunya, Spain, on accelerating technology transfer in their markets, enabling new investments, IPs and eventually spin-offs to market. Outputs includes manuals on the transfer for investors, fund managers and universities in the defined countries.

The EIF is developing a more structured approach to support first time funds. This can include the incubation of financial intermediaries in the digital sector, aiming to improve their readiness level through training, e-learning and feedback.

Ahead of entering into an agreement with EIB for the deployment of the InvestEU Advisory Hub, EIF and EIB/Advisory Services delivered a number of market development activities in a wide range of thematic products supported by InvestEU, with a significant impact in the market. These activities were particularly timely in supporting the launching of InvestEU and included:

- **Climate** and **Environment**: Development of the InvestEU Sustainability Guarantee Tool, webinars to FIs on climate action & environment solution-related topics, promotional video on the InvestEU Sustainability Guarantee Product, etc.
- **Enabling sectors**: support to space, semiconductors and blue economy, via events/webinars.

- **Social** and **Skills**: supporting the Year of Skills by developing market intelligence, masterclass for foundations and philanthropic organisations, etc.
- **Gender**: launching 'Empowering Equity', an FOAK initiative to increase women's representation in the equity market.

IPs highlighted some challenges in linking advisory services to the InvestEU financing. One explained that this is partly due to the low level of awareness among promoters of the Advisory Hub and the InvestEU Programme in general, and that more knowledge-sharing with other IPs and the Commission would be beneficial. Another explained that it mostly provides advisory services to support projects at later stages, while the timeframe limits the possibility of using these services to 'originate' a project that could then be financed by the InvestEU Fund. Similarly, another IP argued that the 50% target is too ambitious. In order to promote the advisory component of the programme, the funding for the next calls or expression of interest for the Advisory Hub should be at least as high as that made available in the first round of calls.

5.3.2 External coherence

InvestEU and the RRF are two different but highly complementary instruments. NGEU is the EU's landmark instrument to support the socioeconomic recovery from the COVID-19 pandemic. Both the RRF and InvestEU are part of NGEU. The funds used to provision the EU guarantee come partly from NGEU. The RRF serves as the centrepiece of NGEU and was conceived to complement the 2021-2027 MFF and provide the financial support needed to step-up the implementation of sustainable reforms and related public investments in the Member States[138].

Both InvestEU and RRF are expected to make significant contributions to the green and digital transition. For green and digital objectives, RRF targets 37% and 20% of planned expenditure, respectively, to be met by each national RRP. Priorities are aligned with InvestEU. However, RRF funding is more likely to go to familiar business models and well-tested technologies, while InvestEU tends to support more next-generation technologies. The mid-term evaluation of RRF confirmed that countries prioritised 'mature' projects under their RRPs, which could have been financed under the Cohesion Policy funds.

RRF contribution to the green and digital transitions

Green transition

As of end-May 2024, EUR 34 billion has been disbursed towards the green transition pillar: EUR 20 billion in grants and EUR 14 billion in loans.

80% of the funding went to three top priorities:

- **Energy efficiency** (29%), including financing of energy efficiency renovation schemes, renovations of public buildings, and construction of new highly energy efficient public and private buildings.
- **Sustainable mobility** (28%), including railway infrastructure, e.g. construction, renovation and electrification of train lines, procurement of zero-emission trains (electric and hydrogen fuelled), rail connectivity investment, urban transport (metro and tram extension), electrification of bus fleets, cycling paths), support to EVs and charging stations, alternative fuels infrastructure.
- **Renewable energy and networks** (23%), including investments in renewable energy generation, mostly mature renewables technologies (e.g. construction of offshore or onshore wind energy farms, PV panels, construction of industrial sites using renewable energy, biomass-based renewable schemes, biofuel and biomethane facilities), as well as innovative or value-added

[138] Recital 8 Regulation (EU) 2021/241.

renewable energy generation (e.g. technologies integrated into buildings and production processes), energy networks and infrastructure (deployment of energy storage, district heating networks, electricity interconnectors and smart grids), investments in hydrogen (from production to transport, storage and finally end-use in hard-to-electrify industrial sectors and some transport modes).

Digital transition

As of end-May 2024, EUR 23 billion has been disbursed towards the digital transition pillar – EUR 14 billion in grants and EUR 9 billion in loans.

88% of the funding went to four top priorities:

- E-government, digital public services (including digitalisation of transport) and local digital ecosystems (33%), including investments integrating advanced technologies in government processes (digital identity cards, government cloud), digitalisation of healthcare (digital health platforms, interoperabilty and security, telemedicine), digital infrastructure and IT systems for the justice sector, digitalisation of transport and energy systems.
- Digitalisation of businesses (21%).
- Digital capacities and deployment of advanced technologies (18%), including investments in connectivity (backbone/backhaul networks, fixed VHCNs, mobile very high-capacity access, fibre backhaul for mobile base stations).
- Human capital in digitalisation (16%).

Source: Recovery and Resilience Scoreboard and thematic analyses.

Through the MS-C of InvestEU, Member States can invest part of their RRF funds in dedicated financial products offered by one or several IPs (see section 4.1). Member States can also set up their own financial instruments with RRF, in which case there is less potential for synergies, and even some risk of overlap/competition. It is beyond the scope of this evaluation to look at coherence/overlaps/competition with these national instruments set up with RRF.

There are co-financing opportunities with the Innovation Fund. The Innovation Fund is the EU funding programme supporting the commercial demonstration of innovative low-carbon technologies, with a focus on energy and industry. It is endowed with around EUR 40 billion[139] for the period 2020-2030, financed from the auctioning of EU Emissions Trading System (ETS) allowances. Unlike other funding programmes that may support early-stage research and development, the Innovation Fund specifically targets the commercial demonstration phase of innovative clean technologies. Its positioning is thus more similar to InvestEU, and they share the objective of attracting additional public and private resources; however, it provides grant support (financial instruments can be used but only through InvestEU blending operations). There are synergies between the Innovation Fund and InvestEU at several levels and it is possible to combine support of InvestEU and Innovation Fund for a specific operation. The Innovation Fund contributed within a blending operation of EUR 220 million to the EU-Catalyst Partnership, which will help the EIB to increase the firepower of its green transition thematic product deployed under InvestEU.

Both the European Institute of Innovation and Technology (EIT) and the European Investment Council (EIC) permit companies to reach the development stage and facilitate InvestEU investments. Both are established under Horizon Europe and have

[139] The Innovation Fund's total funding will depend on the carbon price. The EUR 40 billion estimate was calculated using a carbon price of EUR 75/tCO_2 (European Commission, What is the Innovation Fund, n.d., https://climate.ec.europa.eu/eu-action/eu-funding-climate-action/innovation-fund/what-innovation-fund_en).

budgets of EUR 3 billion[140] and EUR 10.1 billion[141], respectively. Both instruments aim to expedite the transition of innovation to the market and transform research into products and services.

The EIT aims to deliver solutions to specific societal challenges by developing innovation ecosystems through a geographically distributed network of thematically focused knowledge and innovation communities (KICs), bringing together higher education institutions (HEIs), research organisations, industry and other stakeholders. EIT KICs can act as investors and have equity portfolio in start-ups / /scale-ups they support in their respective sectors. KICs provide value-added business acceleration and creation services in exchange for equity. They can also offer advisory services for projects and, as well as equity placement and access to private finance services to supported startups / scaleups/scale-ups.

The EIC is (comparatively) more narrowly focused on supporting game-changing innovations. Under one of its core schemes, **the EIC provides blended finance** (a combination of grants and investments) directly to individual companies, primarily startups and SMEs. The investments are managed by the EIC Fund and can take the form of direct equity or QE investments. The EIC's funding is designed to nurture innovations from early-stage research and proof of concept to technology transfer, financing, and the scaling-up of startups and SMEs. By allowing companies to progress through various development stages of their innovations, it makes them more ready to tap into InvestEU investment opportunities. The risk profiles of companies supported by the EIC and InvestEU thematic products are seen as highly complementary, as evidenced in the low participation rate of InvestEU sponsored equity funds in EIC Fund -supported entities: the EIC provides these companies with direct equity and grants, while InvestEU thematic products support them with larger QE investments when they enter into scale -up phases or require project finance.

EIT, EIC, and InvestEU products collectively cover different stages of a company's lifecycle, from pre-seed to growth and expansion. InvestEU covers all development stages, from start up, to early growth and to scale -up, with both equity and debt products, while the EIC focuses on the early stages and delivers direct equity products combined with grants. Mapping these products can help to identify any potential gaps or areas of overlap, although interviews suggested that overlaps are likely limited due to the specific nature of the support each programme provides. For example, EIT KICs can provide equity funding up to Series A-B via KICs business creation activities and some KICs facilitate access to investment funds initiatives, focusing on early-stage startups and innovative projects that require initial capital to develop their ideas, while the EIC targets very high-risk companies that are often beyond the risk-bearing capacity of InvestEU. The EIC offers both equity and blended finance, supporting breakthrough innovations that have the potential to create new markets or disrupt existing ones. There can be gaps in providing financing for companies that look for patient, expert investors with risk tolerant capital, but for larger amounts than the current EUR 15 million limit for EIC Fund investments. Under InvestEU there are no such limits and relevant financial products are already available, but there is a lack of sufficient capacity at Programme level to fill in this gap. This issue should have been addressed by the Commission proposal, including a budgetary reinforcement for InvestEU and the EIC, for the STEP (Strategic Technologies for Europe Platform) legislation, but such budgetary reinforcement did not not materialise. Mapping the products and services offered by EIT, EIC, and InvestEU can reveal opportunities for synergies and ensure a seamless support system across the entire

[140] European Institute of Innovation and Technology, EIT at a glance, n.d., https://eit.europa.eu/about-us/eit-glance

[141] European Innovation Council, website, n.d., https://eic.ec.europa.eu/index_en

lifecycle of a company. Additionally, there may be scope for synergies between the activities of the InvestEU Advisory Hub and the EIT, particularly in ecosystem building. The Advisory Hub is already collaborating with the EIC and EITs for pipeline building (e.g. a pilot initiative is underway to provide advisory support for EIC portfolio companies to facilitate access to EIB VD/QE, and a ‘feeder channel’ has been established with EIT Urban Mobility). Similarly, EIT Health is collaborating with EIF through the Venture Centre of Excellence, where life science companies receive support for their Series A, B and up to pre-IPO fundraising rounds.

InvestEU has synergies with several other EU programmes through blending operations. The following EU sectoral programmes have made contributions through blending top-ups to the financial products of EIBG: Horizon Europe, Digital Europe, European Space Programme, European Maritime Fisheries and Aquaculture Fund, Creative Europe, European Defence Fund, EU ETS Innovation Fund. This increases the InvestEU firepower. Linked to these blending top-ups, policy DGs (e.g. DG MARE[142], DG DEFIS[143]) often run capacity-building initiatives and matchmaking platforms. These are highly thematically focused and run separately from the Advisory Hub and Portal.

5.4 EU added value of InvestEU

5.4.1 InvestEU Fund

Several dimensions of EU added value in the InvestEU Programme are discussed in other sections of the report:

- **The diverse range of products offered under the Programme** (see section 4.1), addressing market failures and suboptimal investment conditions that Member States alone are unable to address. The EU added value of the Programme is particularly evident under the SMEW, where debt and equity products have become increasingly thematic, offering products not (sufficiently) available in many Member States (e.g. sustainability guarantees, innovation and digitalisation guarantees). Equity products support cross-border funds and investments (which national promotional schemes are unlikely to support), specific technologies and areas relevant for the EU’s strategic autonomy (e.g. space, semi-conductors). In other windows, QE and VD products have been developed that are not available under national programmes or NPBIs in many Member States.
- **Enhancing the risk-taking capacity of NPBIs**. The InvestEU Fund enhances the risk-taking capacity of NPBIs by allowing them to finance riskier counterparts or projects, or deploy riskier products in areas requiring de-risking of private investment.
- **Developing common standards**. Several IPs highlighted the benefits of their engagement with the Programme, such as building knowledge and common understanding/standardisation across IPs on additionality and sustainability proofing.
- **The possibility to set up MS-Cs to address specific national needs.** For the MS-C, a key advantage is the more extensive use of the beneficial terms that InvestEU can offer (e.g. higher guarantee rates, lower collateral requirements) in the local markets, and the support of investments that would be difficult to finance

[142] European Commission, BlueInvest, n.d., https://maritime-forum.ec.europa.eu/theme/investments/blueinvest_en

[143] Cassini matchmaking, website, n.d., https://www.cassini.eu/matchmaking/home

through domestic banks. The capacity-building element of InvestEU in general and MS-C in particular for the national financial ecosystems was also highlighted, especially for sustainability proofing and climate-tracking. Some stakeholders noted that the exchange of know-how between Member States and with the EU institutions could be enhanced. Finally, the reputational benefits of the EU label that accompanies products offered under the MS-C were acknowledged to enhance the attractiveness and successful uptake of the instrument in the market.

- **Financing of multi-country operations.** Approx. 9% of the signed operations involve multiple countries (totalling EUR 1.76 billion) and this figure is likely to grow as the portfolio develops. In addition, 4% of the Advisory Hub assignments are multi-country.
- **A combination of advisory and financing.** Many NPBIs/Member States do not have a combined offer of advisory services and financing, and the advisory services available at a national level tend to have a narrower scope. The combined offer of InvestEU with the extensive sectoral and geographic scope of the financing and advisory services offered is a key element of EU added value.

