



# **Independent evaluation of the EFSI Regulation**

Annexes to the Final Report

Written by ICF in association with  
external partners

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## Table of Contents

Annex 1	Consultation Strategy .....	1
A1.1	Objectives and scope .....	1
A1.2	Mapping of stakeholders group .....	1
A1.3	Methods and tools for engaging with stakeholders .....	4
Annex 2	Interviews at scoping stage and main stage .....	17
Annex 3	On-line survey questionnaires .....	25
A3.1	Survey of [direct] beneficiaries under IIW (signed projects) .....	25
A3.2	Survey of financial intermediaries involved under IIW (signed deals).....	30
A3.3	Survey of National Promotional Banks/NPIs.....	35
A3.4	Survey of beneficiaries of EIAH assistance .....	41
A3.5	Survey of project promoters from the EIPP .....	46
Annex 4	Survey results .....	47
Annex 5	Interview topic guides .....	48
A5.1	National Promotional Banks/ Institutions.....	48
A5.2	Policy DGs - Management of EU Programmes (COSME, CEF, InnovFin, EaSI, CCSG, Erasmus+, ESIF): .....	50
A5.3	EFSI beneficiaries under IIW .....	52
A5.4	Main banks and investors in IIW projects closed with EFSI support .....	54
A5.5	Financial intermediaries involved in the SME Window (SMEW) [Lending / guaranteeing institutions] .....	56
A5.6	Financial intermediaries involved in the SME Window (SMEW) [Fund managers] .....	57
Annex 6	Project review templates.....	60
Annex 7	Description of the modelling of the EFSI target rate .....	62
Annex 8	Literature review – sectorial fiches .....	63
A8.1	Bibliography .....	63
A8.2	SMEs.....	64
A8.3	R&D .....	74
A8.4	Infrastructure .....	82
Annex 9	Evaluation Framework .....	92
A9.1	Evaluation Framework for EFSI.....	92
A9.2	Evaluation framework for the EU Guarantee .....	102
A9.3	Evaluation Framework for EIAH .....	105
A9.4	Evaluation Framework for EIPP .....	113
Annex 10	Summary of previous evaluation evidence .....	117
Annex 11	Investment needs analysis .....	135

## **Annex 1 Consultation Strategy**

The purpose of this section is to present the key elements of the consultation strategy in line with the Commission's Better Regulation Guidelines {SWD(2017) 350}. It notably defines the objectives and scope of the consultation that will be undertaken within the framework of the independent evaluation of the application of the EFSI Regulation - 2015/1017. It also presents the stakeholder groups that would be involved in the consultations and the various methods and tools that would be used to engage with these stakeholders.

### **A1.1 Objectives and scope**

The consultation activities will seek to collect factual information and opinions for the evaluation.

In its first part dedicated to the evaluation, the consultation will cover EFSI and the EU Guarantee, the EIAH and the EIPP. The focus of the questions will derive from the evaluation framework and will cover the following aspects:

- Relevance in relation to the identified needs and problems it aims to address;
- Effectiveness (e.g. in terms of mobilising capital, setting up new collaborations and generating a pipeline of bankable projects)
- Efficiency (for instance with regards to the processes and governance in place)
- Coherence with other interventions that share common objectives, from an investment support point of view and w.r.t. technical assistance
- EU added value compared to what could be achieved by Member States' public and private sector only

The questions and consultation tools will be tailored for each stakeholder group. The consultation strategy will include two main elements namely: interviews<sup>1</sup> and surveys (see Annex 3 and Annex 5 for research tools).

Concurrently a more wide ranging 12 week internet-based open public consultation (OPC) has been undertaken by the European Commission<sup>2</sup>. It covered also the policy areas of investment, research & innovation, SMEs and the single market, albeit relevance of many questions for this assignment is limited.

### **A1.2 Mapping of stakeholders group**

The consultation strategy seeks to be as comprehensive and representative as possible.

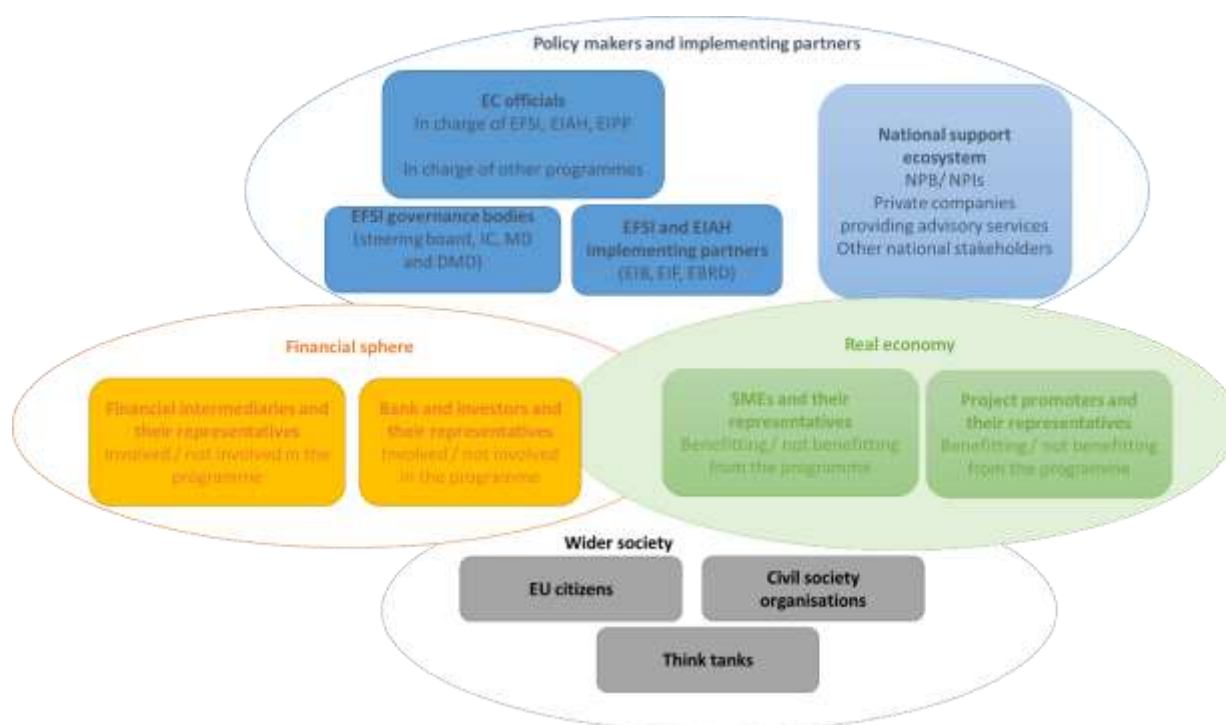
The stakeholders identified through desk research and exchanges with DG ECFIN belong to four large groups: policy makers and implementing partners at the EU and national level; stakeholders from the financial sphere; from the real economy; and from the wider society.

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<sup>1</sup> In limited cases, given the limited time available for the data collection phase, interviews may be replaced by requests for written feedbacks.

<sup>2</sup> [https://ec.europa.eu/info/consultations/public-consultation-eu-funds-area-investment-research-innovation-smes-and-single-market\\_en](https://ec.europa.eu/info/consultations/public-consultation-eu-funds-area-investment-research-innovation-smes-and-single-market_en)

Figure 1. Main stakeholders of EFSI/EIAH and EIPP



The main stakeholder groups are described below. Table 2 maps the stakeholder groups against the following criteria:

- **Interest:** measures the degree of interest or concern a stakeholder has in a policy or programme;
- **Influence:** measures how much influence the stakeholder has over the policy or programme, and to what degree they can help achieve, or block, the desired change
- **Impact:** to what degree they are likely to be affected by the policy or programme
- **Information:** indicates the extent to which they are aware and informed of the policy or programme
- **Accessibility:** to what extent the stakeholder would be accessible for the data collection activities

### A1.2.1 Policy makers and implementing partners

#### A1.2.1.1 European Commission officials

- **European Commission officials responsible for EFSI / EIAH and EIPP:** EC officials are a main interest group as they are the architects of the whole IPE and give to the programme its political orientation. The EC also implements directly the EIPP.
- **European Commission officials in charge of the management of other EU programmes:**

There are several ways in which EFSI and other EU programmes relate:

- H2020 and CEF are two programmes whose budget was reduced to provision the EFSI guarantee fund. As such these two programmes will have views on what has been the opportunity cost of launching EFSI.
- Programmes such as COSME, CEF, H2020, EaSI and CCS have deployed financial instruments before EFSI was launched, with the purpose of facilitating the access

to finance for enterprises/students or project promoters from specific sectors, and so creating an environment favourable for competitiveness. The EFSI programme was subsequently launched in 2015 in the pursuit of the same objectives. It will be important to analyse the complementarities, synergies and where relevant, potential overlaps between the EFSI programme and these other EU programmes.

Programmes often have their own TA programmes that could relate to the EIAH as well.

#### **A1.2.1.2 EFSI governance structures**

- The **Steering Board**, comprised of four members (three from the EC and one from the EIB) sets the strategic orientations of EFSI and appoints the investment committee. The Steering Board (together with the Managing Director) approves coverage of SMEW Products by the EU Guarantee.
- The **Investment Committee (IC)** is composed of eight experts who make decisions on the use of the EU guarantee under the IIW, based inter alia on a scoreboard of indicators. The IC is also consulted for new products under the SMEW (but not for approval of individual transactions).
- The **Managing Director and Deputy Managing Director** are responsible for the day-to-day management of the EFSI and assisting the IC in their work (with support from EFSI secretariat). The Managing Director (together with the Steering Board) approves coverage of SMEW Products by the EU Guarantee.

#### **A1.2.1.3 EFSI / EIAH implementing partners at the EU level**

- The **EIF** is in charge of the implementation of the SMEW.
- The **EIB** is in charge of the implementation of the IIW. In addition to the management of the IIW, the EIB signed a framework partnership agreement with the EC for the implementation of the EIAH.
- The **EBRD** has signed a partnership agreement on the delivery of the EBRD Small Business Support Programme in Bulgaria, Greece and Romania under the EIAH umbrella.

#### **A1.2.1.4 National public support ecosystem**

- **National Promotional Banks (NPBs)** and **National Promotional Institutions (NPIs)** are co-investors of some EFSI projects. A great number of NPBs and NPIs are federated by EIF through a dedicated NPB/NPI platform for the delivery of SMEW Products relevant to them. In addition, as of end 2017, 22 NPBs/ NPIs have signed a Memorandum of Understanding with the EIB and the EC for an increased collaboration in relation to the EIAH. With the new call for expression of interest issued in December 2017, the collaboration with some of these NPBs/NPIs could go a step further and imply the local delivery of services on behalf of the EIAH.
- **Private companies providing advisory services** will be consulted in relation to the EIAH, essentially to gauge the extent to which they see the EIAH as complementary to or competing with their services.
- **Other players of the national public support ecosystem** will be consulted for their knowledge of the needs for SME / project financing and associated support services, to have their views on the need for EU intervention in this field and on the complementarity of EFSI / EIAH with other existing programmes.

### **A1.2.2 The financial sphere**

#### **A1.2.2.1 Main banks and investors**

- Various investment banks and investors are active in each of the key sectors (transport, energy, ICT; R&D) targeted by the IIW and may have **invested in EFSI financed projects**. They are of interest for the consultation strategy as they co invest in EFSI projects and hence indirectly benefit from the EU guarantee (which covers part of these projects' risk).

- **Other main banks and investors**, investment **advisors** and **representatives** of investors have an informed understanding of the factors influencing the financing of infrastructure and innovation projects and the needs for support services. Special efforts will be made at gathering the view of investors' representatives, since they are particularly knowledgeable about the views of different investor groups and may help assess the extent to which the design of EFSI responds to needs and encourages crowding-in / avoids crowding out of the private financial sector.

#### **A1.2.2.2 Private financial sector**

- **Financial intermediaries** under the SMEW play a key role in the implementation of EFSI , which allows them to finance more SMEs.
- **Other intermediaries active in the SME segment and their representatives** will be consulted for their informed views on, inter alia, the evolution of SME needs and the relevance of EFSI with regards to these evolving needs given the range of products supported.

#### **A1.2.3 The real economy**

##### **A1.2.3.1 Project promoters**

- **Beneficiaries of the IIW** (from the public or private sector) are by definition directly impacted by the EFSI programme.
- **Other project promoters not yet having benefited from the IIW and representatives of project promoters in general** are also relevant for the consultation as they have a stake in how the financing conditions of their projects evolve and the range of support services provided at the EU level and these are inter alia influenced by EFSI /EIAH and EIPP.
- Project promoters can also be **direct beneficiaries of the EIAH**, where they have access to technical assistance and advice from experts for the development of their projects.
- **Project promoters, whose projects are listed on the EIPP**, are finally also main stakeholders for the evaluation of the EIPP

##### **A1.2.3.2 SMEs and private sector:**

- The **SMEs** and small mid-caps are the final beneficiaries of the SMEW as it allows more of them, especially the ones who would otherwise have had difficulties, to access affordable financing. They will essentially be approached through their **representatives**.

##### **A1.2.4 The wider society**

- **EU citizens** are directly affected by the economic situation in their country. Moreover, as tax payers, citizens eventually pay for the costs of EFSI, EIAH and EIPP. Despite being the ultimate beneficiaries of the initiative, they are often not aware of the details of the scheme. Those who think that they can contribute to the debate as well their representatives from **civil society organisations** and opinion makers such as **think tanks** will however be encouraged to contribute to the general OPC (not as part of this assignment) and give their opinion on the achievements and orientation of public policies in the fields of investment, research & innovation, SMEs and single market.

#### **A1.3 Methods and tools for engaging with stakeholders**

Our consultation strategy foresees different consultation methods and tools for different stakeholder categories.

### A1.3.1 Interviews

In addition to scoping interviews already conducted with the Commission, EIB, EIF and EFSI managing directors (see Annex document), interviews will be conducted with a range of stakeholders. Table 1 summarises the profile of the interviewees targeted and the number of interviews planned. Given very limited time available for the data collection phase, not all those interviews may be conducted and some may be replaced by requests for written feedbacks.

Table 1. Summary of planned interviews (excluding scoping ones)

Level / Broad type	Stakeholder category	Sample
Policy makers and implementing partners / EU policy level	EC - Management of other EU Programmes (COSME, CEF, InnovFin, EaSI, CCS, Erasmus, ESIF) and related advisory services	5-8
Policy makers and implementing partners / EFSI governance bodies	Investment committee	1 group interview or 2-3 interviews
	EFSI steering board	1 group interview or 2-3 interviews
Policy makers and implementing partners / EFSI implementing partners at EU level	EBRD	1
Policy makers and implementing partners / National public support ecosystem	NPBs / NPIs	5 follow-up interviews
	Private companies providing advisory services	2
	Other national players as appropriate	4-5
Financial sphere / Main banks and investors active in each key EFSI sector (transport, energy, ICT, R&D, social and education)	Main banks and investors in IIW projects closed with EFSI support	5 follow-up interviews
	Other main banks and investors (not involved with EFSI)	4
	Representative of investors	3
	Investment advisors	3
Financial sphere / Private financial sector active in SME segment	Financial intermediaries involved in the SME Window (SMEW)	5 follow-up interviews
	Financial intermediaries active in SME segment but not involved in the SME Window (SMEW)	3
	Representatives of private financial sector active in SME segment	3



Level / Broad type	Stakeholder category	Sample
	Credit Rating Agencies	1-2
Real economy / Project promoters	Beneficiaries of the Infrastructure and Innovation Window (IIW)	5 follow-up interviews
	Project promoters not benefitting from the Infrastructure and Innovation Window (IIW)	3
	EIAH beneficiaries (including Investment platforms)	6-7 follow-up interviews (including investment platforms)
	Promoters of projects listed on EIPP	2-3 follow-up interviews
Real economy / SMEs and private sector	Representatives of SMEs and private sector	3
<b>Grand Total</b>		<b>~ 60-65 interviews</b>

Our consultation strategy foresees interviews with the stakeholders outlined above because of the need to explore not only facts but also rationale behind them and the need to ensure interaction on quite technical topics (e.g. investment barriers). We believe that in such cases, interaction will bring more precision.

With some of the stakeholder groups, interviews will complement surveys covering larger samples (follow-up interviews) and explore more qualitatively and extensively some of the issues uncovered via the survey– with a limited number of stakeholders which will have indicated at the end of the survey a willingness to participate in a follow-up interview.

In other cases where a few interviewees will be selected from rather large groups (e.g. SME representatives), the team will focus on gathering a large range of views by selecting interviewees with different profiles (e.g. different country, sector, size) from the pool of contacts its sectoral experts / the EIB / the EIF have at their disposal.

The main focus of interviews will vary depending on the stakeholder type.

### **A1.3.2 Survey**

Five online targeted survey have been envisaged at the Inception stage in order to reach a higher number of stakeholders and collect data in a more systematic manner, e.g. produce descriptive statistics on additionality of EFSI support or on added value of EIAH support / EIPP to the main beneficiaries. More specifically, the surveys will be sent to

- beneficiaries under IIW (signed deals only)
- financial intermediaries under IIW (signed deals only)
- National Promotional Banks and Institutions;
- beneficiaries of EIAH assistance;
- project promoters from the EIPP.

### **A1.3.3 OPC**

A wide ranging 12 week internet-based open public consultation (OPC) was undertaken by the European Commission<sup>3</sup>. It covered the policy areas of investment, research & innovation, SMEs and the single market. Although it will not be an OPC specific to this assignment, the evaluation team will have access to the results relevant to this evaluation and will be able to draw on those as appropriate. Where relevant, the results of the OPC will be useful to complement the results of the targeted consultation and could in particular bring further insight from the wider society and stakeholders not involved in the programme.

### **A1.3.4 Survey methodology**

#### ***Step 1: Build pilot online questionnaire***

A draft e-survey have been designed by ICF in Word. Once the questionnaire has been signed-off by the Commission, an online version will be developed using the Gizmo online platform. This will be thoroughly tested internally for functionality and ease of use.

Good design of the survey instrument is crucial to high responses. This involves careful construction of questions that facilitate the collection of necessary data (and at the same time, the need to avoid unnecessary questions). Moreover, in the case of self-completion surveys it is absolutely vital to ensure that there is no room for misinterpretation of questions.

The online survey will be designed and delivered using SurveyGizmo software. This has the capability to produce online and paper questionnaires across any language using dynamic and interactive features. There are inbuilt analysis capabilities, as well as automated smart reports that are generated from collected data.

#### ***Step 2: Deploy pilot questionnaires***

The questionnaires will be developed and piloted. We would recommend that one or two pilots per respondent type should be identified and approached via email and telephone and invited to participate. Once agreement has been received, the questionnaire will be sent to the pilots as a link within an e-mail. A telephone discussion will be scheduled with the pilot organisations to gather feedback. Issues to be discussed include:

- time taken to complete the questionnaire;
- particularly challenging questions;
- suggestions for additional relevant information that could be gathered;
- clarity of instructions and language used; and,
- ease of navigation and aesthetic issues of different computer platforms and devices.
- where necessary, feedback from the questionnaire will be fed into a revised Word version of the questionnaire.

#### ***Step 3: Final questionnaire deployment and receipt of responses***

The final questionnaire will be deployed as a link within an e-mail. The questionnaire will remain live for a total of three weeks. Following initial deployment, a further two reminder emails will be sent to non-respondents at appropriate points before the deadline. We anticipate that EIB/EIF and DG ECFIN will be able to promote the surveys with targeted stakeholders, which should result in higher response rate. An online and telephone helpdesk will be provided to respond to any queries raised by recipients. All responses will be deposited in a secure back-end database

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<sup>3</sup> [https://ec.europa.eu/info/consultations/public-consultation-eu-funds-area-investment-research-innovation-smes-and-single-market\\_en](https://ec.europa.eu/info/consultations/public-consultation-eu-funds-area-investment-research-innovation-smes-and-single-market_en)

#### **Step 4: Monitoring and proactive management to improve response rates**

Box 1 outlines some good practices which ICF employ, based on our extensive experience of conducting online surveys.

*Box 1.* Online Survey Good Practice and Lessons Learned from ICF

**Accreditation Letter** – We have observed that an accreditation letter from the client will usually boost the response rate.

**Using appropriate 'types' of questions** – We use best practice when it comes to writing the questionnaire, selecting appropriate question-types (i.e. open versus closed questions or rating questions) tailored to the types of respondents to maximise data quality and response rates.

**Survey length** – We will keep the survey to a minimum, carefully designing them so as not to collect redundant and duplicate information.

**Be honest about how long the survey will really take** – We will ensure that the survey takes no longer than we specify. The pilot feedback will help us to better estimate the time needed for completion.

**Send the survey mid-week, during mid-afternoon** - The likelihood of our email being read is increased by sending out e-mail invitations mid-week, after 12pm.

**Tailored e-mail invitations help** – particularly if there are already good relations with end users.

**Use two reminder emails to the survey invitation** – These will boost the response rate. We sometimes introduce 'nudge' approaches, reporting on the level of response to the survey from other users, to encourage participation. If required, we will also proceed to telephone reminders.

**Allow for some open ended questions** – We usually allow respondents the opportunity to provide some open-ended answers instead of answering just "other". This helps capture key insights not presented in closed question options. For report writing, these open-ended responses can be used to confirm or articulate a finding.

We will feed back progress in the survey to DG ECFIN. If necessary this will drive follow-up actions by ICF to help improve response rates - for example, should we see particularly poor responses in certain investor groups.

#### **Step 5: Analysis of responses**

Once the survey has closed we will produce rapid analysis of results, using cross tabulations where necessary to understand variations by stakeholder groups and sectors. Graphical representation of results will be shared with DG ECFIN with a bullet-point summary of insights in order to generate any feedback and elicit ideas on further lines of enquiry with the data.

Table 2. Detailed stakeholder mapping

Level / Broad type	Stakeholder category	1. Interest / 2. Influence / 3. Impact / 4. Information / 5. Accessibility	Theme to be covered	Tools to be used to target the group	Population	Sample
Policy makers and implementing partners / EU policy level	EC - EFSI, EIAH and EIPP	1. High / 2. High / 3. Low / 4. High / 5. High	<u>Evaluation</u> Relevance Effectiveness Efficiency Coherence EU added value <u>IA</u>	Interviews, validation	EFSI, EIAH, EIPP, ESIF teams/managers	Interviews: EC - EFSI: 3-4 EIAH: 1 EIPP:1
	EC - Management of other EU Programmes (COSME, CEF, InnovFin, EaSI, CCS, Erasmus, ESIF) and related advisory services	1. High / 2. High / 3. Low / 4. High / 5. High	<u>Evaluation</u> Relevance Effectiveness Coherence EU added value IA	Interviews, validation	EC- EU Programmes, heads of units/policy officers	5-8 interviews, one for each programme
Policy makers and implementing partners / EFSI implementing partners at EU level	EIB	1. High / 2. Medium / 3. High / 4. High / 5. High	<u>Evaluation</u> Relevance Effectiveness Efficiency Coherence EU added value	Interviews, validation	Steering Board, Managing Director, project team(s), Economic and Strategy Division	3 interviews

Level / Broad type	Stakeholder category	1. Interest / 2. Influence / 3. Impact / 4. Information / 5. Accessibility	Theme to be covered	Tools to be used to target the group	Population	Sample
			<u>IA</u>			
	EIF	1. High / 2. Medium / 3. High / 4. High / 5. High	<u>Evaluation</u> Relevance Effectiveness Efficiency Coherence EU added value <u>IA</u>	Interviews, validation	Including teams responsible for the existing mandates rolled out via EFSI (COSME, InnovFin, EaSI)	2-3 interviews
	EIAH team within EIB	1. High / 2. Medium / 3. High / 4. High / 5. High	<u>Evaluation</u> <u>IA</u> (focus on EIAH)	Interview, validation	EIAH team	Interview: one interview with the head of unit and another team member or one group interview
	EBRD	1. Medium / 2. Low / 3. Low / 4. Medium / 5. Medium	<u>Evaluation</u> <u>IA</u> (focus on EIAH)	Interview	Team in charge of the EBRD Small Business Support Programme in Bulgaria, Greece and Romania under the EIAH umbrella	1 group interview
Policy makers and implementing partners / EFSI governance bodies	EFSI steering board	1. High / 2. High / 3. Low / 4. High / 5. Medium	<u>Evaluation</u> Relevance Effectiveness Efficiency Coherence EU added value	Group interview if practically feasible	4 members	1 group interview or 1-2 interviews

Level / Broad type	Stakeholder category	1. Interest / 2. Influence / 3. Impact / 4. Information / 5. Accessibility	Theme to be covered	Tools to be used to target the group	Population	Sample
			IA			
	Investment Committee	1. High / 2. High / 3. Low / 4. High / 5. Medium	<u>Evaluation</u> Relevance Effectiveness Efficiency EU added value	Group interview if practically feasible	8 Investment Committee members	1 group interview or 2-3 interviews
			IA			
	EFSI managing director and deputy managing director	1. High / 2. High / 3. Low / 4. High / 5. Medium	<u>Evaluation</u> Relevance Effectiveness Efficiency Coherence EU added value	Joint interview	Two individuals	1 joint interview
			IA			
Policy makers and implementing partners / National public support ecosystem	NPBs / NPIs	1. High / 2. High / 3. High / 4. High / 5. High	<u>Evaluation</u> Relevance Effectiveness Efficiency Coherence	Interview, survey	About one NPB/ NPI in each MS <sup>4</sup> Regional Promotional Banks for some MS	Survey of all NPBs/ NPIs plus key regional ones 5 interviews with NPBs/ NPIs

<sup>44</sup> Mapping of all existing NPBs / NPIs and key regional ones available in: EC, 2016. New Financial Instruments and the Role of National Promotional Banks. Available at: [http://www.europarl.europa.eu/RegData/etudes/STUD/2016/572687/IPOL\\_STU\(2016\)572687\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/572687/IPOL_STU(2016)572687_EN.pdf)

Level / Broad type	Stakeholder category	1. Interest / 2. Influence / 3. Impact / 4. Information / 5. Accessibility	Theme to be covered	Tools to be used to target the group	Population	Sample
			EU added value <u>IA</u>			
	Private companies providing advisory services	1. Medium / 2. Low / 3. High / 4. Medium / 5. Medium	<u>Evaluation:</u> Effectiveness (focus on EIAH) Coherence (focus on EIAH) <u>IA</u> (focus of EIAH)	Interview	Data not available	2 interviews
	Other national players as appropriate	1. Medium / 2. Medium / 3. Medium / 4. Medium / 5. Medium	<u>Evaluation:</u> Relevance Coherence EU added value <u>IA</u>	Interview, Broader Commission led OPC	Including e.g. Ministries of Economic Affairs In Particular SME Departments, Governmental VC funds e.g. HTGF in Germany, UK Innovation Investment Fund (UKIIF), Angel Co--investment Fund (ACF)	4-5 interviews across different MS
Financial sphere / Main banks and investors active in each key EFSI sector (transport, energy, ICT, R&D, social and education)	Main banks and investors in IIW projects closed with EFSI support	1. High / 2. Low / 3. High / 4. Medium / 5. Medium	<u>Evaluation</u> Relevance Effectiveness Efficiency Coherence EU added value	Interview, survey	160 deals signed (as of end November 2017)	5 Interviews
	Other main banks and investors (not involved with	1. Medium / 2. Low / 3. High / 4. Low / 5. Low	<u>Evaluation</u> Relevance	Interview, Broader Commission led OPC	Data not available Relevant types of main banks	4 Interviews

Level / Broad type	Stakeholder category	1. Interest / 2. Influence / 3. Impact / 4. Information / 5. Accessibility	Theme to be covered	Tools to be used to target the group	Population	Sample
	EFSI)		Coherence EU added value  <u>OPC on wider policy issues</u>		and investors will vary depending on sector / country but including institutional investors, VC/PE funds, wealth funds, regional/national banks (NPBs/ NPIs are covered as a separate category)	
	Representative of investors	1. Medium / 2. Medium / 3. Medium / 4. Medium / 5. Medium	<u>Evaluation</u> Relevance Effectiveness Efficiency Coherence EU added value <u>IA</u>  <u>OPC on wider policy issues</u>	Interview, Broader Commission led OPC	Including e.g. European Long Term Investors Association (ELTI)  Long Term Infrastructure Investors Association (LTIIA)  Business Angels Europe (BAE)	3 Interviews
	Investment advisors	1. Medium / 2. Low / 3. Medium / 4. Medium / 5. Medium	<u>Evaluation</u> Relevance Coherence EU added value <u>IA</u>	Interview	Including e.g. Poyry Capital, PwC, Goldman Sachs	3 Interviews
	Credit Rating Agencies	1. Medium / 2. Low / 3. Medium / 4. Medium / 5. Medium	<u>Evaluation</u> Relevance Effectiveness	Interview	Fitch, S&P, Moody's	1-2 interviews



Level / Broad type	Stakeholder category	1. Interest / 2. Influence / 3. Impact / 4. Information / 5. Accessibility	Theme to be covered	Tools to be used to target the group	Population	Sample
			EU added value			
Financial sphere / Private financial sector active in SME segment	Financial intermediaries involved in the SME Window (SMEW)	1. High / 2. Low / 3. High / 4. Medium / 5. Medium	<u>Evaluation</u> Relevance Effectiveness Efficiency Coherence EU added value <u>IA</u>	Interview, survey	127 unique financial intermediaries (as of end November 2017)	5 Interviews
	Financial intermediaries active in SME segment but not involved in the SME Window (SMEW)	1. Medium / 2. Low / 3. High / 4. Low / 5. Low	<u>Evaluation</u> Relevance Coherence EU added value <u>IA</u>	Interview, Broader Commission led OPC	Based on the sample provided by the EIF	3 Interviews
			<u>OPC on wider policy issues</u>			
	Representatives of private financial sector active in SME segment	1. Medium / 2. Medium / 3. Medium / 4. Medium / 5. Medium	<u>Evaluation</u> Relevance Effectiveness Efficiency Coherence EU added value <u>IA</u>	Interview, Broader Commission led OPC	Including e.g: Network of European Financial Institutions for SMEs (NEFI) European Association of Guarantee Institutions (AECM) European Banking Federation (EBF) European Savings and Retail Banking Group (ESBG)	3 Interviews

Level / Broad type	Stakeholder category	1. Interest / 2. Influence / 3. Impact / 4. Information / 5. Accessibility	Theme to be covered	Tools to be used to target the group	Population	Sample
			<u>OPC on wider policy issues</u>		European Association of Public Banks (EAPB) European Association of Cooperative Banks (EACB)	
Real economy / Project promoters	Beneficiaries of the Infrastructure and Innovation Window (IIW)	1. High / 2. Low / 3. High / 4. Medium / 5. Medium	<u>Evaluation</u> Relevance Effectiveness Efficiency Coherence EU added value <u>IA</u>	Interview, survey, project documentation	160 deals signed (as of end November 2017)	Survey of all promoters having signed those deals and 5 follow-up interviews
	EIAH beneficiaries (including Investment platforms)	1. High / 2. Low / 3. High / 4. Medium / 5. Medium	<u>Evaluation</u> <u>IA</u> (focus on EIAH)	Survey	341 requests (as of end November 2017)	Survey of ~ all of all those sending request or more restricted number of actual beneficiaries, 6-7 follow-up interviews (including investment platforms)
	Promoters of projects listed on EIPP	1. High / 2. Low / 3. High / 4. Medium / 5. Medium	<u>Evaluation</u> (focus on EIPP)	Survey	204 projects (as of end November 2017)	Survey of ~ 200 project promoters, 2-3 follow-up interviews
Real economy / SMEs and private sector	Representatives of SMEs and private sector	1. Medium / 2. Medium / 3. Medium / 4. Medium / 5. Medium	<u>Evaluation</u> Relevance Coherence EU added value	Interview, Broader Commission led OPC	Including e.g: Business Europe; Sectoral trade associations; European Association of Craft, Small and Medium-sized	3 Interviews

Level / Broad type	Stakeholder category	1. Interest / 2. Influence / 3. Impact / 4. Information / 5. Accessibility	Theme to be covered	Tools to be used to target the group	Population	Sample
			<u>IA</u>		Enterprises (UEAPME)	
			<u>OPC on wider policy issues</u>			
	SMEs and private sector	1. Low / 2. Low / 3. High / 4. Low / 5. Low	Not applicable	Through representative organisations, Not specifically targeted otherwise but can answer OPC	All EU SMEs and private sector	Not applicable
Wider society	Representatives from civil society	1. Medium / 2. Medium / 3. Medium / 4. Medium / 5. Medium	<u>OPC on wider policy issues</u>	Broader Commission led OPC	Relevant social partners, NGOs and umbrella organisations (e.g. WWF, Bankwatch, Friends of Earth, Counter Balance, Climate Action Network)	Not applicable
	EU citizens	1. Low / 2. Low / 3. Medium / 4. Low / 5. Low	Not applicable	Through representative organisations, Not specifically targeted otherwise but can answer OPC	All EU citizens	Not applicable
	Think tanks	1. Medium / 2. Medium / 3. Low / 4. Medium / 5. Medium	<u>OPC on wider policy issues</u>	Broader Commission led OPC	e.g. Notre Europe - Jacques Delors Institute, Centre for European Policy Studies (CEPS), Confrontations Europe	Not applicable

## Annex 2 Interviews at scoping stage and main stage

Table 3. Scoping interviews

No	Organization	Name	Role	Date of the interview
<b>European Commission</b>				
1	European Commission, DG ECFIN	Giorgio Chiarion Casoni	Head of Unit, L3 – EFSI Steering Board Member (alternate member)	10.30 am, 11 <sup>th</sup> of January
		Alina Tanasa	Deputy Head of Unit, L3	
		Merete Clausen	Head of Unit, L2	
		Juras Kestutis	Team Leader/ Debt Finance, L2	
		Vladimir Bilek	Deputy Head of Unit, L2	
		Uros Dravinec	Policy Officer, L3	
		Aleksander Lamot	Programme Assistant, L3	
		Nora Matei	Policy Officer, L3	
		Andreas Fischer Kalambokis	Policy Officer, L3	
2	European Commission, DG ECFIN	Giorgio Chiarion Casoni	Head of Unit, L3 – EFSI Steering Board Member (alternate member)	9 am, 18 <sup>th</sup> of January
		Alina Tanasa	Deputy Head of Unit, L3	
		Uros Dravinec	Policy Officer	
<b>European Investment Bank Group</b>				
3	European Investment Bank	Sabine Bernabe and Iouri Marounov	Team Leader Operations Evaluation and Project Manager for Evaluation	2 pm, 11 <sup>th</sup> of January
4	European Investment Bank	Wilhelm Molterer	EFSI Managing Director	4 pm, 17 <sup>th</sup> of January
		Iliyana Tsanova	Deputy Managing Director	
5	European Investment Bank	Maria-Jose Peiro	Policy Officer	11 am, 18 <sup>th</sup> of January

		Caroline Gaye	Mandate Management Team	
		Manuel Pinto	Head of Division, Risk Sharing Mandates	
6	European Investment Fund	Roger HAVENITH	Deputy CEO of the EIF	2 pm, 18 <sup>th</sup> of January
		Rémi CHARRIER	Head of Product Development, Institutional Business Development Division	
		Chiara Stella Cipolletta	Audit coordinator	
7	European Investment Bank - EIAH	Mark Mawhinney	Head of the EIAH Division	10 am, 15 <sup>th</sup> of January (phone interview)
		Simon Barnes	Director of the EIB Advisory services	

