

Briefing

# Evaluation of the EIB's Structural Programme Loans and their contribution to EU Cohesion Policy, 2007-2016

June 2018

**This evaluation assesses the extent to which Structural Programme Loans (SPLs), blended with EU grants, supported the EIB's contribution to EU Cohesion Policy objectives.**

## Summary of findings

- By addressing the liquidity constraints of borrowers, SPLs enabled them to respect their national co-financing obligations.
- SPLs made a sizeable contribution to the total cost of the investment programmes they supported (~10%).
- The ability to disburse 30% upfront enabled EIB counterparts to kick-start or accelerate the implementation of large investment plans.
- SPLs offered a suitable range of financial options, whether in terms of contracts, interest rates, maturity profiles, repayment profiles or currencies. They were also flexible enough to allow the investment programme to be expanded to include projects not initially forming part of an Operational Programme, providing these projects were consistent with EU objectives and the EIB's eligibility criteria.
- The product allowed the EIB to support small and mid-sized projects that it would not otherwise have been able to support at a reasonable cost.
- The EIB adequately used a deferred appraisal process for SPLs in order to accommodate the lack of complete information on underlying projects at the time of approval.
- The SPL product contributes to the EIB fulfilling its task of supporting projects in less developed regions and facilitating the financing of investment programmes with assistance from the Structural Funds.

## Recommendations

Further to the above findings, the evaluation identifies areas of improvement for the product. The EIB should:

- Consider the pros and cons of applying the cumul<sup>1</sup> rule to SPL operations, as this rule increases counterparty ownership but also limits the EIB's support to EU Cohesion Policy.
- Give more consideration to building capacity amongst weaker promoters and to consistently applying appropriate risk mitigation measures to them.
- Consider reducing administrative and reporting requirements for promoters that have demonstrated stronger capacity at the appraisal stage.
- Improve the monitoring of SPL operations in terms of: mobilising adequate EIB human resources, mitigating the risk of late financing, and proactively coordinating and cooperating with the European Commission.
- Increase the visibility of SPLs, especially for large, flagship projects supported by them.

A final recommendation concerns the deployment of SPLs under post-2020 EU Cohesion Policy. If Cohesion Policy remains a significant heading within the EU budget and the share of grant funding decreases, then the Bank should assess the implications of increased demand for SPLs to support higher national co-financing obligations.

## Background:

EU Cohesion Policy aims to reduce economic and social disparities across Member States and their regions. To fulfil this goal, the EU – for the last two Multiannual Financial Frameworks – has allocated approximately one third of its budget to regions qualifying for support under Cohesion Policy, via its Structural (and Investment) Funds.

Via its Structural Programme Loans, the EIB allows Member States or regions to secure their expected share of funding. The EIB may also offer Technical Assistance as a component of the SPL, in order to support the development of a broader and higher quality pipeline of projects or overcome any of the promoter's shortcomings in terms of managing and implementing the SPL.



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The report draws on: a literature review; a portfolio review of SPL operations; interviews with internal and external stakeholders; and site visits to operations in six Member States.

The full report can be accessed at:

[www.eib.org/en/infocentre/publications/all/evaluation-of-structural-programme-loans-and-their-contribution-to-eu-cohesion-policy-2007-2016.htm](http://www.eib.org/en/infocentre/publications/all/evaluation-of-structural-programme-loans-and-their-contribution-to-eu-cohesion-policy-2007-2016.htm)

<sup>1</sup> Since 1994, the EIB's policy has been to apply a "cumul rule" that limits the aggregated contribution of the ESIFs and the Bank to either 90% for regions classified by the EC as less developed, transition or under transitory measures, or 70% for developed regions.



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