5.4.2 InvestEU Advisory Hub

Although the InvestEU Advisory Hub initiatives are in the early stages of implementation, preliminary insights into EU added value are possible. In particular, the Advisory Hub add value through the unique level of expertise it provides via several advisory initiatives and assignments across the seven partners.

In many ways, the InvestEU Advisory Hub is similar to its predecessor, the EIAH, and some of the core findings from the EIAH evaluation[144] are transferable to the current context. The advisory support under EIAH was found to add particular value through its specific EU-level expertise, while maintaining close links to local contexts. The outputs produced were transferable to other local contexts, the level of expertise was highly valued by recipients, and Hub/EIB/EU involvement gave credibility to the results from the assignments, enhancing their future implementation and access to finance. More specifically:

- The EIAH team, like EIB experts in general, was seen as best placed to advise on EU regulatory requirements (such as cost-benefit analysis (CBA), environmental impact assessments (EIA), compliance with EU taxonomy, etc.).
- The potential to learn from other Member States' best practices or mistakes was highly valued. When materials such as guidelines were developed as part of Hub assignments, special attention was paid to ensure that they were useful in other contexts too.
- Overall, the level of expertise provided by the EIAH or EIB services was highly, or very highly, valued by recipients.
- There was a seal of approval aspect, with the Hub/EIB/EU involvement giving credibility to a diagnosis or to newly developed strategies and plans. This was seen to facilitate their future implementation and financing.

Early evidence suggests that these points are/will be realised through the InvestEU Advisory Hub support.

[144] ICF, *Study supporting the ex-post evaluation of the European Strategic Fund for Strategic Investments, following Regulation 2017/2396 (EFSI 2.0),* 2022.

Evidence suggests that the high quality of InvestEU Advisory Hub services is an important factor in EU added value, as is the ability to target the service to the needs of the recipient. Representatives of recipients who obtained advisory services stated that the high quality of services stemmed from a good understanding of needs when defining the scope of advisory assignments and competitive selection of direct service providers (where relevant). This also had significance (and a positive effect) in monitoring the progress of advisory services and periodically consulting on matters related to the scope of advice and timeliness of delivery (coordinated and supported by the AP, in consultation with the recipient).

While alternative means of advisory support are available to recipients, those that sought InvestEU Advisory Hub support specifically sought advice that would enable them to gain high level of expertise from a very reputable provider. The evidence from the EIAH evaluation noted that even if other advisory services were available, the same levels of expertise or quality were not often readily available from other institutions. Advisory Hub assignments often rely on a mixed use of EIB internal experts and external service providers, involving active involvement of the EIB experts in supervising and reviewing the work of the external service providers to ensure quality and timely delivery, adding value. The interviewees for this evaluation concurred.

The InvestEU Advisory Hub services cover all 27 Member States with an uptick in the number of assignments and budget utilised towards assignments in Italy and France, whose NPBIs are directly involved in providing advisory services. The EIB and EBRD make particularly significant contributions to widening the geographical coverage of the InvestEU advisory service. The involvement of NPBIs increases local presence, facilitates client proximity, leverages local knowledge, and develops close partnerships on the ground. The EU added value of NPBIs may not be apparent unless their unique targeting of home jurisdictions with language proximity is interwoven with the overall advisory support, freeing resources from other APs to target support across several Member States. It would be important to show how the complementarity is incorporated and built into the wider InvestEU Advisory Hub service offer. There is potential to leverage the expertise and knowledge of all APs, which could facilitate closer partnerships between Advisory Hub support providers and free up resources to target areas complementing the NPBIs and the EIB, EBRD, CEB and CINEA. Having said that, the EU added value of some national advisory initiatives needs to be more clearly spelled out. For example, Bpifrance advisory initiatives (Industry 4.0 diagnosis and Ukraine initiatives) have supported companies with an average revenue of EUR 8.2 million[145]. It is not clear from the documents why companies with this level of turnover require EU funded support as they seem to generate sufficient turnover to pay for the advisory support.

5.4.3 InvestEU Portal

The InvestEU Portal's EU added value is not clearly defined, due to its limited effects on the visibility of projects and usefulness (see sections 5.1 and 5.5). Nevertheless, the EU-wide scope of the Portal is considered a major advantage by project promoters and, to a lesser extent, investors. Indeed, the Portal's EU-wide coverage was an important reason for 80% of project promoters and 50% of investors registering on the Portal[146].

[145] Bpifrance Annual Technical Report (unstructured) covering the period 01/05/2022 to 30/04/2023

[146] European Commission project promoters and investors survey 2024: Number of respondents: 57 project promoters and 14 investors.

The majority of project promoters and investors found the Portal's unique features a compelling reason to use it[147]. For example, the Dealflow.eu and the Cassini matchmaking platforms have more targeted sectors and audiences than the InvestEU Portal, with the latter aiming to be much broader in scope. Other platforms, such as EuroQuity, have a well-defined geographical scope that does not cover the whole of the EU. However, given the resource constraints faced by the Portal, the partnership with EuroQuity is proving instrumental to enhance capabilities, especially through events such as e-pitching sessions and investors' office hours. These events were well-received by participants and provided useful learning opportunities for all parties.

5.5 Relevance of InvestEU

5.5.1 InvestEU Fund

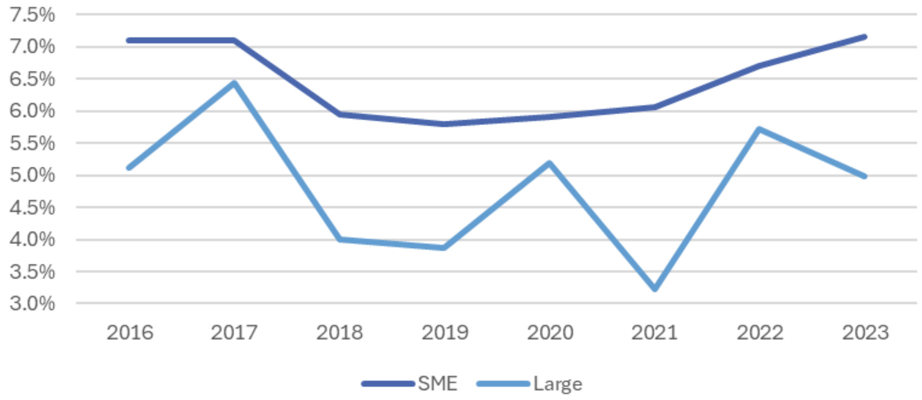
5.5.1.1 Investment needs of the EU

Since the adoption of the InvestEU Regulation in 2021, the EU's investment needs have grown significantly, amid geopolitical shifts, macroeconomic uncertainty and the EU's eroding global competitiveness. A full literature review is presented in Annex 5, and this sub-section presents some of the key findings examining the relevance of the InvestEU Fund in the context of market failures and suboptimal investment situations in the EU.

- **Persistent financing gaps and investment obstacles for SMEs:**
  - In 2017, the SME debt financing gap was EUR 177 billion (1.1% of EU-28 GDP in 2018) and the equity gap was EUR 3 billion (0.2% of EU-28 GDP in 2018). While these gaps remain significant, initiatives such as COSME and InnovFin have reduced them by addressing high-risk areas and leveraging private sector resources.
  - SMEs face greater financing obstacles than larger firms (Figure 35 and Figure 36), including higher rejection rates for bank loans and higher borrowing costs. The ECB's 2023 survey on the access to finance and enterprises reported a deterioration in the availability of bank loans and credit lines, with SMEs particularly affected.
  - The latest ECB Bank Lending Survey showed a steady increase in loan rejections for SMEs since 2022, with a net decline in demand for loans, due to higher interest rates and falling fixed investment.
  - European companies face more difficulties in scaling-up compared to the US, partly due to smaller VC funds. The fragmented European entrepreneurial ecosystem and regulatory barriers also hinder cross-border investment and growth opportunities.

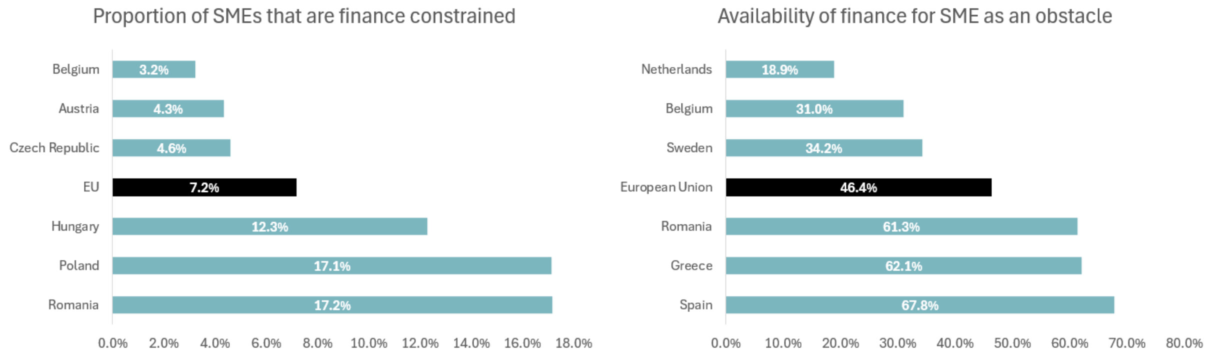
[147] 62% of project promoters and 83% of investors have chosen to register on the Portal because of its unique features (selected 4 or 5 out of 5) (European Commission project promoters and investors survey 2024: Number of respondents: 57 project promoters and 14 investors).

Figure 35. Proportion of SMEs vs large firms finance constrained in the EU, 2016-2023



Source: ICF, based on data from EIB Investment Survey (https://data.eib.org/eibis/graph).

Figure 36. Financial constraints and access to finance for EU SMEs – top and bottom three Member States, 2023



Source: ICF, based on data from the EIB Investment Survey (https://data.eib.org/eibis/graph).

- **R&D investment and digital infrastructure investment gaps:**
  - Both SMEs and large companies in the EU have underperformed compared to their US counterparts, mainly due to a technology gap. A McKinsey study highlighted that Europe is lagging behind the US and China in key technologies such as AI, potentially risking a EUR 2-4 trillion annual corporate value-added loss by 2040.[148] A more recent McKinsey study suggests that EU needs to scale up corporate R&D investment by 2x to match US levels[149].
  - EIB investment report for 2020-2021 identified an annual R&D investment gap of EUR 109 billion (with reference to the Europe 2020 target, which calls for spending equivalent to 3% of GDP), driven by market failures such as uncertainty, financial constraints and lack of appropriability.
  - Research150 found a widening R&D intensity gap between EU and US companies, particularly in technology hardware, software, and healthcare

[148] McKinsey Global Institute (2022). Securing Europe's future beyond energy: Addressing its corporate and technology gap.

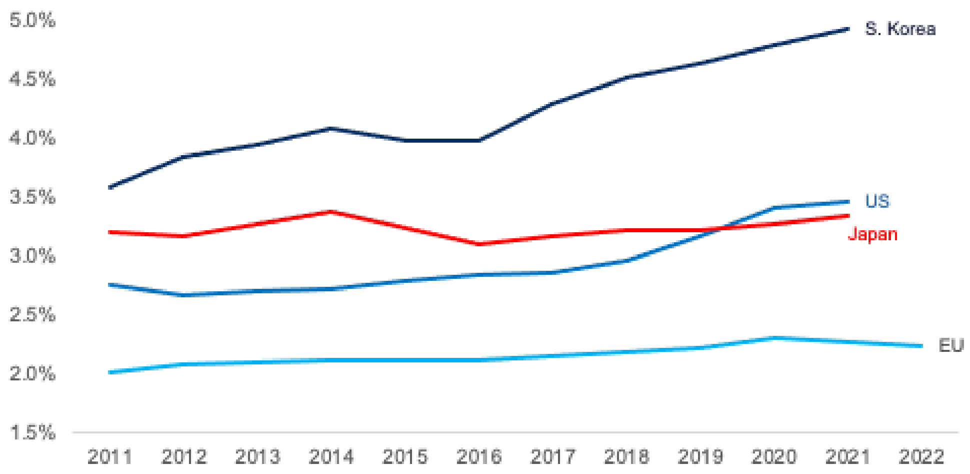
[149] McKinsey Global Institute (2024). Accelerating Europe: Competitiveness for a new era.

[150] Moncada-Paternò-Castello, P. and Grassano N., 'The EU vs US corporate R&D intensity gap: investigating key sectors and firms', *Industrial and Corporate Change*, 2022, Vol. 31, pp. 19-38, https://doi.org/10.1093/icc/dtab043

equipment. EU investment is more concentrated in medium- or low-intensity sectors, while the US leads in high-technology sectors.

- The European Commission's study on the Digital Decade Policy Programme 2030 estimated an investment gap of at least EUR 174 billion for digital infrastructure, despite synergies in the deployment of Fiber-to-the-Premises (FTTP) and 5G networks.[151]

Figure 37. R&D expenditure as share of GDP, 2011-2022



Source: ICF, based on Eurostat data.

- **Green transition and sustainable infrastructure investment gaps:**
  - The Fit for 55 impact assessment estimated annual investment needs of EUR 312-377 billion (depending on the scenario chosen) for 2021-2030 to meet climate targets.
- **Social investment gaps**
  - ELTI identified an annual social infrastructure investment gap of EUR 100-150 billion. The estimated current annual investment of around EUR 170 billion is insufficient to meet the needs driven by demographic change and technological advances.[152]

Investment levels need to be scaled up significantly and quickly to meet these needs. In 2023, EU businesses, households, and governments invested EUR 3.8 trillion (22.2% of GDP)[153]. However, this current level of investment is inadequate to meet the policy objectives and societal needs. To meet Europe's net-zero targets, maintain competitiveness, and ensure a secure future, annual investment must increase by at least 25%, reaching at least EUR 5 trillion per year between now and 2030.