Table 4. Main stage

No	Organization	Name of the interviewees	Role	Date
<b>European Investment Bank Group</b>				
1	European Investment Bank	Christoph Kuhn	Director, Mandate Management Department	12 March 2018
2	European Investment Bank	Ewa Kolodziej	Strategy Division, Institutional Strategy Department	12 March 2018
3	European Investment Bank	Adrian Kamenitzer	Director, Equity Products	5 April 2018
4	European Investment Bank	Maria-Jose Peiro, Fotini Koutzoukou	Risk Sharing Mandates Division, Mandate Management Department; Deputy Adviser - Lending Operations	21 January 2018 & 12 March 2018
5	European Investment Bank	Timo Valila	Head of Division, Projects Directorate	27 March 2018
6	European Investment Bank	Timo Valila	Head of Division, Projects Directorate (2 <sup>nd</sup> interview)	28 March 2018
7	European Investment Bank	Debora Revoltella and George Weiees*	Director, Economics Department	11 April 2018
8	European Investment Bank	Marcus Berndt*	Head of Division, Operational Strategy and	18 April 2018

No	Organization	Name of the interviewees	Role	Date
			Business Development, Operations Directorate	
9	European Investment Bank	Paolo Lombardo	Director, EIB Risk Department	9 May 2018
10	European Investment Bank - EIAH	Mark Mawhinney	Head of the EIAH Division	7 March 2018
11	European Investment Fund	Nicolas Panayotopoulos, Rémi Charrier	Head of Corporate and Institutional Affairs; Head of Institutional Business Development	15 March 2018
12	European Investment Fund	Roger Havenith	Deputy Chief Executive	16 March 2018
13	European Investment Fund	Catherine Giraldi	Head of Audit	14 May 2018
<b>European Commission</b>				
14	European Commission, Erasmus	Marc Goffart	Policy Officer (Erasmus+ Master Loan Scheme)	15 March 2018
15	European Commission, CSS	Maciej Szymanowicz	Policy Officer - Creative Europe: MEDIA and Creative Industries Financial Guarantee facility (CCS GF)	12 March 2018
16	European Commission, EaSI	Shadin Viratham Pulsawatdi, Bernardo Urrutia	Team Leader, EaSI social finance team; Programme Manager - EaSI Code of Conduct for Microcredit Provision	7 March 2018
17	European Commission, InnovFin + InnovFin - TA	Julia Taddei	DG RTD	13 March 2018
18	European Commission, JASPERS - TA	Witold Willak Sabine Vandermotten Symela Tsakiri	Head of Sector, Major Projects, Unit G1 for Smart and Sustainable growth, DG Regional and Urban Policy, Deputy Head of Unit Team Leader - Technical Assistance team (strategy)	1 March 2018

No	Organization	Name of the interviewees	Role	Date
19	European Commission, CEF (CEF Equity instrument)	Alexandra Rotileanu	Policy Officer DG CNECT, CEF Broadband fund	12 March 2018
20	European Commission, CEF (Blending call)	Antongiulio Marin	Deputy Head of Unit (DG MOVE)	22 March 2018
21	European Commission, COSME	Andon Penev Drazen Budimir Hermine Thelen	Policy Officers (DG GROW)	28 February 2018
22	European Commission, Financial Instruments under shared management	Stefan Appel Rachel Lancry Beaumont Ricardo Pinheiro	Head of Unit - Financial Instruments and International Financial Institutions Relations  Deputy Head of Unit, Financial Instruments Unit  Policy officer	22 March 2018
23	European Commission, DG ECFIN	Aleksander Lamot Alina Tanasa Philippe Gress Uros Dravinec	Programme Assistant; Deputy Head of Unit Hub responsible Policy Officer	20 February 2018
24	European Commission, DG ECFIN	Andreas Fischer-Kalambokis	Policy Advisor	7 March 2018
25	European Commission, DG ECFIN	Werner Roeger	Head of Unit	12 March 2018
25	European Commission, DG CLIMA, LIFE [PF4EE]	Hadrien Michel	Policy Officer – Finance for Innovation (CLIMA)	23 March 2018

No	Organization	Name of the interviewees	Role	Date
27	European Commission, DG Communication	Siobhan Millbright	Policy Officer – Spokesperson Service (Comm)	14 May 2018
<b>Other International Organisations</b>				
28	EBRD	Stela Melnic Craig Otter	Representative regional hub advisory for EU countries Finance Manager	23 February 2018
<b>National Promotional Banks</b>				
29	CDP	Valeria Conto	Assistant	29 March 2018
30	KfW	Dominik Bach	Policy Advisor	9 March 2018
31	KfW	Annette Fritz	Management Affairs, European Relations	21 February 2018 & 9 March 2018
32	BPI France	Lola Merveille	Permanent Representative to the EU Institutions	14 March 2018
33	BPI France	Christian Dubbary	Head of European Affairs	27 February 2018
34	BPI France	Gilles Le Cocguen*	Head of EuroQuity	16 April 2018
35	Bulgarian Development Bank	Monica Hristova	Senior Expert	23 March 2018



No	Organization	Name of the interviewees	Role	Date
36	Croatian Development Bank	Iva Bošnjak Zrinka Kolenc Obrazović Marijana Kolić Martina Jus Hrvoje Galičić Harun Tanković	Specialist Head of Loans and Securities Unit Executive Director Advisor to the Management board Managing Director	23 February 2018
37	Bulgarian Ministry of Economy of the Republic of Bulgaria - Directorate-General European Funds for Competitiveness	Kalin Marinov	Chairperson, SME Initiative Bulgaria IB	15 March 2018
<b>Investment Committee</b>				
38	Investment Committee Member	One member - not to be disclosed	Not to be disclosed	9 March 2018
39	Investment Committee Members	Two members - not to be disclosed	Not to be disclosed	19 March 2018
<b>EFSI Steering Board</b>				
40	DG ECFIN/EFSI Steering Board	Benjamin Angel	DG ECFIN, Director Treasury and financial operations, Directorate L, EFSI Steering Board Member (until Dec 2017?)	28 February 2018
41	DG ENERGY/ EFSI Steering Board	Gerassimos Thomas	DG ENERGY, Deputy Director-General/ Chair of EFSI Steering Board	13 March 2018
42	EIB/ EFSI Steering Board	Ambroise Fayolle	EIB, Vice-President / Member of EFSI Steering Board	19 March 2018

No	Organization	Name of the interviewees	Role	Date
<b>European Associations</b>				
43	AECM	Katrin Sturm	Secretary General	30 March 2018
44	ELTI	Helmut von Glasenapp	Secretary-General	23 March 2018
45	EAPB	Filip Chráska, Germaine Klein, Irene Schucht	Adviser EU Finances, Capital Markets Union at EAPB, Members of the NRW Bank	27 march 2018
46	UEAPME	Gerhard Huemer	Director Economic and Fiscal Policy	13 March 2018
47	Council of European Municipalities and Regions	Marlène Siméon	Policy Adviser - Economic, Social and Territorial Cohesion	11 April 2018
<b>EIPP Project Promoters</b>				
48	Fruitsapp	Carlos Iborra	Project promoter, EIPP	6 April 2018
49	Elering	Priit Heinla	Project promoter, EIPP	11 April 2018
<b>EIAH Beneficiaries</b>				
50	University of Latvia	Dace Tola	Coordinator of the Funding Agreement, Hub beneficiary	17 April 2018
51	Floatmast	Dimitris Tsakalomatis	Business Developer, Hub beneficiary	17 April 2018
<b>SMEW – Financial Intermediaries</b>				
52	InverReady	Carlos Conti	Funder/ Partner, SMEW financial intermediary	28 March 2018
53	Brianzacque	Patricia Daniele	undisclosed	2 May 2018
54	Bürgschaftsbank Baden-Württemberg GmbH	Guy Selbherr	CEO	25 April 2018
55	Komerčni Bank	Jan Rosen	Head of EU Programmes	10 April 2018

No	Organization	Name of the interviewees	Role	Date
56	eEquity Management AB	Patrick Hedelin	Cofounder	25 April 2018
57	Qredits Microfinanciering Nederland	Elwin Groenevelt	CEO	23 April
58	Frontline Ventures	Will Prendergast	Founder	18 April 2018
59	Alto Partners	Mario Visioni, Rafael de Courten, Marco Albissi	Partner, Founding Partner, Investment Analyst	28 March 2018
<b>IIW – Project Promoters &amp; Financial Intermediaries</b>				
60	Dolomiti Energia/ EIB	Claido Arman/ Despina Tamadaki	Finance Officer/ EIB Loan Officer	17 April 2018
61	Volvo	undisclosed	Head of Funding Team	24 April 2018
62	Las Palmas Bus Rapid Transit	Miguel Angel Rodriguez Ramirez	CEO	25 April 2018
63	UniCredit Austria	Bettina Witzmann	Structured Trade and Export Finance	17 April 2018
<b>Other</b>				
64	S&P	Aleksander Ekbon	Lead Analyst	3 April 2018

## Annex 3 On-line survey questionnaires

Due to the ongoing ECA and EIB evaluations that have recently completed their data collection phases and therefore considerable survey fatigue among key respondents, proposed questionnaires are relatively short to minimize required time from respondents.

### A3.1 Survey of [direct] beneficiaries under IIW (signed projects)

#### Part 1: Background information

**Q1: Please provide the name of your project that received support from EIB under the European Fund for Strategic Investments - EFSI. [single response - compulsory]**

...[add the name of the project]

**Q2: What is the type of your organization? [single response - compulsory]**

Response options	
Public sector entity	<input type="checkbox"/>
Private company	<input type="checkbox"/>
Special purpose vehicle or similar	<input type="checkbox"/>

**Routing question if Q2: 'Private company'**

**Q2.1: If private company, what is the size of your company? [single response]**

Response options	
Micro (<10 employees)	<input type="checkbox"/>
Small (between 11 and 49 employees)	<input type="checkbox"/>
Medium (between 50 and 249 employees)	<input type="checkbox"/>
Mid-cap (between 250 and 3000 employees)	<input type="checkbox"/>
Large (>3000 employees)	<input type="checkbox"/>

**Q3: What is the stage of the implementation of your project? [single response]**

Response options	
Signed - no actual investment has taken place yet	<input type="checkbox"/>
Early stage - less than 30% of envisaged investment has been already made	<input type="checkbox"/>
Interim Stage - between 31% and 70% of envisaged investment has been already made	<input type="checkbox"/>
Late stage – more than 70% of envisaged investment has been already made	<input type="checkbox"/>
Completed – 100% of envisaged investment has been made	<input type="checkbox"/>

#### Part 2: Questions on access to finance

**Q4: Did you face any challenges in securing finance for your project?**

Response options	
Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

**Routing question if Q4: 'Yes'**

**Q4.1: Which challenges with access to finance, if any, did you face when you were seeking funding for your project? [multiple response possible]**

Response options	
There was no financing available at the market whatsoever	<input type="checkbox"/>
The maturity of the available financing option(s) was too short	<input type="checkbox"/>
The collateral requirements of the available financing option(s) were too high	<input type="checkbox"/>
The interest rates of available financing option(s) were too high	<input type="checkbox"/>
There were other factors that made existing financing options unfavourable/ unsuitable	...(please specify)

**Q5: If EIB financing under EFSI had not been available, were there alternative sources of financing, provided by the EIB or by another provider under the same terms and conditions, for your projects that you could have realistically relied on? [multiple response]**

Response options	
No	<input type="checkbox"/>
Yes, through capital markets (debt and/or equity)	<input type="checkbox"/>
Yes, from private financing from banks or other financial intermediaries	<input type="checkbox"/>
Yes, from other EU funding programmes	<input type="checkbox"/>
Yes, from national promotional banks or institutions	<input type="checkbox"/>
Yes, from other sources	...(please specify)
I do not know	<input type="checkbox"/>

**Routing question if Q5: all responses except 'No' and 'I do not know'**

**Q5.1: And what is the likelihood that you would have found alternative investors within the same timeframe under the same terms and conditions?**

Response options	
Very likely	<input type="checkbox"/>
Likely	<input type="checkbox"/>
Unlikely	<input type="checkbox"/>
Highly unlikely	<input type="checkbox"/>

**Q5.2: What percentage of financing needs, do you think could have been met by these alternative source(s)? [single response]**

Response options	
100% of your financing needs	<input type="checkbox"/>
75% - 99% of your financing needs	<input type="checkbox"/>
50% - 74% of your financing needs	<input type="checkbox"/>
25% - 49% of your financing needs	<input type="checkbox"/>
<25% of your financing needs	<input type="checkbox"/>

**Q6: Did you attract any other co-investor(s) for your project, apart from the EIB?**

Response options	
Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

**Routing question if Q6: 'Yes'**

**Q6.1: To what extent did the fact that you secured the EIB under EFSI financing help you in attracting other co-investor(s)**

Response options	
To a very great extent	<input type="checkbox"/>
To a great extent	<input type="checkbox"/>
To some extent	<input type="checkbox"/>
To a little extent	<input type="checkbox"/>
Not at all - other co-investor(s) had been already secured before applying for EIB financing	<input type="checkbox"/>

**Q7: What is the comparative advantage of EIB financing under EFSI, if any, compared to other alternative sources of financing you considered? Please consider the following characteristics of the EIB support: [multiple response]**

	There is no comparative advantage	There is a modest comparative advantage	There is a substantial comparative advantage	There is a very substantial comparative advantage	Not relevant	I do not know
Longer maturity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lower/ no security requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lower Interest rates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of grace period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Type of financial products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Long-term involvement of EIB as equity investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EIB's due diligence / technical assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EIB's structuring advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EIB participation gives a strong signal to other potential investors about the attractiveness of the project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify	...(please specify)					

**Q8: Please give us your assessment of what would have happened to your project, had EIB financing under EFSI not been available: [single response]**

My project would not have gone ahead without EIB financing	<input type="checkbox"/>

<i>The implementation schedule of my project would have been delayed without EIB financing but would have gone ahead at the same scale</i>	<input type="checkbox"/>
<i>My project would have been scaled down without EIB financing but would have proceeded in the same time scale</i>	<input type="checkbox"/>
<i>My project would have gone ahead but at reduced scale and would have been delayed</i>	<input type="checkbox"/>
<i>My project would have been financed to the same extent and within the same time, but from other sources</i>	<input type="checkbox"/>
<i>If so, would that have jeopardized any other investment you had planned/are planning?</i>	<input type="checkbox"/>
<i>Other circumstances</i>	Please specify:

**Q9: How do you think the access to higher risk financing in your sector has changed since 2015?**

Response options	
<i>It became much easier</i>	<input type="checkbox"/>
<i>It became easier</i>	<input type="checkbox"/>
<i>It has not changed</i>	<input type="checkbox"/>
<i>It became more difficult</i>	<input type="checkbox"/>
<i>It became much more difficult</i>	<input type="checkbox"/>
<i>I do not know</i>	<input type="checkbox"/>

**Q10: How do you think the access to higher risk financing for projects in your sector will change during the next 3 years? *[single response]***

Response options	
<i>It will become much easier</i>	<input type="checkbox"/>
<i>It will become easier</i>	<input type="checkbox"/>
<i>It will not change</i>	<input type="checkbox"/>
<i>It will become more difficult</i>	<input type="checkbox"/>
<i>It will become much more difficult</i>	<input type="checkbox"/>
<i>I do not know</i>	<input type="checkbox"/>

**Part 3: Questions on relationship with EIB**

**Q11: How did you find the financing request procedure for EIB financing? *[single response]***

Response options	
<i>Very easy</i>	<input type="checkbox"/>
<i>Easy</i>	<input type="checkbox"/>
<i>Neither easy nor difficult</i>	<input type="checkbox"/>
<i>Difficult</i>	<input type="checkbox"/>

Very difficult	...(please specify)
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**Q12: How did you find the appraisal procedure for EIB financing under EFSI? [single response]**

Response options	
Very easy	<input type="checkbox"/>
Easy	<input type="checkbox"/>
Neither easy nor difficult	<input type="checkbox"/>
Difficult	<input type="checkbox"/>
Very difficult	...(please specify)

**Q13 Are you satisfied with the EIB financing received under EFSI?**

Response options	
Very satisfied	<input type="checkbox"/>
Satisfied	<input type="checkbox"/>
Neither satisfied or dissatisfied	<input type="checkbox"/>
Dissatisfied	<input type="checkbox"/>
Very dissatisfied	

**Q14: Do you have any recommendations, if at all, on how to improve the EIB financing offer provided via EFSI?**

Open question: ...

#### Part 4: European Investment Advisory Hub (EIAH)

**Q15: Are you aware of the technical assistance offer provided by European Investment Advisory Hub (EIAH)? [single response]**

Response options	
Yes, and my organisation received support	<input type="checkbox"/>
Yes, but my organisation did not use any services	<input type="checkbox"/>
No, not aware, but would have made contact to investigate the service had I known	<input type="checkbox"/>
No, not aware, but I had adequate advice and support and would not have needed their services	<input type="checkbox"/>

**Routing question if Q14: 'Yes, and my organization received it'**

**Q14.1: Please indicate what kind of technical assistance services provided by the European Investment Advisory Hub (EIAH) you have received, and how satisfied are you with each of those specific services. [multiple response response]**

	Service received (please tick if yes)	Please indicate your satisfaction for each service received				
		Very satisfied	Satisfied	Neither satisfied not dissatisfied	Dissatisfied	Very dissatisfied



Initial strategy and planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advice on the business plan and market opportunity analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Preparation of the feasibility study	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Procurement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Acquiring financing for the project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**For those services used which were unsatisfactory, please provide details of problems experienced (e.g. time taken to provide services, lack of clear advice, poor quality of suggestions / recommendations)**

**Q15: As part of this study, we also plan a brief follow-up phone interview with several selected beneficiaries of the EIB (EFSI) financing. Please indicate whether you agree to be contacted for this purpose.**

Response options	
Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

### **A3.2 Survey of financial intermediaries involved under IIW (signed deals)**

#### **Part 1: Background information**

**Q1: Please provide the name of the project/operation for which you obtained financing from the EIB under EFSI [single response - compulsory]**

...(commentary)

**Q2: What type of entity do you represent? [single response - compulsory]**

Response options	
National Promotional Bank/ National Promotional Institution	<input type="checkbox"/>
Other public entity	<input type="checkbox"/>
Bank	<input type="checkbox"/>
Private Equity fund	<input type="checkbox"/>
Venture Capital fund	<input type="checkbox"/>
Hedge fund	<input type="checkbox"/>
Pension fund	<input type="checkbox"/>
Angel investor	<input type="checkbox"/>
Other, please specify	...(commentary)

**Q3: In which country has the project/operation for which you obtained financing from the EIB under EFSI been implemented? [multiple response possible - compulsory]**

Response options	
Austria	<input type="checkbox"/>
Bulgaria	<input type="checkbox"/>
...	<input type="checkbox"/>
Other, please specify	...(commentary)

**Q4: In which sector(s) has the project for which you obtained financing from the EIB under EFSI been implemented? [multiple responses possible]**

Response options	
Energy	<input type="checkbox"/>
Transport	<input type="checkbox"/>
ICT/ Telecommunication	<input type="checkbox"/>
SMEs/ Mid-cap companies	<input type="checkbox"/>
Research, development and innovation	<input type="checkbox"/>
Environment and resource efficiency	<input type="checkbox"/>
Human capital, culture and health	<input type="checkbox"/>
Other, please specify	<input type="checkbox"/>

**Q5: What type of financing under EFSI you have received from the EIB Group?**

Response options	
Loan	<input type="checkbox"/>
Guarantee	<input type="checkbox"/>
Equity	<input type="checkbox"/>
Other, please specify	...(commentary)
I do not know	<input type="checkbox"/>

**Q6: What type of financing do you provide to end beneficiaries under this project/operation?**

Response options	
Loan	<input type="checkbox"/>
Guarantee	<input type="checkbox"/>
Equity	<input type="checkbox"/>
Other, please specify	...(commentary)
I do not know	<input type="checkbox"/>

## Part 2: Core questions

**Q7: When you were considering your project, how did your entity learn about the possibility of EIB financing (under EFSI)?**

Response options	
EIB webpage	<input type="checkbox"/>
Commission webpage	<input type="checkbox"/>
EIB officer	<input type="checkbox"/>

<i>EIAH (European Investment Advisory Hub)</i>		<input type="checkbox"/>
<i>NPB/NPI/other financial institution</i>		<input type="checkbox"/>
<i>Promotional material/event</i>		<input type="checkbox"/>
<i>Other</i>		Please specify

**Q7.1: From the perspective of your organisation, please indicate the importance of each of the following characteristics of the EIB financing under EFSI in your decision to use it for your project.**

	Highest importance	High importance	Moderate importance	Low importance	Very low importance	Not relevant	I do not know
<i>Maturity of financing offered by EIB</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Interest rate on the financing offered by EIB</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Long-term horizon of EIB's equity investment (only for equity)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Technical support provided by the EIB</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>EIB's due diligence</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Size of the EIB's participation</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>EIB subordination to commercial investors</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Q7.2: Overall, what was the importance of the availability of EIB financing under EFSI to go ahead with your project? *[single response]***

Response options	
<i>Highest importance</i>	<input type="checkbox"/>
<i>High importance</i>	<input type="checkbox"/>
<i>Medium importance</i>	<input type="checkbox"/>
<i>Low importance</i>	<input type="checkbox"/>
<i>Very low importance</i>	<input type="checkbox"/>
<i>I do not know</i>	<input type="checkbox"/>

**Routing question if any of the responses to Q7.2, except 'I do not know':**

**Q7.2.1: Please explain your response**

...(commentary)

**Q8: If you had not carried out the EIB supported project, would you have committed the financing/guarantees (if / as applicable) to other non-EIB supported projects over the same time period and to the same extent?**

Response options	
Highly likely	<input type="checkbox"/>
Likely	<input type="checkbox"/>
Not likely	<input type="checkbox"/>
I don't know	<input type="checkbox"/>

**Q9: How was your experience, as financial intermediary, with respect to the process in which EIB considered and confirmed the financing for the project?**

Response options	
Very satisfactory	<input type="checkbox"/>
Satisfactory	<input type="checkbox"/>
Unsatisfactory	<input type="checkbox"/>
Very unsatisfactory	<input type="checkbox"/>

**Routing question for all options under Q2, except 'National Promotional Bank/ National Promotional Institution'**

**Q2.1: Has a National Promotional Bank/ Institution been involved in your project?**

Response options	
Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
I do not know	<input type="checkbox"/>

**Routing question if the responses to Q2.1: 'Yes':**

**Q2.1.1: How important has the National Promotional Bank / Institution been in supporting your involvement in the project?**

Response options	
Very important	<input type="checkbox"/>
Important	<input type="checkbox"/>
Not important	<input type="checkbox"/>

**Routing question if the responses to Q2.1.1: 'Very important':**

...please explain

**Q10: How has the demand for the type of financing provided by EIB under EFSI changed since 2015? [single response]**

Response options	
Increased considerably	<input type="checkbox"/>
Increased slightly	<input type="checkbox"/>
Remained more or less the same	<input type="checkbox"/>
Decreased slightly	<input type="checkbox"/>
Decreased considerably	<input type="checkbox"/>
I do not know	<input type="checkbox"/>

**Q11: How do you expect the financing gaps (e.g. gap between investment needs and financing available from the market) in each of those sectors to evolve during the next 3 years? [multiple response possible]**

	Will increase considerably	Will increase slightly	Will remain more or less the same	Will decrease slightly	Will decrease considerably	I do not know
Research, development and innovation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMEs/ Mid-cap companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ICT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment and resource efficiency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human capital, culture and health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify						

**Q12: Do you have any recommendation(s) on how to improve EIB financing under EFSI?**

...(commentary)

### Part 3: European Investment Project Portal

**Q13: To what extent are you aware of the services provided by the European Investment Project Portal (EIPP)? [single response]**

Response options	
Very well aware	<input type="checkbox"/>
Reasonably well aware	<input type="checkbox"/>
Moderately aware	<input type="checkbox"/>
Little aware	<input type="checkbox"/>
Not aware	<input type="checkbox"/>

**Q14: Have you used the European Investment Project Portal (EIPP)? [single response]**

Response options	
Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

**Routing question if Q14: 'Yes'**

**Q14.1: Please explain for what purpose specifically did you use the European Investment Project Portal (EIPP)?**

...(commentary)

### A3.3 Survey of National Promotional Banks/NPIs

#### Part 1: Background information

**Q1: Please indicate the name of your organization?** *[single response - compulsory]*

...(commentary)

**Q2: What is the scope of the mandate of your institution?** *[single response]*

Response options	
<i>Regional</i>	<input type="checkbox"/>
<i>National</i>	<input type="checkbox"/>
<i>National &amp; international</i>	<input type="checkbox"/>

**Q3: How would you assess the current financing gaps (i.e. gap between investment needs and financing available from the market) in the following sectors of your country/region of operation?** *[multiple response possible]*

Sector	Very high	High	Medium	Low	Very low	No need
<i>Research, development and innovation</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Energy</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Transport</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>SMEs/ Mid-cap companies</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>ICT</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Environment and resource efficiency</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Human capital, culture and health</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Other – please specify</i>						

**Q4: Is there any sector in your country that is not currently addressed by EIB under EFSI, but should have been?** *[single response]*

Note that the specific sectors that are eligible for EFSI support include: (i) research, development and innovation, (ii) transport and mobility, (iii) energy & resource efficiency (iv) information and communication technologies infrastructure, (v) environmental protection & management (vi) education & training, , (vii) SMEs and small mid-caps, (viii) cultural and creative industries, (ix) urban development, (x) human capital, culture, health including social infrastructure and social and solidarity economy

Response options	
<i>No</i>	...
<i>Yes (please specify)</i>	...(commentary)
<i>I do not know</i>	...

**Q5: Overall, do you consider that EFSI has made a significant contribution to increasing access to higher risk finance in your country/ region?** *[single response]*

Response options	
------------------	--

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

**Routing question if Q5: 'No'**

...Please explain
-------------------

**Routing question if Q5: 'Yes'**

**Q5.1 In particular, for each sector below, do you consider that EFSI has made a significant contribution to increasing access to higher risk finance in your country/region? And if so, to what extent? [multiple response possible]**

	To a very great extent	To a great extent	To some extent	To a little extent	Not at all
<i>Research, development and innovation</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Energy</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>R&amp;D</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Transport</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>SMEs/ Mid-cap companies</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>ICT</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Environment and resource efficiency</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Human capital, culture and health</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Other, please specify</i>	...(commentary)				

**Q6: Please indicate, summarising across all operation(s) you have co-financed under EFSI, the extent to which elements of EIB financing under EFSI enhance what is available from the market in your region/country? [multiple response possible]**

	Enhances to a very great extent	Enhances to a great extent	Enhances to some extent	Enhances to a little extent	No enhancement offered at all	I do not know
<i>Maturity offered by EIB/EIF compared to what the market offers</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Pricing</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Long term equity investment strategy</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Ability to combine various type of funding</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Signalling effect triggering interest of other potential investors</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Technical expertise that comes along with the financing expertise</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<i>Opportunities to increase my organization's capacity to support the investment in the region/ country</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Other elements, please specify</i>	...(commentary)					

**Q7: To what extent, if at all, do each of the following factors reduce your capacity to take-up EIB financing under EFSI in your country/region? [multiple response possible]**

Factors reducing take-up	To a very great extent	To a great extent	To some extent	To a little extent	Not at all	I do not know
<i>Absence of some relevant sector(s) from the list of eligible sectors</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Interest rate offered by EIB/EIF compared to what market offers</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Complexity of rules e.g. making combination with other EU Funding Programmes difficult</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Project promoters' perception about the burden of the financing request and appraisal process</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Lack of awareness about EFSI financing</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Insufficient pipeline of suitable projects</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Other, please specify:</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Which factor is the most important?</i>	...(commentary)					

**Q8: Compared to the usual requirements of market investors (e.g. private banks) in your country, to what extent do EIB requirements under EFSI differ for the following aspects? [multiple response possible]**

	Much greater for EIB	Greater for EIB	About the same for EIB	Smaller for EIB	Much smaller for EIB
<i>Detail and amount of documentation required from project promoters</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Length of the request procedure</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Length of the appraisal procedure</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Other, please specify</i>	...(commentary)				

**Q9: Has the EIB financing under EFSI encouraged an expansion in the capacity of your organisation to deliver investment in your country in response to market failure? [single response]**

Response options	
Yes	<input type="checkbox"/>
No	<input type="checkbox"/>



**Routing question if Q9 'Yes':**

**Q9.1: Could you please specify in what way then? [multiple response possible]**

Response options	
Yes – by expanding the <u>number</u> of co-investment opportunities	<input type="checkbox"/>
Yes – by expanding the <u>scale</u> of co-investment opportunities	<input type="checkbox"/>
Yes – through the development of new products	<input type="checkbox"/>
Yes – through the ability to attract greater private sector interest with a willingness to invest	<input type="checkbox"/>
Yes – through assisting with the development of technical expertise allowing a wider range of projects to be considered	<input type="checkbox"/>
Other, please specify	...(commentary)

**Routing question if Q9 'No':**

**Q9.2: Why not?**

...(commentary)
-----------------

**Q10: Is your institution planning to deepen the cooperation with the EIB Group as a result of EIB financing under EFSI? [single response]**

Response options	
Yes – there is opportunity for further co-operation	<input type="checkbox"/>
Perhaps / uncertain at this time	<input type="checkbox"/>
No – there is already an adequate level of co-operation	<input type="checkbox"/>
I do not know	<input type="checkbox"/>

**Routing question if Q10: 'Yes – there is opportunity for further co-operation'**

**Q10.1: What is the main area for future cooperation?**

...(commentary)
-----------------

**Part 3: Investment Platforms**

**Q11: Is your institution currently involved in the development and/or implementation of (an) Investment Platform(s) together with the EIB/EIF? [multiple response possible]**

Response options	
Yes, with the EIB	<input type="checkbox"/>
Yes, with the EIF	<input type="checkbox"/>
Yes, with the EIB <u>and</u> the EIF	<input type="checkbox"/>
No	<input type="checkbox"/>

**Routing question if Q11: 'Yes, with the EIB' or 'Yes, with the EIF'**

**Q11.1: How likely do you think it is that the Investment Platform would have been set up without the involvement of the EFSI? [single response]**

Response options	
Very likely	<input type="checkbox"/>
Likely	<input type="checkbox"/>
Neither likely nor unlikely	<input type="checkbox"/>

<i>Unlikely</i>	<input type="checkbox"/>
<i>Very unlikely</i>	<input type="checkbox"/>

**Routing question if Q11: 'Yes, with the EIB and the EIF' [single response]**

Response options for the <b>EIB</b> supported platform	
<i>Very likely</i>	<input type="checkbox"/>
<i>Likely</i>	<input type="checkbox"/>
<i>Neither likely nor unlikely</i>	<input type="checkbox"/>
<i>Unlikely</i>	<input type="checkbox"/>
<i>Very unlikely</i>	<input type="checkbox"/>
Response options for the <b>EIF</b> supported platform	
<i>Very likely</i>	<input type="checkbox"/>
<i>Likely</i>	<input type="checkbox"/>
<i>Neither likely nor unlikely</i>	<input type="checkbox"/>
<i>Unlikely</i>	<input type="checkbox"/>
<i>Very unlikely</i>	<input type="checkbox"/>

**Q12: From the perspective of your institution, to what extent do you agree with the following statements referring to the Investment Platforms? [single response]**

Response options	Strongly agree	Agree	Neither agree not disagree	Disagree	Strongly disagree
<i>They are a flexible tool that allows funding to sectors/ beneficiaries that would not otherwise have access to similar levels or terms of financing</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>They provide efficiency gain, streamlined management</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>They allow new partnerships and/or provide innovative financing structures to beneficiaries</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>They allow an easier approach to combine financing with other EU funds, financing instruments and national support</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>They allow introduction / testing of new financial products</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Part 4: European Investment Advisory Hub (EIAH)**

**Q13: To what extent are you aware of the services provided by the EIAH? [single answer]**

Response options	
<i>Very well aware</i>	<input type="checkbox"/>
<i>Reasonably well aware</i>	<input type="checkbox"/>
<i>Moderately aware</i>	<input type="checkbox"/>
<i>Little aware</i>	<input type="checkbox"/>
<i>Not aware</i>	<input type="checkbox"/>

**Q14: Has your institution collaborated at institutional level with the EIAH? [single answer]**

Response option	
Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

**Routing question, if Q14: 'Yes'**

**Q14.1: Has your institution signed or planning to sign a Memorandum of Understanding with the EIAH? [single answer]**

Response option	
Yes – already signed	<input type="checkbox"/>
Yes – planning to sign	<input type="checkbox"/>
No	<input type="checkbox"/>

**Routing question, if 'Yes – already signed' or 'Yes – planning to sign'**

**Q14.1.1: Please indicate the areas of your current or planned collaboration:**

Response option	
Joint awareness rising and events	<input type="checkbox"/>
Referrals of projects	<input type="checkbox"/>
Capacity building to provide local services	<input type="checkbox"/>
Other: please specify	...(commentary)

**Q15: Has the EIAH enabled your organisation to provide new service(s) to projects**

Response option	
Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

**Routing question if Q15: 'Yes'**

**Q15.1: Please describe additional service(s)**

...(commentary)
-----------------

**Q17: Since the establishment of EIAH services what contribution have they made to meeting the unmet needs for technical assistance in your country/ region? [single response]**

Please consider each of the four main type of services provided by EIAH	Very significant contribution to meeting unmet needs for services	Significant contribution to meeting unmet needs for services	Moderate contribution to meeting unmet needs for services	Limited or no contribution to meeting unmet needs for services
Project support (e.g. preliminary project assessment, project structuring, advice on implementation issues)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Guidance and training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Capacity building for public entities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Part 5: European Investment Project Portal

**Q18: To what extent are you aware of the services/opportunities provided by the European Investment Project Portal (EIPP)?** *[single response]*

Response options	
Very well aware	<input type="checkbox"/>
Reasonably well aware	<input type="checkbox"/>
Moderately aware	<input type="checkbox"/>
Little aware	<input type="checkbox"/>
Not aware	<input type="checkbox"/>

**Q19: Has your organization used or does it plan to use the EIPP?**

Response options	
Yes, we have used it and may continue to use it	<input type="checkbox"/>
Yes – but we are unlikely to use it again	
No - but we are planning to use it	<input type="checkbox"/>
No – and we have no plans to use it	<input type="checkbox"/>
I do not know	<input type="checkbox"/>

**Routing question if Q19: 'Yes – but we are unlikely to use it again'**

...Please explain

**Q20: Do you consider there is a need for a tool such as the EIPP in facilitating visibility for projects and / or project development and deal making?**

Response options	
Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
I do not know	<input type="checkbox"/>

**Routing question if Q20: 'Yes'**

**Q20.1: What are the main benefits and limitations of the EIPP in current form?**

...(commentary)

## A3.4 Survey of beneficiaries of EIAH assistance

### Part 1: Background information

**Q1: What type of organization do you represent?** *[single response - compulsory]*

Response options	
Public entity	<input type="checkbox"/>
Corporate/ project company	<input type="checkbox"/>

Financial intermediary	<input type="checkbox"/>
NGO	<input type="checkbox"/>
Other, please specify	...(commentary)

**Q2: When you first contacted the EIAH, what kind of services were you looking for**  
*[single response]*

Response options	
Advice not related to a specific project	<input type="checkbox"/>
Advice on the operation of EFSI unrelated to a specific project	
Assistance with a one-off project	<input type="checkbox"/>
Assistance with a portfolio of projects	<input type="checkbox"/>
Assistance with understanding the EIAH service offer	<input type="checkbox"/>

**[Only if project related in Q2] Q2.1: If project related: what type of support were you seeking?** *[multiple responses possible]*

Response options	
Assistance with project design / preparation	<input type="checkbox"/>
Support with structuring project(s) to improve their ability to access finance	<input type="checkbox"/>
Assistance with State Aid issues	<input type="checkbox"/>
Implementation and management of Financial Instruments	<input type="checkbox"/>
Assistance with procurement issues	<input type="checkbox"/>
Assistance with project implementation/ delivery	<input type="checkbox"/>
Other, please specify	...(commentary)

**[Only if project related in Q2] Q2.3: In which sector is your project located (or sectors, if more than one project)?** *[multiple responses possible]*

Response options	
Energy	<input type="checkbox"/>
Transport	<input type="checkbox"/>
Telecommunication	<input type="checkbox"/>
Research, development and innovation	<input type="checkbox"/>
Environment and resource efficiency	<input type="checkbox"/>
Human capital, culture and health	<input type="checkbox"/>

Other, please specify	...(commentary)
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**[Only if not project related in Q2] Q2.2: If general request not related to a specific project, what advice were you seeking? [multiple responses possible]**

Response options	
Improving general awareness of EFSI	<input type="checkbox"/>
Improving general awareness of EIAH	<input type="checkbox"/>
A specific issue	...please provide detail

**Q3: Would you expect to need the type of services provided by EIAH in the future?**

Response options	
Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't know (yet)	<input type="checkbox"/>

**Q4: In which country is your organization located? [multiple response possible - compulsory]**

Response options	
Austria	<input type="checkbox"/>
Bulgaria	<input type="checkbox"/>
...	<input type="checkbox"/>
Other, please specify	...(commentary)

## Part 2: European Investment Advisory Hub (EIAH)

**Q5: How did you learn about the EIAH? [single response]**

Response options	
From the EIAH/EIB website	<input type="checkbox"/>
From an event (e.g. EIB/EC organized conference)	<input type="checkbox"/>
From my national promotional bank/ public agency	<input type="checkbox"/>
From the press	<input type="checkbox"/>
From the social media	<input type="checkbox"/>
From an other entrepreneur	<input type="checkbox"/>
Other, please specify	...(commentary)

**Q6: Are the descriptions of the different types EIAH services provided on the EIAH website sufficiently clear?[single response]**

Response options	
<i>Yes, entirely</i>	<input type="checkbox"/>
<i>Yes, to some extent</i>	<input type="checkbox"/>
<i>No, not at all</i>	<input type="checkbox"/>
<i>I do not know</i>	<input type="checkbox"/>

**Q7: In your view how widely known, among users of technical assistance, are the services of the EIAH?** *[single response]*

Response options	
<i>Very High</i>	<input type="checkbox"/>
<i>High</i>	<input type="checkbox"/>
<i>Moderate</i>	<input type="checkbox"/>
<i>Limited</i>	<input type="checkbox"/>
<i>No awareness (please, specify)</i>	<i>...(commentary)</i>

**Q8: What was the nature of assistance that you received from the EIAH?** *[single response]*

Response options	
<i>Relatively short clarification/ advice that did not require the signature of a contract with EIAH</i>	<input type="checkbox"/>
<i>More extensive form of assistance that did require the signature of a contract with EIAH</i>	<input type="checkbox"/>

**Q9: What was the type of assistance that you received from the EIAH?** *[multiple response]*

Response options	
<i>Assistance with project identification</i>	<input type="checkbox"/>
<i>Assistance with project design / preparation</i>	<input type="checkbox"/>
<i>Support with structuring project(s) to improve their ability to access finance</i>	<input type="checkbox"/>
<i>Assistance with State Aid issues</i>	<input type="checkbox"/>
<i>Implementation and management of Financial Instruments</i>	<input type="checkbox"/>
<i>Assistance with procurement issues</i>	<input type="checkbox"/>
<i>Assistance with project implementation/ delivery</i>	<input type="checkbox"/>
<i>Other, please specify</i>	<i>...</i>

**Q10: Who in practice provided the service that you confirmed with the EIAH?** *[multiple response]*

Response options	
Directly by EIAH staff	<input type="checkbox"/>
By other EIB staff	<input type="checkbox"/>
By a National Promotional Bank	<input type="checkbox"/>
By a Managing Authority at national level	<input type="checkbox"/>
By a specialist company / commercial service provider	<input type="checkbox"/>
Other, please specify	...

