



## Briefing

# Evaluation of the Functioning of the European Fund for Strategic Investments (EFSI)

The Investment Plan for Europe (IPE) – better known as the “Juncker Plan” – seeks to reduce investment gaps in Europe. As one of the three IPE Pillars, the European Fund for Strategic Investments (EFSI) aims to contribute to this goal by supporting investments in infrastructure and innovation, and by increasing access to finance for SMEs and MidCap companies. It is implemented by the EIB Group.

EFSI consists of a EUR 16bn EU guarantee complemented by a EUR 5bn capital contribution provided by the EIB. The EU guarantee increases the risk-bearing capacity of the EIB Group, allowing it to finance projects that address market failures or sub-optimal investment situations. EFSI is meant to allow the EIB Group to finance more high-risk projects or riskier tranches of projects.

By crowding in other – in particular private – investors, EFSI is expected to mobilise EUR 315bn of investment in the real economy from mid-2015 to mid-2018.

This evaluation is a requirement of the EFSI Regulation. It assesses the functioning of EFSI to date and identifies aspects that could improve its future functioning. The evaluation is based on a review of relevant documents, a portfolio analysis and interviews with around 75 relevant stakeholders.

## Findings

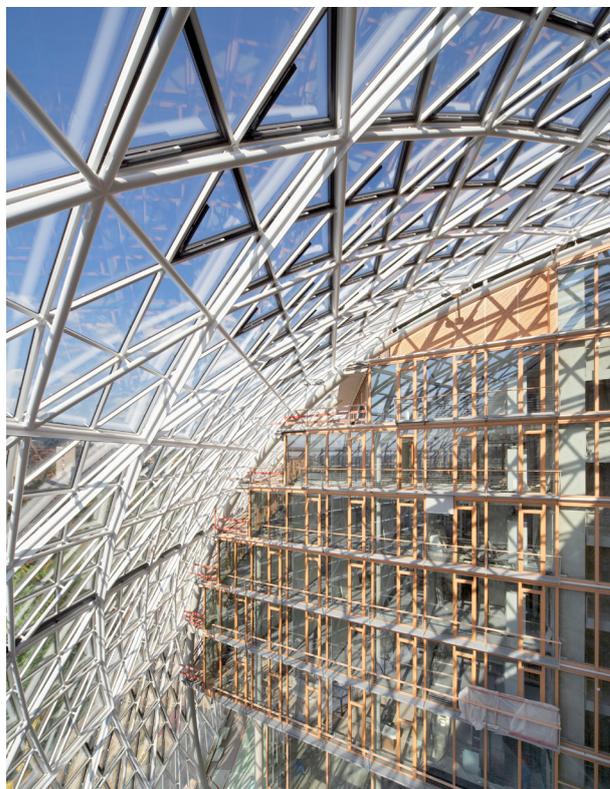
EFSI needed to be set up in a very short period of time to meet the expectations that decision-makers had of the EIB, the EU bank. It is now up and running. In view of its target of mobilising EUR 315bn, EFSI is on track in terms of approvals but is lagging behind in terms of signatures and disbursements. It is only upon disbursement that investments in the real economy can take place.



## Key recommendations

To ensure that reaching the EFSI target translates into achieving EFSI's objectives, this evaluation identified several areas needing attention and improvement:

- Achieving EFSI results entails ensuring complementarity and synergies with the other two IPE Pillars, namely advisory support and improvement of the investment environment; both of these were still in the early stages at the time this evaluation was completed;
- The ambition of mobilising private capital should be maintained;
- Possible barriers should be identified and addressed in order to improve EFSI's outreach in EU countries where it is currently less present (mostly Central and Eastern European countries);
- The additionality of EFSI projects in relation to their risk profile should be systematically addressed;
- EFSI's governance structure, although firmly in place and contributing to the swift implementation of the initiative, could benefit from clearer procedures for managing potential conflicts of interest, especially within the Steering Board, and a clearer definition of the roles of its various organs to avoid potential overlap and inefficiencies;
- Monitoring and managing the long-term consequences that the implementation of EFSI will have on the EIB Group.



The full report can be accessed at:  
[www.eib.org/infocentre/publications/all/evaluation-of-the-functioning-of-the-efsi.htm](http://www.eib.org/infocentre/publications/all/evaluation-of-the-functioning-of-the-efsi.htm)



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