[151] EC (2023). Investment and funding needs for the Digital Decade connectivity targets

[152] Fransen et al (2018). Boosting investment in social infrastructure in Europe. European Economy Discussion Paper 074.

[153] Ratio between gross fixed capital formation and GDP in the EU has fluctuated between 20-23% since the mid-1990s.

Table 40. Overview of the EU's annual investment needs

Sector/ investment type	Amount	Unit	Period	Source
Annual investment needs: green, digital and defence* [a]	757	billion	2025 - 2031	ECB**
Social infrastructure investment [b]	100 - 150	billion	2018 - 2030	Report of the High-Level Task Force on Investing in Social Infrastructure in Europe
Corporate investment* [c]	368	billion	not specified	McKinsey Global Institute (2024) Accelerating Europe: Competitiveness for a new era. January 2024
Annual additional investment needs of EU	1,200	billion		Sum of [a], [b], [c] – lower end. Figures have been rounded off
2023 Investment level	3,775	billion		Eurostat
Scale of investment needed	4,975	billion		

**There could be some double-counting between these investment categories. However, the above estimates do not include all sectors of infrastructure investment (e.g. research infrastructure, roads, ports) or digital investment (e.g. investments needed for digitalisation of public infrastructure, ICT skills, semi-conductor manufacturing capacity etc.) ** ECB estimate 5.3 trillion for the period 2025-2031 which has been divided by 7 to derive annual figures. ECB analysis based on Commission's estimates for green and digital investment to 2031 and defence expenditure refers to the NATO commitment to reach 2% of GDP, with this commitment being here assumed to be taken by all EU Member States, including non-NATO members*

Capital is available to achieve this scale of investment. The financial capacity across various sectors demonstrates that Europe has the potential to support the necessary increase in investment. For example, total assets held by EU banks amounted to EUR 40.8 trillion in 2021, EUR 32.2 trillion in assets were managed by EU-based fund managers and institutional investors at the end of 2021, and European households and non-profit institutions held EUR 11.4 trillion in cash and bank deposits in 2022. Other sources include European corporates' retained earnings and capital reserves, sovereign wealth funds and philanthropic funds. By effectively mobilising and channelling these funds from diverse sources, Europe can meet its significant investment needs.

InvestEU's portfolio of activities and products is highly appropriate for addressing EU investment needs and mobilising capital. Past evaluations and economic literature confirm the effectiveness of products under the EFSI and predecessor instruments that continue under InvestEU (see Annex 4). Recent reports (e.g. Letta report) reinforced the relevance and appropriateness of InvestEU products and investments.

Policy area	Letta's recommendations
Green transition	European Green Guarantee (EGG): Support for green investments via banking sector guarantees Clean Energy Deployment Fund: Invest in technologies for achieving net zero
Digital transformation	Digital infrastructure: Investments through PPPs

Transport and mobility	High-speed rail network connecting EU capitals EV charging infrastructure Green transport investments
Social economy and SMEs	Social economy: Access to finance, social impact financing
Innovation and industrial leadership	Green and digital technologies: Support for startups and SMEs in product and service innovation Clean tech manufacturing: De-risking policies and scaling-up clean tech manufacturing.

Source: ICF, based on Letta, E., Much more than a Market, April 2024.

There is a significant demand for InvestEU Fund products, underscoring their relevance and necessity in the current economic landscape. Information collected from IPs shows a general pattern of high demand for InvestEU financing, albeit with product-level variations. Equity products are in high demand. Across the IPs, the demand/pipeline exceeds the available resources. For general debt products, demand is generally lower than the available resources, but demand for these products is expected to grow. The exceptions are the EIB (SIW, RIDW) and EBRD general debt products, where demand matches resources, and the CDP general debt (SISW, SIW), where demand/pipeline exceeds available resources. The demand for thematic debt products either matches (CDC and EBRD thematic debt products) or exceeds (EIB thematic innovation and green transition joint thematic products) available resources. The demand/pipeline for InvestNL's Demonstration Plant Guarantee exceeds the available resources, while demand for the Deep Tech Guarantee is lower than the resources available, with demand expected to grow. The demand for InvestNL Sustainable Energy Guarantee matches the available resources. Demand/pipeline exceeds the available resources for all EIF guarantee products and the EIB thematic finance products. For the EBRD Green Capped and Uncapped Guarantees, demand matches the resources available.

Table 41. Summary of demand for InvestEU financial products

Demand/pipeline exceeds available resources	Demand matches available resources	Demand lower than available resources, but expected to grow
CDP general debt (SIW, SISW) CDP equity product (SISW) All CDP equity products (RIDW, SIW) EIB green transition joint thematic (SIW, RIDW) EIB thematic innovation (RIDW) All EIF equity products (climate and environmental solutions; CMU; digital and CCS; enabling sectors; social entrepreneurship and impact investing; climate and infrastructure; DDF) All EIF Guarantee products (Culture and Creative Sector; Innovation and Digitalization; Microfinance, Social and Skills, Guarantee; SME Competitiveness; Sustainability) ICO equity (SIW) InvestNL Demonstration plant Guarantee NIB financial product (SIW, RIDW)	Bpifrance PNI CDC equity (SIW) CDP thematic debt (SIW) EBRD general & thematic debt EBRD Green Capped & Uncapped Guarantees EIB general debt (SIW, RIDW) InvestNL Sustainable Energy Guarantee	All BGK direct investment products (SIW, RIDW) CDC general debt (SIW, sustainable tourism) CDC general and thematic debt (SISW, priority districts) CDP general debt (RIDW) EIB general debt (SISW) EIB public sector (SISW) EIF capacity-building InvestNL Deep Tech Guarantee

Source: ICF survey of IPs.

All stakeholders unanimously believe that the Programme is under-resourced, with budget not matching the EU's policy ambitions. The inadequacy of the Programme resources was highlighted by stakeholders in the open call for evidence and reinforced during the interviews. Given the strict **EURI deadline, which resulted in accelerated approvals, as well as** the high demand for InvestEU in some products, there is a risk that IPs (especially the EIBG) may not be able to offer some of the financial products to the market towards the end of the current MFF. The issue of insufficient funding is on the radar of the InvestEU governance bodies. In November 2022, the Steering Board[154] acknowledged concerns about the risk of running out of funds to support specific policies and promised to monitor the situation closely. In April 2023, the Advisory Board[155] recognised concerns about the potential scarcity of guarantees for 2024-2027. Accordingly, it recommended the use of MS-Cs to support investments in line with REPowerEU and the European Green Deal Industrial Plan. Additionally, the Steering Board discussed the possibility of an overall budget increase during the mid-term review of MFF 2021-2027.The proposed budgetary reinforcement under STEP for InvestEU, which could have contributed solving the issue, was not approved by the co-legislators.

[154] InvestEU Steering Board, recap of minutes

[155] Ibid.

5.5.2 InvestEU Advisory Hub

Various studies and evaluations (e.g. a recent synthesis of 39 past evaluations of Advisory Support) reiterate the critical role of advisory services in building investment pipelines and ecosystems.

Studies by the EIB show that targeted **project advisory services** significantly increase the likelihood of project success, particularly in sectors such as green energy and infrastructure with high technical complexity and regulatory requirements. These services have contributed to improving the quality of project documentation and design, accelerating approval of major projects, and smoother implementation.

Projects supported by advisory activities were better aligned with the EU policy priorities and embedded into wider sectoral or spatial development strategies (while still locally relevant).

Project advisory support often aims to make projects bankable by providing expert guidance on structuring, financing and implementation. The extent to which this improved the bankability of assisted projects (thus generating a pipeline of investible projects and mobilising investment) has typically been more challenging to establish due to monitoring challenges and attribution of causality[156]. However, a proportion of projects do mobilise investment and support the ecosystem towards investment in core policy areas.

Capacity-building has a high leverage effect because it fosters long-term institutional development and enhances the skills of local stakeholders. Capacity-building activities have been shown to deliver direct organisational benefits. Evaluations report wide-ranging organisational effects, such as improvements in procedures and practices (e.g. tendering procedures), as well as increased ability to use financial instruments and to handle complex environmental and climate considerations. Despite evidence on the effect of advisory support in improving organisational capacity, and the expectation that supported entities would then independently manage and sustain projects in the future, reliance on technical assistance did not necessarily diminish over time. It was likely to have been sought for other, new areas where technical knowledge and skills could be improved.

Market development advice has played a crucial role in assessing investment gaps and barriers, thereby identifying solutions to unlock investments for new or innovative sectors[157]. Market studies support the identification of investment barriers, market failures and capacity needs to develop relevant ecosystems that support investment in general and allow targeted capacity-building in particular. Studies have highlighted the importance of market development in emerging sectors (e.g. blue economy), where creating a supportive market environment is key to attracting investment and achieving policy goals.

5.5.2.1 Range of services provided

The Advisory Hub covers the full spectrum of advisory activities, from downstream investment-generating activities to upstream capacity-building activities and market development activities. As of end-2023, the spilt of activities was:

- Project advisory (77% of Advisory Hub assignments; 54% of budget utilisation).
- Capacity-building (19% of Advisory Hub assignments; 33% of budget utilisation).
- Market development activities (4% of assignments; 14% of budget utilisation).

[156] EIB, *Evaluation of EIB Advisory activities in the European Union*, November 2023.

[157] Ibid.

The evidence from deep dives undertaken for this evaluation highlighted how the InvestEU Advisory Hub activities have added value to the recipients and their organisations.

Examples of project advisory

Project development and access to finance for a commercial electrolyser manufacturing company in the field of sustainable transport solutions and possibly in other industrial applications

A commercial manufacturing company was looking for finance to develop electrolyser manufacturing investments. The main goal for using the advisory services was support towards project development. The advisory included conducting a study analysing the situation of the recipient and the sectors within which it operates, with the aim of concluding whether the investment in electrolyser manufacturing was relatively safe and potentially profitable. The goal was to obtain a loan from the EIB and then raise equity investment in due course.

The meetings with the consultants, as well as the reports prepared, will help the company to improve its strategy and increase staff competencies.

Expected benefits include better preparation of the project and thus higher chances of obtaining financing and attracting investors.

Project development and access to finance for a company in the field of smart energy grids

The aim of the project was to build a smart energy grid with the first kinetic energy storage in Europe – a very complex and innovative undertaking. The company requested support because of the banking sector's reluctance to finance the project, given its high-risk level and the amount of financing required.

The reports on the energy market were very useful and can be presented to potential investors. The support also facilitates better preparation of the project, thus higher chances of obtaining financing and attracting investors.

The recipient is looking for accessible and attractive sources of finance as a result of the advisory support.

Examples of advisory assignments supporting capacity-building and market development

Capacity-building and market development for an online commercial lending platform in green finance

A fast growing online commercial lending platform providing instant consumer finance sought to develop a dedicated consumer loan product for individuals' energy efficient retrofit investments in residential housing. The promoter received dedicated advisory support under the Green Gateway programme to participate in the planned EIB financing operation, with a significant focus on climate action and environmental sustainability.

The services were considered useful in shaping the company's strategy and its future development in the green financing area. High quality services (including internal training) paid-off in capacity-building within the credit organisation. The main benefit of the advisory service was alignment of goals within the company.

The recipient is planning to apply for a loan from the EIB to develop its activity (more loans, new market segments and possibly new countries).

Technical assistance for PPPs and project development in the decarbonisation waste sector and circular economy for an experimental CO_2 capture plant in a city in Europe

A local government was seeking technical assistance to prepare complex PPP projects in the waste sector and in support of the circular economy.

The advisory services included coaching and training in project identification and preparation, ex-ante and ex-post EIAs, monitoring and evaluation, environmental assessments and permits stemming from the EU environmental legislation.

The services were judged to have been of a very high quality, particularly the training events. Training and advisory services were fully adjusted to the needs of the city, which was considered relevant and improved staff competencies. Overall, the support towards the feasibility of constructing an experimental CO_2 capture plant and improvement in waste management solutions in the city was considered valuable.

As a result, various investment projects can be better prepared and implemented by the city. Without the support, project preparation would take longer and may not be possible to implement, at least to the same standard.

5.5.2.2 Profile of the client base

The final recipients of the Advisory Hub assignments include SMEs, corporates, public authorities and the Commission services.

- SMEs constitute the largest number of recipients in terms of number of advisory assignments (535 of 844, 63%) but their share of the total budget utilisation is comparatively low, at 13% (EUR 9.1 million). This is driven by the fact that the vast majority of the SME support (84%) are delivered by Bpifrance through smaller support initiatives, with an average size of EUR 7 523.
- About half of the budget utilisation (49%; EUR 34 million) has benefited public authorities. Their average size is EUR 182 667, over 10 times higher than that of SMEs. Public authorities benefit from both project advisory support and capacity-building initiatives.
- Private corporates account for 14% of the advisory portfolio (120 assignments) and 36% of the budget utilisation (EUR 25.2 million). The average size of an advisory assignment targeting corporates is EUR 209 621. Like public authorities, they typically benefit from both project advisory support and capacity-building initiatives.
- The Commission services tend to request Advisory Hub support focused on market and pipeline development to better target InvestEU financing to a given sector.