**[if not ticked any response in Q10 related to national level] Q11. Do you think you could have received similar assistance from an organisation in your country (e.g. a national promotional institution or via services provided in the marketplace)?**

Response options	
Yes, all services could have been provided	<input type="checkbox"/>
Yes, to some extent	<input type="checkbox"/>
No, not at all	<input type="checkbox"/>
Does not apply / Don't know	<input type="checkbox"/>

**Q12: Are there other assistance initiative(s) that you are aware of and which provide similar services to the EIAH? [single response]**

Response options	
No, the EIAH services are unique	<input type="checkbox"/>
Yes, but in my view the EIAH services differ to considerable extent from other assistance services	<input type="checkbox"/>
Yes, but in my view the EIAH services differ to moderate extent from other assistance services	<input type="checkbox"/>
Yes, and in my view the EIAH services differ very little from other assistance services	...(please explain why)
I do not know	<input type="checkbox"/>

**Q13: How well were your needs met by the information that you received from the EIAH (directly or indirectly)? [single response]**

Response options	
Fully met my needs	<input type="checkbox"/>
Partially met my needs in most of the important aspects	<input type="checkbox"/>
Somehow Partially met my needs but important issues went unresolved	<input type="checkbox"/>
Failed to meet my needs in all key respects	...(please explain why)

**Q14: How would you judge the speed of response and service when interacting with the EIAH? [single response]**



Response options	
<i>Very fast</i>	<input type="checkbox"/>
<i>Fast</i>	<input type="checkbox"/>
<i>Neither slow nor fast</i>	<input type="checkbox"/>
<i>Slow</i>	...(please explain why)
<i>Very slow</i>	...(please explain why)

**Q15: In your view, what was the level of expertise provided by experts from the EIAH?**  
*[single response]*

Response options	
<i>Very high</i>	<input type="checkbox"/>
<i>High</i>	<input type="checkbox"/>
<i>Moderate</i>	<input type="checkbox"/>
<i>Low</i>	...(please explain why)
<i>Very low</i>	...(please explain why)

**Q16: Overall, how satisfied were you with the services that you received from the EIAH?**  
*[single response]*

Response options	
<i>Very satisfied</i>	<input type="checkbox"/>
<i>Satisfied</i>	<input type="checkbox"/>
<i>Dissatisfied</i>	...(please explain why)
<i>Very dissatisfied</i>	...(please explain why)

**Q17: Would you recommend the services of EIAH to other organisations?**

Response options	
<i>Yes</i>	<input type="checkbox"/>
<i>No</i>	<input type="checkbox"/>

**Q18: Do you have any recommendation(s) on how to improve the EIAH offer?**

Open question...
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### **A3.5 Survey of project promoters from the EIPP**

Survey finalised and disseminated by DG ECFIN.

## **Annex 4 Survey results**



Survey of project promoters under IIW:   
Survey of project promoters under EFSI



Survey of financial intermediaries under IIW:   
Survey of Financial Intermediaries.xlsx



Survey of NPBs/NPIs:   
Survey of National Promotional Banks[NP]



Survey of EIAH beneficiaries:   
Survey of beneficiaries of the EI



Survey of investees on the EIPP:   
Survey of EIPP investees.xls

## **Annex 5 Interview topic guides**

### **A5.1 National Promotional Banks/ Institutions**

Note: *All your answers will remain totally confidential and anonymously reported, unless you specify otherwise. ICF has strict confidentiality provisions in its contract with the Commission and adheres to applicable Data Protection legislation and research ethics.*

*Name of the interviewee: [to be inserted]*

*Interviewed by: [to be inserted]*

*Date and place of the interview: [to be inserted]*

#### **List of questions**

##### **Take up and impacts of EFSI guarantee**

1. How relevant has been the focus of EFSI in your country in the context of:

- key sectors<sup>5</sup> it aims at supporting?
- type of projects<sup>6</sup> it aims at supporting?
- financial products/ structures it has been offering? In your view, which products are working particularly well?

##### **Any market failures/ gaps not addressed by EFSI products?**

2. How have the financing conditions evolved since early 2015 in your country? How do you think it will change within the next 2-3 years from now on?

3. What have been the main type of market failures in your countries, and how effective has been EFSI in addressing them?

- What factors are affecting the take-up of EFSI in your country?
- Based on data for take up of IIW and SMEW
- What factors are affecting the multiplier effect achieved on EFSI in your country (question to be tailored based on data on multiplier effect)

4. How effective has been EFSI in allowing you to crowd-in the private investment in your country? Please provide concrete examples.

5. Are there any aspects of EFSI that if modified, they would result in increasing your ability to crowd-in the private investment in your country?

6. Overall, what has been the feedback on EFSI that you have received from the market?

##### **Added value and coherence of EFSI**

7. Did EFSI funding constitute a competition for your funding operations in any way? If so, please provide concrete examples.

8. In your view, is EFSI coherent with the existing offer of the EU Funding Programmes in your country? Is there any scope for improvement (e.g. was there any crowding-out of ESIF funds' effect that you observed)?

9. Are there particular ways to increase the number of deals where EFSI is blended with other EU Funding Programmes available in your country)?

10. To what extent EFSI differed from what was available in your country prior to it?

##### **Structuring effects of EFSI**

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<sup>5</sup> To see sectors of EFSI's focus, see Article 9(2) of EFSI Regulation available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R1017&from=EN>

<sup>6</sup> In terms of higher level of risk implied

11. To what extent has EFSI contributed to:

- Developing FI/ investor sophistication;
- Dissemination and take up of good practices in deal structuring, due diligence, reporting etc.
- Launching new asset classes in your country;
- Attracting new types of investors to existing asset classes;
- Supporting the development of VC, SME securitisation markets, development of financial markets more widely;
- Other impacts not listed above?

### **Communication**

12. In terms of European Commission and EIB communication about EFSI, do you think it is adequate, or maybe you see some potential for improvement?

### **Cooperation with the EIB Group (within and outside the EIAH)**

13. Do you have MoU with the EIAH in place?

*If 13 'affirmative', then follow to:*

13.1 Please describe the principal aspects of your cooperation under MoU, and provide examples of a few concrete initiatives/ actions you have undertaken as a result of it.

- What have been the benefits of your collaboration with the EIAH?
- What are the costs and benefits of your cooperation with EIAH?

14 Has the scope of the MoU related to EIAH changed since you signed it? Do you have an intention to change it?

15. How effective was your collaboration with the EIAH? What has worked particularly well, and where do you see the scope for improvement?

16. What are the awareness levels about EIAH offer in your country, is EIAH effectively promoted?

17. Are the range of services relevant and adequate? Are there any gaps?

18. To what extent has the EIAH contributed to:

- Improving bankability & investment-readiness of projects
- Improving take-up of EFSI funding
- Enhancing your organisation's capacity to support investment projects
- More effective blending of EFSI with ESIF
- Development of investment platforms

19. Which sector(s) in your country benefited most from the EIAH offer?

20. Are there any features of the EIAH (e.g. type of offer, underlying rules) that could be changed with the positive implications for its effectiveness?

21. Is your offer and the offer provide by EIAH in your complementary, or there are areas/ activities where some duplication(s) exist? Please elaborate.

### **Investment Platforms**

22. We are aware that you have set up an investment platform [*insert the name*], what was the role of the EIB in this context?

### **EIPP**

24. Are you aware of the EIPP?

25. (if 24: 'yes'): How relevant do you think is in terms of matching project promoters and investors?

## **A5.2 Policy DGs - Management of EU Programmes (COSME, CEF, InnovFin, EaSI, CCSG, Erasmus+, ESIF):**

Note: *All your answers will remain totally confidential and anonymously reported, unless you specify otherwise. ICF has strict confidentiality provisions in its contract with the Commission and adheres to applicable Data Protection legislation and research ethics.*

*Name of the interviewee: [to be inserted]*

*Interviewed by: [to be inserted]*

*Date and place of the interview: [to be inserted]*

### **List of questions**

#### **Evaluation**

##### **Relevance**

1. What are the market failures/ financing gaps being targeted by [COSME, CEF, InnovFin, EaSI, CCSG, Erasmus+, ESIF]?
2. Are there any specific needs addressed by [COSME, CEF, InnovFin, EaSI, CCSG, Erasmus+, ESIF] that are currently not being addressed by EFSI? How do their positioning differs from EFSI?
3. Would you have any views on the relevance and suitability of the products supported by EFSI? Are there any gaps?
4. Based on your experience, how can the take up of market orientated instruments be improved in MS with less developed financial markets?
5. What is the role of the EIAH in supporting the take-up of your instrument?

##### **Effectiveness**

6. How effective has EFSI been in supporting the following policy goals as compared to other EU programmes?
  - Mobilising private financing
  - Stimulating infrastructure investment
  - Improving access to finance for SMEs / mid caps
  - Improving funding available for risky innovation projects
  - Contributing to the development of financial markets
- If Q5 confirms material role of the EIAH: Q5.1 How effective was the EIAH in those areas?

##### **Coherence**

7. Evidence of synergies.
  - Is the number of projects blending grants<sup>7</sup> from your programme with EFSI increasing over time? Which barriers to more synergies do remain?
  - Has there been any progress regarding the envisaged combination of EU programmes' financial instruments as First Loss Piece (FLP) of operations and EFSI as mezzanine tranches?
8. Coherence of EFSI funded projects with objectives of other programmes: To what extent has EFSI increased access to financing in line with broad EU policy objectives e.g. EU's long-term climate goals? Should any measures be taken to rebalance the portfolio in favour of certain sectors?
9. Is there any evidence of deal shopping by intermediaries or project promoters among different EU financial instruments?

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<sup>7</sup> Defined as projects that combine grants with other forms of support

10. Competition with mandates: To which extent would you say potential competition between EFSI and the existing mandates is a problem?

11. Are there any areas of duplications, or in the contrary positive synergies between TA provided under your instrument and the EIAH?

**Added value**

12. Review of use of other EU programmes since EFSI:

*[All except for InnovFin]* Has there been any change in scale or focus in your programme since EFSI? Would projects have otherwise received funding from EU programmes?

*[InnovFin]* We are aware there has been a change in focus of your programme since EFSI (which translated into a change in the delegation agreement). Could you explain the new division of roles between InnovFin and EFSI? Will InnovFin Large Projects, InnovFin MidCap Guarantee and InnovFin Midcap Growth Finance be closed entirely? Have the two new envisaged facilities now been launched [InnovFin Research Institutes, Universities, Research Organisations Facility (RIURO), and InnovFin Moderate & Modest Innovator Countries and Associated Countries Facility (MMI)]? How are overlaps with EFSI minimized under the new windows? Is there any remaining problem to address?

13. *[For InnovFin and CEFmanagers]*: Opportunity cost of provisioning EFSI: Would have funds been used optimally if not used for provisioning EFSI? Have the target groups of your programme benefitted from EFSI?

14. To what extent has the EIAH support to project promoters and beneficiaries provided added value?

15. To what extent has the EIPP provided added value?

### **A5.3 EFSI beneficiaries under IIW**

Note: *All your answers will remain confidential and anonymously reported, unless you specify otherwise. ICF has strict confidentiality provisions in its contract with the Commission and adheres to applicable Data Protection legislation and research ethics.*

[Guide for scoping interview](#)

**Name of the interviewee:** [to be inserted]

**Interviewed by:** [to be inserted]

**Date of interview:** [to be inserted]

#### **Introduction**

Q1 We understand that [name of the project promoter] received a loan/ equity investment [delete or change as appropriate] of euros x million from the EIB for [brief description of project]. We are interested to know why your organisation applied to the EIB for financing?

#### **Alternative sources of financing**

Q2 Did you consider alternative sources of financing for your project before applying to the EIB? [Probe: Which sources of debt and equity were considered? Private and public sources considered?]

Follow-up questions:

Q2a If not > please could you explain the reasons why alternative sources were not considered? [Probe: specifically explore why market sources were not considered]

Q2a(i) If financing from market sources was not available/ partially available or available on unreasonable terms>> what were the barriers to obtaining finance on reasonable terms from the market?

[probe: if market risk perceptions and return expectations were a barrier

If relevant, ask >> In your view, which of these barriers were project specific and which, more generally, apply to the sector/ industry or even country?

Q2b If yes > which of these alternatives did you pursue and what was the outcome? Explore: were these sources willing to provide the full volume of financing needed? On what terms?

Q2b(i) If financing was available from alternatives sources, then what were the reasons for also applying for EIB financing? NB: skip if response to Q1 fully addresses this question

Q2b(ii) Which of the alternative sources of finance were not pursued and why?

#### **Impact of EFSI support/ EIB financing**

Q3 Did the EIB's participation influence or change the financing structure of your project in any way? If so, please explain.

Q3a Did the EIB's participation help get other investors/ lenders on board?

Q3a(i) If so, which ones and how, in your view?

Q4 We now ask you to speculate on what might have happened in the absence of EFSI financing i.e. had the project / your organisation not obtained the x million euros loan/ investment from the EIB.

- would the project have gone ahead without any changes to scale, scope or timeframe? Or would the non availability of EFSI financing changed the scale, scope or timetable of your project in any way?"

#### **Closing questions**

Q5 What in your view could the EU do differently or better to address the financing constraints faced by projects such as yours?

Q5.1 And specifically, what could be done to attract/ unlock financing from the private sector?

Q6 What is the future outlook - do you expect financing constraints for similar projects in your sector and country to ease or get worse?



#### **A5.4 Main banks and investors in IIW projects closed with EFSI support**

Note: *All your answers will remain totally confidential and anonymously reported, unless you specify otherwise. ICF has strict confidentiality provisions in its contract with the Commission and adheres to applicable Data Protection legislation and research ethics.*

*Name of the interviewee: [to be inserted]*

*Interviewed by: [to be inserted]*

*Date and place of the interview: [to be inserted]*

##### **List of questions**

Please briefly introduce your organisation's activities in sector/ country

What is your experience of working with the EIB / other International Financial Institutions

- Experience of investing in/ lending to projects backed by EIB financing
- Experience of investing in/ lending to projects backed by national promotional banks and IFIs such as EBRD

##### **Questions regarding EFSI backed project [add project title]**

**We would now like to ask you a few questions about project [XX] that received EIB financing.**

1. What are the key criteria and parameters you look at when investing in a project such as above
2. Would you have invested in this project in absence of EIB participation? Explore response  
If no: why not? What were the risky aspects?
3. What aspects of the EIB's participation were critical to your decision to invest in the project?
4. What credit/investment rating did you assign this project?
5. What are the typical terms on which you would invest in a project such as this?
6. Please briefly explain whether you are aware if the projects you co-financed received support from the EIAH and present your views on the added value of that support

##### **Questions regarding wider market conditions**

**We would now like to ask you a few questions to better understand the market conditions and context for financing of projects in [xxx] sector**

7. What are the key barriers for projects seeking finance in this sector?
8. What are the current market conditions like? Prompts: Liquidity, terms on which finance is available? Risk return profile of investments?
9. Are the market conditions expected to ease or tighten?
10. As an investor, what kind of support are you looking from a bank such as the EIB in order to enable you to invest in projects in this sector by bringing risk down to acceptable levels?
  - Loan
  - Equity participation
  - Risk sharing
  - Stamp of approval etc

##### **Financial market view on attractiveness of EFSI**

11. Has there been any change in the attraction of EIB collaboration since 2015 (launch date of EFSI), and if so, are you aware of the role that the EU Guarantee might have played?

12. Have you noticed an expansion in the range of available financial products offered by EIB? Is the range of products now large enough to meet market needs?

If not, what additional measures are required and why? What barriers continue to limit investment and how could EIB better address these?

13. What are your views on the attractiveness of EIB financing? Which aspects do you find more/ less attractive and for which reasons?

14. What alternative public / private mechanisms are potentially available for the types of projects you usually invest into? How do those solutions compare with EIB financing?

#### **Questions regarding other support**

15. Please briefly explain whether you have any experience of co-investing into investment platforms and present your views on the added value of the platforms

16. Please indicate whether you are a user of the EIPP and whether, to you, the portal provides added value

## **A5.5 Financial intermediaries involved in the SME Window (SMEW) [Lending / guaranteeing institutions]**

Note: *All your answers will remain totally confidential and anonymously reported, unless you specify otherwise. ICF has strict confidentiality provisions in its contract with the Commission and adheres to applicable Data Protection legislation and research ethics.*

*Name of the interviewee:* [to be inserted]

*Interviewed by:* [to be inserted]

*Date and place of the interview:* [to be inserted]

### **List of questions**

#### **Evaluation**

##### **Introduction**

Please briefly introduce your

- Fund size and focus (geographic/ sectoral/ stage), when it was established, current stage (fund raising- which round, close, investing, )
- Investors' profile
- investment categories you are investing in

##### **Market conditions**

1. In your view, what are the main factors constraining the availability of equity financing for SMEs/mid caps in the EU
  - What size of SMEs suffers are particularly affected and at what point in their lifecycle are they most likely to suffer from a financing gap? Which sectors are particularly affected?
2. Is the situation w.r.t. equity financing to SMEs/ mid caps expected to improve / worsen in the near future?
3. In your view, are private investors particularly institutional investors reluctant to create exposure to venture capital/private equity? What potential market or public policy initiatives are required to help change this situation?

##### **Views on attractiveness of EFSI**

4. Are you aware of the EU instrument under which you have received equity investment from the EIF? (EFSI Expansion and Growth Window, EFSI Early Stage Window - InnovFin Equity, RCR mandate)?
5. For which reasons have you decided to go to the EU/EIF for raising funds? Did you face any problems in raising funds?
6. How did you learn about EU/EIF equity instrument? In your view how effectively is the instrument being marketed by EIF?
7. What characteristics of EU/EIF investment were important to you and for which reasons?

*(prompts: Long-term horizon of EIF's equity investment, Technical expertise provided by the EIF, EIF's due diligence, Size of the EIF's participation, EIF subordination to commercial investors, EIF involvement attracting other co-investors)*

8. Have you faced any problems while seeking to access EU/EIF investment or later on with EIF as an investor?

9. Has the launch of EFSI in 2015 impacted the attractiveness of collaborating with the EIF? If so, how?

10. Have you noticed an expansion in the range of available financial products? Is the range of products now large enough to meet market needs?

If not, what additional measures are required and why? What barriers continue to limit SME/mid-cap equity financing and how could EFSI/EIF better address these?

11. Would you recommend any (other) changes to the EU/EIF offer to improve its effectiveness? Please explain how these changes would be beneficial.

### **Additionality of EU support**

12. How critical was the availability of EIF financing to close your fund?

13. What has been the importance and impact of EU/EIF investment on your fund's development / operations?

14. Has there been other added value of investment by EIF (prompts: in alignment of Term sheets on best practice, structuring of distribution waterfall, design of carried interest, etc.)

## **A5.6 Financial intermediaries involved in the SME Window (SMEW) [Fund managers]**

Note: *All your answers will remain totally confidential and anonymously reported, unless you specify otherwise. ICF has strict confidentiality provisions in its contract with the Commission and adheres to applicable Data Protection legislation and research ethics.*

**Name of the interviewee:** [to be inserted]

**Interviewed by:** [to be inserted]

**Date and place of the interview:** [to be inserted]

### **List of questions**

#### **Evaluation**

##### **Introduction**

Please briefly introduce your

- Fund size and focus (geographic/ sectoral/ stage), when it was established, current stage (fund raising- which round, close, investing, )
- Investors' profile
- investment categories you are investing in

### **Market conditions**

1. In your view, what are the main factors constraining the availability of equity financing for SMEs/mid caps in the EU
  - What size of SMEs suffers are particularly affected and at what point in their lifecycle are they most likely to suffer from a financing gap? Which sectors are particularly affected?
2. Is the situation w.r.t. equity financing to SMEs/ mid caps expected to improve / worsen in the near future?
3. In your view, are private investors particularly institutional investors reluctant to create exposure to venture capital/private equity? What potential market or public policy initiatives are required to help change this situation?

### **Views on attractiveness of EFSI**

4. Are you aware of the EU instrument under which you have received equity investment from the EIF? (EFSI Expansion and Growth Window, EFSI Early Stage Window - InnovFin Equity, RCR mandate)?
5. For which reasons have you decided to go to the EU/EIF for raising funds? Did you face any problems in raising funds?
6. How did you learn about EU/EIF equity instrument? In your view how effectively is the instrument being marketed by EIF?
7. What characteristics of EU/EIF investment were important to you and for which reasons?  
*(prompts: Long-term horizon of EIF's equity investment, Technical expertise provided by the EIF, EIF's due diligence, Size of the EIF's participation, EIF subordination to commercial investors, EIF involvement attracting other co-investors)*
8. Have you faced any problems while seeking to access EU/EIF investment or later on with EIF as an investor?
9. Has the launch of EFSI in 2015 impacted the attractiveness of collaborating with the EIF? If so, how?
10. Have you noticed an expansion in the range of available financial products? Is the range of products now large enough to meet market needs?  
If not, what additional measures are required and why? What barriers continue to limit SME/mid-cap equity financing and how could EFSI/EIF better address these?
11. Would you recommend any (other) changes to the EU/EIF offer to improve its effectiveness? Please explain how these changes would be beneficial.

### **Additionality of EU support**

12. How critical was the availability of EIF financing to close your fund?
13. What has been the importance and impact of EU/EIF investment on your fund's development / operations?

14. Has there been other added value of investment by EIF (prompts: in alignment of Term sheets on best practice, structuring of distribution waterfall, design of carried interest, etc.)

## Annex 6 Project review templates

Table 5. Project review form

Question	Expert's judgment
<p><b>Q1: Is market failure clearly established, i.e. there is a clear societal benefit that cannot be adequately reflected in the returns of the project in order to gain access to finance?</b></p> <p><b>Are there any factors that might suggest there is no market failure? For example there is no clear societal benefit identified, or societal benefits can be captured in the revenue stream of the project</b></p>	<p>The case for market failure is</p> <p><i>Well established</i></p> <p><i>Established but on the basis of limited evidence</i></p> <p><i>Incomplete and questionable</i></p> <p>Explain with respect to the EU policy objectives for the project and reasons these cannot be adequately reflected in the financial returns to the project: ...and that gaining access to market finance is difficult.</p>
<p><b>Q2: Are there any technical, sector, market, or country specific risk factors that are not captured in the EFSI Guarantee Request Form but which are relevant and material in your view?</b></p>	<p>The risk factors appear:</p> <p><i>To be fully identified</i></p> <p><i>To be only partially considered but with only limited likelihood that a significant change is required in the assessed project risk</i></p> <p><i>To be only partially considered, with a significant likelihood that the assessed project risk is inappropriate</i></p> <p>Explain: ...</p>
<p><b>Q3: Would the same financing terms [tenor, grace period] be available in the market? Please elaborate</b></p>	<p>The possibility of securing from the market the tenor received from EFSI would be considered to be:</p> <p><i>Very low / negligible</i></p> <p><i>Moderate</i></p> <p><i>High</i></p> <p>Explain:...</p> <p>The possibility of securing from the market the grace period received from EFSI would be considered to be:</p> <p><i>Very low / negligible</i></p> <p><i>Moderate</i></p> <p><i>High</i></p> <p>Explain...</p>
<p><b>Q4: Would the market have financed this project without EIB participation at the same terms and conditions?</b></p>	<p>The capacity of the market to finance the project without EFSI support (at the same terms and conditions as EIB) would be considered to be:</p> <p><i>Very low / negligible</i></p> <p><i>Moderate</i></p>

<b>Question</b>	<b>Expert's judgment</b>
	<p><i>High</i></p> <p>Explain:...with particular reference to the level of financial returns offered and the risks of delivering the project</p>
<b>Q5: Does the choice of EIB product look appropriate?</b>	<p>The choice of EFSI product would be considered to be:</p> <p><i>Well suited to the needs of the client</i></p> <p><i>Sub-optimal – with other products likely to have been more suited to the needs of the client</i></p> <p><i>Entirely unsuitable to the needs of the client</i></p> <p>Explain...</p>
<b>Other comments:</b>	<p>Please add any final comments that you think will assist in understanding the assessment...</p>



## **Annex 7 Description of the modelling of the EFSI target rate**

The description of the model is available in the pdf file:



Model - target  
rate.pdf

## **Annex 8 Literature review and sectorial fiches**

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## **A8.2 SMEs**

### **A8.2.1 Size of the investment gap and its determinants**

There are no exact estimates of the size of the investment gap in the SMEs sector in the EU. Nonetheless, the available evidence suggests that this has decreased since the implementation of EFSI, though to different extent depending on the Member State, and to different degree depending on the types of SMEs and investment categories.

Overall, the European economy has been recovering following the 2007-2008 crisis, and SMEs have shown consistent growth since 2014<sup>8</sup>. According to the SME Business Climate

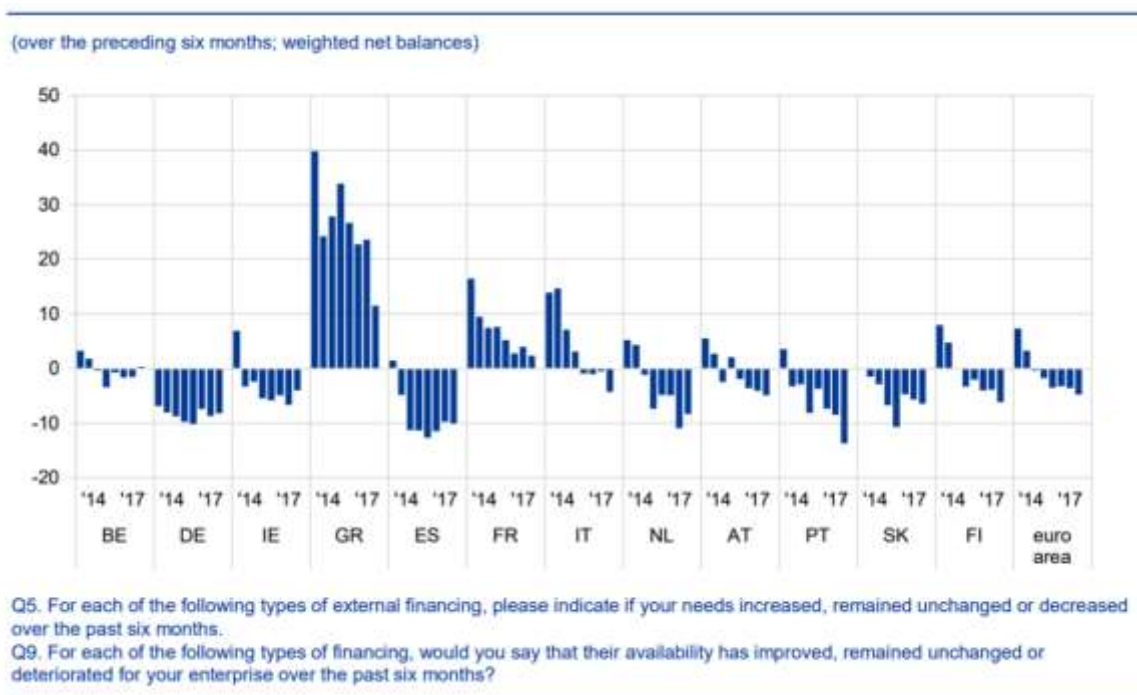
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<sup>8</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

Index, the business climate in Europe for SMEs improved recently<sup>9</sup> and SMEs have been also growing in numbers as well as in terms of the added value they are creating<sup>10</sup>.

Available data indicates that the external financing gap experienced by the European SMEs has fallen in the last years. Among all Member States, Greece has seen the largest share in external financing gap over the last three years, while Portugal has seen the largest drop, especially most recently.<sup>11</sup> Germany has experienced permanent negative gap that has remained fairly stable.

Figure 2. Change in the external financing gap 2014-2017, as perceived by SMEs across euro area countries<sup>12</sup>



Note: A positive value of the indicator suggests an increasing financing gap. Figures refer to rounds ten (October 2013-March 2014) to seventeen (April-September 2017) of the survey.

Source: ECB, 2017. Survey on the Access to Finance of Enterprises in the euro area – April to September 2017. Chart 14: Change in the external financing gap perceived by SMEs across euro area countries, p.19.

Furthermore, the ECB SAFE survey data suggests also that the share of European SMEs perceiving access to finance as the *most pressing problem* has decreased by 6 percentage points between 2014 and 2017. In 2014, the SAFE survey indicated that 13 per cent of the surveyed EU 28 SMEs perceived access to finance as the *most pressing*

<sup>9</sup> European Investment Bank, 2017. Investment report 2017/2018: from recovery to sustainable growth, Figure 35, p.247.

<sup>10</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

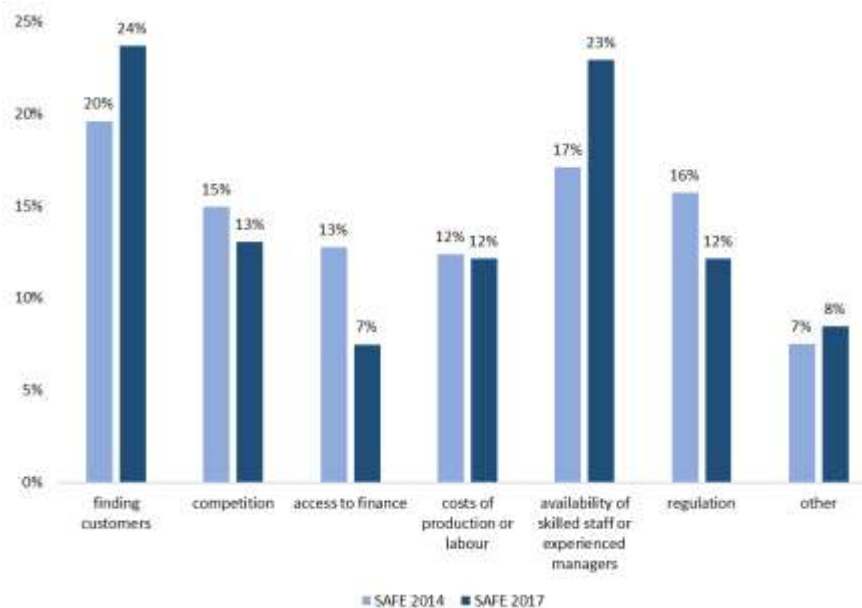
<sup>11</sup> ECB, 2017. Survey on the Access to Finance of Enterprises in the euro area – April to September 2017. Available at:

<https://www.ecb.europa.eu/pub/pdf/other/ecb.accesstofinancesmallmediumsizedenterprises201711.en.pdf?beb1832df4af9efa945a5a1f7b99eeb7> [Accessed on 10 April 2018].

<sup>12</sup> The financing gap indicator combines financing needs and availability of bank loans, bank overdrafts, trade credit, equity and debt securities, at firm level. For each of these five financing instruments, an indicator of a perceived financing gap change takes the value of 1/-1 if the need increases/decreases and availability decreases/increases. If enterprises perceive only a one-sided increase/decrease in the financing gap, the variable is assigned a value of 0.5/-0.5. The composite indicator is the weighted average of the financing gap related to the five instruments, which are multiplied by 100 to obtain weighted net balances in percentages.

problem while three years later only 7 per cent of SMEs claimed so<sup>13</sup>. Over the same period, problems in 'finding customers' and 'skilled staff' has increased.

Figure 3. The most pressing problems EU 28 SMEs are currently facing, in 2014 and 2017

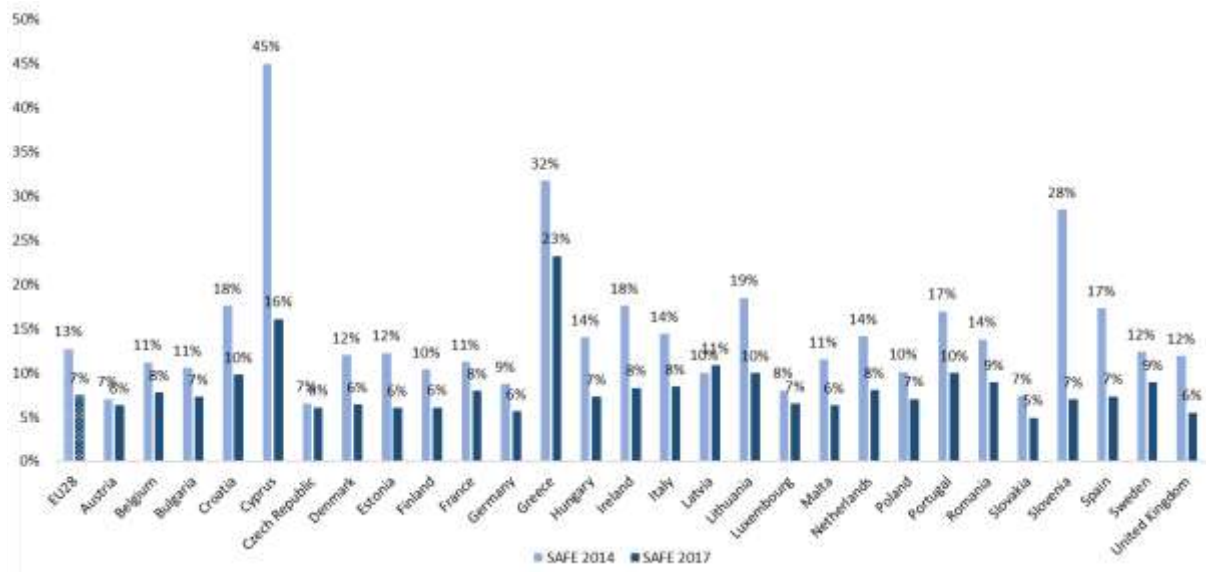


Source: ECB Survey on the Access to Finance of Enterprises (SAFE) data, 2017 (wave 17) and 2014 (wave 11). Q0 What is currently the most pressing problem your firm is facing? (2014) and Q0 What is currently the most important problem your firm is facing? (2017). SAFE 2017 N=14,950; SAFE 2014 N=10,750.

There are some substantial differences among the EU28 Member States though. Figure 4 shows that Greece and Cyprus have the largest shares of SMEs that perceive the access to finance as the most pressing problem: 23 and 16 per cent in Greece and Cyprus respectively. By contrast, Austria, Czech Republic, Denmark, Estonia, Finland, Germany, Malta, the UK and Slovenia show figures below the EU 28 average. Generally, and according to the SAFE survey, the magnitude of issues related to the access to finance has eased in all Member States since 2014, except for Latvia. Cyprus experienced the largest improvement (45 per cent of SMEs saw the access to finance as the most pressing issue in 2014 compared to 16 per cent in 2017) followed by Slovenia (28 per cent in 2014 compared to 7 per cent in 2017).

<sup>13</sup> ECB, 2017. Survey on the Access to Finance of Enterprises in the euro area. Data for 2014 and 2017. Available at: [https://www.ecb.europa.eu/stats/ecb\\_surveys/safe/html/index.en.html](https://www.ecb.europa.eu/stats/ecb_surveys/safe/html/index.en.html) [Accessed on 10 April 2018].

Figure 4. Share of SMEs experiencing access to finance as the most pressing issue, in 2014 and 2017.



Source: ECB Survey on the Access to Finance of Enterprises (SAFE) data, 2017 (wave 17) and 2014 (wave 11). Q0 What is currently the most pressing problem your firm is facing? (2014) and Q0 What is currently the most important problem your firm is facing? (2017). SAFE 2017 N=14,950; SAFE 2014 N=10,750.

The company's growth stage matters considerably in terms of the funding needs. According to the 2016 public consultation under the Start-up initiative<sup>14</sup>, access to finance and specifically for scaling-up the business has been an important issue. 41 per cent of SMEs reported difficulties in the start-up phase; and out of this group, 71 per cent mentioned access to finance as the main problem and 65 per cent securing finance for scaling-up and expansion within the EU as the main concern<sup>15</sup>.

Company's age is also closely correlated with typology and magnitude of the issues that it may encounter while seeking finance. Young SMEs, and especially those pursuing the radical innovations, are particularly prone to perceive access to finance as a barrier and are typically much more financially constrained, especially regarding credit<sup>16</sup>. Young firms that have reached a larger size quickly, which may constitute a proxy of successfulness of their business, are less likely to be so credit-constrained compared to older and large firms<sup>17</sup>. Typically SMEs, regardless of their age, run a higher risk of being rejected in credit applications than larger firms<sup>18</sup>. More generally, the data and the literature reviewed by the study team suggests that there are two principal challenges, or 'valleys of death', to overcome in the financing of innovative projects or firms:

- A lack of seed and early-stage finance for innovative start-ups (mostly equity finance);
- A lack of debt finance at appropriate terms for the commercialisation and large-scale roll-out of new products and services – this is even more common for pre-commercial stages while sometimes public funding to support basic research and commercial, profit-

<sup>14</sup> The total number of respondents were 571.

<sup>15</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

<sup>16</sup> European Investment Bank, 2017. Investment report 2017/2018: from recovery to sustainable growth, Chapter 9 - How to get young SMEs to drive innovation in Europe, pp.327.

<sup>17</sup> European Investment Bank, 2017. Investment report 2017/2018: from recovery to sustainable growth, Chapter 9 - How to get young SMEs to drive innovation in Europe, pp.327.

<sup>18</sup> European Investment Bank, 2017. Investment report 2017/2018: from recovery to sustainable growth, Chapter 9 - How to get young SMEs to drive innovation in Europe, p.342.

maximising activities, including for more established medium-sized and larger firms is more easily available.<sup>19,20</sup>

Furthermore, for companies investing relatively more in intangible assets, access to external financing tends to be more challenging. And typically, SMEs tend to place a higher share of their investments into intangibles, compared to larger companies. This feature holds true even when considering the industry composition by country<sup>21</sup>. In 2016, SMEs invested 42 per cent of their capital in intangibles while large firms invested 33 per cent of their total investments in such assets<sup>22</sup>. Yet, because the intangible assets are more difficult to evaluate and price for traditional banking institutions compared to any other financial assets, many SMEs must rely on internal funds to finance intangible investment only<sup>23</sup>.

The further discussion on debt and equity financing of SMEs specifically is presented under section A8.2.3 and A8.2.4 respectively.

### **A8.2.2 Supply side evidence**

According to the recent study of the European Commission<sup>24</sup>, two main market failures are affecting the supply of finance to SMEs. Firstly, the cost of evaluating investment projects of small companies and assessing their funding needs is too high compared to the potential financial return for the lending entity. The second type of market failure relates to the information asymmetry between financial supply (investors and lending entities) and demand (firms). These failures affect financial institutions' risk appetite and limit their interest in small loans such as SME-loans - this in turn leads to an insufficient supply of finance which is reflected in high interest rates for SME loans.

Generally, the role of uncertainty is pivotal to understand how supply and demand can meet and if markets are undergoing uncertain times, the effect tend to be amplified. The source of uncertainty is manifold, ranging from technology, competition, input markets, demand, institutional/regulatory as well as regional, albeit during the crisis macro uncertainty is thought to increase.<sup>25</sup> A regional picture of this is depicted in the below.

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<sup>19</sup>Phoenix Center for Advanced legal & Economic Public Policy Studies, A valley of Death in the innovation sequence: An economic Investigation

<sup>20</sup> House of Commons, Science and Technology Committee. (2013). Bridging the valley of death: improving the commercialisation of research. Eight report of session 2012-13.

<sup>21</sup> European Investment Bank, 2017. Investment report 2017/2018: from recovery to sustainable growth, p.246

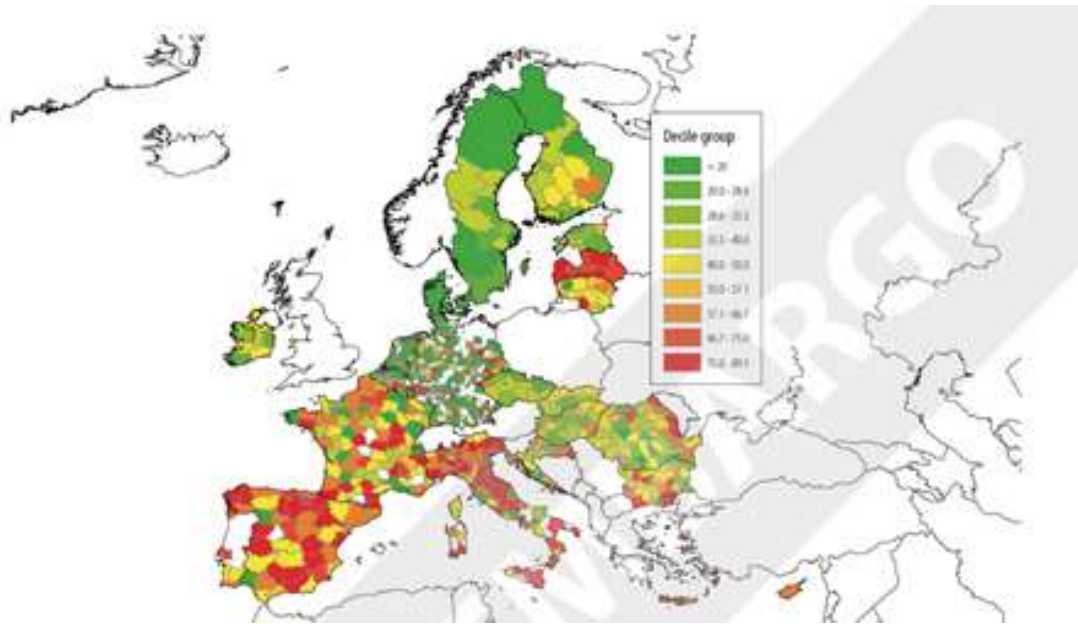
<sup>22</sup> European Investment Bank, 2017. Investment report 2017/2018: from recovery to sustainable growth, pp.123.

<sup>23</sup> Ibid. p. 269

<sup>24</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

<sup>25</sup> Bartelsman, E., Jing, C. and Kolev A., (2017), Recognising Uncertainty. EIB Luxembourg

Figure 5. Uncertainty as a major impediment to investment by NUTS-3 regions, 2015

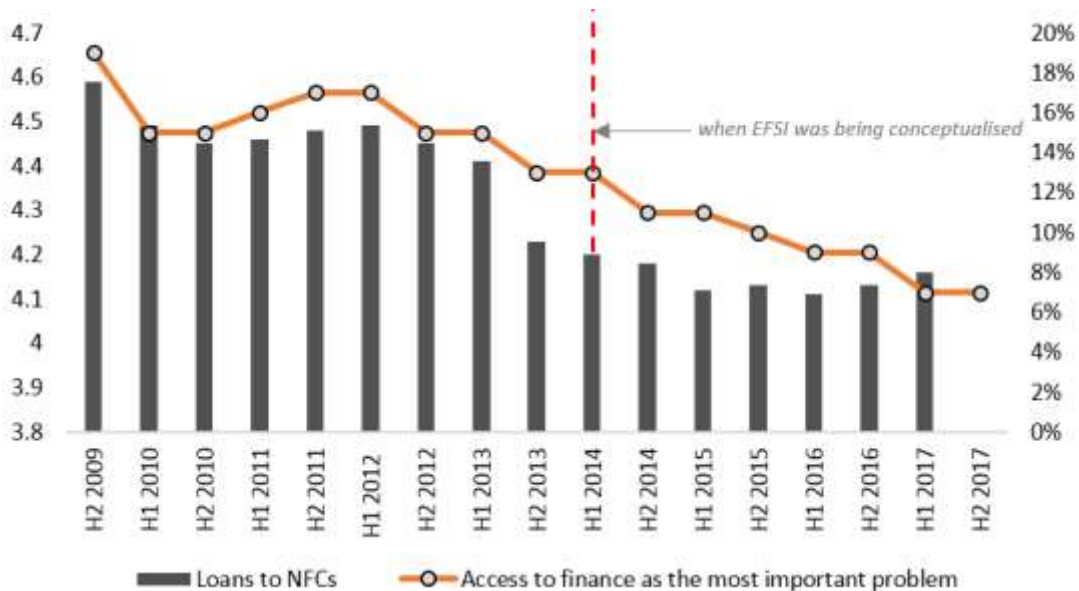


Source: EIBIS2016, authors' calculations

Notes: The numbers indicate the shares of responses "A major impediment"

Furthermore, the post-financial crisis context framed by the Basel III rules have aggravated SMEs' access to finance. The tighter liquidity requirements on banks combined with minimum amounts of common equity has impacted their ability and willingness to lend. As banks are the main source of credit for smaller firms in Europe, this has in turn constrained SMEs' access to finance. For instance, the bank lending to non-financial corporations (that include also the cohort of SMEs) in the Euro Zone was negative from 2012 to 2015, and has broadly remained stagnant since then<sup>26</sup>

Figure 6. Figure Loan to non-financial corporations in the Eurozone [in EUR bln] and the ECB SAFE responses



Source: ECB SAFE survey and EIF European Small Business Finance, June 2017

<sup>26</sup> EIF, December 2016. European Small Business Finance Outlook. Available at: [http://www.eif.org/news\\_centre/publications/eif\\_wp\\_37\\_esbfo\\_dec16\\_final.pdf](http://www.eif.org/news_centre/publications/eif_wp_37_esbfo_dec16_final.pdf)



While the lengthy period of quantitative easing conducted by the ECB and the historically low interest rates have benefitted the overall supply of capital in Europe, SMEs still face relatively larger difficulties in accessing finance, compared to larger companies. This is particularly evident for countries with a weak banking system and/or affected by the European sovereign debt crisis<sup>27</sup>.

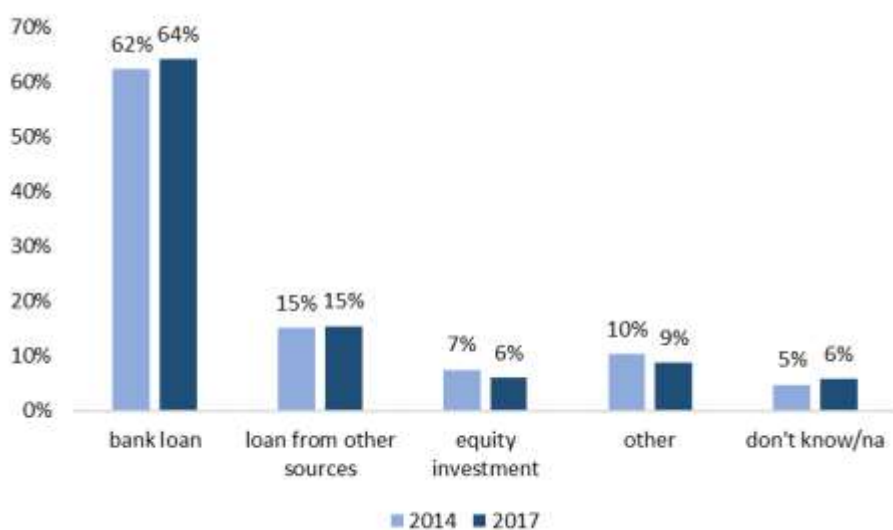
The “collateral crunch” is an additional factor that has constrained the supply of finance to SMEs during the post-crisis period. An increased demand for “safe assets” following new rules for the derivatives markets, tighter capital and liquidity regulation as well as the shift in practices in the industry, have all contributed to reduce the supply and velocity of global collateral<sup>28</sup>.

Furthermore, insufficient external equity funding for SMEs is also a limiting factor in Europe. A significant fall in the number of VC-investments compared to pre-financial crisis levels exacerbated equity financing gaps, especially in smaller European countries<sup>29</sup>. In addition, the Members States from the CEE Region have traditionally had lower access to VC funding.

### A8.2.3 Debt financing

The bank loans remain most important product sought by the SMEs in the EU whereas the equity financing is sought by small share of SMEs (6 per cent in 2017) – see Figure 7. Though, it must be still noted that the demand for equity finance varies strongly between sectors, stage of growth or type of investment needed (intangible versus tangible assets).

Figure 7. Shares of SMEs believing the following sources of finance are the most important type of external financing for growth, in 2017 and 2014 (EU28 level)



Source: ECB Survey on the Access to Finance of Enterprises (SAFE) data, 2017 (wave 17) and 2014 (wave 11), Q20. If you need external financing to realise your growth ambitions, what type of external financing would you prefer most?

While there has been an improvement in terms of the share of SMEs applying for a bank loan and receiving the full amount (excluding overdraft and credit lines), the constraints persist. For instance, the recent EIB Investment Report points out that innovative firms

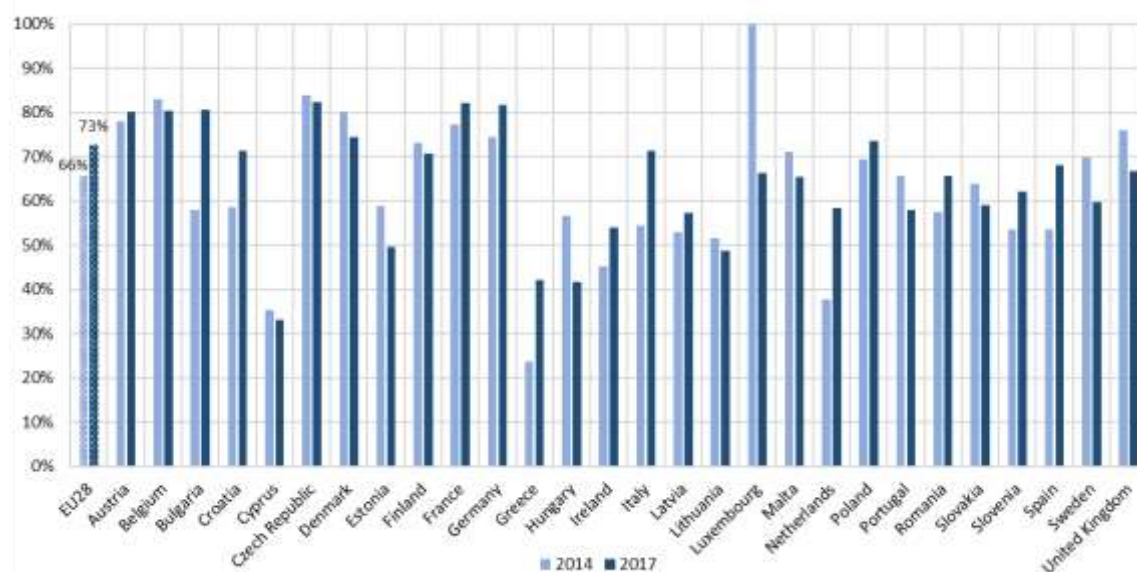
<sup>27</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

<sup>28</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

<sup>29</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

and young SMEs are 50 per cent more likely to be credit-constrained<sup>30</sup>. In 2017, 73 per cent of the SMEs that applied for a bank loan received the whole requested amount, compared to 66 per cent in 2014. Consequently, there are still relatively large shares of SMEs that do not receive the whole requested amount. In 2014, 34 per cent of the SMEs were unable to get the loan they needed while the same share in 2017 have fallen to 27 per cent<sup>31</sup>. There are also stark differences between Member States. Figure 8 shows the distribution across EU 28 Member States. In some Southern and Eastern EU MS (Cyprus, Greece and Hungary) as well as some Baltic states (Lithuania and Estonia) less than half of the SMEs received the full required bank loan in 2017. Moreover, only Greece has managed to increase this share since 2014. In turn, in Austria, France, Germany, Czech Republic and Bulgaria more than 80 per cent of SMEs received the full amount of loan that they required in 2017.

Figure 8. Shares of SMEs receiving bank loans for the entire requested amount, in 2017 and 2014



Note: the chart displays the percentage of SMEs indicating they received all the financing they requested.

Source: ECB Survey on the Access to Finance of Enterprises (SAFE) data, 2017 (wave 17) and 2014 (wave 11). 2014: Q7ba. Bank loan (excluding overdraft and credit lines) - If you applied and tried to negotiate for this type of financing over the past 6 months, did you: receive all the financing you requested; receive only part of the financing you requested; refuse to proceed because of unacceptable costs or terms and conditions; or have you not received anything at all? 2017: Q7ba. Bank loan (excluding overdraft and credit lines) - If you applied and tried to negotiate for this type of financing over the past 6 months, what was the outcome?

Some improvement has been also observed in terms of the share of SMEs that report a continued decline in interest rates, increase in available maturity of loans and size of the provided loans and overdrafts<sup>32</sup>. And yet, around twice as many SMEs (8 per cent of SMEs) as larger companies are still dissatisfied with the cost of external finance<sup>33</sup>. SMEs are also more likely than large firms to be dissatisfied<sup>34</sup> with the collateral requirements

<sup>30</sup> European Investment Bank, 2017. Investment report 2017/2018: from recovery to sustainable growth, pp.304.

<sup>31</sup> ECB, 2017. Survey on the Access to Finance of Enterprises in the euro area, Q7ba. Bank loan (excluding overdraft and credit lines) - If you applied and tried to negotiate for this type of financing over the past 6 months, what was the outcome? Data for 2014 and 2017. Available at: [https://www.ecb.europa.eu/stats/ecb\\_surveys/safe/html/index.en.html](https://www.ecb.europa.eu/stats/ecb_surveys/safe/html/index.en.html) [Accessed on 10 April 2018].

<sup>32</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

<sup>33</sup> European Investment Bank, 2017. Investment report 2017/2018: from recovery to sustainable growth, Chapter 6 - Credit conditions and corporate investment in Europe, pp.236.

<sup>34</sup> The question asked is: "How satisfied are you with i) amount obtained, ii) cost, iii) length of time, iv) collateral, v) type of finance?" The responses signify the share of firms that are dissatisfied (fairly or very) with a particular feature of the finance that they received or were offered.

for external finance (10 per cent compared to 5 per cent of the large firms). This dissatisfaction is particularly high among SMEs in countries with the highest shares of financially constrained SMEs, namely Greece, Ireland, Portugal and Slovakia<sup>35</sup>. SMEs have struggled with, inter alia, tightened collaterals, requirements of banks and other costs of financing related to charges, fees and commissions<sup>36</sup>.

Venture debt is still rare in the EU compared to Canada, and even more so to the US. The data from PREQUIN Venture Capital suggests that only around 7 per cent of the EU companies raise venture debt at some point, compared to 16 per cent in Canada and 20 per cent in the US<sup>37</sup>. More generally, the survey of investors conducted by AFME indicated that most important factors constraining them to lend to SME are the insufficient returns on SMEs debt as compared to other available and more liquid assets and the need for extensive analysis to map the risks of each firm (while this effort might not be cost-efficient given the ticket size). In addition, SME debt may be also relatively illiquid<sup>38</sup> which can also put off some investors.

#### **A8.2.4 Equity financing**

While it has potential to provide large amounts of funding to European corporations including SMEs, the European capital markets are rather underdeveloped and fragmented compared to the United States and equity is still less common source of finance than debt (Figure 7).

Generally, only relatively small share of SMEs seem to consider equity as a relevant type of capital. According to SAFE survey, 12 per cent of SMEs considered equity capital to be relevant for their firm in 2017. This is a decrease since 2014, when 16 per cent of the surveyed SMEs saw equity capital as relevant<sup>39</sup>. Figure 9 shows the importance of equity financing for growth among SMEs in the EU28 countries. Denmark and Finland stand out - 28 per cent of the SMEs sees equity as the most important type of external finance while the appetite in countries like Bulgaria, Czech Republic, Slovakia or Hungary is limited.

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<sup>35</sup> European Investment Bank, 2017. Investment report 2017/2018: from recovery to sustainable growth, Chapter 6 - Credit conditions and corporate investment in Europe, pp.236.

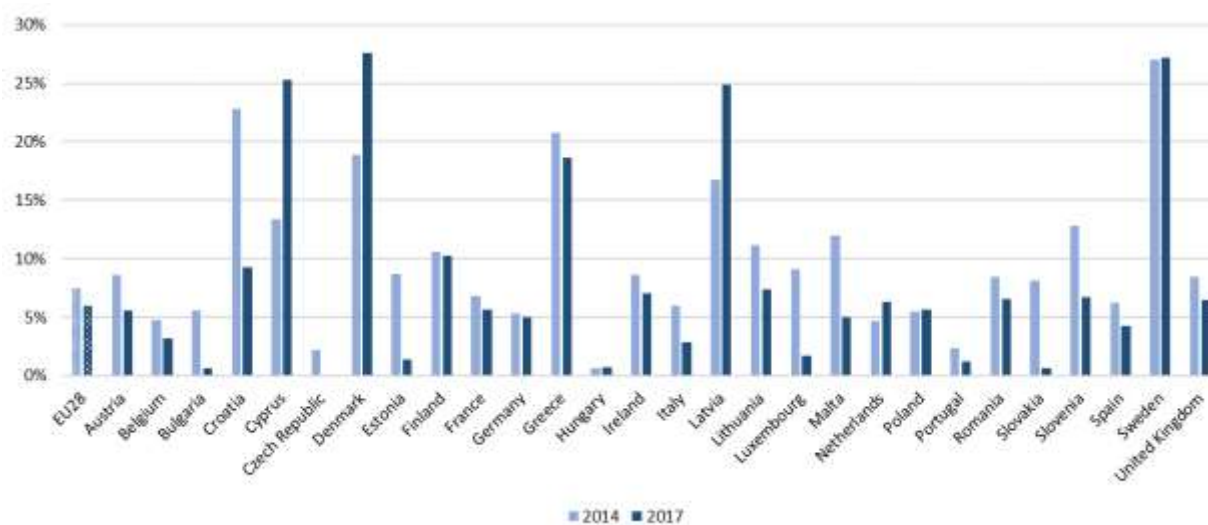
<sup>36</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

<sup>37</sup> Bruegel, 2016. From start-up to scale-up: examining public policies for the financing of high growth ventures. Available at: [http://bruegel.org/wp-content/uploads/2017/04/WP-2017\\_04.pdf](http://bruegel.org/wp-content/uploads/2017/04/WP-2017_04.pdf)

<sup>38</sup> Afme, 2013. Unlocking funding for European investment and growth An industry survey of obstacles in the European funding markets and potential solutions, p.46. Available at: <https://www.afme.eu/globalassets/downloads/publications/unlocking-funding-for-european-investment-and-growth-report-14.06.13.pdf> [Accessed on 17 April 2018].

<sup>39</sup> ECB, 2017. Survey on the Access to Finance of Enterprises in the euro area, Q4j. Equity capital - Are the following sources of financing relevant to your firm, that is, have you used them in the past or considered using them in the future? Data for 2014 (wave 11) and 2017 (wave 17). Available at: [https://www.ecb.europa.eu/stats/ecb\\_surveys/safe/html/index.en.html](https://www.ecb.europa.eu/stats/ecb_surveys/safe/html/index.en.html) [Accessed on 10 April 2018].

Figure 9. Shares of SMEs believing equity is the most important type of external financing for growth, in 2017 and 2014



Source: ECB Survey on the Access to Finance of Enterprises (SAFE) data, 2017 (wave 17) and 2014 (wave 11), Q20. If you need external financing to realise your growth ambitions, what type of external financing would you prefer most?

And yet, the demand for equity finance varies largely depending on the stage of the business, sector (high-tech *versus* retail) and type of investment considered (i.e. in intangible assets *versus* tangible ones). For instance, venture capital funds are indeed important sources of capital for start-ups willing to scale-up, as mentioned by 53 per cent of start-ups in the public consultation of the start-up initiative<sup>40</sup>.

Needless to say that the demand for equity financing is also a function of the available supply and prevailing conditions of the offer. The Venture Capital (VC) activity levels in Europe are still far below their pre-crisis highs, even though some of the remaining gaps have been filled by business angels<sup>41</sup>. For instance, it has been estimated that European VC investments have almost halved since 2007-2008, reaching only EUR 3.8 billion in 2015 distributed across 2,836 companies compared to EUR 6.1 billion in 2007-2008<sup>42</sup>. More recently, VC investments increased by 2 per cent to EUR 4 billion in 2016, while buyout and growth capital investments declined. In the same year, seed-stage investments showed the largest increase (54 per cent), reaching less than EUR 500 million, while start-up investments decreased by 6 per cent to EUR 2bn<sup>43</sup>.

Generally, companies in the EU receive significantly less funding from VC funds than their American counterparts<sup>44</sup> and this also applies to SMEs. European VC-backed SMEs receive almost a fifth of what their US counterparts receive: EUR 1.3 million compared with around EUR 6.4 million in the US<sup>45</sup>. US VC funds are also larger as compared to

<sup>40</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

<sup>41</sup> EIF, 2017. European Small Business Outlook. Available at: [http://www.eif.org/news\\_centre/publications/eif-wp-46.pdf](http://www.eif.org/news_centre/publications/eif-wp-46.pdf)

<sup>42</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

<sup>43</sup> European Investment Bank, 2017. Investment report 2017/2018: from recovery to sustainable growth, pp.212.

<sup>44</sup> Association for Financial Markets in Europe (Afme), 2017. The Shortage of Risk Capital for Europe's High Growth Businesses, Report, March 2017. Available at: [https://www.afme.eu/globalassets/downloads/publications/afme-highgrowth-2017.pdf?dm\\_i=3TYX](https://www.afme.eu/globalassets/downloads/publications/afme-highgrowth-2017.pdf?dm_i=3TYX) [Accessed on: 10 April 2018].

<sup>45</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

Europe's: in 2015, US VCs invested EUR 54.4 billion in 4,380 transactions<sup>46</sup>. Again, this equity gap compared to the US poses a problem for European companies wishing to scale-up<sup>47</sup>.

In the post-crisis period, EU governments have been the largest suppliers of VC capital, accounting for 25 per cent of total investments into VC-funds in 2016. Evidence suggests that the public VC-support has been well targeted and has effectively filled the financing gap to entrepreneurs following the post-crisis decrease in VC activity. For example, public VC funds have been especially focused on investments with high information asymmetries and high failure risk that do not attract private investors<sup>48</sup>. Nevertheless, the VC market in Europe remains fragmented across countries, with large variations across the Member States. As a matter of fact, 90 percent of all European venture capital is concentrated in the eight Member States of Denmark, Finland, France, Germany, the Netherlands, Spain, Sweden and the UK. In addition, UK companies receive more than 2.5 times more than German firms in VC funding<sup>49</sup>.

In addition, the severe crash of the European private equity (PE) activity in 2008/2009 was followed by a partial rebound, although the recovery has shown some setbacks and PE investments have not yet reached their pre-crisis levels.

The main challenges of the European equity market, that in turn affect SMEs access to equity capital, can be summarised in the below broad categories:

- **Underdeveloped capacity** for both business angels and equity crowdfunding. Existing VC-funds are not large enough and they lack capital to scale-up companies, forcing pre-mature exit of portfolio companies;
- **Lack of adequate returns** discourages private investors to invest in the VC-market;
- **Lack of exit opportunities** for VC-funds, as well as for business angels and equity crowdfunding. Moreover, smaller firms face increasing difficulties to access IPOs on SMEs-dedicated multi-lateral trading facilities, and the environment for SMEs accessing public markets have been described as "inhospitable". There is also uncertainty regarding the guidance on the use of Initial Coin Offerings (ICOs);
- **Unawareness across firms of the benefits:** firms are simply unaware of the benefits of using equity finance;
- **Fragmented markets and poor cooperation:** start-up and scale-up markets are fragmented and the cooperation between start-ups and corporates is sub-optimal. This includes the use of corporate venture capital.

## **A8.3 R&D**

### **A8.3.1 Investment gap**

#### **A8.3.1.1 Size of the investment gap**

Europe still falls short by an estimated EUR 130 billion a year of its target of 3 per cent of GDP being invested in R&D<sup>50</sup>. This gap is accounted for by EUR 70 billion of private sector R&D spending and EUR 60 billion of public sector spending<sup>51</sup>.

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<sup>46</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

<sup>47</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

<sup>48</sup> European Investment Bank, 2017. Investment report 2017/2018: from recovery to sustainable growth, pp.212.

<sup>49</sup> European Commission, 2017. Interim Evaluation of the COSME Programme Annex A to the Final report: Access to Finance thematic area report.

<sup>50</sup> In line with Europe 2020 Strategy

<sup>51</sup> EIB, 2016. Restoring EU competitiveness 2016 updated version

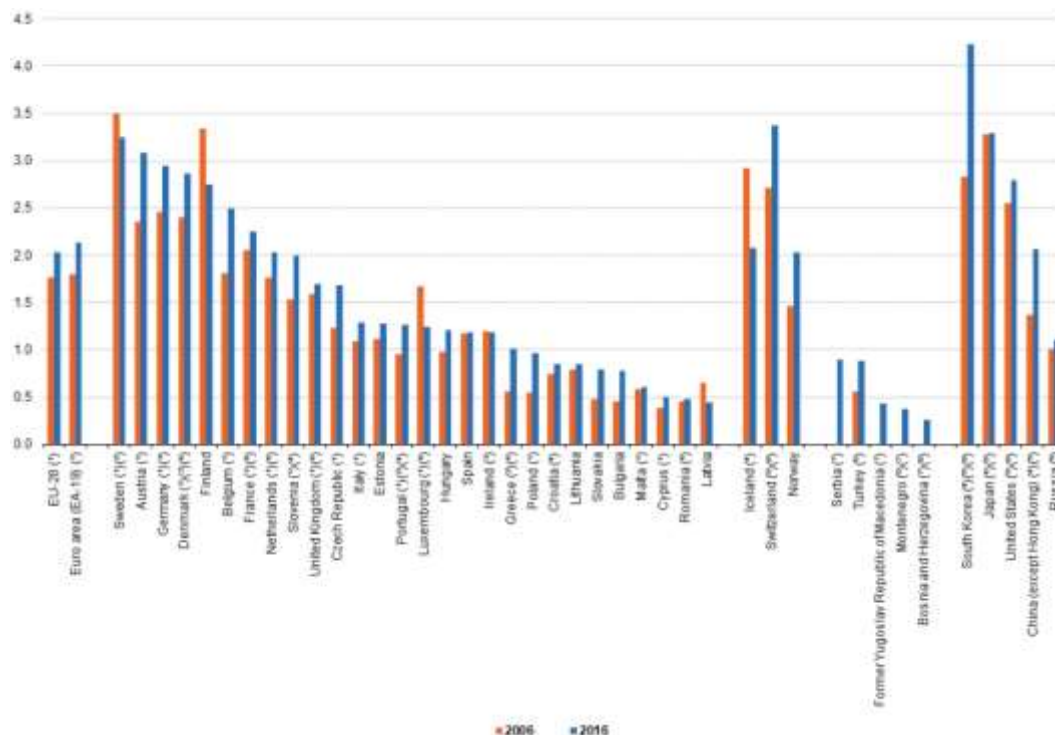
Moreover, other countries such as Japan and United States are investing even more in R&D while China has been catching up successfully (see Figure 10)<sup>52</sup>. This can be explained, though only to some extent, by the fact that Europe's high technology sectors account for relatively smaller share of economy. They are also, however, less R&D intensive. Another constraint is some comparative corporate innovation deficit. There appears to be less of young innovators in the EU, in particular in some fastest growing sectors, and in particular compared to the US.

In Europe, business sector accounts for 64 per cent of the overall R&D expenditures followed by higher education sector (23 per cent), government sector (12 per cent) and private non-profit (1 per cent)<sup>53</sup>.