Table 42. Assignments, by type of final recipient

Final recipient	No of assignments	Budget utilisation (EUR)	Assignments (%)	Budget utilisation (%)	Average size (EUR)
SMEs	535	9 139 705	63%	13%	17 084
Public authorities	188	34 341 372	22%	49%	182 667
Corporates	120	25 154 497	14%	36%	209 621
Commission services	1	1 200 000	0.1%	2%	1 200 000
Total	844	69 835 574	100%	100%	82 744

Source: Advisory Hub data at end-2023.

Different APs have a differentiated service offer

The seven InvestEU APs have developed an extensive, differentiated range of advisory initiatives. NPBIs and CINEA mainly offer project advisory support, with some capacity-building, while the EIB, EBRD and CEB provide comprehensive support across all areas.

EBRD and Bpifrance project recipients are primarily SMEs. Other APs do not appear to have focused on SMEs as yet. CDP and CDC recipients are public authorities. Bpifrance and CDP assignments have focused on many small activities. Most APs provide support to both corporates and public authorities. The majority of EIB support (57%) has been to corporates, while EIB support accounts for 88% of all support provided to corporates. Corporates is a diverse group of recipients, which includes financial intermediaries. The goal for these intermediaries is to serve varied groups of recipients, including SMEs and micro-enterprises.

Table 43. Type of support provided by AP

AP	Capacity-building	Market development	Project advisory	Total no of assignments	Budget utilisation (EUR)	Average size of assignment (EUR)
Bpifrance			449	449	3 377 798	7 523
CDC			3	3	38 004	12 668
CDP	13		107	120	5 277 276[158]	43 977
CEB	1	2	1	4	1 133 000	283 250
CINEA	2		7	9	321 000	35 667
EBRD	59	12	4	75	3 244 389	43 259
EIB	87	19	78	184	56 444 108	306 761
Total	162	33	649	844	69 835 574	82 744

Source: Advisory Hub data at end-2023.

Table 44. APs, recipients, and average project value utilisation

AP	SMEs	Corporates	Public authorities	Commission services	Total no of assignments	Budget utilisation (EUR)	Average size of assignment (EUR)
Bpifrance	445	4	0	0	449	3 377 798	7 523
CDC	0	0	3	0	3	38 004	12 668
CDP	0	0	120	0	120	5 277 276[159]	43 977
CEB	0	1	3	0	4	1 133 000	283 250
CINEA	0	8	1	0	9	321 000	35 667
EBRD	72	2	1	0	75	3 244 389	43 259
EIB	18	105	60	1	184	56 444 108	306 761
Total	535	120	188	1	844	69 835 574	82 744

Source: Advisory Hub data at end-2023.

[158] This budget utilisation represents the estimated assignment costs and commitments which combine the, combining EU contribution and contribution from the AP contributions (EUR 4, 847, 460).

[159] This budget utilisation represents the estimated assignment costs and commitments which combine the, combining both EU contribution and contribution from the AP contributions (EUR 4, 847, 460).

Positive feedback on the quality of the service offer

Overall, feedback from clients towards the service delivery points to high levels of satisfaction. The process of providing InvestEU advisory support is working well. Interviews with advisory clients suggested that the delivery of advisory support is meeting their expectations. Advisory Hub recipients viewed the advisory services as helpful, particularly the methodologies and analytical tools and (where relevant) the training sessions for recipient staff (e.g. monitoring technology development, using analytical tools, designing market contact solutions, assessing financial feasibility and feasibility of planned investment projects). Clients emphasised that the support was participatory, involving both the experts providing advisory services and the recipient organisations' staff. This meant that the clients' staff were actively engaged, which indirectly contributed towards improved cooperation within the organisation itself and solidified understanding of the core concepts and processes developed as part of the advisory support.

Service content is delivered to a high standard. The favourable assessment of the quality of services was linked to the APs' good understanding of recipients' needs in respect of the scope of the project and to the competitive selection of direct service providers (where services were provided by external consultants). Added value was judged to be high here, as it was not something recipients could have done to the same standard alone.

Meeting the specific needs of recipients and the intended goals of the service necessitated developing the final products of the service. These tended to be studies of the specific sector's market situation (and failures) to develop an ecosystem that supports investments or technical capacity-building support within the client's organisation. The clients judged these types of advisory products or services to be very useful.

Data on the legacy initiatives under the EIAH also show Advisory Hub service delivery favourably. Customer satisfaction surveys indicate that recipients' needs were consistently met by the information received from the EIAH (86% of respondents across 2019-2022). The level of expertise was judged by all recipients as consistently high or very high across 2019-2023. Clients were also consistently satisfied with the services they received through the advisory services, with most very satisfied. All clients would recommend the EIAH services to other organisations[160]. Similarly positive feedback was collected by Bpifrance. Entrepreneurs surveyed by an independent polling institute expressed a satisfaction score of 7.8/10 and 8/10, as well as a recommendation score of +42 and +52 points, respectively, for 2021 and 2022[161].

Relevance of the central entry point

The central entry point provided limited value as a source of advisory engagements and a vehicle reinforcing the value and relevance of the Hub. The central entry point for the InvestEU Advisory Hub is managed by the Commission and serves as the central access point for information and the InvestEU advisory services. It is operationalised via a dedicated webpage offering guidance, resources and contact information for entities seeking advisory support under the InvestEU Programme. By the end of 2023, the Commission had received 532 requests via this channel. Of these, 472 (89%) were signposted, with the remaining 60 requests allocated to APs. CINEA developed assignments for eight of the allocated requests (six ongoing; two completed). The rest have yet to be taken up by the APs, with a likely time lag to turn them into assignments. Feedback from the Commission and APs suggests that the requests coming through the

[160] EIB, *EIAH Annual Technical and Financial Reports – key monitoring indicators: customer satisfactions surveys – years 2019-2023*.

[161] Bpifrance, *10 years of impact 2013-2023*.

central entry point are often irrelevant (projects requesting grants or financing) or unsuitable (very preliminary stage of ideas, outside the EU, or not fitting within the mandates of APs)[162]. As such, the central entry point is not particularly effective in generating direct advisory engagements.

Most of the advisory assignments are directly originated by the APs, which are closer to the market and to project promoters seeking financing for their investments and have a better understanding of their advisory needs.

The central entry point is, however, a somewhat useful informational tool. It is helpful for those looking for information on the Advisory Hub, including potential clients who may subsequently approach APs directly. Yet it has limitations in the detail it can provide to cover the entire spectrum of advisory services and increase the visibility of the InvestEU Advisory Hub in its own right.

5.5.3 InvestEU Portal

The relevance of the InvestEU Portal needs to be assessed at two levels: its integration as a useful tool in the InvestEU ecosystem; and its relevance to the wider community of project promoters and investors.

The Portal is not generally considered a relevant component of the InvestEU Programme by IPs and APs, largely due to its inability to generate relevant investment opportunities or advisory requests. Two of the main changes from the EIPP to the InvestEU Portal were the inclusion of an automatic alert informing IPs of published projects, where relevant to their sectoral/ geographical focus, and the additional option for projects to submit advisory requests when registering. The expectation was that these two new features would improve synergies between the components of InvestEU (compared the EIPP, EFSI and EIAH). However, experience to date suggests that this has not been the case. Some IPs stated that the projects published on the Portal are usually too small or not sufficiently developed for them to consider, or do not match the sectors in which IPs invest or the financial product they offer (e.g. direct equity when they offer indirect equity). They also pointed to a possible misunderstanding on the part of the Commission as to how they identify worthwhile projects: the process often relies on their existing networks and relationships and is based on direct or indirect contact with promoters. This perception is shared by the Portal partners and several of the European Commission officials interviewed, and is confirmed by the very small number of promoters among Portal users who have benefited from the resources mobilised by the InvestEU Fund[163].

The relevance of the Portal to the wider community of project promoters and investors cannot be fully established at this stage. **The Portal is still in its ramp-up phase and the evidence on its usefulness is still scarce**. The qualitative evidence suggests that its uses are largely in line with Portal objectives[164], proving that users see its value. However,

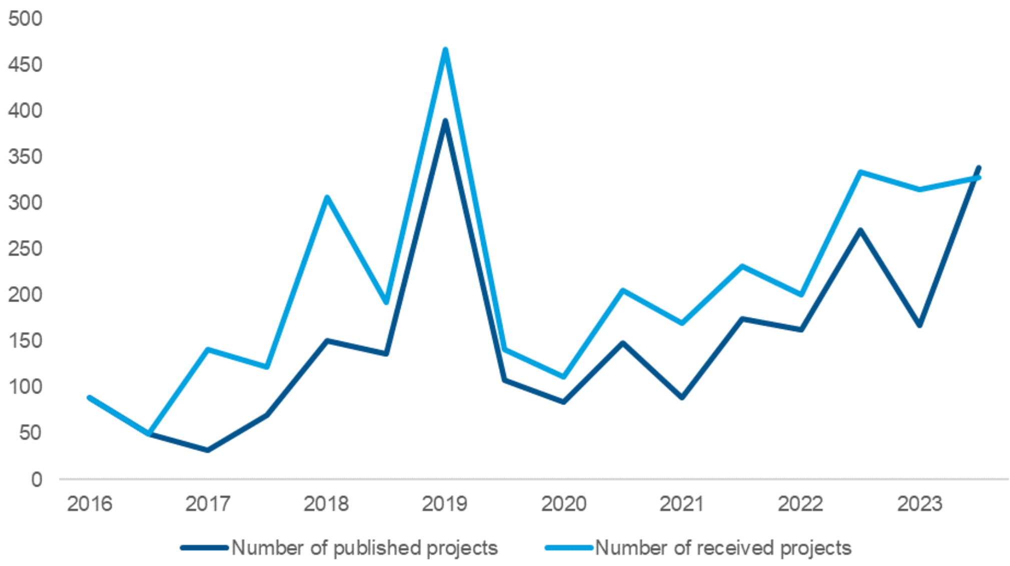
[162] Of the 532 requests received, 472 were immediately signposted. The rest were allocated to APs. 6 of them are assignments in progress and 2 are completed, all 8 are CINEA assignments. The rest is still being examined by APs. Ultimately, these requests will be either turned into assignments or signposted.

[163] Of the 25 respondents (66% of the total) that were aware of the Portal, only 16% (n=4) have used it (ICF project promoter survey: Number of respondents: 38 project promoters).

[164] The most important factors cited by project promoters as reasons for registering their projects on the InvestEU Portal were its EU-wide coverage (80% rated this 4 or 5 out of 5), its ability to increase project visibility to investors (76%), its reputation for publishing high quality projects (72%), and access to a wide

many potential project promoters do not understand this tool and do not see its usefulness[165]. Figure 38 shows the evolution in the numbers of projects received and published between 2016 (when the EIPP was launched) and December 2023. Although the Portal has not yet reached the peaks of its predecessor, it is gradually increasing its offering of projects.

Figure 38. Projects received and published, EIPP and InvestEU Portal, 2016-2023



Source: *ICF, based on data provided by DG ECFIN.*

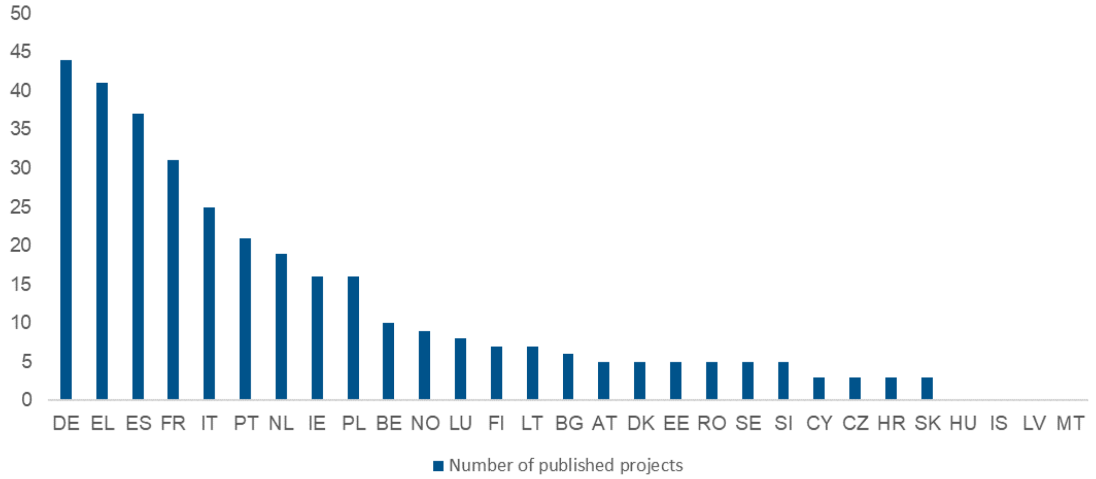
Data at end-2023[166] indicate **substantial diversity in the geographical and sectoral distribution of the projects submitted**, reflecting the main priorities of the InvestEU Programme and covering almost all Member States. Figure 39 shows the geographical distribution of published projects. Apart from Hungary, Iceland, Latvia and Malta, all eligible countries are covered by the Portal. In addition, 10% of projects have been published in a language other than English. Most of the published projects are in the knowledge and digital economy sector (n=787), followed by financing for SMEs and mid-caps (n=720) and social infrastructure (n=543). Other prominent sectors include resources and environment (n=257), transport (n=165) and energy (n=146). The same source estimates that 98.6% of proposed projects would benefit SMEs.

range of investors (71%). In addition, 63% of project promoters valued the networking opportunities and pitching events offered by the Portal, and 62% mentioned its unique features compared to other platforms. Among investors, the most important reasons were the unique features compared to other platforms (83%), followed by its use to access/conduct market research and analysis (60%) and its EU-wide scope (50%) (European Commission project promoters and investors survey 2024: Number of respondents: 57 project promoters and 14 investors).