Specific sectors where Europe is lagging behind the US and Japan in terms of R&D investments are for instance life sciences, semiconductors and software. Sectors in which the European position is still relatively strong, albeit being heavily challenged are transport equipment, energy technology, water technology and solid waste technology<sup>54</sup>.

There are also still considerable differences between the EU Member States. Some have been able to increase their R&D intensity with the existing industrial structure, while others will need a structural change including some shifts in the sectors composition to trigger more R&D. Figures for the EU Member States reveal that at the aggregate level Sweden was the highest R&D spender in the EU (as share of the national output) followed by Austria and Germany<sup>55</sup> (see Figure 10). What is uplifting is that, most of the countries in the EU managed to rise their R&D spending over the last decade or so.

Figure 10. Gross domestic expenditure on R&D, 2006 and 2016 (% , relative to GDP)



Where the gap between Europe and best performance is the largest, it is business R&D spending. This is despite of the fact that there is a substantial evidence suggesting that

<sup>52</sup> European Commission, 2016. References to Research and Innovation in the European Semester Country Report 2016

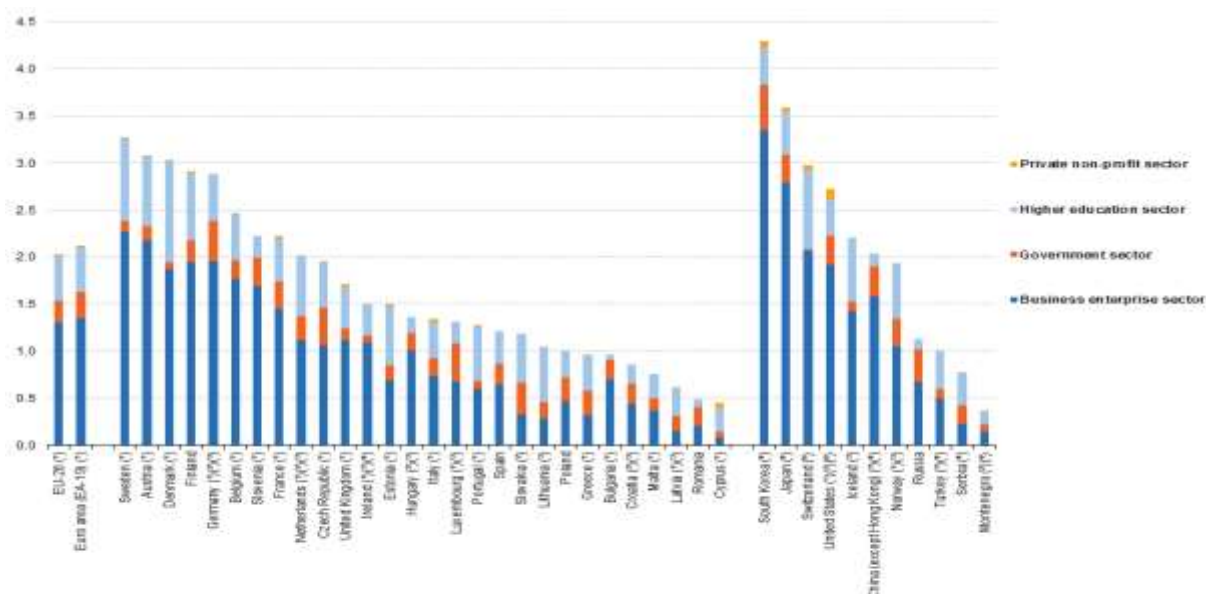
<sup>53</sup> Eurostat data available at: <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

<sup>54</sup> EIB, 2016. Restoring EU competitiveness 2016 updated version

<sup>55</sup> European Commission, 2014. The Innovation Union Competitiveness Report 2013

returns on R&D investments are considerable<sup>56</sup>. Figure 11 shows the decomposition by source of funding.

Figure 11. Gross domestic expenditure on R&D by source of funding, 2015 (% of GDP)



Note: When definitions differ, see [http://ec.europa.eu/eurostat/cache/metadata/en/rd\\_esms.htm](http://ec.europa.eu/eurostat/cache/metadata/en/rd_esms.htm).  
 (\*) Estimates or provisional.  
 (\*\*) Definition differs.  
 (\*\*\*) Private non-profit sector: not available.  
 (\*\*\*\*) 2014.  
 (\*\*\*\*) 2012.  
 (\*\*\*\*) 2013.  
 Source: Eurostat (online data code: rd\_e\_gerdtot)

During the crisis, expenditure in R&D as a share of GDP remained constant. Since 2010 there was a gradual increase in Business sector expenditure that drove the overall increase over the recent years up to about 2 per cent as of 2015<sup>57,58</sup>.

### A8.3.1.2 Determinants of the investment gap

The investment gap reflects a general market deficiency in the provision of innovation financing in the EU. As mentioned above in section A8.2 for the SME sector, there are two principal challenges, or 'valleys of death', to overcome in the financing of R&D projects or firms: a lack of seed and early stage finance and debt finance.

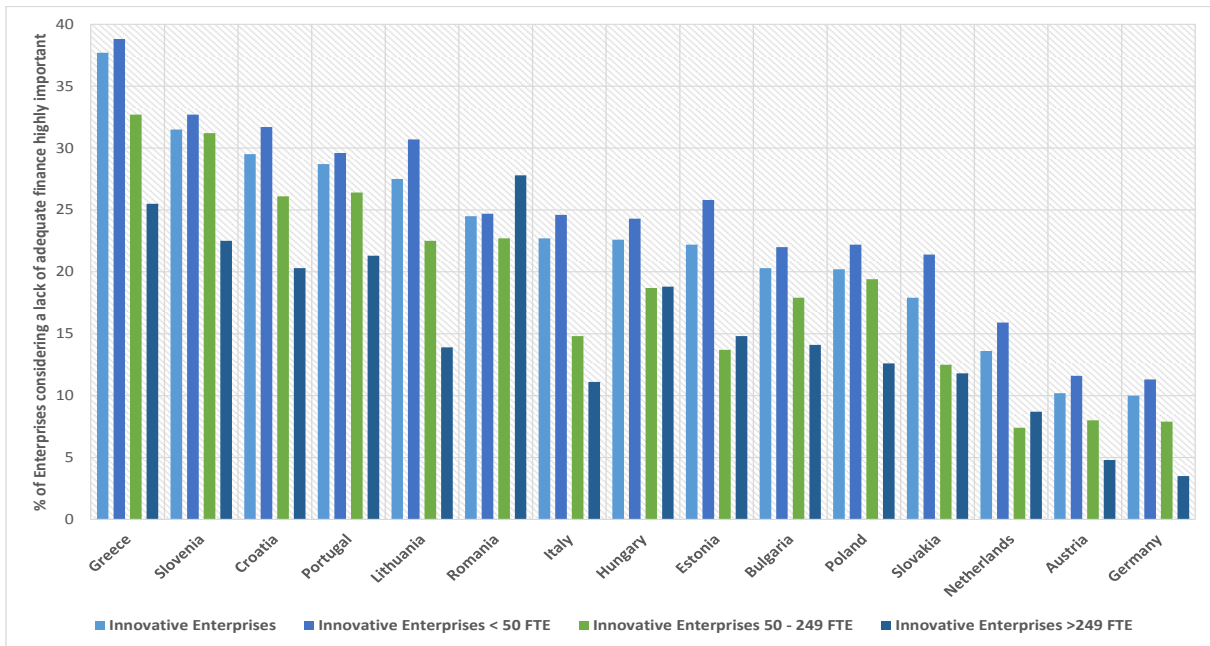
When asked whether the lack of adequate finance is highly important for their business as part of the Community Innovation Survey, between 38 and 4 per cent of *innovative* businesses indicated so (in the period between 2010 – 2013). There is large variance in the scale of the problem across EU Member States and innovative enterprises of different size (see Figure 12).

<sup>56</sup> The reasons for high returns are inter alia, the risk premium because of the high uncertainty surrounding R&D investment outcomes. Returns can also be higher because of unexpected positive demand shocks ex post. Some studies suggest that R&D portfolios are on average more successful than others. See for instance: Bronwyn H. Hall, Jacques Mairesse, 2009. Measuring corporate R&D returns

<sup>57</sup> EIB. (2013). Investment and Investment Finance in Europe

<sup>58</sup> Eurostat [rd\_e\_gerdtot]

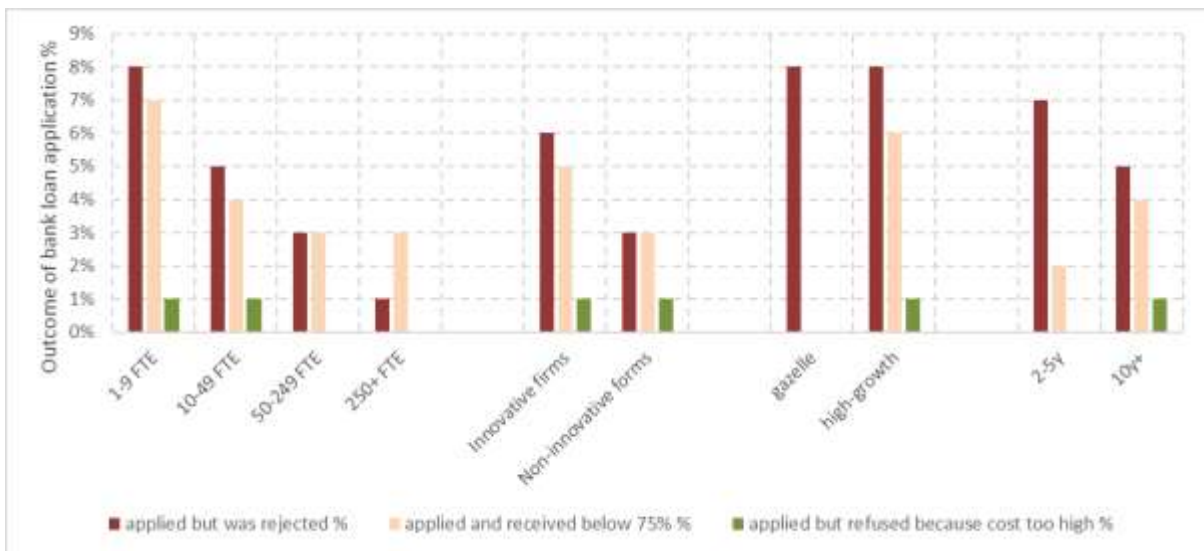
Figure 12. Innovative companies considering a lack of adequate finance highly important, innovating vs non-innovative companies, by total staff (2010-13)



Source: Eurostat, Community Innovation Survey 2012. Time periods covered vary by country, but include data from national surveys conducted between 2010-13.

Innovative enterprises experienced also considerably higher rejection of bank loan applications compared to non-innovate firms (see Figure 13). These patterns shown below are also consistent for previous years.

Figure 13. Outcome of bank loan applications of EU28 enterprises, April to September 2017, by company type



Source: ECB, Survey on Access to Finance for Enterprises (April to September 2017)

Medium and large midcaps usually have access to capital, but banks are often unable to offer appropriate terms. Innovative ventures also face problems with finance from banks, albeit of a different nature. They are very often not appealing to traditional bank debt financing, because of their high risk-return profile<sup>59</sup>.

<sup>59</sup> Istituto Affari internazionali. (2015). Financing SMEs in Europe: Stylised Facts, Policies, Challenges (p24)



For companies seeking to invest mainly in intangible assets, such as research staff, working capital and acquisitions the demand for appropriate finance continues to exceed the available supply. Whilst midcaps seek long-term, flexible debt, offers are often short-term, highly collateralised, fee-heavy financing and strong reliance on pledgeable assets<sup>60</sup>.

### A8.3.2 Barriers and market failures hampering investment in R&I

This section describes some of the substantial barriers (including some market failures) which inhibit financing of research and innovation, some of which are SMEs and innovative firms with high growth potential. Barriers can be loosely grouped under three themes which are summarised in Table 6 and briefly described below.

They can affect stakeholders that are engaged directly or indirectly in research and innovation investments. Some are internal barriers (i.e. acting within a project or company), while some barriers are external (i.e. wider framework conditions acting on project developers or investors).

Table 6. Summary of barriers to investment in research and innovation

Financial barriers	Skills, knowledge and information barriers	Technology barriers
<ul style="list-style-type: none"> <li>• Heavy dependence on bank intermediaries and bank lending in Europe</li> <li>• Using bank lending for riskier projects has become more difficult</li> <li>• Under-developed risk finance market, corporate bonds, equity and securitisation markets in Europe</li> <li>• Scale of investment needed is sometimes beyond the usual range for business angels / venture capitalists</li> <li>• Often high investment in intangibles, such as R&amp;D staff</li> <li>• Basel III rules have created greater risk aversion</li> <li>• Future returns from R&amp;I hard to capture</li> <li>• Classic lending covenants are less effective</li> </ul>	<ul style="list-style-type: none"> <li>• Asymmetry of information between investees and investors which changes perceptions of risks</li> <li>• Lack of financial knowledge on side of investees, such as start-ups and SME</li> <li>• In start-ups and spin-outs, uncertainty of exit prospects</li> <li>• Lack of specific skills among investors, investees and potential clients</li> <li>• Inability of institutional investors to assess project risks properly</li> <li>• Lack of track record and collateral for young businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Technology unproven at commercial scale, so significant risk of technical failure</li> <li>• Nascent or disconnected supply chains prevent key technologies coming to market</li> <li>• Implementation risk for end users favours incumbent (proven) technologies</li> </ul>

#### A8.3.2.2 Financial barriers

In general, R&I firms face similar financial barriers to other sectors in the European market for risk finance<sup>61</sup>.

<sup>60</sup> On issue of demand for long-term demand vs offers focussing on short-term products, see also: Association for Financial Markets in Europe/Boston Consulting Group (2015), Bridging the Growth Gap. Investor views on European and US capital markets and how they drive investments and economic growth.

<sup>61</sup> European Investment Fund (EIF). 2014, 2015, 2016. European Small Business Finance Outlook. Available at: [http://www.eif.org/news\\_centre/research/](http://www.eif.org/news_centre/research/)

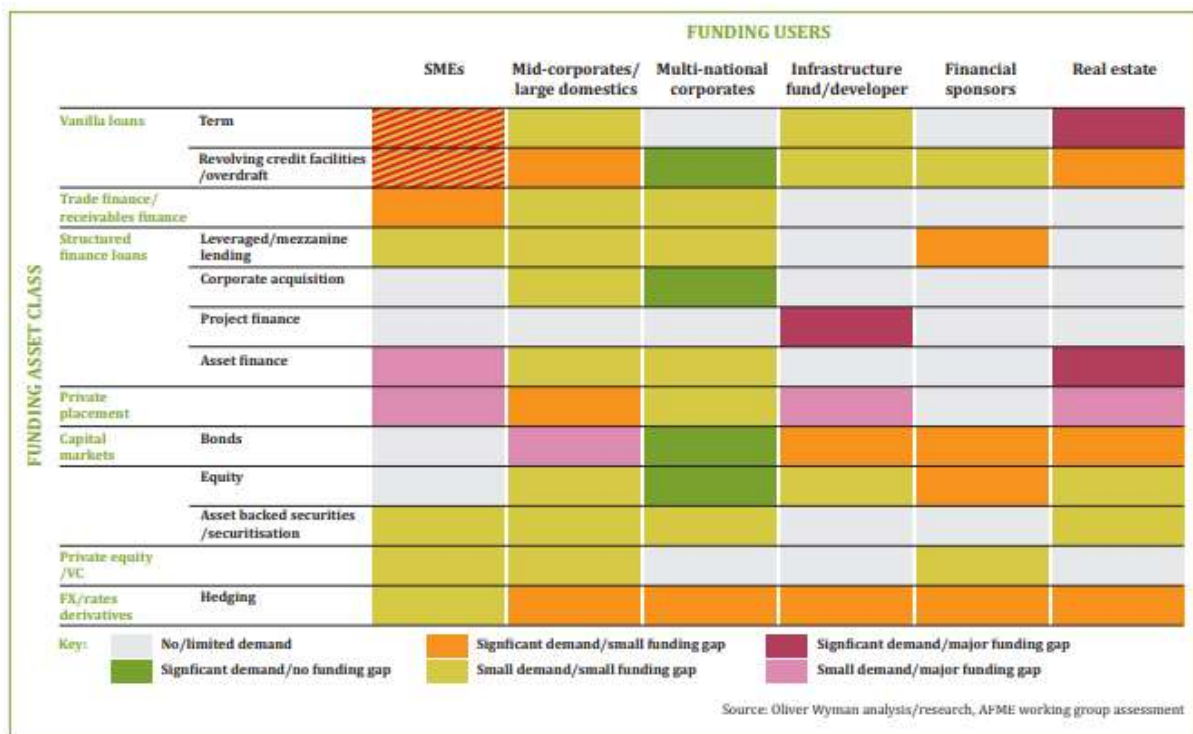
Whilst Europe is still reliant on debt finance to a large extent, specific issues affect debt financing of innovative firms<sup>62</sup>.

First, because financial distress is particularly costly for innovative companies. Loss in case of default increases with the fraction of the value of a company that depends on its future growth opportunities (vis à vis current assets)<sup>63</sup>. Second, the covenants used by creditors to protect their investment are less effective in innovative companies, where they would instead be more necessary. The value of innovative investments is mostly intangible reduces its effectiveness as collateral, which is one of the most fundamental forms of protection for creditors<sup>64</sup>.

In addition, crowdfunding capacity is still underdeveloped at EU level. While crowdfunding platforms are providing an increasing amount of finance to SMEs, innovative start-ups and projects within R&D and other sectors<sup>65</sup>, there is room for further development. This could include providing more clarity between different national crowdfunding frameworks and higher visibility and security of the equity crowdfunding<sup>66</sup>.

The picture below shows an overview of some issues Europe is facing in terms of financial gaps between demand and supply and highlights financial barriers by specific sectors and company type.

Figure 14. Funding demand and supply gaps



Source: AFME (2017)

The uncertain macroeconomic environment has affected investment opportunities leaving the market constrained on demand for new funding, although the demand for refinance purpose is still up on those seeking to growth. Large well-rated companies are those

<sup>62</sup>Robert E. Carpenter, Bruce C. Peters. 2002. Capital market imperfections, high-tech investment, and new equity financing.

<sup>63</sup> Cornell, Shapiro. 1988. Financing Corporate Growth

<sup>64</sup> Berger and Udell. 1998. The Economics of Small Business Finance: The Roles of Private Equity and Debt Markets in the Financial Growth Cycle

<sup>65</sup> The number of accelerator starts up exits in 2015 reaches just below 200 in the US while in Europe this is below 50. (AFME, 2017).

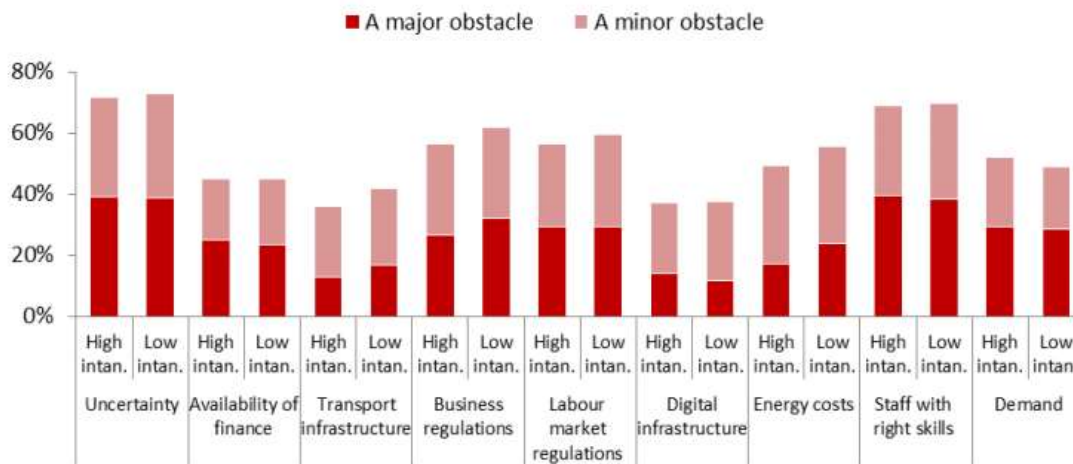
<sup>66</sup> AFME, The Shortage of Risk Capital for Europe's High Growth Businesses, 2017

better served, whilst some mid-sized corporates and SMEs are the one struggling the most to fill those gaps. This is even worst in those crisis-hit countries. On the supply side, the deleveraging process and changes in the regulatory framework towards tighter liquidity and solvency rules have mainly affected commercial banks, the traditional source of funding for most of the firms in Europe.

In terms of the institutional and regulatory environment, AFME (2017) also suggests that SME lending tends to be quite fragmented, and the government provision is below demand. Key concerns remain overly too region specific, without a pan-European strategy vis-à-vis the size of Europe demand.

R&I companies suffers from specific market failures that translate into financial barriers. Most of them show: i) high risks and sunk costs, ii) scientific, technological and market uncertainty, iii) failure to appropriate fully the results of R&I investment, and iv) lack of tailored financial instruments. As a result, the market suffers from under-investment in R&I sector. As shown by the picture below, most of the firms in this sector, are uncertain about the future and availability of staff with the right skills; this along with business and market regulation (licences, permits, and bankruptcy rules) are perceived as main obstacles to investment. These firm-specific features affect the willingness and capacity to lend on the supply side.<sup>67</sup>

Figure 15. Long term investment barriers in intangible assets, R&I firms



Question: Thinking about your investment activities in your country, to what extent is each of the following an obstacle? Is a major obstacle, a minor obstacle or not an obstacle at all?

Source: European Commission (2017), The economic rationale for public funding and its impact.

### A8.3.2.3 Skills, knowledge and information barriers

A broad family of reasons hampering the financing of innovation is asymmetric information and knowledge. Barriers associated with information asymmetries, combined with knowledge and skills deficiencies, affect different stakeholders, such as investees, CF/AF platforms and finance sectors, from technology companies, end-users, investors, intermediaries and government. The information, knowledge and skills barriers include:

- Technology and innovation providers lack commercial / business awareness, including limited knowledge of markets and potential customers. In addition, a lack of organisational skills and resources can limit the growth of companies that will bring innovative technologies and products/processes to market. Furthermore, knowledge barriers can hinder the effective exploration of innovative outputs in an unfamiliar marketplace<sup>68</sup>.

<sup>67</sup> European Commission (2017), The economic rationale for public funding and its impact. Policy briefs Series. March 2017. DG RTD. Available at: [https://ri-links2ua.eu/object/document/326/attach/KI0117050ENN\\_002.pdf](https://ri-links2ua.eu/object/document/326/attach/KI0117050ENN_002.pdf)

<sup>68</sup> Economics of Innovation and New Technology 2016, Barriers to innovation and firm productivity (p.323)

- There is a lack of awareness of leading edge techniques/processes amongst investors). The extent to which (access to) specific skills and expertise are available among both financial investors and companies is variable, and often limited, meaning that investors may not be able to adequately assess the feasibility of implementing and using new technologies and solutions. Technology investors are thus unwilling to invest into a specific sector due to the perceived risks of a future market<sup>69</sup> - this is especially true where the market is driven (at least initially) by government policy and regulation.
- The inability of institutional investors to properly assess risk (such as technical performance, market, regulatory framework, etc.) and the expected benefits for investment in innovation makes it difficult for them to provide funding into this area. Structuring research and innovation projects as corporate loans or through project finance requires a huge amount of product knowledge and expertise to correctly assess the risk associated with the project. There are often potential risks associated with the construction of the project, *'the project's delivery methods, the capacity of contractors and the manner in which the project's contractual documentation distributes risk between suppliers and contractors'*. Imbalance of skills and expertise amongst co-investors impacts investment decisions. While larger financial institutions and VC funds have specialist units focused on individual technologies or application sectors, the ability of smaller financial entities to have similar knowledge and experience can affect levels of co-investment or finance into projects.

Asymmetric information generally results in a cost of external financing that is higher the higher the intensity of R&D and the longer its time horizon (Leland and Pyle, 1977). It can affect mid-caps as well, if they don't present a relevant track record to enable a robust assessment of future market prospects and commercial returns to potential investors<sup>70</sup>.

#### **A8.3.2.4 Technology barriers**

There are technology related barriers to investments which affect strongly technology driven innovation activities:

- Technology unproven at commercial scale, so significant risk of technical failure. Technology-driven research and innovation projects involve operating at a scale at which the technology under test has yet to be demonstrated. As such, the risk of technical failure is higher than for proven technologies.
- Nascent or disconnected supply chains - the supply chain not fully engaging with innovators may mean that the development of some key components is not aligned with the needs of novel technologies and products.
- Incremental changes (using incumbent and less efficient/productive technologies) are often favoured over radical changes, particularly where low or no cost opportunities are present. This is often the case for manufacturing facilities where there are large operational risks from larger step changes covering for example new organisational models or radical process redesign.

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<sup>69</sup> IEA-RETD (2014), Accelerating the commercialisation of emerging renewable energy technologies (RE-InnovationChain), [Murphy, B., T. Jennings et al.; The Carbon Trust/Element Energy] IEA Implementing Agreement EA Implementing Agreement for Renewable Energy Technology Deployment (IEA for Renewable Energy Technology Deployment (IEA - RETD), Utrecht, 2014. Available from: <http://iea-retd.org/wp-content/uploads/2014/09/RE-InnovationChain-Final-Report.pdf>

<sup>70</sup> See e.g. European Commission (2014), Guidelines on State aid to promote risk finance investments (C(2014) 34/2).

## A8.4 Infrastructure

### A8.4.1 Investment gap

#### A8.4.1.1 Size of the investment gap

In terms of sustainable investment, which includes energy, transport and infrastructure, the investment needs in the EU to meet the EU's sustainability **targets are considerable. EUR 379 bn of average annual investment are required between 2021 and 2030** to meet the EU's 2030 energy and climate targets, mostly in energy efficiency, renewable energy sources, and infrastructure (excluding transport and recharging infrastructure).

#### Energy

In the energy sector, the industry will require additional annual investment around EUR 100bn<sup>1</sup> to achieve its policy goals such as:

- upgrading energy networks with renewables integrated,
- ensure security of supply, and
- increase power generation from renewables and energy efficiency buildings (EIB, 2016)<sup>71 72</sup>

In addition, **EUR 200bn are required up to 2020 to develop cross border interconnections**. EC (2016) reports investments' needs of about EUR 205bn annually to 2020 to ensure the impact of the CRR on the access to finance for business and long-term investments.<sup>73</sup>

In this sector, the completion of Projects of Common Interest (PCIs), which are the only type of energy assets eligible for Connecting Europe facility (CEF), demands about **EUR 100-200bn investment until 2020-2022**. PCIs are a subtype of infrastructure assets focused on cross-border interconnections.<sup>74</sup> The equity needs for this type of projects are considerable, but private investors are chiefly interested in those regulated Transmission System Operators (TSOs) with a stable and remuneration-oriented regulatory framework within the Eurozone (EC, 2016).<sup>75</sup>

The figure below presents the investment needs broken down by priority, as estimated by the European Commission.

Figure 16. Investment needs in the energy sector

Investment need/objective	Annual investment (EUR billions)		
	Required <sup>1</sup>	Current <sup>2</sup>	Gap
Upgrading energy networks (gas and electricity)	64	47	18
Energy efficiency savings in buildings and industry	112	42	70
Power generation, including renewables	53	41	12
<b>Total:</b>	<b>230</b>	<b>130</b>	<b>EUR 100bn</b>

<sup>1</sup> EC estimates of average annual investment in EU28 over the period 2016 to 2030, supplemented on occasion by EIB estimates. The scenario assumes compliance with all existing EU legislation, plus adoption of a 40% GHG target by 2030.

<sup>2</sup> EC estimates of average annual investment in EU28 over the period 2003 to 2015, supplemented on occasion by EIB estimates.

Source: EIB (2016) Restoring EU Competitiveness, 2016 updated version.

<sup>71</sup> EIB (2016), Working Paper 2016/01 – Infrastructure Investment in Europe and International Competitiveness, (p. 2)

<sup>72</sup> Assuming compliance with all existing EU legislation, and adoption of a 40% GHG target by 2030.

<sup>73</sup> EC (2016), Study on impact of CRR on the access to finance for business and long term investment (p. 150)

<sup>74</sup> EC (2016), Ex-ante assessment on the potential use of financial instruments within the Connecting Europe Facility (CEF) (p. 19)

<sup>75</sup> EC (2016), Ex-ante assessment on the potential use of financial instruments within the Connecting Europe Facility (CEF) (p. 33)

## Transport & Infrastructure

The EIB estimation of **investment gap for infrastructure transport and logistics amount to EUR 120bn to account for the backlog since crisis**.<sup>76</sup> The updated version of this report increases the annual investment need to EUR **160bn until 2020** to address this backlog.<sup>77</sup>

The recent gap in the urban transport estimated by EIB suggest that **investment must increase by 50 per cent** on 2014 levels to modernise urban transport and ensure enough capacity in the inter-urban transport; this will facilitate growing trade and further integration of the internal market. In addition, **other EUR 50bn per year** are required to address the crisis-related backlog.<sup>78</sup>

**An estimated EUR 270bn are needed to be invested to for achieving the CEF's objectives.** The EIB report stressed that without EU intervention, private sector investment is expected to be below EUR 50bn until 2020. Unless the EU intervenes, the market and national budgets as much as play an important role, it will not deliver some key investments in infrastructure.

For example, the European Commission and Member States estimated approximately EUR 500bn of investments for the TEN-T network over the period 2014–2020, where 50 per cent is only to address bottlenecks.<sup>79</sup>

**Investment in infrastructure and transport is key key for the competitiveness of Europe.** Transport and storage services represents around 10-15 per cent of the cost of finished products in the EU, and traffic congestion costs are estimated at approximately 1 per cent of EU GDP per year. Further, the impact of urban transport in the economy is important considering that 70 per cent of the EU population lives in urban areas.

The European Commission estimated 'required investment' figures, which are less broad than the 'investment gap' concept used by the EIB.<sup>80 81</sup> Figures are shown below:

Figure 17. Investment needs in transport and logistics infrastructure

Investment need/objective	Annual investment (EUR billions)		
	Required <sup>1</sup>	Current <sup>2</sup>	Gap
<b>Modernising urban transport to meet global benchmarks:</b> Including urban rapid transit systems, ports and airports, multi-modal logistics, platforms, safety, traffic management and alternative fuel networks.	80	40	40
<b>Ensuring sufficient capacity in interurban traffic:</b> Including Trans-European Transport Networks, core network corridors, and cross border connections.	80	40	40
<b>Total:</b>	<b>160</b>	<b>80</b>	<b>EUR 80bn</b>

<sup>1</sup> EIB estimate based on OECD/ITF (2014) Statistics: Investment in Transport Infrastructure, (accessed February 2014). Estimates are for 2015-2020.  
<sup>2</sup> Eurostat (2014) GDP and main components - Current prices [nama\_gdp\_c], (accessed February 2014).

Source: EIB (2016) Restoring EU Competitiveness, 2016 updated version.

### A8.4.1.2 Determinants of the investment gap

The presence of investment gap reveals that exist several structural barriers so that the funding need is not satisfied. In other words, **there are constrains on the 'supply**

<sup>76</sup> EIB (2016), Restoring EU Competitiveness (p. 30)

<sup>77</sup> EIB, R.E., (2016), Competitiveness 2016 updated version. Economics Department, European Investment Bank. Available at: [http://www.eib.org/attachments/efs/restoring\\_eu\\_competitiveness\\_en.pdf](http://www.eib.org/attachments/efs/restoring_eu_competitiveness_en.pdf)

<sup>78</sup> EIB (2016), Working Paper 2016/01 – Infrastructure Investment in Europe and International Competitiveness (p. 2)

<sup>79</sup> EC (2016), Ex-ante assessment on the potential use of financial instruments within the Connecting Europe Facility (CEF) (p. 18)

<sup>80</sup> EIB, R.E., (2016), Competitiveness 2016 updated version. Economics Department, European Investment Bank. Available at: [http://www.eib.org/attachments/efs/restoring\\_eu\\_competitiveness\\_en.pdf](http://www.eib.org/attachments/efs/restoring_eu_competitiveness_en.pdf)

<sup>81</sup> The investment gap is calculated as Investment needs – Actual investment.

**side'**. The evidence collected by our research team suggest some potential **constrains common to energy, transport and infrastructure**, our research found the main following constrains:

- **Bank lending**: banks are limited to expand their balance sheet or to shift from low risk sovereign bonds to higher risk investment (including project lending) amid an improvement of capitalization ratios.
- **Limit on PPP**: Member States are budget constrained to engage in Public-private partnerships (PPP).
- **Decline of monoline insurers**: this has reduced credit insurance supply which had played a critical role in the past for infrastructure, encouraging limited exposure to risks.<sup>82</sup>

Other barriers at the **regulatory and institutional** level include:<sup>83</sup>

- **Long-term infrastructure** projects with higher risk are unable to attract funding amid a market recovery and liquidity getting back to pre-crisis levels.
- High degree of **political risks** is exacerbated by reduced returns in austerity driven countries.
- **Lack of stakeholders' appetite** for project-related risks, especially for greenfield projects, volume risks and some technologically risky (i.e., offshore wind)

In terms of regulatory failures:<sup>84</sup>

- Insurers must face new rules after **Solvency II**, which demand from insurers higher capital ratios to cover risks, including matching adjustment to prevent any credit spread volatility.
- The Alternative Investment Fund Managers Directive (**AIFMD**) aims to place hedge funds and private equity under supervision of an EU regulatory body; this increases the disclosure requirements, investment criteria and fund leverage limits.
- The regulation on **shadow banking** by demanding more transparency is restricting capital supply.

The figure below show the negative trend in the funding supply since the outbreak of the economic and financial crisis.

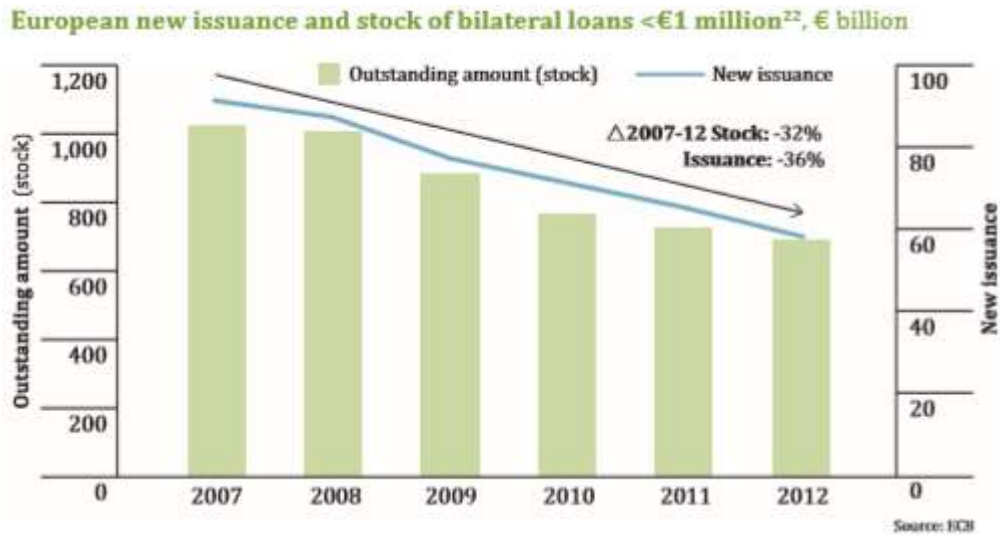
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<sup>82</sup> EIB (2016), Working Paper 2016/01 – Infrastructure Investment in Europe and International Competitiveness (p. 9)

<sup>83</sup> AFME (2013), 'Unlocking funding for European investment and growth. (p. 36-38)

<sup>84</sup> AFME (2013), (p. 45)

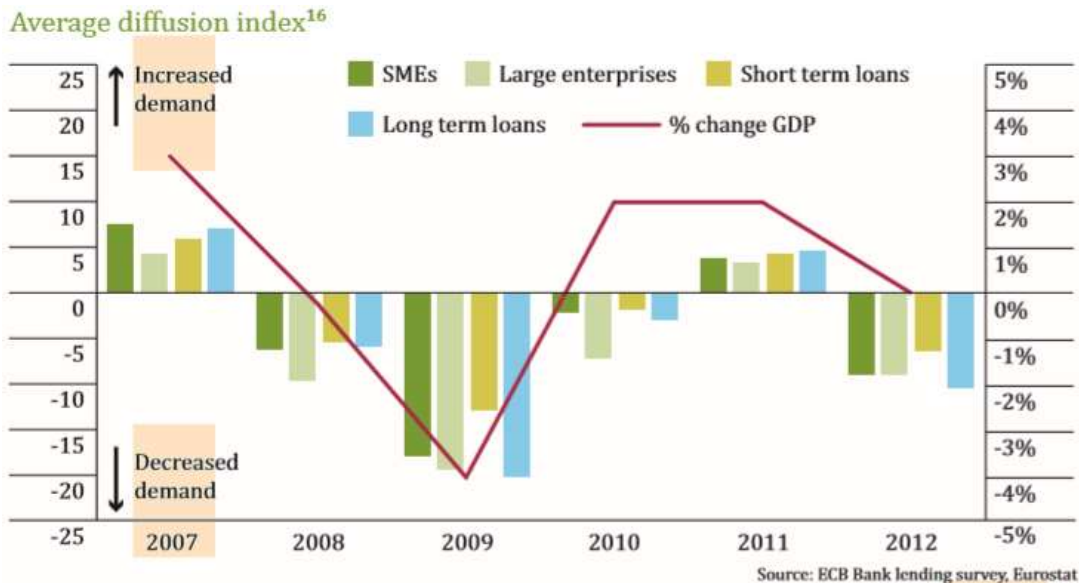
Figure 18. European new issuance and stock of bilateral loans below EUR 1 Million, (in EUR bn)



Source: AFME (2013), Unlocking funding for European investment and growth.

**On the demand side**, the main constrains are cost of funding, investor demand and credit ratings. The macroeconomic conditions are the main factors driving the demand side and those which affect investment and growth. Changes in demand are highly correlated with changes in aggregate GDP growth (see Figure 19 below).

Figure 19. Corporate demand for new loans versus GDP growth



Source: AFME (2013), Unlocking funding for European investment and growth

Note: This figure does not refer only to infrastructure financing, but it also sets the meso-economic context which also affects the infrastructure sector

Note: the corporate demand responds to the question "Over the past 3 months, how has the demand for loans or credit lines to enterprises changed at your bank, apart from normal seasonal fluctuations?"

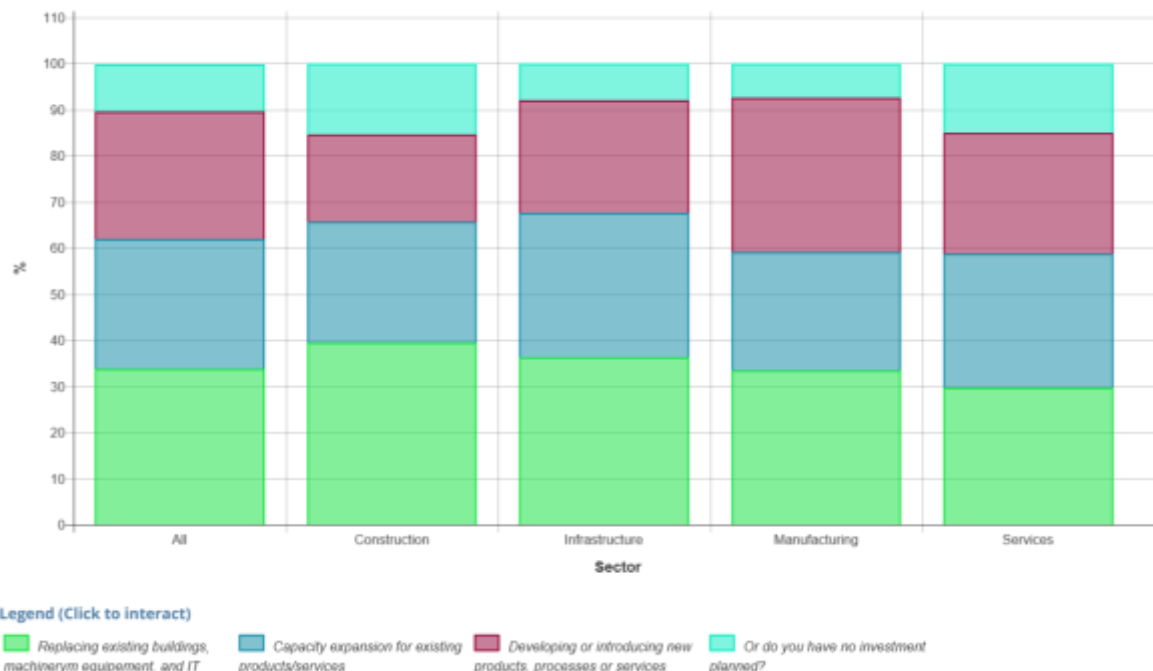
As stressed by AFME (2013), the lack of confidence in growth and future demand in the market for goods and services has reduced fixed investment in infrastructure sector.

Although the macroeconomic conditions have downsized the investment demand, firms still need funding to strive in their business. Figure 20 below shows that more than 50



per cent of surveyed companies in the infrastructure sector need fund for either expansion or development of new products.

Figure 20. Firms' investment priority for the next three years (EU countries), 2016



Source: European Investment Bank – EIBIS

Note: All firms (excluding don't know/refused responses). Q25. And looking ahead to the next three years, which of the following is your investment priority?

#### A8.4.2 Barriers and market failures hampering investment in infrastructure

Overall, the macro-economic environment in Europe suffers from unstable markets, information asymmetry, incomplete markets and negative externality. As discussed above, the private investment demand is constrained to some extent. But at the same time, the social benefits (social demand) outweighs the private demand as shown by the size of the estimated investment gap. This is a case of positive externalities not fully exploited.

The crisis has triggered changes in the structure and composition of the EU financial system that brings about a level of investment below the socially optimal. These changes are mainly two:

- a progressive fragmentation of the euro area financial system;
- a growing reluctance of European banks to finance high-risk investment, due to the processes of deleveraging and the introduction of stricter capital and liquidity requirements.<sup>85</sup>

The EIB report on investment and investment finance in Europe<sup>86</sup> stresses that the main driver of the fall in investment in Europe **is uncertainty**.<sup>87</sup> This led to a cash hoarding behaviour among key investors afraid of another credit crunch resulting from

<sup>85</sup> Rubio E., D. Rinaldi and T. Pellerin-Carlin (2016), Investment in Europe: Making the best of the Juncker Plan with case studies on digital infrastructure and energy efficiency, Studies & Reports No. 108, Jacques Delors Institute, Paris. (p. 22)

<sup>86</sup> EIB, 2015. Investment and investment finance in Europe. Available at: <http://www.eib.org/infocentre/publications/all/investment-and-investment-finance-in-europe-2015.htm>

<sup>87</sup> Kolev, A., Tanayama, T. and Wagenvoort, R., (2013), Investment and investment finance in Europe. Annual Economic Conference and Publication. Available at: [http://www.eib.org/attachments/efs/investment\\_and\\_investment\\_finance\\_in\\_europe\\_en.pdf](http://www.eib.org/attachments/efs/investment_and_investment_finance_in_europe_en.pdf)

unaccounted bad debt held by banks. The market fragmentation commented above is also due to this rise in uncertainty combined with uncertainty on repayment capacity of some Member States.

The EIB report add to this that expectations of demand remain weak and is one of the drivers holding back investment.

This report recommends **targeted public intervention to aid financing for infrastructure**, innovation and SMEs to overcome the investment slow-down. For infrastructure, bank lending and corporate capital expenditure are thought to play a key role. Although pension and insurance institutions are considered a source of finance for infrastructure projects in the next decade, more traditional players will continue to be the main actors. Nevertheless, public-private partnerships and project bonds could be further developed as alternative sources of finance to mitigate this market failure<sup>88</sup>. Yet, there has been a relative decrease in the importance of Public Private Partnerships (PPP) in the overall volume and number of infrastructure deals, which reflects the constrained fiscal situation faced by governments in the EU in the post financial crisis period<sup>89</sup>.

In the specific case of **the energy sector**, the under-investment in the European market is mainly consequence of the regulatory framework. The EU energy efficiency legislation is not enforced satisfactorily in most of EU Member States. This legal uncertainty slows down or discourage investment. In addition, both the EU and several Member States continue to subsidise fossil fuels, by allocating public money in detrimental way to energy efficiency.<sup>90</sup>

In the **infrastructure sector**, there is available funding with existing investment needs unmet. The overall volume of **infrastructure** funding is provided by banks and non-banks, which has to some extent recovered from the financial crisis. However, the current situation shows large infrastructure needs and large pools of potential infrastructure funding combined with under-investment levels. Some experts affirm that this is result of the lack of a strong pipeline of high quality, investable infrastructure projects.<sup>91</sup> **The under-investment in infrastructure is even deeper within the cohesion countries, constrained by public finances**, demanding from private financing a higher role; so far private funding was unable to fill the gap due to the market uncertainties (EIB, 2013).

Private sector bank financing suffered the most from the financial crisis and stricter regulation of the financial sector. Higher capital requirements for banks to comply with Basel II and Basel III combined with the long-term funding **structures of infrastructure projects** have impacted in the decisions by numerous banks to decrease or end their exposure to the infrastructure business. The recent study of the European Commission assessed whether increased minimum capital requirements, through observed changes in banks' regulatory capital ratios, impact bank lending using data on a broad sample of banks in Europe, including for the period since the entry into force of the CRR on 1 January 2014. The main estimate of the transitional effect, derived in this study using data for the period 1985-2014, shows that for a one percentage point increase in the Total Capital Ratio the impact on lending flows of banks in the EU is -0.8 per cent over one year with the implied impact over a three-year period being -1.5 per cent<sup>92</sup>.

While debt capital market financing **of infrastructure projects** has become more commonplace in Europe over the past few years, it is still not developed enough to compensate for the demand unfulfilled by the banking system. Thus, many projects are

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<sup>88</sup> Ibidem

<sup>89</sup> EC (2016), Study on impact of CRR on the access to finance for business and long term investment (p. 12)

<sup>90</sup> AFME (2013), Unlocking funding for European investment and growth.

<sup>91</sup> EC (2016), Study on impact of CRR on the access to finance for business and long term investment (p. 12)

<sup>92</sup> Ibidem

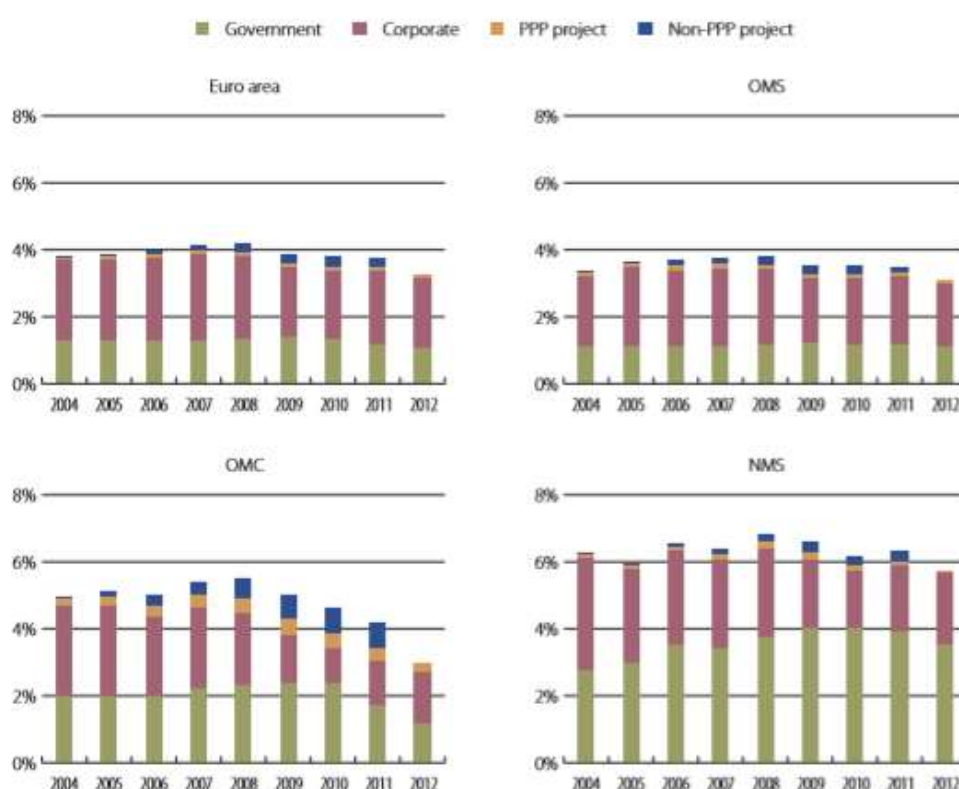
not initiated, mainly in riskier sectors, geographies and of greenfield project maturities (construction of new assets).

The infrastructure sector has specific barriers given by the nature of the production process and its projects. There are **four** main sources of uncertainty for investors:

- First, there are the uncertainties inherent within the project itself. The technical base of these projects is often unstable because of changing contractors or process innovations.
- Second, there is the issue of timescales: most projects require investments with a long maturation process. Innovations and big and transformative infrastructure projects often take time before bearing fruits (in terms of market rewards). Besides, success is not guaranteed and investments are frequently subject to dead ends, detours, and demanding changes that can be both costly and time-consuming.
- Third, there is the uncertain economic environment. Prevailing economic conditions, especially long-term macroeconomic stability, are a key driver of risk appetite. Volatility in real interest and exchange rates makes the net present value calculations of projects, particularly cross-border ones, much harder to predict.
- Fourth, the timeframe of political commitments and decisions may differ from the timeframe necessary for the delivery of the project. With the strain and tight scrutiny on many public-sector budgets following the crisis, many investors need clear long-term assurance to overcome renegotiation concerns.<sup>93</sup>

The figure below shows the geographical patterns of investment trends in infrastructure.

*Figure 21. Trends of infrastructure finance by institutional sector (as % of GDP)*



Source: EIB (2013) Investment and Investment Finance in Europe.

<sup>93</sup> EC (2016), Ex-ante assessment on the potential use of financial instruments within the Connecting Europe Facility (CEF) (p. 30)

Note: **Euro area** = Austria, Cyprus, Germany, Estonia, Greece, Spain, Finland, France, Ireland, Italy, Malta, Portugal, Slovenia; **OMS** = Old Member States excluding crisis countries (Austria, Germany, Finland, France, Italy, Sweden, UK); **OMC** = Old Member States in Crisis (Greece, Spain, Ireland, Portugal); **NMS** = New Member States (Cyprus, Czech Republic, Estonia, Hungary, Lithuania, Malta, Poland, Slovenia); UK is not included in 2005 data because of a break in the time series; moreover, the contribution of non-PPP projects to infrastructure finance might be underestimated before 2008.

Yet, the recent trends for PPPs and even more so for non-PPPs show that infrastructure investment appears to be rising again. Along with greater bank lending, this development is due to growing equity investment in European infrastructure - particularly by investors from Canada, China/Hong Kong, the GCC region, Japan and South Korea<sup>94</sup>.

#### **A8.4.2.1 New policies addressing market failures and barriers**

EIB considers that the proposed Investment Plan for Europe in addition to EIB's own funds will strengthen the EIB Group's ability to step up the provision of needed risk bearing financial products. This is considered key to unlock investments to restore the competitiveness of the EU. The tailor-made products are flanked by technical advisory services to implement projects and catalyse investment.

EFSI is one of the three strands of action to address the needs identified. So far, EIB has already approved more than 100 projects under EFSI - which will mobilise €500bn of investments in Europe; Member States have put forward contributions for more than EUR 42bn to support projects funded by EFSI through national promotional banks and institutions.<sup>95</sup>

Another additional contribution of EFSI is the reinforced and accelerated process of cultural change in the EIB. It went from financing a (relatively) small number of large projects with moderate risk a much larger number of relatively small and riskier projects.

However, there are some identified risks:

- although the performance of EFSI is encouraging and is meeting the target of EUR 315bn of mobilized investment, the Plan will be insufficient to close the EU investment gap.
- EFSI could be used indiscriminately to expand all types of normal EIB and EIF operations
- Some risk of re-nationalisation, namely, used to back projects co-financed by a National Promotional Bank
- EFSI could benefit disproportionately some countries, particularly, those with sophisticated financial markets

As outlined in the CEF mid-term evaluation, the EU's infrastructure policy has three focus:

- common long-term planning of infrastructure development, by geographical scope and technical characteristics;
- regulatory measures to facilitate investment;
- specific funding instrument: Connecting Europe Facility.

The report shows that there are synergies among the three axes. In transport, the priority was placed on projects addressing cross-border connections, or complete missing links and eliminated bottlenecks. The key aims for the energy sector was to end energy isolation and address bottlenecks. It has managed to address externalities.

Along with EFSI, a new European Advisory hub was created identify, prioritise, prepare and implement strategic projects; this would make the use of EU funds more efficient.

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<sup>94</sup> EC, 2016. Impact of the Capital Requirements Regulation (CRR) on the access to finance for business and long-term investments. Available at: [https://ec.europa.eu/info/sites/info/files/160505-crr-study\\_en.pdf](https://ec.europa.eu/info/sites/info/files/160505-crr-study_en.pdf)

<sup>95</sup> EIB (2016), Restoring EU Competitiveness (p. 46)

**EFSI is expected to mobilise EUR 315bn** of strategic investment in infrastructure and companies.

In relation to EFSI, CEF was a catalyst for investment because several projects were initiated in the context of the CEF DI contributing to the EFSI project pipeline. Examples of this include, the Grand Contournement Ouest de Strasbourg (A355), the A6 Wiesloch autobahn project, the Transgaz "BRUA" (Bulgaria-Romania-Hungary-Austria) gas interconnection project, and the Italy-France electricity interconnector.<sup>96</sup>

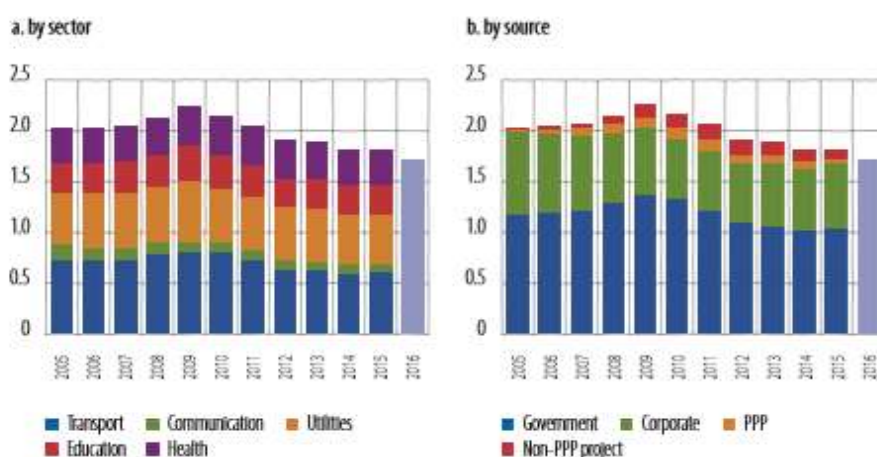
Only in 2015, the EIB financed EUR 18.92bn in **strategic infrastructure** (90 per cent of this allocated to projects in the EU). The strategy included direct lending, along with innovative products such as the Europe 2020 Project Bond initiative (EIB, 2016).<sup>97</sup> The expected results of this include:

- time savings for 380 million passenger annual trips;
- 15.3 million new and upgraded digital connections;
- 30,904 km of power lines constructed or upgraded;
- electricity generation capacity for 2,828 MW –94% from renewables;
- provision of power to 2.34 million households; and,
- 13 million smart metres installed.

#### A8.4.2.2 Latest trends

Figure 22 below shows that the investment in infrastructure has stabilised around 20 per cent after being falling since 2009. Moreover, the public source of funding also declined and settled at 1 per cent of GDP.

Figure 22. Infrastructure investment by sector and source (2005-2016) in % of GDP



Source: Eurostat, Projectware, EPEC.

Note: Based on EIB Infrastructure Database. Data are missing for Belgium, Croatia, Lithuania, Poland, Romania and the UK. 2016 figures are preliminary. PPP: public-private partnership. Authors calculations.

Source: EIB (2017), Investment Report 2017/2018: from recovery to sustainable growth.

The retreat of the government sector from infrastructure investment has impacted heavily the overall investment in infrastructure, as result of a shift in public expenditures from gross fixed capital to current expenditure. Corporate infrastructure investment, instead, is mostly affected by regulatory pressure. Further, the convergence in terms of investment in infrastructure has slowed down as countries with lower levels of infrastructure are those mostly affected by austerity policies and the crisis.<sup>98</sup>

<sup>96</sup> EC (2018), Report from The Commission to The European Parliament, The Council, The European Economic and Social Committee and The Committee of The Regions on The Mid-Term Evaluation of The Connecting Europe Facility (CEF). Brussels, 14.2.2018. COM(2018) 66 final

<sup>97</sup> EIB, R.E., (2016), Competitiveness 2016 updated version. Economics Department, European Investment Bank. Available at: [http://www.eib.org/attachments/efs/restoring\\_eu\\_competitiveness\\_en.pdf](http://www.eib.org/attachments/efs/restoring_eu_competitiveness_en.pdf)

<sup>98</sup> EIB (2017), (p. 67)

The most recent survey data from 555 European municipalities collected by the EIB reveals that local authorities perceive fiscal constraints as the main barrier to investment in infrastructure; at the same time, loosening fiscal rules demands effective planning and prioritisation of these type of projects, which is only done by few local authorities. The number of municipalities assessing the quality of infrastructure projects is below 40%.

The number of municipalities reporting budget and regulation as 'a major obstacle' obstacles to infrastructure investment is almost 60% and more than 40%, respectively.<sup>99</sup>

EIB (2017) add that adequate prioritisation and planning of infrastructure projects should be top priority of policy debate, not only within Member States but also at EU level where the single market is fragmented. Recent challenging trends such as globalisation, technological and demographic change requires pan European response.

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<sup>99</sup> EIB (2017), (p. 92)

## Annex 9 Evaluation Framework

### A9.1 Evaluation Framework for EFSI

Table 7. Relevance of EFSI – evaluation framework

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
EQ 1: To what extent has the EFSI addressed the investment gaps and the market needs identified initially (in terms of size, sector, and geographical coverage)?	<ul style="list-style-type: none"> <li>To what extent has EFSI addressed the investment needs</li> </ul>	<ul style="list-style-type: none"> <li>Desk research/ literature review of the evolution of investment gaps and market needs with forward looking element (up to end of 2020) and some focus on most relevant sectors;</li> <li>Portfolio analysis (size, sector, geographical coverage, including trends over time);</li> <li>Views expressed by NPBs, investment platforms, financial intermediaries and relevant staff in EIB/EIF regarding changes in market needs</li> <li>Policy makers' satisfaction with the extent to which EFSI has addressed the investment gaps and the market needs.</li> </ul>	<ul style="list-style-type: none"> <li>Desk review of relevant literature and reports on the existing and prospect investment gaps and market needs</li> <li>Desk review of the EFSI's evaluations and reports</li> <li>Data on EIB/EIF EFSI financed projects (as of 31 December 2017)</li> <li>Inputs from the study experts for key sectors</li> <li>Survey and Interviews with selected representatives of NPBs/NPIs</li> <li>Survey of beneficiaries/ financial intermediaries involved under IIW and SMEW</li> <li>Interviews with EIB/EIF staff and financial intermediaries;</li> <li>Review of relevant statistics i.e. on SMEs access to finance in particular markets/ geo locations</li> <li>EIB IS</li> <li>ECB SAFE data</li> <li>Flash Eurobarometer</li> </ul>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
<p>EQ 2: To what extent has the design of the EFSI responded to the needs of the project promoters, financial intermediaries, and private investors?</p>	<ul style="list-style-type: none"> <li>To what extent have new financial products and new delivery models been introduced to meet investment needs</li> <li>Have EFSI products satisfied promoters, intermediaries and investors, especially in reducing the risk profile</li> </ul>	<ul style="list-style-type: none"> <li>Description of new debt and equity products and their take-up, by window/sub-window and their contribution to addressing the risk profile of operations;</li> <li>Description of new delivery models (with xref to EIAH)</li> <li>Views from lenders / investors / beneficiaries on what should have been offered and views on whether any significant improvement in suitability of products / delivery models introduced / planned is needed;</li> <li>What barriers continue to limit investment – could EIB/EFSI have better addressed these</li> </ul>	<ul style="list-style-type: none"> <li>Relevant national data</li> <li>Survey and Interviews with selected representatives of NPBs/ NPIs</li> <li>Survey of beneficiaries/ financial intermediaries involved under IIW and SMEW</li> <li>Interviews with the sample of representatives of investors including main banks, representatives of SMEs sector, other national players as appropriate</li> <li>Desk review of relevant reports and documentation Including data on the take-up of key products including new products</li> </ul>
<p>EQ 3: To what extent has the use of the scoreboard (Article 7(4) and Annex II of the EFSI Regulation) been relevant to assure an independent and transparent assessment of the use of the EU Guarantee? To what extent has each pillar of the scoreboard been appropriate and</p>	<ul style="list-style-type: none"> <li>Is the scoreboard relevant (do pillars focus on the right parameters, does scoreboard adequately inform decision-making)?</li> <li>Has the scoreboard satisfied stakeholders in terms of transparency and</li> </ul>	<ul style="list-style-type: none"> <li>Review of scoreboard design and application (does it establish market failure and rationale for EFSI);</li> <li>Review of actions taken in response to ECA/EIB/E&amp;Y recommendations;</li> <li>Feedback from Investment Committee members on relevance and appropriateness of four pillars including: <ul style="list-style-type: none"> <li>whether the assessment of any of four pillars has been more problematic than others, and if so, why?</li> <li>whether Scoreboard is suitable for each eligible sector?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Review of the rules and practice surrounding the communication about EFSI's Scoreboard</li> <li>Review of the findings from past evaluations</li> <li>Review of the sample of Scoreboard assessments as a part of the project review</li> <li>Interviews with selected members of the Investment Committee</li> </ul>



Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
relevant?	independence?		

Table 8. Effectiveness of EFSI – evaluation framework

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
EQ 7: To what extent has the EFSI been on track to achieve its objectives, in particular the target of mobilising EUR 315 bn of total investment by 4 July 2018?	<ul style="list-style-type: none"> <li>Has EFSI achieved the target multiplier rates and associated levels of investment</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio analysis of projects financed <i>via</i> SMEW and IIW including analysis of multipliers, volume of approved/signed deals and actual disbursements over the time and against the targets.</li> <li>Change in total EIB/EIF lending / investing compared to earlier periods</li> <li>Use of scoreboard scores - Pillar 1</li> </ul>	<ul style="list-style-type: none"> <li>Data on EFSI financed projects (for SMEW and IIW as of 31<sup>st</sup> December 2017)</li> <li>Desk review of relevant reports and documentation</li> <li>Relevant market data on the demand for finance (i.e. EIB IS, ECB SAFE, Flash Eurobarometer, OECD Scoreboard on financing of SMEs, national sources of data)</li> <li>Interviews with selected members of Steering Board and Managing Director's staff</li> </ul>
EQ 8: How likely are the expected results of the EFSI to be achieved within the newly set EFSI 2.0 timeframe, i.e. EUR 500 billion of investment mobilized by 2020?	<ul style="list-style-type: none"> <li>Is EFSI likely to achieve EUR 500 billion of mobilized investment by 2020</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio analysis considering EFSI's multipliers including country and sectorial breakdown as well as multipliers for relatively new products</li> <li>Portfolio analysis considering the pace of funding from mid-2015/ mid-2016 up to December 2017 to establish the minimum rate of funding required to hit the target</li> <li>Portfolio analysis (trends in approvals/ signatures over the time and total value of approved/signed projects <i>versus</i> the target</li> <li>Desk research on the prospect demand and persistence of the market failures in SMEs &amp; mid-caps funding</li> </ul>	<ul style="list-style-type: none"> <li>Data on EFSI financed projects (for SMEW and IIW as of 31<sup>st</sup> December 2017)</li> <li>Relevant market data on the demand for finance (i.e. ECB SAFE, Flash Eurobarometer, OECD Scoreboard on financing of SMEs, national sources of data)</li> <li>Desk review of relevant reports and documentation</li> </ul>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
		<ul style="list-style-type: none"> <li>Review of available market data (i.e. ECB Survey on SMEs access to finance)</li> <li>Review of current/prospect policies that may affect the demand (i.e. QE, expected interest rates level, regulatory changes)</li> <li>Feedback from key market participants i.e. NPBs/NPIs, venture capital funds</li> </ul>	<ul style="list-style-type: none"> <li>Interviews with EIB/EIF staff</li> <li>Interviews with selected members of NPBs/NPIs</li> </ul>
<p>EQ 9: To what extent has the EFSI increased access to financing in the EU policy areas in line with the objectives listed in Article 9.2?</p>	<ul style="list-style-type: none"> <li>Has access to finance increased in areas defined in Article 9.2 and alignment of projects with EU policy</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio analysis focused on the allocation of EFSI funding into specific sectors/ type of projects listed under Article 9.2</li> </ul>	<ul style="list-style-type: none"> <li>Survey and follow-up interviews with selected NPBs/NPIs</li> <li>Interviews with the sample of representatives of investors including main banks, representatives of SMEs sector, other national players as appropriate</li> </ul>
<p>EQ 10: To what extent has the EFSI mobilised private capital and crowded-in private investors?</p> <p>EQ 34: To what extent have the projects for which the EU guarantee was extended proved additional?</p>	<ul style="list-style-type: none"> <li>Has EFSI leveraged investment into riskier operations</li> <li>To what extent has EFSI leveraged additional investment (as defined by Art. 5(1))</li> </ul>	<ul style="list-style-type: none"> <li>Review of IIW operations / loan grading / loan tenor</li> <li>Review of new SMEW portfolios</li> <li>Extent of crowding-in of lenders / investors and possible displacement (crowding-out)</li> <li>Review of the risk profile of selected projects / funds and associated additionality</li> <li>Views from IIW beneficiaries and IEF intermediaries on whether alternative financing from other sources to the same extent/ within the same time would have been available had EFSI been absent</li> </ul>	<ul style="list-style-type: none"> <li>Data on EFSI financed projects (for SMEW and IIW as of 31<sup>st</sup> December 2017)</li> <li>Desk review of documentation including EIB biannual consolidated figures on share of private investment</li> <li>Desk review of selected IIW projects</li> <li>Survey and follow up Interviews with NPBs/ NPIs</li> <li>Survey of beneficiaries/ financial intermediaries involved under IIW and SMEW</li> </ul>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
<p>EQ 11: To what extent have the NPBs and the Investment Platforms contributed to the achievement of the EFSI objectives?</p>	<ul style="list-style-type: none"> <li>Effectiveness of new collaborations – especially NPBs/NPIs – in stimulating project pipelines in target sectors and crowding-in of private lenders / investors</li> </ul>	<ul style="list-style-type: none"> <li>Establishing the share and value of EFSI’s operations that involved NPBs co-financing (as of 31st 2017)</li> <li>Examination of the nature of NPBs’ contributions (financial/ non-financial) at the platform and project level</li> <li>Feedback from selected sample of representatives from NPBs covering, inter alia, (i) the nature of their involvement in the EFSI operations, (ii) the extent existing portfolio of EFSI products has been adequate, (iii) type of incentives needed to engage in EFSI operations, (iv) main barriers to engagement</li> <li>Perceived effectiveness of new collaborations stimulated by EFSI</li> <li>NB: <i>Evidences and analysis will distinguish between SMEW and IIW</i></li> </ul>	<ul style="list-style-type: none"> <li>Data on EFSI financed projects (for SMEW and IIW as of 31<sup>st</sup> December 2017)</li> <li>Desk review of relevant documentation and reports</li> <li>Survey and follow-up interviews with selected NPBs/ NPIs and investment platforms</li> <li>Survey of beneficiaries/ financial intermediaries involved under IIW and SMEW</li> <li>Interviews with selected Investment platforms</li> <li>Interviews with selected sample of representatives from EIB/EIF</li> <li>Interviews/ survey of EFSI’s beneficiaries who dealt with NPBs</li> <li>Review of EIAH requests and the extent of involvement of the NPBs</li> </ul>
<p>EQ 12: To what extent have the projects supported by the EFSI contributed to the creation of jobs and sustainable economic growth?</p>	<ul style="list-style-type: none"> <li>(Expected) impact of EFSI funded projects on the real economy</li> </ul>	<ul style="list-style-type: none"> <li>Review of approvals, signatures, disbursements and expected time of actual investment</li> <li>Review of Effective Rate of Return (ERR) in the scoreboard</li> <li>Review of employment (KPI)</li> <li>EIB/Joint Research Centre (JRC) Seville modelling output</li> </ul>	<ul style="list-style-type: none"> <li>Data on EFSI financed projects (for SMEW and IIW as of 31<sup>st</sup> December 2017), including the data on disbursement and KPI 1</li> <li>Results from the modelling exercise performed by EIB/EC (and if relevant, external contractors e.g. Rhomolo model developed</li> </ul>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
			by Joint Research Centre of the EC in Sevilla) <ul style="list-style-type: none"> <li>• Interview with the representative of the EIB Economic Policy and Strategy Division</li> <li>• Review of relevant literature and reports</li> <li>•</li> </ul>
EQ 13: To what extent has the use of the scoreboard (Article 7(4) and Annex II of the EFSI Regulation) been effective in ensuring an independent and transparent assessment of the possible use of the EU Guarantee by the Investment Committee? To what extent have the individual pillars contributed to the scoreboard's effectiveness?	<ul style="list-style-type: none"> <li>• Effectiveness of the scoreboard in aiding project design / appraisal and decision-making</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback from IC / project promoters</li> <li>• Extent of implementation of ECA/EIB/E&amp;Y recommendations and impacts</li> <li>• Feedback from sector experts when using the scoreboard for project review</li> </ul>	<ul style="list-style-type: none"> <li>• See EQ 3</li> </ul>