[165] Call for evidence. Representatives of micro-financial institutions pointed out that their members were not using the InvestEU Portal due to a lack of understanding of the tool or of its usefulness.

[166] European Commission, *InvestEU Portal's state of play as of end-December 2023*, 2023.

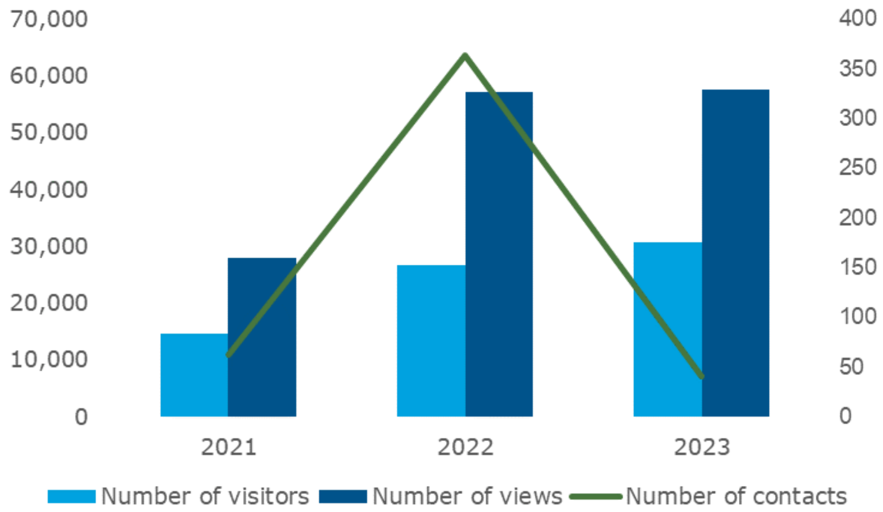
Figure 39. Geographical distribution of published projects, second semester of 2023



Source: *ICF, based on data provided by DG ECFIN.*

The Commission estimates about 450 registered and validated investors on the Portal. The number of visitors and page views increased between 2021 and 2023, suggesting growing engagement of investors and visibility of projects (see Figure 40). On the other hand, the number of contacts peaked in 2022 and fell sharply in 2023. However, official statistics are likely to underrepresent the actual number of projects that were contacted and received funding following their publication on the Portal for two reasons. Firstly, routine follow-up with promoters only takes place about one and a half years after publication, which means that several projects would not have had the opportunity to report. Secondly, not all promoters would be able or willing to respond fully to the follow-up, exacerbating the problem of underreporting. Notwithstanding the contacts that may have occurred in 2023 and not yet been validated, the cumulative number of contacts over the three years was 465.

Figure 40. Visitors, views, and contacts to end-2023



Source: ICF, based on data provided by DG ECFIN.

The Portal's design meets the needs and preferences of its primary users to a good extent. Indeed, both project promoters and investors found the Portal user-friendly and registration easy and straightforward[167].

Areas where the Portal still needs to demonstrate its relevance and usefulness are integration of the Portal within InvestEU, and making it a more effective facility for increasing the visibility of quality projects to attract investor interest and potentially lead to investment. Stakeholders made several suggestions:

- **Refining the user interface and simplifying the registration procedures** for investors and project promoters.
- **Enhancing feedback loops between the Commission and IPs and APs.** While the Portal automatically signals relevant projects to partners, the lack of required feedback or follow-up results in a lack of visibility for the Commission and a missed opportunity to better match projects with partners' investment strategies.
- **Investing resources in directly managing relationships with investors**. Having identified the groups of investors most relevant to the investment required by projects, more (human) resources should be devoted to nurturing relationships to increase visibility and engagement with the Portal. Partners such as EuroQuity, EBAN and others are likely to be best placed to take on this role on behalf of the Commission. This suggestion goes hand-in-hand with the need to expand and improve efforts to promote the Portal's unique selling points and benefits to attract interest and engagement from investors.
- **Integrating AI algorithms** to optimise matchmaking between investors and promoters and facilitate more successful matches.
- **Improving analytical tools to facilitate monitoring and evaluation** to better inform the activities of the Portal and increase its relevance. This could include strengthening market analysis capabilities to better align the Portal with the dynamics of the startup ecosystem and address their unique needs and preferences, as well as iterative consultation or feedback with investors and project promoters, increasing transparency and engagement.

The Commission has invested significant resources and collaborated closely with partners and stakeholders to leverage the full potential of the InvestEU Portal. Over time, more evidence will be available to assess its effectiveness and relevance. At that point, it may be necessary to consider increasing the support (financial and technological resources) provided to the Portal. Alternatively, it may be necessary to consider reducing the scope of the Portal (e.g. events only) or even rethinking it altogether.

5.6 Cross-cutting issues

5.6.1 Open architecture

The open architecture is slowly bedding-in, but it is too early to judge the overall benefits. Commission services, IPs and many stakeholders have worked hard to make the open architecture work. There are some visible successes, with grounds for optimism that further successes will be achieved by the end of the MFF. In the meantime, it is

[167] 79% of project promoters and 71% of investors found it easy to submit their project/register as investors on the Portal (selected 4 or 5 out of 5). 86% of investors found the Portal user-friendly (European Commission project promoters and investors survey 2024: Number of respondents: 57 project promoters and 14 investors).

possible to look at InvestEU from conceptual and design angles, as well as to make some observations of what might have happened without the open architecture.

There are several benefits to the open architecture:

- **InvestEU is a partnership of mutual benefit**. It enables IPs to develop their business models (larger volumes, product and client diversification), while IPs help the Commission deliver its policy objectives by going to areas where the markets will not go. Both parties benefit from more effective risk-sharing.
- **Benefits of competitiveness dynamics.** The design of InvestEU allows for a sufficiently high number of IPs to create a competitive environment. This competitive dynamic offers several key advantages for the European Commission such as wider product choice, broader solutions to address policy objectives, and a stronger negotiating position[168]. While these benefits highlight the potential for increased efficiency and quality, it is still early to conclusively determine whether this competitive environment drives progress and improvements amid the added complexity.
- **Aligning NPBIs/IFIs with EU standards and mobilising investment in shared priorities such as climate change, digitalisation, innovation etc. to kindle sustainable growth.** The concept of open architecture promotes an alignment of national policy targets (via the NPBIs) with EU policy goals. During the last 15 years the number of promotional banks and institutions and the volume of their activities grew significantly, in response to the financial crisis in 2008. Accordingly, NPBIs can connect the EU with national activities. The design of InvestEU steers the policy orientation of the NPBIs owned by the Member States towards EU priorities, and successor programmes could follow the same route. Some Member States (Germany, Ireland, Greece, Croatia, Malta, Austria, Slovenia, Finland) are still out of reach of this alignment mechanism, as their national promotional bank or institution has yet to become an IP. The design of InvestEU contributes to improve institutional capacity in Member States. Given the broad range of institutional knowledge, open architecture can be supportive, notably in those Member States where knowledge and financial expertise in the sectors addressed by InvestEU is less developed.
- **More diversified product offering addressing niche/specific local investment needs.** The design of open architecture achieves the goals of InvestEU to a higher degree by providing unique products or covering niche segments not comprehensively covered by the EIBG, such as (i) ticket sizes that lie between SME financing and large corporates projects), (ii) products such as direct equity or intermediated loans for microfinance; and (iii) sectors such as tourism or mineral exploration.
- **Financing is likely to reach a higher number of projects and final recipients than would otherwise be the case.** Many IPs show smaller ticket sizes than the EIBG in their usual promotional business. In the early stage of InvestEU implementation, this is visible in the average size of signed operations. It is too early to judge, however, as this may change during the implementation of InvestEU.
- **A wider array of partners for implementing blending operations.** Open architecture enables DGs to become familiar with the range of expertise and products offered by IFIs and NPBIs operating across the EU. This enables them to

[168] As previously explained, the authors of this report do not suggest that IPs should compete with each other in the market using the InvestEU guarantee.

choose an IP best placed to deliver a specific product. For example, DG GROW benefitted from the EBRD's expertise in exploration and its offer of direct equity when choosing it for the CRM facility.

- **Reinforcing the institutional capacity of NPBIs** and promoting standardisation of approaches and practices has benefits for additionality, sustainability-proofing, etc.

There are also areas where the functioning of the open architecture could be improved:

- **High complexity and coordination: 16 IPs and seven APs (and more to come)**. As an example of a complex coordination issue, there are two different sets of State aid rules for IPs, creating uncertainty and complexity. According to IPs and Member State representatives, NPBIs' activities only target projects and enterprises in their own countries, while EIBG investment programmes are offered in all Member States. As the latter do not discriminate, the so-called State Aid Consistency Regime is applied. In the case of the former, the State Aid Framework comes into force, with cumulation limits and additional reporting obligations. An example of complexity is the segmentation of the demand driven approach. Each IP runs its own demand driven approach. As regards the dimension of time, by favouring those projects having their case ready at an early stage, no distortion will be expected. As regards the dimension of geographic location, in a situation where demand is high in one or two countries and resources are not sufficient for all projects, the result would be different - and not necessarily in favour of the best project. Policy DGs while appreciating the advantages of open architecture, highlighted that it is challenging for them to coordinate with multiple IPs to try to get an understanding of what is happening in their policy area. Likewise, IC members, while appreciative of the positives of the open architecture highlighted that it has also been a source of complexity given the diversity of products and approaches across IPs.
- **Limited collaboration between IPs within the InvestEU framework**. So far there has been limited structured collaboration between IPs, particularly in the form of investment platforms. According to the Commission, investment platforms are less relevant under InvestEU (as NPBIs now have direct access to the EU guarantee), but this appears to contradict the InvestEU Regulation which sets specific objectives for the Advisory Hub to support the development of investment platforms.

Figure 41. Examples of collaboration between IPs within the framework of the InvestEU Programme

- **Geographical concentration of advisory support.** Deep knowledge of the local economy, investment needs and niche products support the financing of the investment process. This is one of the reasons for the open architecture. It seems logical that the same approach would fit for advisory offers and services. While still too early to judge, the development so far has created a rather regional advisory service with a focus on one or two products only, thus leaving room for improvement.

There are several unknowns:

- **Whether InvestEU contributes to pipeline and diversification of risk.** The design of InvestEU with many IPs should contribute to risk diversification and a broader pipeline development. It is not yet possible to rule out the possibility of further de-risking of the whole InvestEU Programme structure, including the EU budget, all of the IPs and operations.
- **Impact on programme effectiveness and efficiency.** It is too early to determine the open architecture's contribution to reaching InvestEU Programme targets and EU policy goals, especially in respect of EU added value and the geographical and sectoral balance of the support (as per Article 29 InvestEU Regulation)**.** Unless NPBIs are brought onboard from Member States currently less covered by InvestEU (such as Slovakia, Estonia), the only possibility of reaching out to these Member States is via the EIBG and other IFIs. Conversely, Member States like France and Italy, which are already well covered, benefit from the involvement of multiple IPs, including two NPBIs each, as well as the CEB, EIB, and EIF. In terms of sectoral coverage, the limited data available so far (Table 45) does not suggest that the open architecture is improving coverage in sectors less covered by the EIB or EIF (in absolute terms), such as "Arts, Entertainment and Recreation" or "Public Administration and Defence."

Table 45. Sectoral decomposition of InvestEU signed operations, by IP, as of 31 December 2023 – based on RHOMOLO imputations

	EIB	EIF	CEB	EBRD	NIB	CDPE	INVEST NL	TOTAL
SECTION A	93	366	18	-	-	14	-	491
SECTION B	-	311	2	-	-	29	-	342
SECTION C	2,237	2,787	22	-	38	247	-	5,330
SECTION D	2,386	357	2	11	50	56	21	2,883
SECTION E	40	365	8	-	-	46	-	459
SECTION F	100	1,380	103	-	-	34	-	1,617
SECTION G	100	2,262	9	-	-	50	-	2,421
SECTION H	983	507	4	-	-	55	-	1,549
SECTION I	-	511	3	-	-	11	-	525
SECTION J	367	917	4	-	-	42	-	1,330
SECTION K	-	121	1	-	-	2	-	124
SECTION L	-	58	-	-	-	2	-	60
SECTION M	153	429	2	-	-	10	15	609

	EIB	EIF	CEB	EBRD	NIB	CDPE	INVEST NL	TOTAL
SECTION N	130	154	1	-	-	6	-	291
SECTION O	-	84	-	-	-	-	-	84
SECTION P	97	123	33	-	-	2	-	255
SECTION Q	260	238	2	-	-	9	-	509
SECTION R	-	88	-	-	-	2	-	90
SECTION S	-	178	-	-	-	2	-	180
SECTION T	-	27	-	-	-	-	-	27
SECTION U	-	22	-	-	-	-	-	22
TOTAL	**6,946**	**11,283**	**214**	**11**	**88**	**619**	**36**	**19,196**

Source: EIB-JRC RHOMOLO imputations

5.6.2 Umbrella framework

This section reports the findings of the thematic case study on the umbrella framework.