Table 9. Efficiency of EFSI – evaluation framework

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
EQ 20: To what extent have the governance	<ul style="list-style-type: none"> <li>• Has the operation of the</li> </ul>	<ul style="list-style-type: none"> <li>• Descriptive overview of the current governance structure and modus operandi of its specific components</li> </ul>	<ul style="list-style-type: none"> <li>• Data on EFSI financed projects (for SMEW and IIW as of 31<sup>st</sup> December</li> </ul>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
structures of the EFSI in place been efficient in supporting its implementation?	governance structures been efficient - enabling clear/consistent and timely decision-making on loans/investments	<ul style="list-style-type: none"> <li>• Desk review of relevant reports and documentation to explore problematic issue around EFSI's governance</li> <li>• Feedback on the efficiency of the current structure from representatives from their main components covering, inter alia, clarity on roles and responsibilities, procedures to manage potential conflict of interest/ ensuring independence, lines of communication</li> <li>• Feedback on the efficiency of the current structure from relevant external stakeholders i.e. European Commission covering, inter alia, clarity on roles and responsibilities, procedures to manage potential conflict of interest/ ensuring independence, lines of communication</li> <li>• Portfolio analysis (i.e data on time elapsed between approval and signature/ number of projects approved per quarter, etc)</li> <li>• Suggestions for improvement i.e. how to speed-up due diligence/ approval process.</li> <li>•</li> <li>• NB: <i>Evidences and analysis will distinguish between SMEW and IIW</i></li> </ul>	<p>2017)</p> <ul style="list-style-type: none"> <li>• Interviews with the representatives from key components of the EFSI governance structure: Steering Board, Investment Committee, Management team comprising Managing Director/ Deputy Managing Director</li> <li>• Interview with DG ECFIN</li> <li>• Review of relevant reports and documentation</li> </ul>
NEW EQ: To what extent is new staffing under EFSI efficient	<ul style="list-style-type: none"> <li>• Has the increase in staffing associated with EFSI been efficient</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of staffing numbers, competencies and responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• EIB staffing records</li> </ul>
EQ 21: To what extent have EFSI communication methods been efficiently used to engage stakeholders?	<ul style="list-style-type: none"> <li>• Has the use of EFSI related communication methods engaged key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review of key promotional activities/ outputs undertaken by the EIB/EC to promote EFSI</li> <li>• Analysis of any internal analytical data/ analytical materials related to media coverage and consumption of EFSI related content</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring data on the promotional activities and outputs undertaken</li> <li>• e.g. special seminars for journalists</li> <li>• Data/analytical materials</li> </ul>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
	efficiently	<ul style="list-style-type: none"> <li>Feedback from stakeholders on communication aspects</li> <li></li> </ul>	<p>related to media coverage and consumption on EFSI related content</p> <ul style="list-style-type: none"> <li>e.g. any press and social media analysis provided to DG ECFIN by external contractors</li> <li>e.g. review of web statistics on the consumption of key reports related to media</li> <li>Interviews with relevant EC staff</li> <li>(e.g. Spokesperson for economic and financial affairs at DG Communication)</li> <li>Interviews with selected EIB staff including representatives from EIAH team (i.e. members from local offices)</li> </ul>

Table 10. Coherence of EFSI – evaluation framework

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
EQ 29: To what extent has EFSI been coherent with other EU interventions (i.e. complementarity, potential synergies and/ or overlaps with the European Structural and Investment Funds,	<ul style="list-style-type: none"> <li>Has the coherence of EFSI with other EU Programmes been adequate</li> </ul>	<ul style="list-style-type: none"> <li>Review of the focus of EFSI, CEF, H2020 and ESIF and the areas of potential coherence (i.e. complementarity/ duplication/ contradiction)</li> <li>Desk review of relevant reports and documentation discussing the issue of coherence between EFSI and other EU interventions</li> <li>Feedback from desk officers responsible for EU programmes (i.e. CEF, COSME, H2020, ESIF)</li> </ul>	<ul style="list-style-type: none"> <li>Legal documentation outlining the scope of EFSI and other EU interventions with particular focus on the scope of those</li> <li>Review of relevant evaluations/ reports and documentation addressing the issue of coherence</li> <li>Interviews with relevant</li> </ul>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
Connecting Europe Facility, Horizon 2020, etc.) in terms of objectives, scope and activities?			<ul style="list-style-type: none"> <li>desk officers</li> <li>responsible for the management of, inter alia, CEF, Horizon 2020 and ESIF</li> </ul>
EQ 33: To what extent have the actions of the EFSI Regulation (EFSI, EIAH, and EIPP) been internally coherent in terms of potential synergies in contributing to the achievement of the objectives of the Investment Plan for Europe?	<ul style="list-style-type: none"> <li>Has internal coherence of EFSI Regulation contributed to the objectives of Investment Plan for Europe</li> </ul>	<ul style="list-style-type: none"> <li>Role of EFSI management in providing guidance to EIAH/EIPP operations</li> <li>Role of EIAH and EIPP in generating new collaborations and project pipelines leading to EFSI investment</li> <li>Role of EIAH and EIPP in determining the sectoral and geographic allocations</li> </ul>	<ul style="list-style-type: none"> <li>Operating guidelines for EIAH and EIPP</li> <li>Identification and review of operations and portfolios facilitated by EIAH/EIPP</li> </ul>

Table 11. EU Added Value of EFSI – evaluation framework

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
NEW EQ: To what extent has EFSI provided EU added value	<ul style="list-style-type: none"> <li>Has EFSI provided added policy value compared to the alternative use of EU funds</li> <li>Has EFSI provided added value to Member States in meeting their</li> </ul>	<ul style="list-style-type: none"> <li>Review of use of EU programmes (CEF, H2020) since EFSI (examining changes in scale and focus)</li> <li>Views provided by NPBs, project promoters and EIB/EIF</li> <li>Views of EFSI on scope for EFSI operations to have been supported by MS / private sector</li> </ul>	<ul style="list-style-type: none"> <li>Review of relevant reports and evaluations of CEF, H2020</li> <li>Discussion with relevant EU / EFSI desk officers</li> <li>Feedback from NPBs and project promoters / intermediaries</li> </ul>

<b>Evaluation question</b>	<b>Judgement criteria</b>	<b>Evidence and analysis required</b>	<b>Source of evidence</b>
	investment needs (subsidiarity test)		



## A9.2 Evaluation framework for the EU Guarantee

Table 12. Relevance of the EU Guarantee – evaluation framework

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
<b>Relevance</b>			
EQ 4: To what extent has the EU Guarantee been used to respond to the identified needs? To what extent do the identified needs still exist?	Has the EU Guarantee been used in the most appropriate way in response to investment needs – is the allocation between windows optimal	<ul style="list-style-type: none"> <li>• Analysis of the levels of investment mobilised and associated provision for expected losses by window</li> <li>• Consideration of the use of the Guarantee in meeting investment needs under the two windows</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews with selected members of Investment Committee</li> <li>• Interviews with Unit L of DG ECFIN and EIB/EIF staff</li> <li>• Desk review of relevant documentation and report especially needs appraisals</li> </ul>
<b>Effectiveness</b>			
EQ 14: To what extent has the EU guarantee been effectively used to cover the potential losses that the EIB Group may suffer from its EFSI supported investments under the IIW and SMEW?	Is the provisioning rate appropriate for current and future investment levels	<ul style="list-style-type: none"> <li>• Assessment of the adequacy of the size of the EU Guarantee and the provisioning rate</li> <li>• Review of the annual EU budget flows for the EU Guarantee</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews with DG ECFIN / EIB/EIF</li> <li>• Review of risk modelling</li> <li>• Data on calls on the EU Guarantee collected by Directorate L of DG ECFIN</li> <li>• Inputs from thematic experts</li> </ul>
<b>Efficiency</b>			
EQ 22: To what extent will the level of the EU budget resources available for the EU Guarantee (the provisioning rate) be appropriate in the light	Is the estimate and monitoring of contingent liabilities at the level of the operation adequate	<ul style="list-style-type: none"> <li>• Review of the estimated expected loss provision at operational level (for selected projects)</li> <li>• Review of monitoring and reporting of expected loss</li> </ul>	<ul style="list-style-type: none"> <li>• Review of selected IIW projects</li> <li>• Interviews with the relevant staff in DG ECFIN/EIB/</li> <li>• Data on annual budget flows/ other relevant</li> </ul>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
of the evolution of the exposures?			data related to the usage of the EU Guarantee <ul style="list-style-type: none"> <li>• Discussion with Credit Rating Agencies</li> </ul>
EQ 23: To what extent have the financial resources provided to EFSI, namely the EU Guarantee and the EIB Group resources, been appropriately sized to achieve its expected effects?	Is the EU Guarantee and the EIB resources appropriately sized  Assessment of capacity to absorb funds at higher volumes and at higher risk from larger Guarantee  Assessment of impact on the EIB credit rating of larger contribution	<ul style="list-style-type: none"> <li>• Review of investments needs in light of substantially expanded volume of financing</li> <li>• Impact on project and portfolio risks of extended financing and feasibility of expanded investment</li> <li>• Views on the likely reaction of financial markets to a substantial increase (say x2 or x10) of the EIB contribution and effect on EIB credit rating</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews with the relevant staff in DG ECFIN/EIB/</li> <li>• Data on annual budget flows/ other relevant data related to the usage of the EU Guarantee</li> <li>• Interviews with selected members of Steering Board / Investment Committee</li> <li>• Interview with EFSI Managing Director (MD)/ Deputy Managing Director/MD's office</li> <li>• Discussion with Credit Rating Agencies</li> </ul>
<b>Coherence</b>			
EQ 30: N/A [Coherence is evaluated for EFSI as a whole. It cannot be evaluated only for the EU Guarantee.]	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>
EQ 33: To what extent have the actions of the EFSI Regulation (EFSI, EIAH, and EIPP) been	<i>Addressed under EFSI</i>	<i>Addressed under EFSI</i>	<i>Addressed under EFSI</i>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
internally coherent in terms of potential synergies in contributing to the achievement of the Investment Plan for Europe?			
<b>EU Added Value</b>			
EQ 37: To what extent has the EU Guarantee provided added value in terms of an increased risk bearing capacity of the EIB, and in terms of supporting investments and access to financing for SMEs and mid-caps in the Union?	What impact has the EU Guarantee had on the risk bearing capacity of EIB	<ul style="list-style-type: none"> <li>• Change in risk bearing capacity as a result of the EU Guarantee – proxied by the change in funding of Special Activities</li> </ul>	<ul style="list-style-type: none"> <li>• EIB annual reports</li> <li>• EIB interviews</li> </ul>
EQ 38: What would be the most likely consequences of discontinuing the EU Guarantee on the EIB's risk-bearing capacity?	What are the potential consequences of discontinuing the EU Guarantee on the EIB risk-bearing capacity	<ul style="list-style-type: none"> <li>• Feedback from EIB/EIF and financial intermediaries on possible change in volume and risk of operations (including Special Activities)</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews with DG ECFIN</li> <li>• Interviews with relevant EIB/EIF staff</li> </ul>

### A9.3 Evaluation Framework for EIAH

Table 13. EIAH - evaluation framework for all criteria

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
<b>Relevance</b>			
EQ 5: To what extent have the EIAH's services (Article 14.2) been relevant for the accomplishment of its mandate (Article 14.1 of the EFSI Regulation)?	<p>Have EIAH services developed in accordance with its mandate (Article 14 of EFSI Regulation)</p> <p>Extent to which:</p> <ul style="list-style-type: none"> <li>EIAH activities build upon existing EIB and Commission advisory services</li> <li>EIAH services correspond to those required by the EFSI regulation (provide a single point of entry for TA in the areas listed in Article 9(2), assisting project promoters, leveraging local knowledge to facilitate EFSI support, provide a platform for p2p exchange and knowledge sharing regarding project development, provide advice on establishment of investment platforms)</li> <li>EIAH beneficiaries are from private and public sector</li> <li>EIAH assistance is provided across all sectors listed in Article 9(2)</li> </ul>	<ul style="list-style-type: none"> <li>Review of the activities taken place</li> <li>Feedback from EIB/EIF operational teams and beneficiaries i.e. NPBs/ NPIs and project promoters</li> <li>Establishing the share of EFSI related requests in the total requests received by EIAH</li> <li>Review of the origin (private/public investors, country), type and nature of EFSI related requests received by EIAH</li> <li>Breakdown of EFSI related requests by sector coverage origin, and type of services provided by EIAH</li> </ul>	<p>Desk research (review of relevant EIAH documentation such as bi-annual technical reports,</p> <p>Survey of EIAH beneficiaries</p> <p>Telephone interviews with NPBs</p>
<b>Effectiveness</b>			
EQ 15: To what extent	Has EIAH been effective in addressing	<ul style="list-style-type: none"> <li>Review of the origin (private/public investors,</li> </ul>	Desk research (review of

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
<p>has EIAH deployment fulfilled its mandate and activities as listed in Art 14 of the EFSI Regulation?</p>	<p>its mandate, with particular respect to sectors that received the support and the effectiveness of this support</p> <p>Extent to which:</p> <ul style="list-style-type: none"> <li>• EIAH beneficiaries are from private and public sector</li> <li>• EIAH provides capacity building and support to NPB/NPI from MS with less developed markets</li> <li>• EIAH assistance is provided across all sectors listed in Article 9(2)</li> <li>• Stakeholders who are not currently using EIAH services are aware of the offer/EIAH support</li> </ul>	<p>country), type and nature of EFSI related requests received by EIAH</p> <ul style="list-style-type: none"> <li>• Share of projects (by sector / MS) that have come through / or been advised / benefitted in material way</li> <li>• Feedback on collaboration from NPBs, promoters</li> <li>• Review of stakeholder awareness of EIAH services</li> </ul>	<p>relevant EIAH documentation such as EIAH bi-annual technical report, review of MoU signed with NPBs/NPIs),</p> <p>Survey of EIAH beneficiaries</p> <p>Survey and follow-up interviews with NPBs / NPIs</p>
<p>EQ 16: Which sectors listed in Article 9.2 has EIAH been supporting most effectively and why? What are the challenges for making EIAH effective across all eligible sectors and areas and how can they be overcome?</p>	<p>Extent to which</p> <ul style="list-style-type: none"> <li>• EIAH assistance has been provided across sectors listed under Article 9(2).</li> <li>• EIAH assistance provided resulted in implementation through EFSI</li> <li>• EIAH assistance provided resulted in implementation through other EIB/Union mechanisms</li> <li>• Stakeholders identify challenges that hinder the effectiveness of EIAH across sectors/areas of activity</li> </ul>	<ul style="list-style-type: none"> <li>• Breakdown of all requests by sector</li> <li>• Breakdown of EFSI related requests by sector coverage</li> <li>• Breakdown of requests that were implemented by EFSI, by sector</li> <li>• Breakdown of requests that were implemented using other EIB/Union mechanisms, by sector</li> <li>•</li> </ul> <p>Typology of challenges, e.g.:</p> <ul style="list-style-type: none"> <li>• Lack of capacity building function vis-à-vis NPB</li> <li>• Existence of some constraining issues hampering collaboration with NPBs (HUB seen as competition?)</li> <li>• Lack of engagement/local support in countries with less capacity, where EIAH may need to</li> </ul>	<p>Desk research (review of relevant EIAH documentation such as EIAH bi-annual technical report, review of MoU signed with NPBs/NPIs),</p> <p>Survey of EIAH beneficiaries</p> <p>Survey and follow-up telephone interviews with NPBs / NPIs</p>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
	<p>EIAH beneficiary /NPB/ NPI views on: Whether EIAH has been effective, and why Challenges that hinder effectiveness of EIAH across sectors/areas of activity How these challenges could be mitigated?</p>	<p>develop partnerships with NPI / local service providers</p> <ul style="list-style-type: none"> <li>• Lack of demand from certain sectors</li> <li>• Lack of awareness/ misperception of the role of the HUB</li> </ul> <p>How such challenges might be mitigated, for instance:</p> <ul style="list-style-type: none"> <li>• More focussed communication and engagement activities towards underrepresented sectors and countries with less capacity</li> <li>• Alternatively: focus on dealing with existing demand, and do not attempt to achieve geographical/sector spread</li> <li>• Offer more tailored incentives to strengthen partnerships with NPB and improve cooperating beyond informing about EIAH</li> </ul>	
<p>EQ 17: To what extent has EIAH effectively used the expertise of the EIB, the Commission, the National Promotional Banks or institutions, and the managing authorities of the European Structural and Investment Funds (Article 14.5) to achieve its objective?</p>	<p>Extent to which</p> <ul style="list-style-type: none"> <li>• NPB/NPI and managing authorities of ESIF confirm that they have assisted EIAH</li> <li>• Composition of experts involved in individual projects assisted through EIAH includes staff from EIB, Commission, NPB/NPI and managing authorities</li> <li>• EIAH beneficiaries are of the view that composition of experts was appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of expert composition across all projects that were assisted by EIAH, across different project stages and EIAH services</li> <li>• Analysis of expert composition across all projects that were assisted by EIAH and resulted in EFSI supported activities, across project stages and EIAH services</li> <li>• Review of beneficiaries' responses on quality of expertise offered</li> <li>• Review of NPB/NPI and ESIF MA views on scale and scope of cooperation, and whether this could be organised more effectively to ensure complementary expertise is leveraged</li> </ul>	<p>Review of MoU signed with NPBs/NPIs, Survey of EIAH beneficiaries Telephone interviews with EIB staff, ESIF managing authorities Survey and follow-up interview with NPBs</p>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
<b>Efficiency</b>			
EQ 24: To what extent have the financial resources provided to the Hub been appropriately sized to meet EIAH's objectives and how can they be optimised?	<p>Extent to which</p> <ul style="list-style-type: none"> <li>EIAH activities are considered to be well-staffed and resourced</li> <li>EIAH spending is in line with EIAH financial planning</li> <li>Challenges to effectiveness of EIAH activities could be overcome with extended financial resources</li> </ul> <p>Any room for improvement that can be identified with regards to :</p> <ul style="list-style-type: none"> <li>Unit costs for offering individual types of assistance/service</li> <li>Targeting resources towards demand, or communication activities towards specific underrepresented countries or sectors</li> <li>Recovering costs via fees charged by EIAH</li> </ul>	<ul style="list-style-type: none"> <li>Process mapping of key activities pursued by EIAH and processes underlying each activity</li> <li>Mapping of average hrs/days spent by EIAH staff and other EIB staff on each main process</li> <li>Review of spending trajectory at aggregate level against overall annual budget of EUR 26.6 million</li> </ul>	<p>Desk review of key reports and documentation (EIAH (2015) Framework Partnership Agreement, Annual Grant Agreements, Financials of the EIAH, Memorandum of Understanding on cooperation of EIAH with NPIs Agreement on the delivery of the EBRD Small Business Support Programme in Bulgaria, Greece and Romania under the EIAH umbrella)</p> <p>Survey and follow-up telephone interviews with NPBs / NPIs</p>
EQ 25: To what extent is the EIAH governance model efficient in meeting the EIAH objectives?	<p>Is the governance of EIAH considered to be efficient in stimulating / generating pipeline</p> <ul style="list-style-type: none"> <li>To what extent does governance model</li> <li>Involve the necessary actors to meet all EIAH objectives</li> <li>Is flexible enough to accommodate evolving demand for service provision, such as</li> </ul>	<p>Review of the documentation outlining the mandates of the HUB</p> <p>Review of stakeholder opinions on the governance model and its efficiency, in particular stakeholders at a national and local level</p> <p>Analysis of share between EIB staff and external experts used by EIAH, and comparison against beneficiary satisfaction and evidence collected against the evaluation of EIAH's effectiveness</p>	<p>Desk review of key reports and documentation (EIAH (2015) Framework Partnership Agreement, Annual Grant Agreements, Financials of the EIAH, Memorandum of Understanding on cooperation of EIAH with NPBs Agreement on the delivery of the EBRD Small Business Support Programme in Bulgaria, Greece</p>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
	<ul style="list-style-type: none"> <li>advisory services at local level</li> <li>allows for the revised set of EIAH objectives as per the proposed EFSI 2.0 regulation to be delivered efficiently.</li> </ul>		<p>and Romania under the EIAH umbrella)</p> <p>Telephone interviews with EIAH management, NPBs/NPIs, individual external consultants who exert a similar function at local level</p> <p>Survey of NPBs / NPIs</p>
<p>EQ 26: To what extent have EIAH communication methods been efficiently used to promote its service to public and private project promoters, National Promotional Banks or institutions, and investment platforms?</p>	<p>Extent to which</p> <ul style="list-style-type: none"> <li>Communication activities and approach to communication activities are targeted at the right groups, and designed in a way that ensures value for money</li> <li>NPBs/NPIs and other intermediaries/promoters have learned about EIAH via the EIAH communication activities</li> </ul>	<p>For each promotional activity and communication method, analysis of</p> <ul style="list-style-type: none"> <li>Type of activity</li> <li>Type and size of target group</li> <li>Results, e.g.: unique visitor/reach of online campaign, visitors at events and conferences</li> <li>Cost per person reached, by target group (project promoters, NPBs, investment platform representatives)</li> <li>Awareness amongst key stakeholders, in particular at national and regional level, about the specific products and role of EIAH</li> </ul>	<p>Desk review of EIAH promotional activities, including:</p> <ul style="list-style-type: none"> <li>Type and number of activities (e.g. online campaigns, events, email campaigns)</li> <li>Cost breakdown of each campaign</li> <li>Results of each campaign, e.g. individuals reached, new enquiries to EIAH facilitated, share of new enquiries that led to EFSI projects</li> </ul> <p>Survey and follow-up telephone interviews with NPBs / NPIs and EIAH beneficiaries</p>



Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
<b>Coherence</b>			
EQ 31: To what extent has EIAH proved both coherent to other existing TA initiatives in terms of complementarity, potential synergies and/or overlaps?	<p>1. Is there adequate internal coherence of EIAH activity with EFSI – does it drive / advise the pipeline in response to EIB/EIF priorities/needs</p> <p>2. Is there adequate external coherence of EIAH with the existing TA initiatives</p>	<ul style="list-style-type: none"> <li>• Role of EIAH in securing the project pipeline</li> <li>• Internal management arrangements to align EIAH with EFSI priorities</li> <li>• Identify other existing TA initiatives and review their mission statement, service offer and target groups (in terms of targeted entities and projects).</li> <li>• Feedback from managers of such initiatives</li> <li>• Analysis of the extent of overlap and potential displacement effect that EIAH might have on such other TA initiatives extent of potential / existing synergies and overlaps</li> </ul>	<p>Desk research of key EIAH documentation, and documentation describing the activities, services and target groups for similar TA initiatives at European or national level (such as NPB advisory services, advisory services offered by ISIs such as JASPERS, ELENA or Horizon 2020 Innovfin Advisory, FICompass, EIB technical assistance within normal operations, private sector consultants, trade and commercial associations, EC funded technical assistance services)</p> <p>Interviews with EIAH management, management of other TA initiatives at European or national level (such as such as NPBs/NPIs advisory services, advisory services offered by ISIs such as JASPERS, ELENA or Horizon 2020 Innovfin Advisory, FICompass, EIB technical assistance within normal operations, private sector consultants, trade and commercial associations, EC funded technical assistance services)</p>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
EQ 33: To what extent have the actions of the EFSI Regulation (EFSI, EIAH, and EIPP) been internally coherent in terms of potential synergies in contributing to the achievement of the Investment Plan for Europe?	<i>Addressed under EFSI</i>	<i>Addressed under EFSI</i>	<i>Addressed under EFSI</i>
<b>EU Added Value</b>			
EQ 39: To what extent has the EIAH support to project promoters and beneficiaries provided added value?	<p>1. Has EIAH helped to develop MS project development capacity in terms of bringing in new partners and expanding the skills and investment capacities of intermediaries</p> <p>Extent to which:</p> <ul style="list-style-type: none"> <li>• EIAH offers support capacity that cannot be met by other, similar initiatives</li> <li>• EIAH promotes expansion of (higher quality) services than existing offers (for instance in countries where financial markets might not be well developed)</li> </ul>	<ul style="list-style-type: none"> <li>• Review of the evidence on existing market needs</li> <li>• Review of the EIAH services provided</li> <li>• Feedback from the management of the EIAH</li> <li>• Analysis of project promoters and beneficiaries' alternative use of support services (if available)</li> <li>• Ranking of the added value of key type of EIAH services, as perceived by beneficiaries</li> </ul>	<p>Desk research of key EIAH documentation, and documentation describing the activities, services and target groups for similar TA initiatives at European or national level (such as NPB advisory services, advisory services offered by such as JASPERS, ELENA or Horizon 2020 Innovfin Advisory, FICompass, EIB technical assistance within normal operations, private sector consultants, trade and commercial associations, EC funded technical assistance services)</p> <p>Previous evaluations of similar TA initiatives at European or national level.</p>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
			Interviews with EIAH management, management of other TA initiatives at European or national level (such as such as NPB advisory services, advisory services such as JASPERS, ELENA or Horizon 2020 Innovfin Advisory, FICompass, EIB technical assistance within normal operations, private sector consultants, trade and commercial associations, EC funded technical assistance services)

## A9.4 Evaluation Framework for EIPP

Table 14. EIPP - evaluation framework for *all* criteria

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
<b>Relevance</b>			
EQ 6: To what extent have the EIPP's activities been relevant to its mandate (Article 15 of the EFSI Regulation)?	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>- Current and future investment projects are presented on the portal</li> <li>- Various stakeholder groups frequent the portal (in particular project promoters and investors)</li> <li>- Projects cover all of the pre-determined high economic value-added sectors</li> <li>- Investors and project promoters are matched via the platform</li> <li>- Investors learn about projects via the platform they would not have identified otherwise</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing statistics on unique visitors, as well as registered users and break down by:</li> <li>• Country of origin/registration</li> <li>• Type of user (investor, project promotor, investee)</li> <li>• Review of projects uploaded by</li> <li>• country, sector, project stage</li> <li>• Review of feedback from project promoters regarding the judgement criteria listed on the left</li> </ul>	<p>Desk research (review of relevant EIPP documentation such as user statistics, information about projects uploaded, and any documentation on % of potential projects uploaded that have been implemented)</p> <p>Telephone interviews with EIPP management, investors registered on EIPP, project promoters and investees registered on EIPP</p>
<b>Effectiveness</b>			
EQ 18: To what extent has EIPP deployment fulfilled its mandate as	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>- Current and future</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing statistics on unique visitors, as well as registered users and break down by:</li> </ul>	<p>Desk research (review of relevant EIPP documentation such as</p>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
<p>listed in Article 15 of the EFSI Regulation?</p>	<p>investment projects are presented on the portal</p> <ul style="list-style-type: none"> <li>- Extent to which various stakeholder groups frequent the portal (in particular project promoters and investors)</li> <li>- Extent to which projects cover all of the pre-determined high economic value-added sectors</li> <li>- Extent to which investors and project promoters are matched via the platform</li> </ul>	<ul style="list-style-type: none"> <li>• Country of origin/registration</li> <li>• Type of user (investor, project promotor, investee)</li> <li>• Review of projects uploaded by</li> <li>• country, sector, project stage</li> <li>• Review of feedback from investors, project promoters and investees regarding the judgement criteria listed on the left</li> </ul>	<p>user statistics, information about projects uploaded, and any documentation on % of potential projects uploaded that have been implemented)</p> <p>Telephone interviews with EIPP management, investors registered on EIPP, project promoters and investees registered on EIPP</p>
<b>Efficiency</b>			
<p>EQ 27: To what extent have the financial resources used for the EIPP been appropriately sized to meet EIPP's objectives and how can they be optimised</p>	<p>Extent to which Promotional activities around EIPP are targeted at the right groups, and designed in a way that ensures value for money</p>	<p>For each promotional activity, analysis of</p> <ul style="list-style-type: none"> <li>• Type of activity</li> <li>• Type and size of target group</li> <li>• Results, e.g.: unique visitor/reach of online campaign, visitors at events and conferences</li> <li>• Cost per person reached, by target group (project promoters, investees, investors)</li> </ul>	<p>Desk research (review of relevant EIPP documentation such as user statistics, information about projects uploaded, review of EIPP operational and resource plan)</p>
<p>EQ 28: To what extent have EIPP communication methods been efficiently used to</p>	<p>Operational resources are allocated in an efficient way</p>	<ul style="list-style-type: none"> <li>• Review extent to which synergies are exploited, e.g. promotional activities raise visibility of EIAH and EIPP in an integrated way.</li> </ul>	

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
promote the Portal?	<p>Promotional/communication activities would be equally effective to what is currently undertaken with reduced resources</p> <p>Promotional activities could be optimised</p> <p>Allocation of operational resources could be optimised</p>	<ul style="list-style-type: none"> <li>• Process mapping of operational activities needed to run the EIPP, and resources used against each activity</li> <li>• Value added of each operational activity in terms of reaching EIPP objectives</li> </ul>	
<b>Coherence</b>			
EQ 32: To what extent has the EIPP proved coherent with other existing similar initiatives (in terms of complementarity, potential synergies and/or overlaps)?	<p>Extent to which: EIPP provides similar service or caters to similar target group than similar initiatives at the national or European level</p> <p>EIPP offers complementary service or caters to complementary target groups compared to similar initiative at the national or European level</p>	<ul style="list-style-type: none"> <li>• Review of target groups and intervention logic for EIPP and other initiatives</li> <li>• Identify any overlap or synergies</li> <li>• Review feedback from EIPP management and managers/staff of similar initiatives regarding the judgment criteria on the left</li> </ul>	<p>Desk review of key documentation on EIPP and similar initiatives at national or European level</p> <p>Interviews with EIPP management and managers/staff of similar initiatives at national<sup>100</sup> or European level (e.g. activities of the European Investors' Association).</p>

<sup>100</sup> For instance KfW's Projektdatenbank which presents KfW supported development projects: <https://www.kfw-entwicklungsbank.de/Internationale-Finanzierung/KfW-Entwicklungsbank/Projekte/Projektdatenbank/index.jsp>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
	<p>EIPP offers synergies with EFSI pipeline and project pipeline of other TA activities within the EIB group</p> <p>Potential synergies with EFSI pipeline and project pipeline of other TA activities within EIB group are exploited</p>		
<p>EQ 33: To what extent have the actions of the EFSI Regulation (EFSI, EIAH, and EIPP) been internally coherent in terms of potential synergies in contributing to the achievement of the Investment Plan for Europe?</p>	<p><i>Addressed under EFSI</i></p>	<p><i>Addressed under EFSI</i></p>	<p><i>Addressed under EFSI</i></p>
<p><b>EU Added Value</b></p>			
<p>EQ 40: To what extent has the EIPP provided added value for enhancing the visibility of published investment projects from the perspective of project promoters and investors?</p>	<p>Extent to which:</p> <p>Investors agree that EIPP helped them to identify investees/projects that they would not have identified otherwise</p> <p>Project promoters / Investees agree that</p>	<p>Feedback from investors, investees and project promoters regarding the judgement criteria on the left</p> <p>Unique visitor statistics across EIPP website, and individual sectors, over time</p>	<p>Desk review of key documentation on EIPP and similar initiatives at national or European level</p> <p>Interviews with investors, investees and project promoters registered on the EIPP</p>

Evaluation question	Judgement criteria	Evidence and analysis required	Source of evidence
	EIPP helped them to identify investors that they would not have identified otherwise		
	Web statistics suggest EIPP was conducive in enhancing visibility of investment projects		

## Annex 10 Summary of previous evaluation evidence

Table 15. Relevance of EFSI – meta synthesis of previous assessments/ evaluations

EQ 1: To what extent has the EFSI addressed the investment gaps and the market needs identified initially (in terms of size, sector, and geographical coverage)?	
<i>ECA (2016)</i>	<ul style="list-style-type: none"> <li>Regarding the <i>gaps and market needs identified initially</i>, the exact nature and extent of these gaps and needs have not been defined in a systematic way ex-ante (no IA or ex-ante evaluation for EFSI)</li> <li>Specific point on investment gaps and market needs in relation to agriculture, fishery and aquaculture sectors (EFSI 2.0): <i>low added value of EFSI financing for projects in the agriculture, fishery and aquaculture sectors (existence of alternative funding sources, - FI under ESIF for this sector not working adequately)</i></li> <li>Geographical coverage: poor absorption in the EU 13 (only 8% of total funding – as approved) as of mid-2016</li> <li>Hypothesis for the poor absorption: readily bankable projects prioritised, in countries with developed financial markets, having the capacity to use financial instruments and to structure high-risk projects.</li> </ul>
<i>S&amp;P (2017)</i>	<ul style="list-style-type: none"> <li>Key market failure regarding IIW projects: <i>private investors are also reluctant to invest in countries with no longstanding proven regulatory framework for infrastructure contracts or in markets where they lack expertise. The main focus for lenders is cost recovery and, for long-term contracts, the capacity to adjust tariffs to inflation</i></li> </ul>
<i>EIB (2016) Evaluation</i>	<ul style="list-style-type: none"> <li>Regarding the <i>gaps and market needs identified initially</i>, the exact nature and extent of these gaps and needs have not been defined in a systematic way ex-ante (no IA or ex-ante evaluation for EFSI). <i>'...The closest EFSI's design came to an ex-ante evaluation was the report issues in December 2014 by the special Task Force;</i></li> <li>Geographical coverage: poor absorption in the EU 13 (only 8% of total funding – as approved) as of mid-2016</li> </ul>



	<ul style="list-style-type: none"> <li>• Hypothesis for the poor absorption: <i>apart from the factors mentioned in E&amp;Y evaluation, EIB points also to the 'list of eligible sectors'.</i></li> <li>• Sectorial coverage: <i>All of the eligible sectors listed in Article 9(2) of the EFSI Regulation were covered by at least one EFSI operation. IIW operations largely focused on energy sector (exceeded 30% threshold). The SMEW's signed operations, as of 30 June 2016, spanned four EFSI sectors. Of these, RDI was the preeminent sector, accounting for 69% of total EFSI financing under the SMEW.</i></li> <li>• Size: <i>As of 30 June 2016, 262 operations had been approved under EFSI. These operations accounted for a financing amount of EUR 17.45 bn and, based on the EFSI's multiplier calculation methodology, represent a total investment mobilised of EUR 104.75 bn. Hence, a third of the way into its investment period (12 of 36 months), EFSI's aggregated portfolio of approved operations had achieved approximately a third of its EUR 315 bn target. Of the 262 approved operations, 202 have been signed for an EFSI financing amount of EUR 10.45 bn, representing EUR 66.14 bn of investment mobilised; i.e. 21% of the investment target.</i></li> </ul>
<i>E&amp;Y (2016) Evaluation</i>	<ul style="list-style-type: none"> <li>• Geographical coverage: poor absorption in the EU 13 (only 8% of total funding – as approved) as of mid-2016</li> <li>• Indication on reasons behind poor absorption: the competition from the European Structural and Investment Funds (ESIF), less capacity to develop large projects, less experience with Public Private Partnerships, a less developed Venture Capital market and the small size of projects.</li> </ul>
<i>Others</i>	<ul style="list-style-type: none"> <li>• Key factor behind low investment: <i>gross fixed capital formation, which averaged 23% of GDP prior to the crisis, has struggled to exceed 20% in recent years. This shortfall is explained largely by a reduction in private--as opposed to public-sector—investment. The key factor depressing overall investment is capital formation in the <u>housing sector</u>. In France in particular, weakness in this sector goes a long way toward explaining its lackluster economic performance. The revival in the housing market since 2015, thanks to a very accommodative monetary policy, led to a stabilization in residential investment in the eurozone and even to a 3% increase last year. Still, housing investment is about 20% below its precrisis peak. Excluding investment in dwellings, capital spending is 6% below its pre-crisis peak level.</i></li> </ul>
<b>EQ 2: To what extent has the design of the EFSI responded to the needs of the project promoters, financial intermediaries, and private investors?</b>	
<i>EIB (2016) Evaluation</i>	<ul style="list-style-type: none"> <li>• List new / enhanced EIB products: Direct Equity, Quasi-Equity, Equity fund, ABS Mezzanine, Layered Funds Mezzanine, Linked Risk Sharing with guarantee rate &gt;50%, De-Linked Risk Sharing with guarantee rate &gt;50%, Linked Risk Sharing with guarantee rate &lt;=50%, Co-finance @ Project Mezzanine</li> </ul>
<i>E&amp;Y (2016) Evaluation</i>	<ul style="list-style-type: none"> <li>• Looked at whether EFSI led to the launch of new products to answer this question (assumes need a wide range of products to satisfy the diverse needs)</li> </ul>

- SMEW: existing products based on existing mandates (InnovFin, COSME and RCR mandates) were deemed appropriate; new products now being introduced (2nd phase), incl: the SMEW Equity Product, Uncapped guarantees for riskier (subordinated) loans to innovative SMEs and small mid-caps, Uncapped guarantees for the EU Programme for Employment and Social Innovation ("EaSI), IIW: new/ enhanced products needed for higher risk projects (mostly equity-type) incl
- E&Y also included a survey question on suitability of the EFSI support
- Conclusion on the suitability of the EFSI support:  
*Broadly suitable with some signals improvement needed:* complexity of process, complexity of co-financing rules with ESIF, clearer communication needed, need to be able to mobilise EFSI for financing towards smaller projects (via e.g. platforms – but not yet clear how it would work), avoid competition with NPBs (incl via subordinated position)

**EQ 3: To what extent has the use of the scoreboard (Article 7(4) and Annex II of the EFSI Regulation) been relevant to assure an independent and transparent assessment of the use of the EU Guarantee? To what extent has each pillar of the scoreboard been appropriate and relevant?**

*EIB (2016) Evaluation*

- Use of the Scoreboard as a priority setting tool: partly due to the fact that operations are presented as a pipeline (i.e. they are presented to the IC incrementally and not as a batch), the Scoreboard cannot be used as a priority setting tool.