5.6.2.1 Background

The InvestEU Fund brings together 14 previous EU instruments (budgetary guarantees and financial instruments) under a common umbrella Similarly, the Advisory Hub acts as a central entry point for 13 existing advisory initiatives. The Commission's rationale for the umbrella framework was to address the problems caused by the proliferation of financial instruments under the previous MFF:

- Fragmentation and multiplicity of rules and procedures.
- Policy/financial overlaps between instruments.

The Commission proposal received broad political support. On 17 October 2018, the European Economic and Social Committee (EESC) adopted an opinion on the InvestEU Programme. It welcomed the European Commission's efforts to create an umbrella financial instrument and an umbrella advisory service through the InvestEU Programme, which will lead to unified management, increased transparency and synergies.

The proposed design is a single Programme with a strong identity, single authorising officer in the Commission (DG ECFIN)), and a single set of coherent requirements (for eligibility, monitoring and reporting) that will apply throughout the financing chain to the benefit of financial intermediaries and final recipients.

During consultations, **the stakeholders recognised the benefits of the new framework**, particularly in creating a central point of contact with the Commission, streamlining negotiations, and providing a one-stop-shop for access to the different Programme windows. According to some, the umbrella framework enhances the flexibility of the InvestEU Fund by exposing IPs to multiple available funding lines and multiple policy windows. However, **the umbrella framework has also faced transition issues**, primarily in sectoral coverage relative to the previous situation, and administrative efficiency.

5.6.2.2 Areas of success

The InvestEU umbrella framework facilitates a coherent approach within the European Commission and provides strong policy direction. The transition to a single umbrella structure has facilitated a more coordinated policy steer within the Commission. This holistic approach allows for a unified strategic direction, enhanced coherence and consistency across different policy areas, and improved coordination. However, the shift in control from policy DGs to a more centralised model has entailed a trade-off between the breadth and depth of the Programme. While the centralised governance improves strategic coherence, **it may limit the policy steering of some policy DGs**, reducing their ability to deliver interventions tailored to their specific markets and needs. It is too early to say whether this has led to a less-effective use of resources for these sectors. For example, both DG CNECT and DG ENV stated that they have far less control over the support to the sectors they work with, as well as less visibility of what is funded, and its impacts[169].

As multiple policy areas and products are negotiated, designed and implemented in parallel, there are significant efficiency gains at all stages of implementation. The streamlined negotiation process between the European Commission and IPs has simplified the process and reduced redundancies. The central entry point simplifies interactions with IPs and allows them to leverage resources under multiple policy windows. This in turn increases the range of products IPs can offer and the policy areas they can cover, improving their cross-selling capacities and their ability to ensure complementarity of interventions across several policy areas. For example, the EIB green transition product now covers a larger number of sectors than its predecessors (InnovFin EDP and, CEF Future Mobility), which were limited by the eligibility embedded in their respective sectoral legal basis. The EIF reports that the cross-selling aspect has mostly benefited niche sectors, such as skills and education, and CCS. In practice, this means that financial intermediaries are more incentivised to apply to more niche financial products and less supported sectors. As well as strengthening the additionality of the InvestEU Programme, this increases operational efficiency. This consolidation fosters a more integrated, innovative and responsive financing process, which is essential to meet the diverse needs of beneficiaries in the policy areas targeted by the Programme.

Flexibility and fungibility of resources are major advantages of the umbrella framework of the InvestEU Fund. The ability to reallocate resources across different windows facilitates rapid adjustments in response to changing priorities and economic conditions. This flexibility ensures that the Fund remains relevant and able to respond to emerging needs and challenges, promoting a more dynamic and adaptable financial environment. In addition, the umbrella framework supports the development of new financial products tailored to evolving market needs. By encouraging innovation and adaptability, the InvestEU Fund can better support the EU's strategic objectives and respond to the diverse needs of its beneficiaries.

[169] DG ENV raised concerns that InvestEU's current focus on climate change mitigation neglects broader environmental goals. They urged the Programme to address market failures by prioritising investments in ecosystem services, resilience, and biodiversity conservation. They also noted the discontinuation of the Natural Capital Financing Facility without a replacement, suggesting that lessons from this facility be applied to future instruments. DG CNECT mentioned a loss of visibility and policy influence in sectors like semiconductors and quantum technologies. Other policy DGs, such as DG EAC, expressed worries about reduced engagement with final recipients, although EIF-organised events have been helpful.

5.6.2.3 Challenges and areas for improvement

Notwithstanding the benefits of the umbrella framework, there are areas where there may be room for improvement, or where more careful consideration may be necessary.

The 40% provisioning rate[170] potentially reduces the level of support available to certain market segments that were previously better served by more targeted and fully (100%) provisioned programmes. By reserving a significant proportion of funds for risk mitigation, the framework may limit the resources available for niche sectors. For example, DG ENV noted a declining support to environment, biodiversity and nature-related investments through financial products. According to them, earmarking climate and environment under InvestEU mostly benefits investments in climate mitigation at the expense of investments that support nature and biodiversity. DG EMPL underscored that the design of the provisioning rate may lead to a “zero-sum situation” where higher-risk policy areas requiring higher provisioning (in particular under the social window; e.g. capped guarantee for MF/SE) have to be compensated by other financial products with lower provisioning. At the same time, it can be argued that the higher provisioning for certain products is justified on the basis of historical data. Overall, this issue could be partially addressed through blending, assuming that all these policy areas would have a dedicated support programme, which may not be the case.

The impact of the umbrella framework on the administrative efficiency of InvestEU is a possible area for improvement. **While centralisation allows for greater operational efficiency, it has also led to increased coordination and administrative costs** for DG ECFIN. On the other hand, for some policy DGs (e.g. DG GROW, DG EAC, DG CNECT, DG EMPL)[171], costs related to programme management and governance have slightly decreased, although this may not fully capture their new tasks these DGs are taking on, such as those related to policy steering (e.g. window chairing)[172]. Managing the centralised governance requires significant resources to ensure effective oversight and coordination between the various actors involved, such as the InvestEU governing bodies, the policy DGs and the IPs. On the other hand, there is evidence to suggest that the new framework has not led to a measurable reduction in administrative costs for other Commission DGs, which simply have to deal with different tasks than before. Similarly,

IPs face high administrative and reporting costs related to the more complex and multifaceted nature of the Programme compared to the previous situation with EFSI and other legacy financial instruments (see section 5.2 for a more detailed assessment of the complexity of the programme). For example, reporting is standardised across various products, but still there are several reports that need to be provided regularly provided, which may be more cumbersome given the complexity which is at least partly attributable to the umbrella framework. While a single rule book, application form and contract is perceived as an improvement by implementing and advisory partners, both IPs and APs, the reporting requirements and the checklist for cross-checking the eligibility criteria have become more complex. Finally as previously reported, many stakeholders in their responses to the open call for evidence have cited growing complexity of eligibility criteria and reporting process has become more burdensome and complicated compared to the previous programmes. This growing complexity and burden is a function of regulatory requirements, but partly also driven by the umbrella framework (e.g. longer and more

[170] -High-risk activities have to be balanced with low-risk activities to stay within the overall bounds imposed by the 40% provisioning rate.

[171] FTE data provided by European Commission DGs.

[172] See Annex 7 for a comparative analysis of administrative costs incurred by DG ECFIN and other DGs in the current and the previous MFF.

complex contracts for financial intermediaries involved in deployment of portfolio guarantee products, need for more granularity of data by policy DGs).

5.6.3 The partnership with the EIB as per Article 11 of the InvestEU Regulation

Article 11(1) of the InvestEU Regulation[173] clarifies the scope of the partnership between the European Commission and the European Investment Bank for the purpose of implementing the InvestEU programme. This section summarises the evidence of the extent to which the EIB fulfils its obligations under the points (b) and (c) of that Article.

Article 11 – Scope of the partnership

1. The Commission and the EIB Group shall form a partnership under this Regulation with the objective of supporting the implementation of the InvestEU Programme and fostering consistency, inclusivity, additionality, and efficient deployment. In accordance with this Regulation and as further specified in the agreements referred to in paragraph 3, the EIB Group:

[…]

(b) shall support the implementation of the EU compartment of the InvestEU Fund, and, where applicable, the Member State compartment, in particular by:

> *(i) contributing, together with potential implementing partners, to the investment guidelines in accordance with Article 8(9), contributing to the design of the Scoreboard in accordance with Article 22 and contributing to other documents that set out the operational guidance of the InvestEU Fund;*

The EIB Group and other partners collaborated extensively on the development of the InvestEU guidelines. An expert group, coordinated by DG ECFIN, contributed to the preparation of guidance on sustainability proofing and climate/environmental tracking, which were published in 2021. The investment guidelines were adopted in April 2021 and the scoreboard in July 2021, following consultations with the EIB and other partners.

> *(ii) defining, together with the Commission and potential implementing partners, the risk methodology and risk mapping system that relate to the financing and investment operations of the implementing partners in order to allow such operations to be assessed on a common rating scale;*

The EIB, through its independent risk team (Technical Assistance Unit - TAU), worked with the Commission and partners to develop the InvestEU Risk Methodological Framework and rating mapping procedure. These frameworks were developed with input from the InvestEU risk experts working group led by DG ECFIN. The frameworks are available on the InvestEU wiki and public portal.

> *(iii) at the request of the Commission and in agreement with the potential implementing partner concerned, carrying out an assessment of the systems of that potential implementing partner and providing targeted technical advice on those systems, where and to the extent required by the conclusions of the audit of the pillar assessment in view of the implementation of the financial products envisaged by that potential implementing partner;*

[173] Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017. PE/74/2020/REV/1

The Commission's Partnership Agreement with the EIB includes provisions for the EIB to assess systems and provide technical advice to potential implementing partners. However, to date no such requests have been made to the EIB.

> *(iv) providing a non-binding opinion on the banking-related aspects, in particular on the financial risk and financial terms related to the portion of the EU guarantee to be allocated to the implementing partner, other than to the EIB Group, as defined in the guarantee agreement to be concluded with that implementing partner;*

In 2022 and 2023, the TAU issued non-binding opinions on newly signed and amended InvestEU guarantee agreements. These opinions, requested by the Commission, cover financial risks, remuneration terms and provisioning needs. In 2023, six NBOs were issued for new agreements and six updates for amended agreements.

> *(v) carrying out simulations and projections of the financial risk and remuneration of the aggregate portfolio on the basis of assumptions agreed with the Commission;*

On an annual basis, the TAU has carried out simulations and projections of financial risk and remuneration based on annual risk reports from implementing partners. These assessments include both ex-ante and ex-post risk assessments, following modelling assumptions agreed in advance with ECFIN.

> *(vi) measuring the financial risk of the aggregate portfolio and providing financial reports on the aggregate portfolio; and*

The TAU runs credit risk models on the InvestEU portfolio and produces reports on the progress of the programme's deployment, portfolio characteristics, key technical concepts and risk measurement techniques. These outputs support DG ECFIN's annual data reporting to DG BUDG under Article 41(5) of the Financial Regulation.

> *(vii) providing restructuring and recovery services as set out in the agreement referred to in point (b) of paragraph 3 of this Article to the Commission at the request of the Commission and in agreement with the implementing partner in accordance with point (g) of Article 17(2) where that implementing partner is no longer responsible for pursuing restructuring and recovery activities under the relevant guarantee agreement;*

The EIB is prepared to offer restructuring and recovery services under the Partnership Agreement with the Commission from May 2022. However, no such requests have yet been made as the programme is still in its ramp-up phase.

(c) may provide capacity building as referred to in point (h) of Article 25(2) to a national promotional bank or institution and other services, in relation to the implementation of financial products supported by the EU guarantee if requested by that national promotional bank or institution;

The InvestEU Advisory Agreement allows the Commission to request EIB support for the design, establishment and operation of the InvestEU Advisory Hub and for capacity building of NPBIs. This includes concluding agreements with advisory partners and assessing advisory requests. The EIB may also provide capacity building support to NPBIs, which may be covered either by the Commission or by the NPBI itself. This provision is included in the Partnership Agreement signed in May 2022. However, by the end of 2023, no requests or assignments for capacity building by the EIB had been registered.

5.6.4 Sustainability Proofing

5.6.4.1 Sustainability proofing under InvestEU

Sustainability proofing is a novel feature of the InvestEU programme. The InvestEU Regulation requires an ex-ante sustainability proofing of financing and investment operations receiving support from the InvestEU Fund to identify and address any significant impacts (negative and positive) that these operations might have on the three dimensions (climate, environmental, social). The requirement applies to all policy windows, but there are proportionality thresholds:

- Proofing is required above EUR 10 million for direct financing and intermediated infrastructure funds.
- No proofing is required for intermediated financing to SMEs, small mid-caps and “other eligible enterprises”; instead a simplified approach applies. As part of this simplified approach, IPs must evaluate the ESMS practices of financial intermediaries to ensure they screen transactions for exclusion criteria, comply with relevant laws, identify transactions needing environmental impact assessments, and encourage or require ETS-covered companies to adopt green transition plans based on their InvestEU supported investment. They must also report on the number of financial intermediaries with an ESMS in place.

5.6.4.2 Guidance and application

The Commission has developed a guidance to help implementing partners, financial intermediaries, and project promoters/final recipients deal with the InvestEU Regulation’s sustainability proofing requirements.

Moreover, the EIB is offering capacity building services via the InvestEU Advisory HUB to support other IPs and financial intermediaries to develop their sustainability proofing assessment for proposed investments. The objective of this type of technical support is to facilitate environmental compliance and to mainstream the climate action dimension in investment projects.

Data from the Investment Committee shows that about 18% of approved operations are intermediated operations, which require a limited Sustainability Proofing due to the proportionality principle. In addition, approximately 85% of approved direct operations have undergone Sustainability Proofing at some stage of the process. The operations that do not have a Sustainability Proofing Summary are most likely to be subject to the proportionality provisions (either a small amount or no significant impacts have been identified).

5.6.4.3 Overview of feedback and evidence collected

Stakeholder feedback highlights the positive and less positive aspects of sustainability proofing. On the positive side, sustainability proofing under InvestEU is encouraging the mainstreaming and standardisation of sustainability assessment practices among IPs and is contributing significantly to building their capacities and alignment with the EU taxonomy. On the other hand, there is insufficient clarity and guidance, and sustainability proofing requirements can be onerous for IPs and financial intermediaries. These issues have been highlighted by the ELTI members in their latest position paper:

- Environmental assessment and sustainability proofing are not sufficiently defined, which may deter private investors from co-financing.
- More guidance is needed on the requirement on monetisation for environmental impacts, particularly with respect to carbon pricing.

- Guidance on infrastructure projects is too general and does not take into account the different environmental impacts of different types of infrastructure[174]. This lack of specificities leads to increased costs and may discourage private investment. Therefore, further simplification on the assessments and proofing procedures is needed, especially for social infrastructure.
- The list of excluded activities in Annex V of the InvestEU Regulation should be reviewed to bring it in line with current market needs and EU legislation.
- Careful considerations on the reference to the DNSH principle should be included in the updated EU Financial Regulation to ensure that smaller projects remain eligible for future EU programmes.

IPs, most of whom are ELTI members, have also echoed these views in interviews. Several of them find the process overly burdensome, theoretical, and redundant. For example, IPs typically develop their own social and environmental impact assessment models, which already align with the EU Taxonomy regulation and other international standards. However, they then need to translate their existing approaches into the

InvestEU matrices. Additionally, the practical application of the guidance is challenging, as the necessary data for sustainability proofing is not always available during project appraisal. A suggested improvement is to assess the Environmental, Social, and Governance (ESG) capacity of IPs during the pillar assessment.

While these voices underline that burdensome requirements associated with sustainability proofing may result in discouraged investors (especially for infrastructure projects), the views of project promoters do not fully support this claim. While most respondents do not find sustainability proofing overly burdensome or potentially discouraging, a significant share of project promoters still find the processes relating to environmental tracking (45%) and sustainability proofing (37%) burdensome.

Other stakeholders have expressed their perspective on status quo. National authorities mentioned that initial divergence between DNSH requirements under the RRF and InvestEU created confusion, and that this issue had to be resolved by updating the technical guidance of the RRF, stating that the InvestEU sustainability proofing by IFIs was sufficient. Members of the Investment Committee recognised that sustainability proofing can be burdensome and difficult to adapt to for both IPs and final beneficiaries, but they also appreciated that the process encourages standardisation of practices and alignment with the EU taxonomy.[175] However, they emphasised that any standardisation of metrics and practices must be based on what is already sufficiently widespread in the market so as not to be overly burdensome.

[174] Distingushing for example, between infrastructure projects that have significant environmental impacts (e.g. transport, energy, water, telecom etc.) and others that have significantly lower environmental impacts such as social and affordable housing. Although it could be argued that buildings account for a significant share of GHG emissions

[175] For example, BGK and ICO have both requested support on the alignment of their practices with the implementation of the InvestEU Sustainability Proofing Guidance and the Climate and Environmental Tracking Guidance. See BGK (https://reform-support.ec.europa.eu/what-we-do/financial-sector-and-access-finance/supporting-bgk-polish-development-bank-operationalisation-its-sustainable-socio-economic-development_en) and ICO (https://reform-support.ec.europa.eu/what-we-do/financial-sector-and-access-finance/increasing-capacity-spanish-promotional-bank-catalyse-transformation-and-uphold-future-sustainable_en).

5.6.4.4 Comparison with other EU programmes

A JRC report[176] on the application of the DNSH principle in the context of selected EU instruments concludes that, although there are differences in the guiding principles between instruments, InvestEU is in line with the EU taxonomy and other instruments, in particular with regard to the level of environmental ambition, specific implementation aspects and the integration of context-specific aspects. With regard to the latter, InvestEU stands out in the way it considers the principle of proportionality and attention to no undue administrative burden.

The report also notes that InvestEU provides for similar approaches to DNSH assessment and that where there are differences, these are due to the different objectives of the programmes. For example, in the RRF, the simplified assessment (or 'fast track' mechanism) is a result of the screening, whereas in InvestEU the threshold is applied first. The difference in this case is due to the fact that the use of the threshold under InvestEU is motivated by the principle of proportionality, while the simplified procedure under the RRF prevents measures with unforeseen significant negative impacts on the climate or the environment from going through a detailed assessment.

[176] Beltrán Miralles, M., Gourdon, T., Seigneur, I., Arranz Padilla, M. and Pickard Garcia, N. , *The Implementation of the 'Do No Significant Harm' principle in selected EU* instruments, Publications Office of the European Union, Luxembourg, 2023, doi:10.2760/18850, JRC135691.

6 Conclusions and lessons learned

6.1 InvestEU Fund

The complex and lengthy setup of the InvestEU Programme offers key lessons for improving future programme launches. The start-up phase of the InvestEU Programme lasted around two years due to the late adoption of the InvestEU Regulation[177], complex set-up of new systems, processes and teams, approval of implementing acts, and negotiation of guarantee agreements with the EIB, the EIF and other IPs. These challenges were exacerbated by the novelties and changes introduced in the design of the InvestEU Programme compared to previous MFF programmes (i.e. umbrella framework, open architecture, governance, sustainability framework and the new requirements related to budgetary guarantees in the Financial Regulation and in the State aid framework. Learning from these early challenges is crucial for improving future programme launches.

Despite these initial hurdles, the implementation of the Fund is now fully operational. By the end of 2023, 90% of the EU guarantee of EUR 29 billion (including reinforcements from EEA-EFTA States, Member States and blending top-ups) had been allocated to 16 IPs. A second call for expressions of interest for IPs and new products was also published at the end of 2023. The NGEU deadline provided an impetus to speed-up approvals. Almost 80% of the allocated guarantee amount of EUR 26 billion (EU compartment only without other contributions) had been approved by the IC and 30% signed by IPs. This translates into an approved financing volume of EUR 42 billion and a signed financing volume of EUR 19 billion by the end of 2023. However, more than half of the approved financing remains in the pre-contracting stage. Identifying and developing project pipelines within the 43 framework operations that lack any signed sub-operations at end-2023 is vital for expediting Programme implementation and amplifying its impact on the real economy.

IP product offering under InvestEU is wide-ranging, comprehensive and reflective of market needs. IPs are offering a combination of direct and intermediated financing products encompassing debt, including guarantees, equity and QE. Unique product offerings include loans for on-lending, microfinance, social housing (CEB), renewables (EIB); VD (EIB), green securitisation (EIB), project specific guarantees (CDP, EIB), private credit and capacity-building investments (EIF), and direct equity (InvestNL). Several products are partly similar, e.g. senior debt offering of some IPs, SME competitiveness and sustainability portfolio guarantees. As IPs ramp up their activities, some coordination will be needed to ensure alignment with market needs and balance between demand and supply. As IPs develop new or scale-up existing financial products, it will be important to ensure consistency of conditions in GAs across similar products offered by different IPs.

The take-up of the MS-C is incentivised and encouraged by the Commission. Six Member States participated by the end of 2023, contributing EUR 1.8 billion, including EUR 1.5 billion in cash contribution for the provisioning, which corresponds to almost 15% of the EU allocated budget for the provisioning. The clarification of State aid imputability and simplification of rules, notably on the implementation of the DNSH principle for contributions from the RRF, and related procedures are helpful. Enhanced efforts are ongoing to promote the benefits of the MS compartment and encourage broader participation, in areas reflecting broader national priorities and investment needs (and not just restricted to SME financing).

[177] Changes in the external environment (Covid-19, Russian invasion in Ukraine) and other factors led to mushrooming of other programmes / schemes (RRF, NGEU, JTF etc), shifting policy objectives and re-alignment of InvestEU including a reduction in budget, new policy objectives and additional requirements (e.g. NGEU deadlines, alignment with JTM)

The use of blending within the InvestEU Programme is an effective and efficient way to boost resources and target specific policy objectives. Blending is mainly used in the form of top-ups, with EU sectoral programmes offering first loss protection to specific InvestEU portfolios. There are eight such top-ups targeting areas that are historically reliant on grants. Innovative initiatives like the EU-Catalyst Partnership and the EaSI Programme are being trialled, combining EU sectoral programme resources with the InvestEU budgetary guarantee to provide blended support at final recipient level. Finally, the InvestEU infrastructure is being used to set up blending facilities even without utilising the EU guarantee (EBRD CRM facility). The implementation of blending may be enhanced by earlier visibility of the available contribution from other EU programmes, and (potentially) an envelope that can be deployed in case of emerging priorities.

It is too early to assess the effectiveness of the Programme based on KPIs/KMIs. Given low signature and disbursement values (as expected at this stage), few IPs and projects are yet able to report KPIs/KMIs. A meaningful analysis will only be possible in the coming years as disbursements to direct operations ramp up and financial intermediaries, still at the early stages of building portfolios, start to report inclusion data.

The budgetary guarantee is proving an effective and efficient tool for crowding-in capital. As of end-2023, the InvestEU Fund is estimated to mobilise around EUR 218 billion, with EUR 141 billion (65%) expected from private sources. For the EU compartment, the InvestEU Fund is estimated to mobilise EUR 205 billion against an expectation of EUR 372 billion by end-2028. This yields an expected multiplier effect of 14.77, against an expectation of 14.2. These figures are based on approved operations and do not take into account causality. Nonetheless, project promoter surveys, interviews and deep dives underscore the Fund's effectiveness in crowding-in other sources of finance. The main channel for crowding-in is the de-risking effect provided by the IP in the form of financing, a quality stamp, structuring input and in certain cases, advisory support.

The InvestEU Programme has facilitated support to existing and emerging policy priorities. The design of the Programme across broadly defined policy windows has facilitated support to key EU policy priorities, such as the green and digital transitions, innovation and the social agenda, while remaining flexible enough for the IPs to adapt their products to emerging priorities (in response to policy steering), such as a more competitive industrial policy.

The budgetary guarantee demonstrates high additionality, supporting activities beyond the standard risk appetite of IPs. These include riskier forms of finance (e.g. VD/QE, equity, loans without offtake agreements), riskier counterparts (e.g. SME without collateral, first time VC teams) and riskier activities (e.g. pre-revenue (FOAK – First of a kind, demonstration) and scaling-up. Additionality of the guarantee is evident from project documents and confirmed by survey findings – 95% of the project promoters would not have proceeded as planned without InvestEU financing.

The Programme's transformative impact potential is evident. Initial investments align strongly with the EU's policy objectives. The programme supports productivity-enhancing investments, including investments with strong spillovers (green investments, RDI, social investments). Notable examples include H2 Green Steel, Northvolt, Energy Dome, Mosa Meat, 3SunPV Gigafactory, Eavor Loop, XOCEAN Uncrewed Vessels For Ocean Data, P-CAM Commercial Demo Plant, H2BATTERY, Printed Solar Cell Manufacturing Plant, and many more. Beyond the impacts of the individual operations financed, the InvestEU Fund is likely to have a systemic impact by building the capacity of NPBIs across Europe, aligning NPBIs/IFIs with EU standards, mobilising investment in shared priorities such as climate change, digitalisation, innovation etc., and promoting sustainable finance practices. The Programme also contributes to developing ecosystems for social investment, blue economy, and sowing the seeds for emerging VC markets in climate and environment solutions, space and education.

As the portfolio is still building, it is too early to draw conclusions about the geographical reach of the Fund. Initial data show that countries like Romania, Bulgaria, and Greece are top recipients relative to GDP. Larger economies secure more financing in absolute terms, but smaller economies rank higher in relative terms.

The InvestEU Fund demonstrates a clear EU added value. For example, the EU budgetary guarantee enhances the risk-taking capacity of IPs and enables them to finance investments they would not otherwise be able to support. The Fund is supporting projects and PE/VC funds that span multiple countries. Such cross-border investments are not normally supported by national initiatives. It provides a platform for standardisation and innovation of products and practices by IPs and alignment with shared priorities.

The Programme is highly relevant to addressing the EU's urgent and growing investment needs. Since the adoption of the InvestEU Regulation in 2021, the EU's investment needs have grown significantly amid geopolitical shifts, macroeconomic uncertainty and eroding EU global competitiveness. InvestEU's diverse portfolio of activities and products is well-suited to meet the EU's growing investment needs, as confirmed by past evaluations, recent reports (e.g. Letta report), and this evaluation. There is significant demand for the InvestEU Fund products, underscoring their relevance and necessity in the current economic landscape. Given the Programme's strong focus on policy objectives – thus, areas where markets are either non-existent or nascent (e.g. sustainability guarantees for SMEs, space, semi-conductors, education) – there is a parallel need for advisory services.

Despite these successes, the Programme faces a number of constraints. The budget is inadequate relative to the investment needs, policy ambitions and demand. The NGEU deadlines for approval and signature resulted in a programme with heavily frontloaded approvals. As a consequence, the available envelopes for approvals of operations are expected to be exhausted by the end of 2025. According to certain IPs, without budgetary reinforcements, no further signatures will take place for some financial products after 2025.

The investment approval process is labour-intensive. Reporting requirements are burdensome for IPs, intermediaries and final recipients. Contracts, eligibility criteria and exclusion lists are becoming more complex. Some IPs and project promoters expressed concern about the sustainability-proofing process, finding it too burdensome. Monitoring and reporting requirements necessitate significant investments in IT systems and procedural adaptations, slowing IPs' time-to-market. Additionally, the EU guarantee comes without liquidity, potentially diminishing the provisioning envelope in a high-interest rate environment (as funding costs of some IPs are reimbursed[178]). Finally, the Programme's governance framework should better promote information-sharing and coordination between IPs in a structured and formalised manner, which is necessary to ensure that all partners are aligned in their efforts (although some independent information-sharing and coordination takes place via ELTI).

6.2 InvestEU Advisory Hub

Implementation of the Advisory Hub is progressing well. At the end of December 2023, Advisory Agreements had been signed with six partners, alongside an MoU with CINEA for a total amount of EUR 382.5 million. These seven APs have developed an extensive range of advisory initiatives. There is, however, considerable variation among

[178] funding costs are reimbursed for some IPs (as envisaged in the InvestEU Regulation), though some partners cover these costs using equity waterfalls or guarantee revenues– this is a point of negotiation between IPs and the Commission

APs in the number of assignments delivered, as well as the budget utilisation, reflecting their different stages of implementation and the distinctive nature of the advisory services they provide.

The support provided is comprehensive in type, eligible area and reach. While project advisory makes up the bulk of assignments, significant portions of the budget are utilised by capacity-building and market development activities. The final beneficiaries of the Advisory Hub assignments include SMEs, corporates, and public authorities. The Commission services have used the InvestEU Advisory Support for a market development assignment. All 27 Member States are covered, although certain countries (e.g. France and Italy) receive more concentrated support, mainly through NPBIs. Some Member States (e.g. Denmark, Cyprus, Luxembourg, Hungary) are less covered. Likewise, although all eligible areas are covered, there are variations in the extent of coverage. For example, the Advisory Hub support in the area of digital technologies and services, as well as digital infrastructure, is comparatively less pronounced than green (energy, mobility etc.) and social. As expected, the EIB has the most diversified and comprehensive offer, covering all Member States, all types of support, client groups and eligible areas. Other APs target specific sectors or segments, resulting in a complementary offer.

It is too early to assess the Advisory Hub's impact due to its early stage of implementation. Most assignments are currently in progress or in the pipeline, with only a small proportion completed and low budget utilisation (in terms of payments) for most partners. Even for completed assignments, there is a delay in observing outcomes and impacts.

However, as with the Fund, the impact potential is there. Beneficiaries are satisfied with the quality of services, while KPIs on the potential of assignments to generate projects eligible for InvestEU Fund financing show strong alignment with InvestEU priorities and expected mobilisation of financing. EIB and EBRD activities are expected to contribute to the geographical diversification of the InvestEU pipeline. Hub activities are crucial in deploying InvestEU products, particularly portfolio guarantees, with financial intermediaries appreciating the support and tools provided.

Realising the potential efficiencies from grouping a wide range of advisory activities will take time. The Advisory Hub was intended to increase efficiencies and avoid overlaps by centralising existing advisory initiatives and widening the scope of intervention under the InvestEU Programme. While this presented an opportunity for increased efficiency, it also introduced some complexity by applying a standardised approach across different advisory initiatives. Most notably, the initial set-up and transition efforts required were not fully anticipated.

There is some evidence of EU added value of the Advisory Hub, although the added value of individual advisory initiatives could not be established within the scope of this evaluation. Many NPBIs/Member States do not offer combined advisory services and financing at national level, making the InvestEU's combined offer, with extensive sectoral and geographical scope, a key element of its EU added value. While this conclusion applies to the general Advisory Hub offer, the evaluation could not establish the added value (or relevance and effectiveness) of individual advisory initiatives.

The Advisory Hub is highly relevant both for the deployment of the Fund and the development of broader investment pipelines and ecosystems. It supports target sectors that are crucial from a policy perspective (digital transition, climate action, strategic investment, emerging sectors) and stays mission-aligned with regulatory objectives, contributing to geographical and sectoral diversification, project development, and pipeline development. Interviews and feedback indicate high demand for certain advisory initiatives, although data on demand levels are lacking. Feedback from beneficiaries indicate high relevance and usefulness of the Advisory Hub's advisory offer, but it could be better communicated and reinforced. There is a lack of visibility and awareness of the Advisory Hub (internally and externally), with limited recognition beyond the ‘brand’ and a lack of knowledge about specific advisory initiatives and services on offer. The central entry point currently provides limited value as a source of advisory engagements or a vehicle for reinforcing the value and relevance of the Hub.

6.3 InvestEU Portal

Beyond the matchmaking events, the Portal has yet to establish its value and usefulness. Its effectiveness in providing visibility to published projects and directly facilitating investments remains unclear. On the other hand, matchmaking events, particularly those in collaboration with partners like EBAN and EuroQuity, have been generally well-received. The anticipated synergies with the InvestEU Fund and Advisory Hub have not yet materialised. Limited resources allocated to the Portal may partly explain its performance; although activities that have proven more successful, such as the partnerships and matchmaking events, require (comparatively) more financial resources.

The relevance and EU added value of the Portal are currently limited. Although it offers distinctive features, including coverage of all Member States, its lack of visibility, limited use and unclear effectiveness diminishes its EU added value (apart from the matchmaking events which have been well received).). The Portal has the potential to add value to the wider investment ecosystem, but this requires enhancements.

6.4 Cross-cutting issues

While there are strong linkages between the Advisory Hub and the Fund, there are opportunities for the Portal to enhance its role and better support the InvestEU ecosystem. Advisory support is crucial to generate project pipelines in line with EU policy objectives, build capacity of less sophisticated clients, and build non-existent or nascent markets. Indeed, APs have clear targets for the share of support that should go to projects with the potential to feed the InvestEU pipeline and that align with policy objectives (minimum 50%) for the InvestEU Fund. The Portal, on the other hand, has not generated any value as a source of pipeline either for the Advisory Hub or the Fund. This is due to the projects listed not being suitable for InvestEU financing and IPs/APs relying on their own tried-and-tested pipeline generation strategies.

The external coherence of the InvestEU Programme merits a more thorough analysis. Initial observations suggest that InvestEU effectively complements several key EU programmes and initiatives, including RRF, EIT and EIC. At a macro level, while the RRF focuses on immediate recovery and resilience, InvestEU supports both the recovery and strategic long-term investments. Both programmes aim to drive the green and digital transitions, enhance economic resilience, and promote social inclusion, while InvestEU focuses on leveraging private investment. At sectoral level, both EIT-KICs and the Advisory Hub are supporting the development of robust innovation and investment ecosystems. At a micro level, InvestEU, EIT, and EIC together address the varying financing needs of companies throughout their growth stages, from pre-seed funding to expansion. While the evaluation provides an initial understanding of these complementarities, a more in-depth analysis is necessary to fully grasp the extent and impact of InvestEU and the coherence of all relevant EU programmes.

The open architecture is slowly bedding in, with evident benefits, but it is still too early to judge its full impact on Programme effectiveness and efficiency. InvestEU is a partnership of mutual benefit, enabling IPs to develop their business models while helping the Commission to deliver on its policy objectives, which often involve areas where markets will not venture. Benefits include competitive dynamics, a greater choice of partners for the Commission, a wider pool of expertise, product offerings, capacity-building, and alignment/standardisation of practices across IPs. On the other hand, it creates complexity and fragmentation, which is addressable and manageable with appropriate measures (see section 5.6.1).

The umbrella structure is a positive change but faces transition issues. The transition to the InvestEU umbrella structure has yielded several areas of success, particularly in policy coordination, efficiency gains, and simplified access for financial intermediaries. However, challenges need to be addressed, including concerns about reduced support to certain market segments due to the limited budget available under InvestEU, policy visibility, and administrative efficiency. For example, a single rule book, application form, and contract are seen as improvements by financial intermediaries, but reporting requirements and eligibility criteria checklists are becoming more complex according to some financial intermediaries and stakeholders (although this finding might not apply to all financial intermediaries).

6.5 Lessons learned and future reflections

Based on the insights and lessons drawn from the start-up phase of the Programme, the evaluation provides some reflections on potential changes, enhancements and actions that could amplify the Programme's reach and impact:

Enhance the financial and risk-bearing capacity of the programme to fully address investment needs, policy objectives and demand. The EU will have to invest ‘an enormous amount of money in a relatively short time’, according to former ECB president Mario Draghi earlier this year. More and better outcomes can be achieved through concerted and joined-up effort, as well as budgetary-wise efficient instruments, such as pan-European budgetary guarantees, that aim to leverage private investments and create the ecosystem of private actors to deliver EU policy objectives. As such the Commission should consider enhancing the financial impact and capacity of the InvestEU Programme. Potential levers to increase InvestEU's financial capacity in the short term include (i) more blending operations with support from sectoral EU programmes, (ii) encouraging utilisation of MS-C, thus attracting resources managed by Member States, such as EU Structural Funds or national funds, (iii) using reflows from EFSI and legacy financial instruments and (iv) considering a modest reduction in the confidence level of VaR for provisioning from 95% to 90%.

While the programme is flexible and responsive to evolving needs, that adaptability could be enhanced by creating a reserve within the budgetary envelope to target emerging priorities.

Promote structured information-sharing (while respecting confidentiality requirements) and collaboration between IPs and APs, the Commission and the Member States. Recommendations include information sharing on InvestEU products and Advisory Hub initiatives, and establishing regular meetings between IPs/APs to discuss implementation, key challenges and solutions. This approach would foster coordination between IPs on demand and supply of the InvestEU financing, facilitate standardisation of approaches to products across IPs, as appropriate, avoid market fragmentation and identify potential gaps in the InvestEU product offer.

Reduce complexity by addressing lengthy internal approval timescales and streamlining decision-making processes, eliminating redundancy between the GRF and policy checks, and reducing the complexity of legal documentation and reporting burden (while ensuring sound financial management and control). Reporting simplifications in the current MFF could be considered.

DNSH principle implementation. The DNSH principle should be implemented based on proportionality and recognising equivalence across different approaches to meet the same policy objective. Simplification could be considered, including proportionality and equivalence of sustainability-proofing requirements to make them less burdensome and more practical for IPs and project promoters.

Reduce entry costs for new IPs. Pathways to IEU support for new IPs (particularly NPBIs) should be simplified by streamlining pillar assessment and guarantee negotiation process (e.g. by using standard terms and conditions for financial products) and providing capacity-building support to NPBIs, if requested.

Undertake a follow-up studies or pieces of research to address aspects that could not be well covered by this evaluation (given its scope and limited budget), such as activities of new IPs, relevance and effectiveness of individual advisory initiatives, and external coherence of the Programme. Factor-in adequate time and resources for these follow-up studies.

Ensure consistent application of criteria to classify thematic products. Higher EU guarantee coverage should be strongly anchored in higher additionality and impact potential of product.

Enhance visibility and awareness of the Advisory Hub. Develop and implement a comprehensive internal and external communication strategy that includes detailed information about specific advisory initiatives and services.

Revamp the central entry point to provide clear, accessible and detailed information on the various advisory initiatives available and their eligibility criteria. It should serve as an effective vehicle for engaging stakeholders and reinforcing the value and relevance of the Advisory Hub.

Optimise the InvestEU Portal. Evaluate the effectiveness and relevance of the InvestEU Portal as more data become available. Depending on the findings, adjust the Portal's overall strategy, consider increasing the financial and technological support to enhance its functionality, or alternatively, refine its scope to focus on specific areas, such as events.

6.6 Reflections for successor programmes

The evaluation provides valuable insights and reflections for a successor programme to InvestEU:

- Ensure that programme budget adequately reflects its ambitions and needs.
- Increase the risk-bearing capacity and incorporate a wider range of instruments, including blended support and funded instruments.
- Ensure continuity between the current and forthcoming MFF by building on the existing legal, contractual and operational framework to avoid a 'stop and go' approach (which can damage long-term planning and investor confidence).
- Clarify issues arising from the alignment with State Aid and Financial Regulation at an early stage.
- Simplify administrative burden and reporting obligations, while keeping adequate level of reporting to allow for necessary financial control and policy steering. Consider using advanced technological solutions (e.g. AI, data science etc.) to support data collection and analysis.

GETTING IN TOUCH WITH THE EU

In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at: https://europa.eu/european-union/contact_en

On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

– by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),

– at the following standard number: +32 22999696, or

– by email via: https://europa.eu/european-union/contact_en

FINDING INFORMATION ABOUT THE EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: https://europa.eu/european-union/index_en

EU publications

You can download or order free and priced EU publications from: https://op.europa.eu/en/publications. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see https://europa.eu/european-union/contact_en).

EU law and related documents

For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: http://eur-lex.europa.eu

Open data from the EU

The EU Open Data Portal (http://data.europa.eu/euodp/en) provides access to datasets from the EU. Data can be downloaded and reused for free, for both commercial and non-commercial purposes.

Publications Office
of the European Union

ISBN 978-92-68-20832-8