*E&Y (2016) Evaluation*

- Assessment method: the Scoreboard's Pillars are assessed individually and are not aggregated into a single rating.  
*E&Y was not able to assess purely quantitatively whether the highest added value was achieved for a specific project, as it is not possible to have an overall score due to the presence of qualitative parameters and non-rankable indicators in the scoreboard. The scoreboards showed a very diverse answer pattern, with some very strong scores, some very moderate scores.*
- Criteria to which a project should contribute: contribution to the EFSI objectives and additionality should be *the criteria to which a project should highly contribute*.  
Recommendation: to define these as important parameters in the project selection criteria and to establish a minimum threshold for the different criteria in the scoreboard.
- Assessment criteria:  
The Investment Committee approved every IIW project analysing the scoreboard. However, in accordance with the Delegated Act of the Scoreboard, there is no definition on a minimum threshold per criterion, nor a weighting.  
Recommendation: to better weigh the different assessment criteria in the scoreboard and to set minimum criteria/thresholds, where possible, for each of the four criteria according to their importance.

**EQ 4: To what extent has the EU Guarantee been used to respond to the identified needs? To what extent do the identified needs still exist?**

*EC Evaluation*

- EC Evaluation based on the portfolio analysis  
*Suitability for enabling the EIB to undertake riskier activities* in line with expectations and allowing the EIF to enhance its intervention in support of SMEs and mid-caps.  
*Persisting need to strengthen the investment environment* by providing loans, guarantees and equity to economically viable projects  
*Disadvantages: not suitable for supporting first-loss pieces in investment platforms* because of pricing issues (the pricing of such interventions would need to respect EIB or market-based pricing and would probably be too high for the platform to be financially viable). In that case, use of the Union budget (e.g. ESIF, COSME InnovFin and CEF) and, in some limited cases, of the national budget, necessary to cover the riskiest tranches; *not designed to cover the potential impact of currency fluctuations*. With consequences for capacity of the EIB to deliver long-term fixed-rate financing in certain non-euro countries with less developed financial markets.

**EQ 5: To what extent have the EIAH's services (Article 14.2) been relevant for the accomplishment of its mandate (Article 14.1 of the EFSI Regulation)?**

*E&Y (2016) Evaluation*

- By mid 2016, not all expected services were fully developed and promoted yet.  
The capacity of the EIAH itself is not yet sufficient  
High demand for advisory services, at the local level higher than expected so there is a need for tailor made services also within the Member States.
- By mid 2016
  - most frequent categories of request: request for technical assistance and for financing/funding advice
  - The majority of project-specific requests emanated from the private sector and were related to financing support (e.g. project promoters looking for investors at early development stage). In many cases project promoters have been asked for additional information before any further support can be given or have been signposted directly to support from other sources.
  - the private sector remains the sector where the majority of the requests have been signposted to other services for different reasons, such as the early stage nature of most of the requests. Moreover, it should be borne in mind that fees may be charged to the private sector to recover partially the costs for the services.

*Note three non-exclusive forms of collaboration are envisaged:*

*1) NPIs participating in knowledge/best practice sharing and dissemination initiatives in relevant areas of expertise within EIAH's scope of activities;*

*2) NPIs acting as EIAH local point of entry/local screening body for potential clients and stakeholders;*

3) NPIs delivering services locally on behalf of EIAH.

NB: MoU cover the first or first two forms of cooperation. "Agreements" will cover the third type (lower number of agreements, see ToR - case of EBRD)

**EQ 6: To what extent have the EIPP's activities been relevant to its mandate (Article 15 of the EFSI Regulation)?**

No existing evidence available

**EQ 7: To what extent has the EFSI been on track to achieve its objectives, in particular the target of mobilising EUR 315 bn of total investment by 4 July 2018?**

S&P (2017)

- *Slow disbursement under IIW; furthermore, only one-third of the signed projects have been disbursed under the IIW (€4.1 billion) as of end-December 2016*

Why is long-term investment in the IIW under EFSI lagging behind, with only €67.8 billion of investment mobilized related to signed operations as of the end of January 2017? Long-term and large-scale investment is dependent on institutional investors with long-term liabilities, such as insurance companies and pension funds. Institutional appetite for infrastructure project debt has so far mostly focused on 1) operational availability-based projects where market, regulatory and political risks are limited, and 2) social infrastructure (hospitals, schools, and housing).

EIB (2016) Evaluation

- *Regarding the analysis of multipliers, which is relevant for this section, for now (KPI) multipliers are calculated at the level of each transaction and on an ex-ante basis.*

E&Y (2016) Evaluation

- *After the first year, approvals of project financing on track, with signature behind the schedule. Especially the SMEW showed a quick take up, the reason being that the EIF agreed with the EC and the EIB to use EFSI to accelerate the roll-out of existing mandates (COSME and InnovFin), in line with EFSI Regulation. For the IIW the take up is slower, due to the nature of the projects and the time it takes to develop new products under this window.*
- *Regarding multipliers, Multiplier (14.1) is close to the target of 15*  
The IIW multiplier is lower than the SMEW, but is expected to increase due to an increased roll-out of new products that are higher leveraged than the more classic products which were mainly used during the first year of EFSI.

**EQ 8: How likely are the expected results of the EFSI to be achieved within the newly set EFSI 2.0 timeframe, i.e. EUR 500**

**billion of investment mobilized by 2020?**

No existing evidence available

**EQ 9: To what extent has the EFSI increased access to financing in the EU policy areas in line with the objectives listed in Article 9.2?**

*Comment*

EQ 9 was not addressed separately from EQ7 or EQ1 in existing evidence base.

*Others (spratings)*

- The EC's proposed EFSI 2.0 regulation requires investing in projects in line with EU's long-term climate goals set out in the Paris agreement (COP21). However, the EFSI provides significant support (15% of its energy financing) for fossil fuels, in particular for gas infrastructure, according to CAN Europe(8). In the transport sector, 68% of EFSI support benefits high-carbon projects (motorways and airports), with a strong focus on motorways via PPPs, in particular in four western member states (Germany, the Netherlands, France, and the U.K.).

**EQ 10: To what extent has the EFSI mobilised private capital and crowded-in private investors?**

*ECA (2017)*

- For the audit on EFSI they identified risks related to the following areas: the measurement and reporting of the public and private investment mobilised

*ECA (2016)*

- *Definition of leverage and approach to estimating the multiplier effect* similar to the one used for financial instruments funded from the EU budget. "Total project cost divided by the amount of the Union contribution". The risk is that the multiplier effect of EFSI is overstated, particularly for the investment projects to which investors committed or which are part of national programmes that existed or were announced even before EFSI was launched. ECA advises aligning the 'EFSI Multiplier Methodology' with the methodology suggested by the OECD.

*EIB (2016) Evaluation*

- For the period ending 30 June 2016, of the EUR 66.14 bn of investment mobilised by EFSI, EUR 41.16 bn (62%) was tied to private finance.
- Consolidated figures are only produced twice a year by the EIB in an operational report submitted to the EC.
- The development of the methodology has led to animated discussions because, as new products are developed, the corresponding multiplier methodology needs to be defined, and the underlying assumptions need to be tested and adjusted.
- Potential wrong incentives with the target of EUR 315 bn of total investment- it creates incentives for defining multipliers that facilitate its achievement.

<i>Others (Bruegel)</i>	<ul style="list-style-type: none"> <li>• <u>The multiplier</u> defines the share of EFSI financing in the project. For certain projects there might be a case for higher share of EIB financing in the EFSI project (low share adequate to meet the target but maybe not adequate to attract private investors to risky projects over the long run; EIB share seems higher in EIB traditional projects although this would need to be confirmed on larger samples.</li> </ul>
<b>EQ 11: To what extent have the NPBs and the Investment Platforms contributed to the achievement of the EFSI objectives?</b>	
<i>ECA (2017)</i>	<ul style="list-style-type: none"> <li>• For our audit on EFSI they identified risks related to the following areas: the involvement of National Promotional Banks and National Promotional Institutions and the promotion of investment platforms in the Member States.</li> </ul>
<i>ECA (2016)</i>	<ul style="list-style-type: none"> <li>• The rules applicable to IP operations were approved by the EFSI Steering Board in February 2016. As of September 2017, there are 30 IPs approved under the IIW, including three pre-approvals, and three IPs approved under the SMEW</li> <li>• Interviews with NPBs/NPIs and EIB Group staff indicate that the recent deployment of new products and investment platforms is increasing the pipeline of projects that NPBs/NPIs may cofinance.</li> </ul>
<i>S &amp; P (2017)</i>	<ul style="list-style-type: none"> <li>• Recommendation: A clear regulatory framework, relief in the cost of capital, and a greater number of investment platforms would foster further private investment and help the plan to reach its ambitious aims'</li> <li>• The EFSI has already established 21 financing platforms covering infrastructure and innovation projects as well as SME financing. These platforms, which pool together smaller projects, will be further expanded to support and blend structural funds and EFSI for smaller-scale assets such as energy efficiency project.</li> </ul>
<i>EIB (2016) Evaluation</i>	<ul style="list-style-type: none"> <li>• At the launch of EFSI, a cumulative contribution of up to EUR 42 bn was announced by various Member States, NPBs and NPIs. However, the support of the NPBs to the IPE eventually shifted from contributing to the guarantee to cooperating at the level of investment platforms or individual projects. In response to this, several instruments have been developed to cater for the variety of NPBs/NPIs , including the EIF-NPI Equity Platform, and the EIF and NPIs Securitisation Initiative.</li> <li>• NPBs experience some competition with EFSI on bigger projects, particularly for debt products. The high risk targeted by EFSI seems not that risky in the eyes of NPBs. Some NPBs are confirming that they could have financed certain EFSI eligible projects themselves to the same extent.</li> <li>• -there is a high demand for financing for smaller projects incl. innovation projects that are below the threshold for EFSI projects under the IIW. -&gt; so definitely a case for establishing platforms or by distributing the resources through financial intermediaries.</li> </ul>

**EQ 12: To what extent have the projects supported by the EFSI contributed to the creation of jobs and sustainable economic growth?**

<i>S &amp; P (2017)</i>	<ul style="list-style-type: none"> <li>The plan will only trigger economic growth once funds are available for disbursement and project construction commences</li> </ul>
<i>EIB (2016) Evaluation</i>	<ul style="list-style-type: none"> <li>In order to measure the <i>net macroeconomic impact of EFSI operations on growth and employment in Europe</i>, the EIB Economics Department has been working together with the Sevilla-based Joint Research Centre of the EC to use the Rhomolo model, a structural macroeconomic multi-sector, multi-regional model. So far, a pilot has been carried out using projects financed under the period of the EIB capital increase. The pilot confirmed the model would be adequate for measuring the macroeconomic impact of projects supported by EFSI. Further work will now be undertaken to extend the model to include intermediated operations.</li> </ul>
<i>Others (EIB EFSI report 2016, spratings )</i>	<ul style="list-style-type: none"> <li>This report provides data on direct employment impact of the IIW and SMEW operations and also on other outputs / outcomes (<i>EIB EFSI report 2016</i>).</li> <li>To assume that the investment will prop up the economic growth, there is a need to analyse funds actually disbursed. (spratings)</li> </ul>

**EQ 13: To what extent has the use of the scoreboard (Article 7(4) and Annex II of the EFSI Regulation) been effective in ensuring an independent and transparent assessment of the possible use of the EU Guarantee by the Investment Committee? To what extent have the individual pillars contributed to the scoreboard's effectiveness?**

<i>EIB (2016) Evaluation</i>	<ul style="list-style-type: none"> <li>Method: Interviews with IC members to confirm their use of the EFSI Scoreboard and better understand how they use Pillar 4</li> </ul>
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**EQ 14: To what extent has the EU guarantee been effectively used to cover the potential losses that the EIB Group may suffer from its EFSI supported investments under the IIW and SMEW?**

*Comments* Not addressed separately from EQ4 or EQ22

**EQ 15: To what extent has EIAH deployment fulfilled its mandate and activities as listed in Art 14 of the EFSI Regulation?**

<i>E&amp;Y (2016) Evaluation</i>	<ul style="list-style-type: none"> <li><i>The EIAH is clearly assisting project promoters, where appropriate, in developing their projects.</i> Furthermore, the EIAH has been most effective in providing services in the Transport, Energy, and Urban regeneration sectors. Also the EIAH services are available for public and private project promoters, including national promotional banks or institutions and investment platforms or funds and regional and local public entities. These are all sectors, activities, and service users, which are directly relevant to the mandate of the Hub.</li> <li>The Regulation also mandates the Hub to leverage local knowledge to facilitate EFSI support across the Union,</li> </ul>
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which as noted above is an area in which work is in progress and improvement will be needed, paying particular attention to the specific local needs of EU MS.

- In terms of its mandate to provide a single point of entry for technical assistance for authorities and project promoters, the EIAH representatives pointed out that the EIAH website acts as a good access point as evidenced by the relatively high number of requests received by the Hub. However, the results of the survey with users of the EIAH services showed that the 'Hub' needs to increase the awareness of its services.

**EQ 16: Which sectors listed in Article 9.2 has EIAH been supporting most effectively and why? What are the challenges for making EIAH effective across all eligible sectors and areas and how can they be overcome?**

*E&Y (2016) Evaluation*

- The requests for EIAH support are most frequent in Energy, Transport and Urban regeneration, which is in line with the mandate given by the EFSI Regulation. The geographical spread of the services covers 27 Member States. However, it is becoming evident that there is a need for more local support in countries with less capacity, for which the EIAH may need to develop local capacity and/or to develop partnerships with NPBs/local service providers.
- Open question on whether to reach all regions with the highest needs; the hub should be decentralised (regional offices) like the EIB Advisory services, on which the Hub partly relies.

**EQ 17: To what extent has EIAH effectively used the expertise of the EIB, the Commission, the National Promotional Banks or institutions, and the managing authorities of the European Structural and Investment Funds (Article 14.5) to achieve its objective?**

*E&Y (2016) Evaluation*

- Positive:  
The EIAH is within EIB Advisory services, and gives access to all of the EIB advisory services. functions as a dispatching centre to connect projects to the right services, both for public and private promoters. The Hub sees huge potential in collaboration with NPBs and NPIs, but countries with the highest needs do not always have experienced NPIs. scope of cooperation – some NPBs only intend to cooperate on the first level (informing about the EIAH as a potential access to technical assistance), while others intend to expand the cooperation further.  
  
- too early to assess effectiveness of cooperation

**EQ 18: To what extent has EIPP deployment fulfilled its mandate as listed in Article 15 of the EFSI Regulation?**

*No existing evidence available*

**EQ 19: How effective has the EIPP been in increasing visibility and information available on current and future investment projects in the Union?**



No existing evidence available

**EQ 20: To what extent have the governance structures of the EFSI in place been efficient in supporting its implementation?**

*ECA (2016)*

- First, the procedures to manage potential conflicts of interest should be extended to the SB, as it is already done for other EFSI governing bodies. Second, the roles and responsibilities of the MD office, the EFSI Secretariat, and EIB Services working on EFSI, could be made clearer in order to avoid potential overlaps. Third, to sustain the swift implementation of EFSI, lines of communication should be made more explicit, particularly amongst EFSI’s different governing bodies, and between EFSI’s governing bodies and the EIB.
- ECA also highlights need for clearer and more streamlined governance: complex interrelations between the Commission and the EIB, and their respective appointees within the EFSI decision-making process, make it difficult to establish for accountability purposes who is ultimately responsible to the EU budgetary and legislative authorities for the performance and risk management of EFSI as well as to identify potential conflicts of interest between EFSI and non-EFSI roles and responsibilities.

*EIB (2016) Evaluation*

- *Governance structure is working well:* the evaluation finds that the governing bodies of EFSI are added to existing EIB Group. The evaluation finds that the governing bodies of EFSI are added to existing EIB Group structures without encroaching upon or interfering with the decision-making process of the EIB or the EIF. Furthermore, they are supporting the swift and efficient implementation of EFSI.
- There are a few issues identified in the EIB evaluation for improvement

*E&Y (2016) Evaluation*

- Beneficiaries and intermediaries have indicated the need to speed-up the approval/due diligence process.

**EQ 21: To what extent have EFSI communication methods been efficiently used to engage stakeholders**

*E&Y (2016) Evaluation*

- EFSI known already but wider promotion would lead to a higher demand/use of the EFSI

**EQ 22: To what extent will the level of the EU budget resources available for the EU Guarantee (the provisioning rate) be appropriate in the light of the evolution of the exposures?**

*ECA (2016)*

- First, the procedures to manage potential conflicts of interest should be extended to the SB, as it is already done for other EFSI governing bodies. Second, the roles and responsibilities of the MD office, the EFSI Secretariat, and EIB Services working on EFSI, could be made clearer in order to avoid potential overlaps. Third, to sustain the swift implementation of EFSI, lines of communication should be made more explicit, particularly amongst EFSI’s different governing bodies, and between EFSI’s governing bodies and the EIB.
- ECA also highlights need for clearer and more streamlined governance: complex interrelations between the Commission and the EIB, and their respective appointees within the EFSI decision-making process, make it

difficult to establish for accountability purposes who is ultimately responsible to the EU budgetary and legislative authorities for the performance and risk management of EFSI as well as to identify potential conflicts of interest between EFSI and non-EFSI roles and responsibilities.

- The proposed provisioning of the Guarantee Fund (35%) is in line with the updated estimate of expected losses. the total potential liability for the EU budget will reach 26 billion euro (of which around 9 billion euro to be covered by the Guarantee Fund). Potential liabilities will persist over the lifetime of the investment portfolio.
- The reduction of the target rate by 15 percentage points is an adjustment that will minimise the risk that the amount placed in the Guarantee Funds exceeds the losses that the Guarantee Fund bears. [Achieving the 50 % target provisioning meant reducing the planned spending over 2014-2022 on grants under CEF by 2,8 billion euro and for Horizon 2020 by 2,2 billion euro and by using 3 billion euro from unallocated margins under the Multiannual Financial Framework (MFF) expenditure ceiling.]
- Recognises also increase the risk that the amount placed in the Guarantee Fund will be insufficient and that further calls on the budget will be necessary.

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*E&Y (2016) Evaluation*

- Risk: Calls made under the EU Guarantee have to be honoured within 20 business days (in certain specific cases within 40 business days) after demand by the EIB, while both the time and size of potential calls are uncertain.
- With current rate of 50%: the targeted provisioning of 50% at the outset seems cautious and prudent to cover potential losses under the portfolio supported by the EU guarantee.

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*Others (EC Evaluation, DBRS research report, 2 July 2017, Fitch )*

- So far (mid 2016), there have been no calls due to defaults or value adjustments of EIB and EIF operations (EC Evaluation)
- EC analysis undertakes risk analysis by type of instrument / sub-window and arrives at conclusion that provisioning rate of 33,4% would be sufficient and appropriate (EC Evaluation)
- From the EU budget, items of EUR 8.0 billion have been planned to cover up to 50% of the guarantee; however, given lower expected losses for the financed projects, this provisioning is expected to decline to 35%. However, projects targeted by the EFSI entail higher-risk profiles compared with other EIB- /EIF-funded projects. This somewhat raises the related contingent liabilities for the EU. Indeed, if the EFSI guarantee were to be called above its EUR 8 billion budgetary provision, the EU would need to retrieve the required resources either from the existing margins within the MFF framework ceiling or by redirecting expenditures allocated to other EU programs. Nevertheless, DBRS believes that the headroom available from the budget margin (approximately EUR 40 billion) currently provides a sufficient buffer. (DBRS research report, 2 July 2017)
- General line for EIB is: implementation of the EFSI will not have a material impact on EIB's risk profile in the medium term. In Fitch's view, the non-sovereign portfolio will not be affected by the implementation of the EFSI, which will largely be made up of risky loans. Given the security provided by the EU guarantee, the EFSI will have no impact on the average rating of EIB's portfolio as a whole (BBB+). (Fitch)

**EQ 23: To what extent have the financial resources provided to EFSI, namely the EU Guarantee and the EIB Group resources, been appropriately sized to achieve its expected effects?**

*ECA (2016)*

- The current amount of the EFSI guarantee is sufficient to continue to fund activities for the next 2 years. There is little evidence that the proposed increase of the EU guarantee is justified other than for the SMEW. The Commission and the EIB Group have already taken a number of measures to address the risk of the SMEW debt portfolio running out of available funding : increased the SMEW limit from 2,5 to 3 billion euro; for the SMEW debt portfolio the Commission and the EIB agreed the annual EU contributions will, once available, be used to release the EU guarantee for the COSME LGF and InnovFin SMEG instruments, and convert it to a second-loss exposure or mezzanine tranches, and — to expand the use of the EU guarantee to the EaSI guarantee instrument and the securitisation instrument.

*EIB (2016) Evaluation*

- Several aspects had to be revised (EIB capacity to provide subordinated financing to corporates (including hybrid debt-equity products), added possibility to segment the first-loss piece coverage in different sub-portfolios
- Another element: *pricing not attractive* as per Regulation [debt operations must be priced in line with the EIB's pricing policy and equity-type operations must be priced in line with market terms]. Solution to pricing issue: other instruments, including investment platforms, that rely on the Union budget programmes, like the European Structural and Investment Funds (ESIF), InnovFin or the Connecting Europe Facility (CEF), to take the riskier tranches, with the EIB (supported by the EFSI) bearing the risk on the mezzanine tranches.
- The main impact of the EFSI on COSME and InnovFin under the current set-up is faster implementation, but the volumes of support are the same as would have been achieved with the Union budget, only at a later point in time. Given the higher than expected demand for those instruments and their successful implementation, the EIF is likely to exhaust the support capacity by end-2017. That high speed of implementation creates a risk of a gap in implementation in 2018-2020, as no Union budgetary resources are currently foreseen to top up those instruments in 2018-2020 above the volumes already planned.
- Action envisaged: gradual conversion of the release of the EU Guarantee covering the frontloaded amounts to second-loss exposure or mezzanine tranches as the annual Union budget contributions become available, thereby topping up the COSME and InnovFin guarantee products under SMEW.

*E&Y (2016) Evaluation*

- IIW: the EU Guarantee enabled the EIB to increase the volume of special activities. During the 1st year of EFSI, € 11 billion of approved operations.
- € 17-18 billion of signed operations expected by the end of 2016. In comparison with an annual amount of special activities of around € 4 billion in 2014, the Commission concludes that the EU Guarantee reached one of the main objectives of EFSI, being to finance more higher-risk operations.
- SMEW: strong uptake. Positive that the possibility of reallocating 500 million of EU guarantee from IIW to

SMEW was included from day 1. Has been used already: To respond to the large demand under the SMEW, a €500 million transfer of funds from the IIW to the SMEW has been made in summer 2016.

- Those changes will lead to an increase in the overall size of the budgetary allocations for those instruments allowing the EIF to finance more operations. Currently, the combined Union budgetary allocation for COSME and InnovFin SMEG would reach around € 1.7 billion by 2020 expecting to support an investment of around €34 billion. With the new set-up, the combined budget would increase to € 2.95 billion, expecting an investment of around € 60 billion

**EQ 24: To what extent have the financial resources provided to the Hub been appropriately sized to meet EIAH's objectives and how can they be optimised?**

*E&Y (2016) Evaluation*

- Concerning the budget, the Hub is in a ramp up phase and therefore not all the available budget has been used to date. However the forecast of the Hub is that all of the budget will be spent. Next year it is expected that there will be 'overspending' in annual terms

**EQ 25: To what extent is the EIAH governance model efficient in meeting the EIAH objectives?**

*E&Y (2016) Evaluation*

- No issues have been identified as concerns the governance model, but as noted, there is a need to accommodate evolving demands on the model for provision of services (notably availability of advisory support at local level).

**EQ 26: To what extent have EIAH communication methods been efficiently used to promote its service to public and private project promoters, National Promotional Banks or institutions, and investment platforms?**

*E&Y (2016) Evaluation*

- The awareness on the services provided by the EIAH is still relatively limited. Insufficient awareness about the EFSI offer: In terms of awareness and clarity over what EFSI has to offer, still further efforts are needed to explain the specific products and the role of the Investment Platforms.

**EQ 27: To what extent have the financial resources used for the EIPP been appropriately sized to meet EIPP's objectives and how can they be optimised?**

*No existing evidence available*

**EQ 28: To what extent have EIPP communication methods been efficiently used to promote the Portal?**

*No existing evidence available*

**EQ 29: To what extent has EFSI been coherent with other EU interventions (i.e. complementarity, potential synergies and/ or**

**overlaps with the European Structural and Investment Funds, Connecting Europe Facility, Horizon 2020, etc.) in terms of objectives, scope and activities?**

<i>ECA (2017)</i>	<ul style="list-style-type: none"> <li>For the audit on EFSI risks related to the following areas were identified: coherence and complementarity of EFSI with traditional funding instruments under the EU budget</li> </ul>
<i>ECA (2016)</i>	<ul style="list-style-type: none"> <li>Regulatory issue is the following: resources awarded directly by the EIB while implementing the EFSI regulation do not constitute State aid under Article 107(1) TFEU, and the Commission does not have to approve EFSI financing under EU State aid rules (79). Nevertheless, projects supported by EFSI may also benefit from co-financing by EU Member States including through ESI funds (80) which, unless granted on market terms, constitutes State aid to be approved by Commission on the basis of its State aid framework (81). We suggest clarifying the treatment for State aid purposes of EFSI operations which are co-financed from funds under the control of Member States, including ESI Funds.</li> </ul>
<i>EIB (2016) Evaluation</i>	<ul style="list-style-type: none"> <li><i>Risk related to allocation assessment made by the EIB (CEF and H2020):</i> The evaluation found that there are both risks and opportunities posed by the relationship between the EIB and those programmes. With regard to the risks, and in view of the pressure to deliver EFSI, some evidence indicates that the EIB privileges EFSI operations over CEF or H2020 operations. The potential competition between EFSI and the existing mandates (or other EIB activities, more broadly) is part of the allocation assessment made by the EIB, and should be carefully monitored.</li> <li><i>Opportunities (CEF and H2020)</i> The opportunities for synergies between the programmes and EFSI reside in the fact that the EC could use CEF and H2020 funds to finance the First Loss Piece (FLP) of operations (as the EIB does not finance FLPs under EFSI), while the EIB would finance mezzanine tranches under EFSI. Discussions between the EC and the EIB on such financing structures are at an advanced stage.</li> </ul>
<i>E&amp;Y (2016) Evaluation</i>	<ul style="list-style-type: none"> <li><b>SMEW</b> There is a high complementarity with COSME and InnovFin under the SMEW, as EFSI enables to finance these funds upfront to respond to the market needs.</li> <li><b>ESIF</b> Few EFSI operations had received complementary finance from ESIF funds. There is a wish to better combine the European Structural and Investment Funds and EFSI. Besides the regulatory constraints to do so, the main constraint for this seems to be the competition between the two financing initiatives, especially in the Cohesion countries (ESIF covers infrastructural investments, often through grants; the allocated budget has to be committed within the programming period, the absorption of these funds is of the highest priority, as there is a high political will to use all the funds allocated) [E&amp;Y]</li> </ul>

**EQ 30: N/A [Coherence is evaluated for EFSI as a whole. It cannot be evaluated only for the EU Guarantee.]**

**EQ 31: To what extent has EIAH proved both coherent to other existing TA initiatives in terms of complementarity, potential synergies and/or overlaps?**

- E&Y (2016) Evaluation*
- *No overlaps* with other advisory services within the EIB. They pointed at the fact that the Hub enhances cooperation as it acts more as a coordination centre, which directs public and private project promoters to other EIB advisory services.
  - *In terms of complementarity*, there are services provided by others, such as private sector consultants, trade and commercial associations, NPBs, EC funded technical assistance services, etc. It is therefore important that the EIAH continues to exercise care in avoiding crowding out of the private sector and to ensure complementarity of its services.

**EQ 32: To what extent has the EIPP proved coherent with other existing similar initiatives (in terms of complementarity, potential synergies and/or overlaps)?**

*No existing evidence available*

**EQ 33: To what extent have the actions of the EFSI Regulation (EFSI, EIAH, and EIPP) been internally coherent in terms of potential synergies in contributing to the achievement of the objectives of the Investment Plan for Europe?**

- EIB (2016) Evaluation*
- **EIAH**  
The EIAH is not solely focused on EFSI but is nevertheless expected to support it by enhancing the capacity of public authorities and project promoters to identify, prepare, structure and implement strategic projects, and enhance the effective use and potential leverage of EU programmes.  
The way in which the EIAH could contribute further to EFSI is expected to be addressed in the EIAH strategy which is currently under development. This may include the identification of potential EFSI projects, advisory support to individual EFSI projects, and possibly support to dissemination and promotional activities, particularly for investment platforms for which the EFSI Regulation assigns an advisory role to the EIAH.
  - **EIPP**  
Various stakeholders have claimed that the lack of a transparent forward-looking pipeline of EU investment projects has acted as a barrier to investment in the EU. In response to this, a publicly available web portal was set up so that EU-based project promoters are given the opportunity to show their projects and investors can obtain information on those projects<sup>30</sup>. The EIPP has been operational since May 2016 and, therefore, it is too early to assess its potential contribution to EFSI. Moreover, the initial idea underpinning the EIPP has transitioned from providing a quality label to investment projects – which would require some sort of

assessment – to more of an information exchange portal, primarily connecting private investors and project promoters. In the EIPP’s current form, potential synergies with EFSI and its pipeline are deemed weak by both the EIB and Commission staff.

**EQ 34: To what extent have the projects for which the EU guarantee was extended proved additional?**

<i>ECA (2017)</i>	<ul style="list-style-type: none"> <li>• For the audit on EFSI risks related to the following areas were identified: additionality of EFSI to traditional EIB activities</li> <li>• Recommendation: simplifying additionality definition - clarify always need to meet 1st para of the definition. No need to introduce special cases related to physical infrastructure Considering Special Activities = Additionality can give wrong incentives to the EIB (combined with the pressure to reach the investment target, may create an incentive to use unnecessarily complex financing structures or to allocate a risk profile that does not correspond to the real risk of the operation.)</li> </ul>
<i>EIB (2016) Evaluation</i>	<ul style="list-style-type: none"> <li>• EIB argues that even if as per EFSI regulation, Special Activities = Additionality ; always do additional additionality tests: documentation prepared within the EIB in relation to these operations often address other elements of the additionality definition within the EFSI Regulation, including:             <ul style="list-style-type: none"> <li>- Market failures or investment shortfalls</li> <li>- Longer tenor or maturity</li> <li>- Crowding in of investors (catalytic effect)</li> <li>- Diversification of financing sources for the promoter</li> <li>- EFSI being critical to the launch of the operation</li> </ul> </li> </ul>
<i>E&amp;Y (2016) Evaluation</i>	<ul style="list-style-type: none"> <li>• Doubts about ‘additionality’:in some cases Special Activities are not perceived by the market as having a higher risk compared to what the commercial market can offer, albeit possibly at different conditions.             <ul style="list-style-type: none"> <li>- Respondents to surveys and interviews, especially those from NPBs, indicated that some of the financed projects could have been financed without EFSI support, meaning that these investments could be interpreted as not being fully additional</li> <li>- Some beneficiaries indicated that EFSI is attractive as it is cheaper compared to other investors, and support has a longer tenor than alternative support instruments</li> <li>- Overall, there is a need to better clarify/define the concept of additionality, which is understood differently by the various internal and external stakeholders</li> </ul> </li> </ul>
<i>Others (Bruegel)</i>	<ul style="list-style-type: none"> <li>• Comparison of 55 EFSI projects with sample of EBI ‘ordinary’ projects (based on limited information though) showed that nature of projects are very similar.</li> </ul>

Yet, EIB argued that even if projects may be very similar, the risk profile of EFSI ones can be still higher: EIB argues that the EFSI projects are riskier, either because of the intrinsic risk of the projects, or because the EIB has a more junior position than usual, or because the maturity of the loans is much longer than usual

EQ 35 What is the added value of the EFSI support to projects so far? To what extent and by which means can the EU added value of the initiative be maximised?

*E&Y (2016) Evaluation*

- AV IIW= The 'Investment Guidelines' explain the 'added value' in the sense of 'contribution to the EFSI objectives'
- The EIB's evaluation states that, as of 30 June 2016, operations under the IIW were 'deemed to be strongly aligned with EFSI policy objectives and are of high quality'. [Based on an analysis of the scoreboard). Additionally, 'all of the eligible sectors listed in Article 9(2) of the EFSI Regulation were covered by at least one EFSI operation.
- Under the SMEW, the added value of an operation focuses on the EIF's contribution to the operation. Based on that definition, the EIF assesses (1) the degree of difficulty for an operation to secure alternative funding, (2) the EIF's role in structuring and advising on a deal, and (3) the catalytic effect of the EIF using EFSI support. The added value of operations under the SMEW are discussed at EIF board-level, not decided upon in the IC as for the IIW operations

**EQ 36: To what extent has the EFSI support provided added value compared to what private investors or Member States acting on a national or regional level could reasonably achieve on their own?**

*No existing evidence available*

**EQ 37: To what extent has the EU Guarantee provided added value in terms of an increased risk bearing capacity of the EIB, and in terms of supporting investments and access to financing for SMEs and mid-caps in the Union?**

*Information under EQ2 on new products developed and EQ23 on increase in special activities*

**EQ 38: What would be the most likely consequences of discontinuing the EU Guarantee on the EIB's risk-bearing capacity?**

*No existing evidence available*

**EQ 39: To what extent has the EIAH support to project promoters and beneficiaries provided added value?**



*E&Y (2016) Evaluation*

- Users of the EIAH services are mostly interested in capacity building support for projects, financial Instruments implementation and management, state aid, and on how to structure projects to improve their access to finance. perception on the quality of the services provided in the early stage of the Hub development is mixed. Four of the respondents claim that the services were not tailored to their needs and 4 respondents answered that the services were tailored to some extent. To make sure that the opinion of stakeholders is taken into account and that services are constantly improved, a more regular feedback procedure will need to be established and is being currently considered by the EIAH (shorter period of feedback, extending the services offered by fi-compass. There is a growing awareness of the high need for tailor made support, in which the EIAH could improve. There is a clear need for the advisory services offered by the EIAH.

**EQ 40: To what extent has the EIPP provided added value for enhancing the visibility of published investment projects from the perspective of project promoters and investors?**

*No existing evidence available*

## **Annex 11 Investment needs analysis**



Investment Analysis  
Gap.xlsx

The analysis is available in the attached sheet:

