
Synthesis of project evaluations

October 2020
Operations Evaluation

– Synthesis of project evaluations

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Evaluation of EIB cohesion financing (2007 to 2018) – Synthesis of project evaluations
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1. Overview ........................................................................................................... 1
  1.1 Background ........................................................................................................ 1
  1.2 Summary of findings ........................................................................................... 1

2. Methodology ..................................................................................................... 7
  2.1 Operation sample selection ................................................................................ 7
  2.2 Evaluation approach ........................................................................................... 8

3. Relevance ....................................................................................................... 11
  3.1 Contribution to EU, EIB, and national/regional objectives ................................. 12
  3.2 Relevance in relation to promoters’ needs ........................................................ 13
  3.3 Relevance in relation to sub-optimal investment situations resulting from market
failures ............................................................................................................. 13

4. Effectiveness .................................................................................................. 15
  4.1 Delivery of expected outputs ............................................................................ 16
  4.2 Achievement of expected outcomes ................................................................. 18
  4.3 Overall impacts ................................................................................................ 20

5. Efficiency ........................................................................................................ 23
  5.1 Cost efficiency of the operations ....................................................................... 23
  5.2 Benefits of the operation vs. managing administrative costs from the borrower’s
and promoter’s viewpoint.................................................................................. 24
  5.3 Timeliness in implementing the operation......................................................... 25

6. Sustainability .................................................................................................. 27
  6.1 Physical sustainability ...................................................................................... 27
  6.2 Environmental and social sustainability ............................................................ 28

7. EIB contribution ............................................................................................. 29
  7.1 EIB financial contribution .................................................................................. 30
  7.2 EIB financial facilitation .................................................................................... 30
  7.3 EIB technical contribution ................................................................................. 31

8. EIB project cycle management ...................................................................... 33
  8.1 Pre-appraisal/appraisal .................................................................................... 33
  8.2 Implementation ................................................................................................. 34
  8.3 Monitoring, post-completion reporting and visibility........................................... 34

Annex 1 – List of 19 operations evaluated .............................................................. 37

Annex 2 – Rating grids ............................................................................................. 39
LIST OF BOXES

Box 1 - Relevance: Overall assessment and rating ................................................................. 11
Box 2 - Effectiveness: Overall assessment and rating ............................................................ 15
Box 3 - Efficiency: Overall assessment and rating ................................................................. 23
Box 4 - Sustainability: Overall assessment and rating ......................................................... 27
Box 5 - EIB contribution: Overall assessment and rating ..................................................... 29
Box 6 - EIB project cycle management: Overall assessment and rating ............................. 33

LIST OF TABLES

Table 1 - Breakdown of operations evaluated by country and financing product ............... 8
Table 2 - Intervention logic of investment loan operations (illustration for a broadband operation) ................................................................. 16
Table 3 - Intervention logic of MBIL operations .................................................................. 18
Table 4 - Overall impacts of investment loans by sector ..................................................... 20
### Abbreviations and Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
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<tbody>
<tr>
<td>EIB</td>
<td>European Investment Bank</td>
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<tr>
<td>ESIF</td>
<td>European Structural and Investment Funds</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GFCF</td>
<td>Gross Fixed Capital Formation</td>
</tr>
<tr>
<td>ICT</td>
<td>Information, Communication, Technology</td>
</tr>
<tr>
<td>IG/EV</td>
<td>Operations Evaluation Division of the EIB Group</td>
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<tr>
<td>JASPERS</td>
<td>Joint Assistance to Support Projects in European Regions</td>
</tr>
<tr>
<td>JEREMIE</td>
<td>Joint European Resources for Micro to Medium Enterprises</td>
</tr>
<tr>
<td>KPI</td>
<td>Key performance indicator</td>
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<tr>
<td>MBIL</td>
<td>Multiple beneficiary intermediated loan</td>
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<tr>
<td>NSRF</td>
<td>National Strategic Reference Framework</td>
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<tr>
<td>NUTS</td>
<td>Nomenclature des Unités Territoriales Statistiques / Nomenclature of Territorial Units for Statistics</td>
</tr>
<tr>
<td>RDI</td>
<td>Research, development and innovation</td>
</tr>
<tr>
<td>SME</td>
<td>Small and medium-sized enterprise</td>
</tr>
<tr>
<td>SPL</td>
<td>Structural programme loan</td>
</tr>
<tr>
<td>TEN</td>
<td>Trans-European Network</td>
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<td>TEN-E</td>
<td>Trans-European Network for Energy</td>
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<tr>
<td>TEN-T</td>
<td>Trans-European Transport Network</td>
</tr>
<tr>
<td>TO</td>
<td>Thematic Objective</td>
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<td>ToFA</td>
<td>Transfer of Financial Advantage</td>
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</table>
1. OVERVIEW

1.1 Background

1. This report is part of the thematic evaluation of European Investment Bank (EIB) activities in cohesion financing (2007-2018). The report presents a summary of the findings of an evaluation the EIB’s Operations Evaluation Division (IG/EV) conducted on 19 EIB financing operations and investment projects, all of which supported the EIB’s cohesion financing objective. The findings are an important part of the evidence that informed the thematic evaluation.

2. The purpose of conducting 19 individual evaluations was twofold:
   - To provide further insights into the thematic evaluation findings and to help better understand how EIB financing contributes to European cohesion;
   - To hold the EIB accountable by rating the performance of EIB-financed operations and investment projects supported.\(^1\)

3. The 19 operations that form the basis of this report were selected to capture a range of different country contexts, sectors and EIB financing products. The operations were implemented in the cohesion regions of five countries: Italy, Poland, Portugal, Romania and Slovakia. The operations supported investment projects in a variety of sectors – transport, research and development, broadband service, energy and water systems – and include investment loans, multiple beneficiary intermediated loans and framework loans (including a framework loan blending the European Structural and Investment Funds and EIB financing). Chapter 2 provides more detail about the sampling methodology.

4. Each of the 19 operations and investment projects has been rated against the Organisation for Economic Co-operation and Development (OECD)’s Development Assistance Committee (DAC) evaluation criteria (relevance, effectiveness, efficiency and sustainability) as well as EIB-specific criteria (EIB contribution and EIB project cycle management). This report is structured with these criteria in mind. Chapters 3 to 8 provide a summary of the key findings for each of these criteria.

5. Annex 1 provides an overview of the operations that were evaluated, including the policy priorities they address. Annex 2 shows the rating grids used for the evaluations.

1.2 Summary of findings

6. The section below summarises the main findings from the individual evaluations of 19 cohesion operations. The evaluations assessed the extent to which the operations aligned with key policy objectives (relevance), produced benefits (effectiveness) commensurate to their costs (efficiency), and had a lasting impact (sustainability). In addition, the evaluations sought to understand the unique contribution the EIB made to these operations (advantageous financial conditions, facilitation and technical contributions), and how well the EIB managed these operations throughout their lifecycle.

Relevance

7. The majority of the operations analysed were found to be aligned with EU, EIB, and national policy objectives and investors’ priorities within the sector of intervention.

\(^1\) In the context of this synthesis report, it is worth clarifying that an EIB operation refers to the financing arrangement put in place between the EIB and its counterparts (borrowers, promoters, financial intermediaries, etc.) with the aim of realising specific investment projects (such as physical investments in energy infrastructure or intangible investments in research) or of extending loans to final beneficiaries (such as Multiple beneficiary intermediated loans (MBILs) or framework loans).
8. This alignment was particularly true for the investment and framework loans reviewed, which supported investments to expand or improve infrastructure primarily in broadband services and information and communication technologies (ICT), transport, secure and sustainable energy, and waste and water management. For multiple beneficiary intermediated loans (MBILs), the assessment was more nuanced as they had, by design, broad eligibilities and did not focus on specific sectors. Operations’ alignment with EU, EIB and national policy were appraised based on the degree to which they advanced the EIB’s relevant public policy goals.

9. While operations adequately addressed investment needs at national level, limited attention was paid to the diverse and specific needs of the regions covered. For example, the MBILs and sectoral framework loans reviewed covered many regions, but provided limited or no information on specific regions’ needs. The evaluation found one exception linked to a project that combined EIB financing with EU structural funds, where promoters provided detailed analyses of region-specific needs at the European Commission’s request.

10. Operations’ contribution to the EIB’s cohesion objectives was measured as the contribution to the cohesion KPI (or the share of the investments located in EIB cohesion regions). Beyond stating that an operation contributed to cohesion simply by virtue of being located in an eligible region, no narrative or intervention logic was provided to describe the mechanisms through which an operation would contribute to cohesion. This lack of rationale could be found even for operations whose design contributed significantly to cohesion goals, such as investments dedicated to social housing, local transport and access to sport and culture, which significantly improve living conditions in less-developed regions. Operations’ contribution could have been stated more explicitly.

11. Although operations’ contribution to cohesion goals was not always explained in appraisal documents, several of the investment and framework loans analysed were found to be highly effective in addressing the investment gaps that result from market failures typically found in less-developed, peripheral, rural or underserved regions. Some examples:

- Positive economic and social externalities for municipal infrastructure projects in rural or remote areas, which resulted in better services and an improvement of the quality of life for residents.
- Positive externalities of broadband access to peripheral and sparsely populated areas.
- Reduction of market power and increased competition through diversified sources of energy supply.
- Positive externalities of modernisation of solid waste management and treatment systems, which lowered pollution and improved environmental conditions and overall public health.
- Addressing financial market failures that limit access to or increase the cost of finance for research, development and innovation (RDI), which is often the result of information asymmetries, lack of collateral and/or lack of a track record.

12. The extent to which multiple beneficiary intermediated loans (MBILs) addressed credit rationing was more nuanced. On the one hand, wide eligibility allowed financial intermediaries to support a broad range of sectors and beneficiaries, and promoted access to finance by addressing cyclical barriers to investment (strengthening financial intermediaries’ balance sheets during the financial downturn and allowing them to extend loans to the real economy). On the other hand, as financing conditions started to improve, the lack of any sector or specific client focus limited these operations’ ability to remove financial barriers.

Effectiveness

13. Overall, the reviewed operations were found to have largely delivered on expectations.

14. The investments supported delivered outputs in line with expectations in a range of sectors: energy, physical infrastructure for communication, RDI, transport, and waste management. These investments occurred in cohesion regions, broadly in line with the estimates made at the appraisal stage, although it is worth noting that the evaluation team did not conduct a verification of the physical assets at completion. Several investment loans contributed meaningfully to regional development and cohesion, although this contribution was not always documented at the appraisal or completion stages. For example, providing broadband infrastructure to underserved...
rural regions is likely to support development and thus cohesion, but no effort was made to break down results at the regional level.

15. Regarding MBILs, most of the EIB credit lines were fully disbursed and allocated to final beneficiaries largely in line with expectations. In all cases where allocations occurred, the committed minimum financial advantage was respected (sometimes even surpassed), and the loan maturities offered by financial intermediaries were longer than those offered by the market, but not necessarily longer than the average maturities of the intermediaries’ portfolio for similar clients. The actual total proportion of sub-loans received by final beneficiaries located in cohesion regions (though not contractually binding) was in line with estimates at appraisal, except for one operation.

Efficiency

16. The findings regarding operations’ efficiency were positive for cost efficiency and administrative costs, but mixed regarding the operations’ timely delivery.

17. All reviewed investment loans were cost-efficient, delivering planned outputs below budget or more than the planned outputs within budget. This was the result of real cost savings (lower input prices because of competitive procurement) or conservative cost estimates during appraisal. Investment loans’ flexibility helped projects meet their objectives while keeping costs down often by including additional investments to fall under a project’s scope, thus allowing for the full mobilisation of EIB financing. Framework loans are flexible by design (investments to be supported are not completely identified at appraisal stage), but they were made even more accommodating by adjusting the project scope to focus on supporting investments with the highest demand and by expanding the time horizon.

18. The borrowers/promoters interviewed unanimously said that the benefits of EIB support (such as financial conditions like advantageous interest rates and long maturities) outweighed, or were commensurate with, administrative costs (such as costs related to monitoring and reporting on operations’ implementation).

19. Findings on operations’ timeliness were more mixed. Approximately half of the investment loans reviewed either required longer than average time to reach signature (than comparable operations), or were completed later than expected at appraisal. The increased time to signature was caused by complex financing agreements involving international corporate groups (which resulted in lengthy negotiations) and requests for additional environmental analyses from the promoter (which delayed the signature but also set good practice standards and ensured that projects’ cumulative effects were taken into account). Operations with known counterparts tended to reach signature faster. Factors that delayed the completion of works were usually outside EIB control, such as delays in tendering processes, construction delays caused by technical challenges (such as rough terrain) or sub-contractors’ bankruptcy.

20. For all framework loans reviewed, time to signature was faster than average, and works were performed on time. The counterparts were well known to the Bank – two were public authorities – which might explain the speediness. For half of the MBIL operations reviewed, allocation periods\(^2\) were extended due to non-allocations.

Sustainability

21. The ability of the physical asset to last over time and the financial sustainability of operations were ensured to a large degree for investment and intermediated loans, thanks to collaboration with promoters who mobilised sufficient resources and financially strong and experienced intermediaries. For framework loans, local municipalities’ capacity constraints in some cases presented a risk to physical sustainability.

\(^2\) The time period during which the financial intermediary is expected to allocate a credit line to sub-loans to final beneficiaries.
22. For all investment loan operations reviewed, the projects’ physical sustainability was ensured to a high degree. Promoters mobilised sufficient resources for maintenance and continued to invest in improving the physical assets. For the framework loans, physical sustainability has been ensured to a medium degree. Although promoters (national authorities) put maintenance procedures in place, those procedures were sometimes insufficient to ensure sustainability. For example, one of the operation evaluations showed that at municipalities, public authorities had difficulties ensuring appropriate maintenance and regular checks for infrastructure investments.

23. For all investment and framework loans reviewed, environmental impacts were limited or non-existent. The environmental effects of projects were largely positive. The most prominent social impact of projects supported came from the permanent jobs created/sustained and temporary jobs created during construction. The type and magnitude of the employment effects differed significantly among projects. It should be noted that most employment figures provided at appraisal or completion are estimates, and no systematic monitoring exists of created jobs’ duration and type.

**EIB contribution**

24. The EIB’s unique contribution to operations was largely related to the advantageous financing terms offered compared to other sources, but the EIB’s contribution as a technical or financial facilitator was limited.

25. Overall, the EIB’s financial contribution to the operations was high. For virtually all of the operations evaluated, borrowers were unable to secure loans with the same rate and tenor combination. The pricing offered by the Bank was seen as extremely competitive in the years following the 2008 financial crisis, which enabled the EIB to play an important countercyclical role in the most credit-constrained countries. Through time, however, as market conditions improved, the EIB’s competitive advantage has eroded, particularly for MBILs. Nonetheless, financial intermediaries said that the EIB could still make a contribution in the area of risk-sharing.

26. According to the information reviewed and counterparts interviewed, the EIB’s financial facilitation was limited, below the expectations set in most of the project appraisal documents. Good complementarity with EU funds was observed (either for co-financing individual operations, or for supporting investments in the same sector, such as renewable energy), but only in a limited number of cases did the EIB’s participation pull in private/public financing by positively affecting commercial banks’ decision to provide a guarantee for an operation.

27. In most of the operations reviewed, no technical contribution by the EIB was envisaged at appraisal or delivered at implementation, as the borrowers and promoters were considered to have substantial experience in managing operations. In the cases where technical support was provided, the borrowers/promoters considered the support helpful.

**EIB project cycle management**

28. The Bank applies uniform procedures for operations’ appraisal, structuring (including pricing), and monitoring, irrespective of their location. The processes for operations’ appraisal and structuring apply to all EIB operations, with no special procedures or attention being given to cohesion-specific aspects. Investments in EIB cohesion regions generally did not receive different, or more advantageous, terms. Only one operation reviewed took the contribution to EIB cohesion regions into account, enabling a larger amount to be extended to the borrower (compared to the financing amount the operation would have received solely under the Bank’s secure energy supply objective).

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3 “EIB technical contribution” refers to technical advice provided ad hoc by EIB technical staff, or to dedicated technical assistance during project implementation by external consultants, but does not include other forms of technical support, such as support for projects by JASPERS (Joint Assistance to Support Projects in European Regions).
With regard to monitoring, EIB clients generally did not consider progress reporting burdensome, but a few specific issues were identified during the review of the 19 operations. The first example is linked to MBILs. Although appraisal documents presented to the EIB governing bodies argued in favour of operations’ expected contribution to cohesion (based on the expected geographic distribution of sub-loans to final beneficiaries), this expectation was not translated into a contractual requirement for financial intermediaries (unlike, for example, the transfer of financial advantage terms included in contracts). At the end of the allocation period, financial intermediaries provide extensive information on the composition of the portfolio of sub-loans, including geographical distribution at the level of NUTS 2 regions. This information, however, is not used to verify operations’ ex-post contribution to cohesion or for aggregate reporting. The actual proportion of sub-loans received by companies located in cohesion regions was verified by the evaluation, and found to be broadly in line with estimates. The second issue concerns information on employment in project completion documents, which could not be validated as it was often based on estimates provided by promoters or EIB staff, rather than consistent methodologies.

The Nomenclature of Territorial Units (NUTS) classification subdivides the economic territory of Member States into territorial units, each with a specific code and name. It comprises three levels. Each Member State is subdivided into NUTS level 1 territorial units (major socio-economic regions), each of which is in turn subdivided into NUTS 2 (basic regions for the application of regional policies) and then NUTS 3 territorial units (small regions).
2. METHODOLOGY

2.1 Operation sample selection

30. The 19 operations evaluated in this report are a purposeful sample selected to capture a range of different country contexts, sectors and EIB financing products.

31. The first step in the sampling process was to cover a breadth of country contexts to reflect:
   - The level of EIB cohesion financing (signed and disbursed) to ensure the evaluation covered a sufficiently large share of cohesion financing between 2007 and 2018, while also reflecting a variety of experiences.
   - The diversity of regions’ economic situations (including low growth and low income regions, as well as least developed and transition regions), to take into account the development status and dynamics of various regions.
   - Whether or not a country was included in previous IG/EV cohesion evaluations, to avoid duplication.

32. Based on these criteria, Italy (IT), Poland (PL), Portugal (PT), Romania (RO) and Slovakia (SK) have been selected. Together, these five countries represent 40% of EIB cohesion financing.

33. Poland, Portugal and Italy are important recipients of EIB cohesion funding as measured by the volume of funds signed. Poland’s signatures represented close to 20% of overall EIB cohesion signatures from 2007 to 2018, while Portugal made up 7% and Italy 8%. For Poland and Portugal, EIB cohesion financing is an important factor in gross fixed capital formation (GFCF) (with EIB cohesion financing representing over 5% of the cohesion regions’ GFCF). Cohesion regions in both countries are developing positively. For Italy, the share of EIB financing in GFCF is less than 3.5%. Gross domestic product (GDP) in Italian cohesion regions has been declining since the early 2000s, compared to the EU average.

34. Romania and Slovakia are medium recipients of EIB cohesion funding, with Romania’s signatures representing 3% and Slovakia’s 2% of overall EIB cohesion signatures. For Romania, EIB cohesion financing as a share of the cohesion regions’ GFCF varied between 3.5 and 5%. For Slovakia the ratio was over 5%. The GDP of cohesion regions in both countries has showed no change since the early 2000s, compared to the EU average.

35. The second step of the sample selection was to identify all the completed operations that formed part of the cohesion evaluation portfolio in these five countries. Operations that were considered completed were:
   - Contracts with a disbursement rate of 80% or more (disbursed amount compared to signed amount, deducting any cancellations).
   - Operations that were fully disbursed and allocated (using the ‘last allocation date’).
   - And contracts for which the remaining operations had project completion documents recorded in the EIB database.

36. Using the above criteria, 364 completed operations that were signed between 2007 and 2017 in the cohesion regions of Italy, Poland, Portugal, Romania and Slovakia were identified.

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5 Cohesion regions in Spain and Germany, the other two large recipients of EIB cohesion funding, were evaluated in 2007 as part of the EIB evaluation on “Investment Loans for Social Cohesion” and were therefore not included in the sample.

6 Changes in regions’ status were assessed based on the average regional GDP from 2000-2002 and 2014-2016. These averages reflect the data points that are used to inform the definitions of regions’ statuses for the 2007-2013 and 2021-2027 Multiannual Financial Frameworks.

7 For the purpose of the selection of the sample, IG/EV has used the reconstructed portfolio of all signatures that account for the cohesion KPI from 1 January 2007 to 1 December 2017 (at the time of selection of the 19 operations, the data for 2018 was not fully available/processed).
37. The final step in the sample selection was to choose operations which represented the different instruments and sectors covered by EIB cohesion financing. For this purpose the following criteria were used:

- Reflection of the various sectors and financial products within the overall cohesion portfolio and also within the portfolio of each of the five selected countries. The intent was to capture a variety of experiences for different combinations of sectors and products.
- Operations with large disbursement volumes, to ensure that a reasonably large volume of the EIB’s operations was evaluated for accountability purposes.
- Operations completed relatively recently to ensure that project completion documents existed and that the findings were relevant for the Bank.
- Exclusion of operations in areas that were evaluated by IG/EV in recent years (including Structural Programme Loans, urban transport).

38. The distribution of the sample of 19 operations by financing product and country is presented in Table 1 below. It includes ten investment loans, six multiple beneficiary intermediated loans (MBIL) and three framework loans (including one blending resources from ESIF and EIB financing).

<table>
<thead>
<tr>
<th></th>
<th>IT</th>
<th>PL</th>
<th>PT</th>
<th>RO</th>
<th>SK</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Framework loan</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Investment loan</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>MBIL</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
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<tr>
<td>Total</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: IG/EV

2.2 Evaluation approach

39. Each operation evaluation built on a review of internally available documentation. That review was undertaken prior to conducting field visits. The documents reviewed included pre-appraisal and appraisal documents, monitoring documents, as well as financial data extracted from the EIB’s information system that tracks all investments. Documents relating to national and/or sectoral policy frameworks, and documents provided by the borrowers were also used. From May to September 2019, IG/EV undertook interviews with the main stakeholders of these operations, such as EIB staff involved in the appraisal and monitoring, borrowers and promoters of the operations, as well as other relevant parties (including relevant national bodies, representations of the European Commission, and the heads of EIB offices).

40. Each of the individual operation evaluations covers OECD DAC evaluation criteria (relevance, effectiveness, efficiency, and sustainability) and EIB-specific criteria (EIB contribution and EIB project cycle management), building upon intervention logic models developed specifically for each operation by IG/EV. Separate rating grids were developed for each of the products under evaluation: one for MBILs, one for investment loans and one for framework loans (see Annex 2).

41. While the reviewed operations were selected to mirror the overall cohesion evaluation portfolio as much as possible, they are a small, purposeful sample. Observations made for this sample are not intended to be generalised to the entire portfolio but have been used to provide insights and explain issues identified at the thematic level.

42. Several issues with the availability and quality of data were encountered during the evaluation process, including:

- Difficulties in verifying the amounts invested in cohesion regions at operations’ completion. In two investment loan operations, the cohesion share at completion was not provided, while in two MBIL operations the cohesion share had to be recalculated due to early prepayments.
• Difficulties in quantifying the distribution of results by NUTS 2 region. The data needed to allow for precise identification and distribution of effects in cohesion regions was often lacking.

• Difficulties in verifying the number of jobs created and sustained. The reported figures for jobs created/sustained and temporary jobs during construction (for investment loans) are based on estimations and are not systematically verified.

43. Another limitation was the ability to assess the sustainability of each investment supported by the products covering a large number of investments (framework loans, MBILs). Furthermore, for investment loans it should be noted that, under the scope of the evaluation, no technical spot checks of the projects financed were performed, due to the limited time available for site visits. For MBILs, sustainability should ideally be measured through competitiveness and the turnover/economic activity of the supported clients, but this information could not be collected with the resources available for this evaluation and therefore could not be assessed. Short visits were undertaken for a small sample of sites (for investment and framework loans) or of private companies (for MBILs). These visits were not intended to lead to a general conclusion for the entire set of projects financed. They were designed to examine implementation challenges and potential good practices, and, in the case of MBIL operations, to test the application of the EIB’s contractual visibility requirement and the transfer of financial advantage.

44. Furthermore, conducting an analysis of results involved looking at completed operations. This meant that the operations reviewed through in-depth evaluations were relatively old. This approach has several practical consequences. In some cases, the interviewees (promoters, borrowers, and EIB staff) were not always knowledgeable of the earlier stages of the operations. These operations are not fully reflective of the most recent approaches or processes adopted by the Bank for its current activities. The evaluation addressed this challenge by complementing the project-level analysis with interviews and studies of current and future activities, while being cautious not to generalise findings beyond what is feasible based on the sample.
3. **Relevance**

45. Relevance defines the extent to which the objectives and design of an operation are adequate to address the issues that justified its approval. In the context of this evaluation, relevance was rated for the following contexts:

- Suitability of the operation to address EU, EIB, and national/regional objectives.
- Adequacy of the design in meeting the needs of borrowers/promoters.
- Whether the selected operations were designed to address sub-optimal investment situations resulting from market failures.

**Box 1 – Relevance: Overall assessment and rating**

The majority of the 19 operations analysed by this evaluation were found to address policy and investors’ priorities within their sector of intervention. This was the case for the investment loans and framework loans reviewed. For credit lines with a cohesion label, this evaluation’s assessment is more nuanced. These operations lacked the client or sector focus needed to truly address the barriers to finance in the countries visited.

On the whole, the contribution of these operations to the EIB cohesion objective was not explicitly spelled out in project documentation. At appraisal stage it was usually described in terms of contribution to the cohesion KPI (i.e. the portion of the investments located in EIB cohesion regions). The analysis of region-specific needs was usually absent. While MBILs and sectoral framework loans reviewed in-depth had multi-regional coverage, they included limited or no information on the needs of the regions they covered.

In all cases, when selecting the borrowers/promoters, the EIB performed an adequate assessment of their capacity to manage and implement the investment projects supported. Overall, the loans were considered to be adapted to the evolving needs of borrowers (such as delays of contractors, or changes in EU-financed programmes).

All 19 operations evaluated were scored as either “satisfactory” or “excellent” for their relevance. The top rating was given to operations which addressed sources of market failures typically found in peripheral, rural or underserved regions.
3.1 Contribution to EU, EIB, and national/regional objectives

46. In terms of design, the reviewed investment loans were all aligned with objectives and needs at the EU and national level, namely:

- National level (Partnership Agreement; National Strategic Reference Framework; sectoral investment priorities, such as broadband, waste management, energy, transport; R&D strategies).

47. The majority of the 19 operations analysed were found to address policy priorities within their sector of intervention. In waste management, for example, the EIB helped address an important need, which was bringing municipalities in cohesion regions in line with the EU Landfill and Waste Framework Directives. In Slovakia, which has one of the lowest high-speed mobile broadband coverages in the European Union, the EIB supported a telecom promoter trying to expand broadband access to peripheral and sparsely populated regions. In Romania, the EIB supported a rural development programme aimed at improving access to basic public services and economic activities in rural regions that count among the poorest in the European Union.

48. Several projects analysed were dedicated to improving the reliability of the energy supply and the energy mix in regions characterised by obsolete energy infrastructures and high dependence on energy imports. In the area of innovation, EIB support to Polish universities paved the way for increased RDI spending as a percentage of GDP in hosting regions. Similar to investment loans, the reviewed framework loans were also relevant to EU and EIB objectives and needs, such as EU Territorial Agenda and EU Strategic Guidelines for 2007-2013, and national ones, such as National Strategic Reference Framework (NSRF), Partnership Agreement, Strategy of National Development, National Strategy of Regional Development, National Strategy for Rural Development, and sectoral strategies in fields like sports, culture, and road infrastructure. For example, in Poland, EIB support to municipalities was geared towards enhancing accessibility to local economic centres in peripheral regions.

49. For credit lines with a cohesion label, this evaluation’s assessment is more nuanced. The six credit lines reviewed were typically illustrative of standard MBIL products, with a wide sectoral eligibility enabling the product to be used for a broad range of beneficiaries, but at the same time without a clear target of addressing specific investment gaps. This evaluation found that these operations lacked the client or sector focus needed to be able to address barriers to finance in the five countries. In addition, the proportion of sub-loans going to companies in cohesion regions was estimated based on the financial intermediary’s existing pipeline, but not converted into a contractual requirement or a dialogue that would encourage the intermediary to make more of an effort to support specific [cohesion] regions. MBIL appraisal documents mentioned some sectoral targets, such as for energy (e.g. renewable energy and energy efficiency), but these expectations were based on the experience of previous operations signed with the same intermediary rather than targets to increase business in such areas. Except for reducing the funding costs for final beneficiaries, the interviewed financial intermediaries confirmed that there was no specific client or sector focus addressed via the credit lines.

50. While operations adequately addressed investment needs at national level, limited attention was paid to the diverse and specific needs of the regions covered. An analysis of region-specific needs was usually absent in project documentation. MBILs and sectoral framework loans reviewed in-depth covered multiple regions, but they did not include much information on the needs of these regions, or the potential challenges that could be addressed. Only one project which combined EIB financing with EU Structural Funds put together detailed analyses of region-specific needs. The analysis was undertaken by promoters at the request of the European Commission.

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8 EU, Territorial Agenda of the European Union 2020. Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions, available [here](#).
51. The main – and in several cases only – dimension related to cohesion described in project documentation was the operation’s contribution to the EIB’s cohesion KPI. The EIB calculates an operation’s contribution to the cohesion KPI by computing the share of the investments expected to be located in EIB cohesion regions. These shares are based on the geographical location of the investment assets, without consideration of where the effects are felt. In the case of electricity network or renewable energy production assets, effects that were expected to occur addressed objectives at the national rather than the regional level. In another case, there was some potential conflict in a RDI project between the geographical cohesion objective and the innovation objectives given the fact that research institutes are often located in more developed regions. At the same time, investments in innovation activities located in less developed regions facilitate their evolution from simply offering a cheaper workforce towards increasing their involvement further downstream in the value chain.

3.2 Relevance in relation to promoters’ needs

52. The loans were found to be adequate to meet the needs of the borrowers/promoters. Out of the 19 operations within the sample, 14 were rated “excellent” in meeting the needs of the borrowers/promoters, with the other five rated “satisfactory”. Overall, the financial terms provided took into account the promoters’ specific financing needs at the time. The timing of the operation was also generally appropriate, with several operations starting in the aftermath of the financial crisis or at the period when the markets were slowly recovering from the credit crunch.

53. In all the reviewed cases, the EIB performed an adequate assessment of the borrowers’/promoters’ capacity to manage and implement the investment projects supported. For MBILs, the EIB assessed the extent to which the financial intermediaries had the ability to extend loans to small and medium-sized businesses (SMEs) and mid-caps, including through their existing national branch network and relationships with small businesses. For investment loans, the capacity of the borrowers/promoters to manage their financial resources (credit needs and diversification of funding sources) and to implement their projects (technical capacities) were analysed.

54. On the whole, the EIB was also considered to be adaptive to the changing needs of the borrowers/promoters. For example, in one case the EIB responded to the need to extend the loan availability period for delays caused by contractors. In another case, the EIB allowed the deadline for projects eligible for EIB co-financing to be extended during implementation, to re-allocate resources freed by an increase in the European Commission’s co-financing share.

55. In one of the cases, despite an overall positive assessment regarding the flexibility of the EIB to adapt loan conditions and reallocate the financing between sub-projects, a borrower noted that the investment loan product used may not have been the most suitable for the operation, given unplanned changes in project components.

3.3 Relevance in relation to sub-optimal investment situations resulting from market failures

56. Several of the investment and framework loans analysed were highly relevant in addressing market failures\(^9\). While the contribution was not always explained in appraisal documents, several examples of operations addressing sources of market failures typically found in peripheral, rural or underserved regions were identified:

- Positive externalities of broadband access to peripheral areas.

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\(^9\) The economic literature identifies various sources of market failures, which lead to inefficient allocation of goods and services. The main ones are the following: (i) public goods, for which parties have no incentive to invest, while their use without financial compensation leads to their gradual depletion, making the parties collectively worse off; (ii) market structure/imperfect competition; (iii) positive or negative externalities when parties fail to internalise the social benefit (or cost) of their actions and indirectly impose them on third parties external to the transaction; (iv) information asymmetries where at least one of the parties involved in a transaction has incomplete or unreliable information.
• Positive economic and social externalities of municipal infrastructures in rural or remote areas, in the form of a higher quality of enabling services and improvement in the quality of life for residents.
• Reduction of market power and increased competition through diversified sources of energy supply.
• Positive externalities in the form of public health benefits and lower pollution through the modernisation of solid waste management and treatment systems.
• Financial market failures resulting from limited access to and/or higher cost of finance for RDI activities, the result of information asymmetries, lack of collateral and/or lack of track record.

57. The extent to which the MBILs addressed credit rationing is more nuanced. They did not address structural market failures, while they did address cyclical market failures.

• The six MBILs reviewed were not designed to target specific groups of finance-constrained companies. In these cases, the EIB did not provide additonality, as the sub-loans were allocated by the local banks to regular operations with traditional clients, through existing in-house products. The appetite of intermediaries interviewed for more sector- or client-focused MBILs was limited, considering the challenge of mobilising a sufficient pipeline of projects. The feedback obtained from several of the intermediaries interviewed was that risk-sharing products were the most likely product to change lending behaviour towards specific groups of clients. Finally, the ability of the selected intermediaries to reach out to peripheral regions was not consistently explained in the appraisal documents reviewed. IG/EV identified, however, positive cases of partner banks offering a very local, decentralised outreach to underserved areas.

• By contrast, the standard MBIL products provided additonality through intermediary banks during the 2008-2010 financial crisis. Some operations in Portugal or Italy were started during the economic downturn following the financial crisis. EIB intermediated lending addressed cyclical market failures by enabling local banks to maintain a certain volume of sub-loans and to transfer advantageous conditions during a period of tight credit conditions. The additonality offered – by strengthening financial intermediaries’ balance sheets during the financial downturn – was however not explicitly stated in project documents. In Poland, a country relatively untouched by the credit crunch, additonality was not prominent. In some cases the operations took place after the credit crunch that followed the crisis, or during periods of decreasing credit constraints for local banks and small businesses, making the timing “less countercyclical”.


4. Effectiveness

Effectiveness defines the extent to which the stated objective of an operation has been achieved, or is expected to be achieved, while recognising any changes introduced since its approval. The assessment of effectiveness addresses each step of the operation’s intervention logic: outputs, outcomes, and, to the extent possible, broader contribution to the society or economy.

Box 2 – Effectiveness: Overall assessment and rating

In general, this evaluation found that the investments and the associated outputs occurred in line with expectations, also for the expected share of investments located in cohesion regions. However, the evaluation also found that the Bank does not systematically report on the actual (realised) location of investment loans and framework loans at completion.

For the reviewed investment loan operations, the expected output (physical infrastructure for communication, transport, energy, waste management, and research, development and innovation (RDI)) were mostly, or fully delivered. These investments occurred in cohesion regions and were broadly in line with estimates made at the appraisal stage. Several investment loans achieved a meaningful contribution to the process of convergence, although this contribution was not always documented at the appraisal or completion stages.

Regarding MBILs, in four cases the EIB credit line was fully disbursed and allocated to final beneficiaries largely in line with expectations. However, in two cases the MBILs were not fully allocated due to difficulties for the intermediaries to meet the EIB’s requirement to transfer a financial advantage. These two operations did not deliver all expected outputs and, as a result, their effectiveness score was partially unsatisfactory. The actual portion of sub-loans received by companies in cohesion regions was broadly in line with estimates. For outcomes, in all cases where allocations occurred, the committed minimum transfer of financial advantage was respected, and sometimes even surpassed. Overall, the maturities offered by financial intermediaries to final beneficiaries were longer than those traditionally offered by the market, but not necessarily longer than the average maturities of the intermediaries’ entire portfolio for similar clients.

As regards the outputs of the three framework loans, the loans were fully disbursed and allocated by the deadline. For one of these, the framework loan was fully allocated before the end of the final availability date, but the project’s initial scope was reduced after cuts in the national budget. Concerning outcomes, the success of the framework loans operated with public entities depended on the achievements of the programmes supported.

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10 Excluding one of the three framework loans, which had the characteristics of an MBIL.
4.1 Delivery of expected outputs

59. EIB Services estimate the share of investment located in a cohesion region at the appraisal stage, in slightly different ways depending on the nature of the operation.

- **Investment loans**: EIB Services estimate the percentage of the total project investment expected to be spent in eligible cohesion regions. This percentage is applied to the EIB loan amount, and it reflects the operation’s monetary contribution to the cohesion KPI.

- **Operations for which the specific investments and their location are unknown at appraisal (typically framework loans)**: In cooperation with clients, EIB Services estimate the share of the project investment expected to be spent in cohesion regions, based on lists of projects or on previous similar operations.

- **Multiple beneficiary intermediated loans (MBILs)**: Where the physical location of the final beneficiaries supported is usually unknown at appraisal, EIB Services, together with financial intermediaries, estimate the expected proportion of final beneficiaries located in eligible cohesion regions, based on previous operations.

60. **At completion, the actual location of investment loans and framework loans is not systematically reported.** The actual percentage of cohesion lending at completion is only systematically reported for MBILs.

- Project completion documents do not always indicate the actual contribution to cohesion. For example, they may not take into account changes in the regional location of investments and/or project cancellations. Out of the ten investment loans reviewed, three did not provide any information on the regional breakdown of investments, four provided partial information, and only three provided an update of the cohesion share at project completion.

- For MBIL operations, data on final beneficiaries includes their location by NUTS 2 region. This information can be aggregated, thereby providing an actual figure for the operations’ contribution to cohesion at completion.

61. **This evaluation found that, in general, the investments and related outputs met expectations, in terms of proportion of investments located in cohesion regions.**

**Investment loans**

62. The generic intervention logic for investment loans, which was used for the assessment of their effectiveness, is presented in the table below:

<table>
<thead>
<tr>
<th>Input</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIB investment loan for a specific type of infrastructure (e.g. telecom infrastructure)</td>
<td>Type of equipment, facilities, and physical infrastructure. Example: Replacement of old equipment (2G) by 3G infrastructure</td>
<td>Expected improvements in availability and quality of service, following the delivery of outputs. Example: Improvement of coverage of broadband data services.</td>
<td>Contribution to EU/national objectives. Example: Smart growth: enhancing access to, and use and quality of, information and communication technologies (ICT)</td>
</tr>
</tbody>
</table>

Source: IG/EV
63. In all reviewed individual investment loan operations, the expected outputs were mostly or completely delivered, and the EIB financing contributed to their achievement. Examples of results in the RDI, ICT, transport, energy, and waste management sectors are provided below.

64. RDI: All the five countries with projects reviewed are classified as moderate or modest innovators in the European innovation scoreboard. As a whole, their investment in RDI at the national level has also been below the euro area average. Partnership Agreements and internal EIB analysis have identified the need to fill “technological gaps”, such as improving the equipment used in research institutions. Two of the evaluated operations aimed to boost RDI capacity and delivered the following outputs:

- Strengthened RDI facilities and capabilities.
- Improved RDI infrastructure.

65. ICT: A common issue across the five countries, where operations were evaluated, is a gap in access to adequate ICT infrastructure, especially in rural areas. One of the reviewed projects was addressing this issue by providing new technology and replacing old communication equipment.

66. Transport: The quality of transport infrastructure in the five selected countries differs, but altogether it is lower than the EU average. With the exception of Portugal, the quality of roads in the other four countries is far below EU standards. Thus, transport infrastructure investments in all countries remained a priority throughout the 2007-2013 and 2014-2020 programming periods. One operation addressed this need by improving motorway infrastructure that formed part of the Trans-European Transport Network.

67. Energy: All five countries need further investments in the energy sector to become less dependent on imports and make their energy production more sustainable. Internal EIB analysis notes the need for more investments to improve energy production, transmission and distribution infrastructure, increase efficiency and strengthen interconnections with neighbouring countries. In this regard, five of the reviewed operations delivered the following results:

- Refurbishment and expansion of energy transmission networks, including development of transmission stations.
- Installation of wind energy production facilities.
- Repowering of pumped storage hydropower plant.

68. Waste management: In the five countries, waste management required investments to ensure compliance with the EU legislation. The reviewed project delivered outputs through the modernisation and expansion of municipal waste management systems.

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11 See European Innovation Scoreboard 2019, available here.
12 See EU Transport Scoreboard, available here.
Multiple beneficiary intermediated loans and framework loans

69. The effectiveness of MBILs was assessed against the following generic intervention logic\(^{13}\).

<table>
<thead>
<tr>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impacts</th>
<th>Economic growth in convergence regions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EIB signs and disburses loans to financial intermediaries, which are then allocated to eligible final beneficiaries (small businesses, mid-caps and public entities).</td>
<td>Final beneficiaries receive the funding with a financial advantage and long tenor.</td>
<td>Final beneficiaries undertake their investments.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial intermediary improves its market competitiveness and asset-liability management.</td>
<td>Final beneficiaries increase their competitiveness and create jobs in various sectors (including environment, energy, education, R&amp;D and health).</td>
<td></td>
</tr>
</tbody>
</table>

Source: IG/EV

70. At the level of outputs, the reviewed MBILs and framework loans performed differently in terms of the disbursement and allocation of EIB financing. With the exception of two cases, EIB financing was fully disbursed and allocated to final beneficiaries largely in line with expectations.

71. In one of these two cases, the second loan tranche did not meet allocation expectations. It was signed over a year after approval, and disbursed almost three years after approval. In the meantime, funding conditions and alternative financing options had improved. These changing market conditions made it difficult for the intermediary to transfer the minimum financial advantage anticipated. Despite extending the allocation period twice, more than one-third of the size of the operation was prepaid either without having been allocated or having been allocated for a brief period of time only.

4.2 Achievement of expected outcomes

Investment loans

72. In all reviewed investment loans, the expected outcomes were mostly, or fully achieved. Examples of outcomes and of support for convergence are provided below.

73. RDI: The strengthened RDI facilities and capabilities resulted in the development of new knowledge and innovative technologies, methodologies and products. The strengthened RDI contributed to the creation of improved conditions for research, technological development and innovation in cohesion regions.

74. ICT: The provision of new technology and replacement of old communication equipment under one operation led to improvement of the coverage of broadband data services and energy efficiency. Furthermore, the installation of new equipment reduced CO\(_2\) emissions. The improvement of mobile broadband coverage took place in cohesion regions where the population’s coverage to 3G and 4G access increased. It should be noted that no details were available on the precise location of the investments and the resulting improved coverage.

75. In the transport sector, improved motorway infrastructure resulted in reduced travel time and road accidents. The motorway that was supported is a part of the Trans-European Transport Network

\(^{13}\) Considering the specific nature of the reviewed framework loans, no generic intervention logic is presented here.

\(^{14}\) Idem.
(TEN-T), an important mechanism for increasing economic development and convergence. However, no concrete data was available to assess the operation’s impact on convergence.

76. **Overall, several investment loans achieved a meaningful contribution to convergence, although this contribution was not always documented** at the appraisal or completion stages. For example:

- Reducing disparities in zonal prices of energy: an operation in Italy allowed for improved electricity supply for users throughout the country (both in EIB cohesion and non-cohesion regions). Furthermore, the operation contributed to a reduction of the energy not supplied – that is the volume of energy to customers that is lost as a result of faults or failures on the network.
- Extending access to broadband technology in rural and remote cohesion regions.
- Supporting the shift away from an economy that owes its competitiveness to a comparatively cheap labour force to an economy able to build on its knowledge base, through enhanced research, technological development and innovation.
- Enhancing standards of living and economic opportunities in poor rural areas and small cities through the provision of basic public facilities.
- Supporting convergence with EU standards for waste management. The modernisation and expansion of municipal waste management systems under an operation in Portugal decreased the amount of waste being sent to landfills without treatment (the overall figures for Portugal were 33% in 2018, compared with 55% in 2012). The investments supported brought Portugal closer in alignment with EU standards for waste management. The project supported the compliance of the targeted regions with Landfill Directive 1999/31/EC and the EU recycling target outlined in Waste Framework Directive 2008/98/EC.\(^\text{15}\)

**Multiple beneficiary intermediated loans**

77. In all evaluated MBIL cases, the minimum transfer of financial advantage committed to in the contract was met, or surpassed.

78. One of the framework loans evaluated had several MBIL characteristics.\(^\text{16}\) For this reason the analysis of the outcomes for this framework loan has been included in this section. Interviews with a small sample of final beneficiaries for this framework loan suggest that a successful transfer of the financial advantage was achieved for the interest rate and maturity, yet little data is available to validate this. One explanation for this lack of data is that framework loans, unlike MBILs, do not require the financial intermediary to monitor the transfer of financial advantage. Adapting the framework loan by including certain features of the MBIL loan provided an appropriate financial product for the purpose of this operation (flexibility on the size of the projects supported), albeit with certain gaps on ex-post reporting on investments achieved when compared to standard MBILs.

79. **Maturities offered to final beneficiaries under the EIB financing were not significantly different from those offered to similar clients.** In two cases the borrowers confirmed that the EIB credit line extended the standard tenors. For four other cases the maturity of the EIB-supported allocations was no longer than the average maturity of the financial intermediary’s entire portfolio of credits with similar clients. For one case no data was available to make the assessment.

80. The share of EIB allocations for EIB cohesion regions, estimated at the appraisal stage, is not converted into a contractual requirement. Nevertheless, in all but one case, the estimated share of the financing of the reviewed operations went towards investments in EIB cohesion regions.

\(^\text{15}\) Waste Framework Directive 2008/98/EC was, however, not yet in force at the time of project appraisal (2007), hence EIB due diligence was not carried out on the basis of that directive.

\(^\text{16}\) The aim of the operation was to provide financing to all types of investors for small to medium-scale investments with a specific sectoral coverage, such as renewable energy and energy efficiency.
81. In one evaluated framework loan, the supported projects with municipalities achieved their outcomes. These in turn were expected to contribute to cohesion because the loans supported investments in a range of sectors designed to improve economic opportunities and living standards, such as local road reconstruction, passenger train rolling stock, sports infrastructure, natural disaster recovery, culture infrastructure, and social housing.

82. Another of the evaluated framework loans, which combined EIB and ESIF resources, did not fully achieve the anticipated results. For this operation significant issues were reported, including a substantial over-estimation of the programme targets at the design stage. Furthermore, demand was lower in some areas than initially estimated at appraisal. The performance of the programme was beyond the EIB’s control. The EIB operation was flexible enough to adapt and refocus the operation to align with the most requested measures, following several amendments agreed by the European Commission.

4.3 Overall impacts

Investment loans

83. It is methodologically difficult to isolate and attribute to a single operation an overall effect on the wider economic, social and environmental conditions. Instead, this evaluation analysed the contribution of the operations reviewed to higher-level, long-term objectives for smart, sustainable and inclusive growth. The extent of such contribution could not, however, be quantified.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Operation/Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>RDI</td>
<td><em>Smart growth</em>&lt;br&gt;Contribution to growing share of RDI expenditure as share of GDP&lt;br&gt; Strengthening of research, technological development and innovation of the Italian semi-conductor manufacturing industry</td>
</tr>
<tr>
<td>ICT</td>
<td><em>Smart and inclusive growth/European Digital Agenda</em>&lt;br&gt;Increased access to and use and quality of information and communication technologies (ICT)</td>
</tr>
<tr>
<td>Transport</td>
<td><em>Inclusive growth/TEN-T network</em>&lt;br&gt;Increased interconnectivity of regions</td>
</tr>
<tr>
<td>Energy</td>
<td><em>Sustainable growth/Increasing energy efficiency and security of supply</em>&lt;br&gt; Increased transmission capacity, contributing to an increased number of customers, a reduction in losses and enhanced quality of the electricity supply and overall energy security&lt;br&gt;The development of the liquefied natural gas terminal and storage unit contributes to the security of European energy supply</td>
</tr>
<tr>
<td>Waste management</td>
<td><em>Sustainable growth</em>&lt;br&gt;Development of wind energy capacity and hydropower plants leading to increased renewable energy production and reduction in GHG emissions</td>
</tr>
<tr>
<td></td>
<td>Enhanced ability to meet EU recycling targets</td>
</tr>
</tbody>
</table>
Multiple beneficiary intermediated loans

84. Data reported in allocation sheets does not enable IG/EV to evaluate whether operations enhanced the competitiveness of final beneficiaries. Nevertheless recent studies conducted on a similar subject, although without a cohesion focus, provide interesting insights. In 2019, the EIB’s Economics Department released an impact study of EIB MBILs in the European Union from 2008 to 2014.\textsuperscript{17} This study found a significant positive effect of EIB credit lines on companies’ employment (4% to 6% higher than for non-financed peer group companies), growth and investment (8% to 14% higher than for non-financed peer group companies). The effect was assessed as being even higher during the 2008 financial crisis. The impact of EIB lending on employment, fixed assets and leverage was estimated to be higher in Central and Eastern Europe, South-eastern Europe and Southern Europe (coinciding with cohesion regions) than in Western and Northern Europe. Another study from the EIB’s Economics Department, focusing on Central and Eastern Europe, provided similar conclusions.\textsuperscript{18}

\textsuperscript{17} EIB, Economics Working Papers 2020/04, Making a difference: Assessing the impact of the EIB’s funding to SMEs, available here.
\textsuperscript{18} EIB Economics Working Papers 2019/09, The impact of EIB lending support for SMEs in Central and Eastern Europe, available here.
5. **EFFICIENCY**

85. Efficiency defines the extent to which the benefits of an operation are commensurate with the costs or resources used. This question is considered from the point of view of the EIB and the borrower/promoter. The evaluation assesses cost efficiency (delivery of expected outputs compared to financial inputs), benefits of EIB support as compared to administrative costs from the point of view of borrowers/promoters, as well as the timeliness in implementing the operation.

### Box 3 – Efficiency: Overall assessment and rating

The cost efficiency of all reviewed investment loans has been ensured, with nine out of ten operations delivering more than the planned outputs within budget, or achieving the planned outputs with a lower budget. The sampled investment loans demonstrated flexibility in terms of financing additional investments initially not within the project scope, but duly justified. The reviewed framework loans were flexible by design, allowing for financing components not yet identified at the appraisal stage.

The interviewed borrowers/promoters unanimously considered that the benefits of EIB support – financial conditions such as advantageous interest rates and long tenors – outweighed or were commensurate with the required administrative costs, or the costs related to monitoring and reporting on the operation’s implementation.

The reviewed operations followed different timelines and in some cases the project was completed before the date anticipated at the appraisal stage.

![Efficiency Graph](image)

#### 5.1 Cost efficiency of the operations

86. The cost efficiency (the relation between financial inputs provided and outputs delivered) of all reviewed investment loans has been ensured, with nine out of ten operations achieving the planned outputs with a lower budget, or in some cases even surpassing the anticipated deliverables within the same budget. In most cases, project implementation was below relatively conservative budgets (i.e. what appears as cost savings are actually precautionary conservative costs).

87. The sampled loan operations demonstrated flexibility by including additional investments in line with the scope of the projects, allowing for the full mobilisation of EIB financing.

88. The reviewed framework loans demonstrated a higher level of flexibility, given the nature of these products, for which the investments components are not entirely identified at the appraisal stage.
• For the operation that combined EIB and ESIF resources, the flexibility of the framework loan was essential to achieve the operation’s objectives and the needs of the promoter. The change of the operation’s scope fell within the project parameters established in the technical description, allowing for the 15 modifications of the programme approved by the European Commission. This enabled the EIB to focus its co-financing efforts on the most requested measures of the programme. In addition, the time scope of schemes eligible for EIB co-financing was extended during implementation to reallocate resources freed by an increase in the European Commission’s co-financing share. Both the promoter and the borrower confirmed the benefits of the flexible allocation process and the ability to respond to changes in the supported programme.

• In the framework loan for municipal infrastructure, the borrower selected sub-projects in line with the EIB’s eligibility criteria. Bank funds were to be allocated to the projects with procedures adjusted according to the project size and in line with applicable framework loan procedures. The promoter cited this flexibility as essential to achieving the operation’s objectives.

5.2 Benefits of the operation vs. managing administrative costs from the borrower’s and promoter’s viewpoint

89. The benefits of operations either outweighed or were in line with the required administrative costs according to the borrowers/promoters interviewed. Overall, borrowers said that reporting was not excessive and that the information provided to the EIB was usually collected routinely on an annual basis (such as for broadband coverage and installed production capacity). There was one exception to this, where the promoter found it difficult to fully satisfy certain elements of the administrative requirements and reporting required by the EIB. In this case, the high level of reporting requirements was exacerbated (a) due to a mismatch in reporting schedules between the EIB and the promoter, which were required at different times of the year, and (b) the need to involve staff from across the company in reporting, which represented a relatively heavy workload not only for the finance department, but for the whole company.

90. The EIB was initially perceived as demanding, but repeat operations tended to progress faster as they built on know-how both from the EIB and the borrower/promoter. Some promoters considered the EIB particularly demanding for due diligence requirements and technical documentation required prior to the approval and disbursement of funding (particularly regarding environmental impact risks) and for compulsory reporting during project implementation. Nevertheless, once the promoters had familiarised themselves with the EIB requirements, these requirements were not considered excessive.

91. For the sampled MBIL operations, the benefits of the loans (financial conditions such as interest rate and long tenor) were seen as largely outweighing the administrative costs for financial intermediaries and the final beneficiaries. Long-standing relationships between the EIB and the financial intermediaries ensured a good understanding of procedures and facilitated the implementation of EIB reporting requirements, which were not considered to create an unnecessary administrative burden. One practical issue mentioned by two intermediaries was the extra cost of adapting their own software tools to the EIB requirements for allocations.

92. Some financial intermediaries interviewed found interactions with the EIB to be less bureaucratic than other initiatives, such as financial instruments financed by ESIF (for example the JEREMIE programme, Jobs for Youth) or by other financial institutions (such as the European Bank for Reconstruction and Development or the Council of Europe Development Bank).

93. None of the handful of final beneficiaries interviewed had a negative opinion about the EIB’s reporting obligations. They did not find that the demands of EIB resources generated additional procedures or information requests or required specific management procedures to be put in place.
5.3 Timeliness in implementing the operation

94. The timeliness of the reviewed investment loan operations was assessed based on the following elements:
   - Comparison between the number of days to signature (which is the number of days between start of appraisal and the signature of the first underlying financing contract), to the median of days to signature observed for cohesion operations for similar types of products.
   - Last disbursement made before or after the availability period.
   - Work completed before or after the planned project end date.

95. Based on the above criteria (see also Annex 2), timeliness was rated excellent for one investment loan operation, satisfactory for five investments, moderate for three, and unsatisfactory for one. Factors that increased time to signature included complex financing agreements involving international companies (which resulted in lengthy negotiations) and requests for additional environment analyses by the promoter (which delayed signature but also set good practice standards and ensured that projects’ cumulative effects were taken into account). Operations with known counterparts tended to reach signature faster. Factors that delayed the completion of works were usually outside EIB control, such as delays in tendering processes, construction delays due to technical challenges (such as rough terrain) or sub-contractors’ bankruptcy. For example, the operation that was rated unsatisfactory for timeliness was because the availability period at signature was extended and works were completed after the date forecasted at appraisal, due to a contractor filing for bankruptcy.

96. The performance of framework loans was excellent for the timeliness of all three operations. For all framework loans reviewed, time to signature was faster than average, the last disbursement was within the availability period and works were performed within the completion deadline anticipated at appraisal. All counterparts were well known to the Bank, and two of them were public authorities, which may explain the speed.

97. For MBILs, instead of looking at project completion date, the assessment examined whether the initial allocation period was extended. For the six MBILs analysed, one was rated excellent, two satisfactory, and three moderate. Extension of the availability period was the main factor behind the “moderate” rating of three of the six MBIL operations assessed. The allocation periods of half of the MBIL operations reviewed were extended due to non-allocations, including for example, the case of one operation in which part of the credit line was prepaid due to the declining competitiveness of the EIB loan conditions and an inability to transfer the expected level of financial advantage to final beneficiaries.
6. SUSTAINABILITY

98. Sustainability assesses whether the benefits of the projects are likely to continue in the medium and long term, or whether those benefits are threatened. The evaluation assessed several dimensions of sustainability: physical, financial and economic, environmental and social, and financial, operational and institutional sustainability.

**Box 4 – Sustainability: Overall assessment and rating**

Based on the material available, the physical sustainability of the projects supported through investment loans is likely to be ensured. The promoters were sufficiently experienced and mobilised the resources necessary to maintain and improve the assets invested in. Promoters that received framework loans had maintenance procedures in place, but one case showed that municipal authorities faced difficulties in ensuring maintenance and other checks for infrastructure investments.

For the reviewed investment loans and framework loans, no or limited negative environmental impacts (mostly during construction) were noted, and, overall, the environmental impact after project completion was positive. The most prominent social impact of the supported projects was the effect on employment through the permanent jobs created/sustained and temporary jobs created during construction, but it should be noted that the reported figures are based on estimates only.

(Sustainability of MBIL operations not rated)

<table>
<thead>
<tr>
<th>Sustainability</th>
<th>Excellent</th>
<th>Satisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 investment loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 investment loans, 3 framework loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

6.1 Physical sustainability

99. **The physical sustainability of the projects supported through investment loans is likely to be ensured.** Based on the appraisal and completion documentation, and interviews, the evaluation found that promoters have mobilised sufficient resources for maintenance and continue to invest in improving the investment assets. The promoters were sufficiently experienced and have the necessary systems in place to guarantee the sustainability of the supported investments. No significant issues with the physical sustainability of the visited projects were identified or raised by the promoters. It should be noted that no technical spot checks were carried out.

100. **The physical sustainability of the reviewed projects supported via framework loans has only been ensured to a certain extent.** In one of the operations, procedures were in place to ensure the technical sustainability. The appropriate application of these procedures falls beyond the remit of this evaluation. In the other operation, final beneficiaries (municipalities) had to present arguments for the technical sustainability, while for the infrastructure projects the national legislation had specific provisions to include in the feasibility study (part of the project documentation) and robust guidelines on how to ensure technical sustainability. However, the
capacity of the municipalities varied and in some instances irregularities were documented concerning technical controls and maintenance. As evidenced by the national audit office’s reports, a large number of the inspected municipalities did not duly carry out regular checks of the supported road infrastructure. Due to shortages in financial resources, a considerable share of municipalities failed to ensure that appropriate maintenance was carried out and over half of the authorities inspected by the audit office lacked municipal infrastructure development plans, which greatly hindered maintenance.

6.2 Environmental and social sustainability

101. For the reviewed investment loans and framework loans, no or only limited negative environmental impacts were reported during construction and overall positive environmental impacts were reported after project completion, such as improved waste management, energy savings, integrating sustainable energy sources into the power grid, and increasing the share of energy from renewable sources. In cases where risks for Natura 2000 sites were identified at the appraisal stage, appropriate measures were taken to monitor and mitigate these risks. In two cases, the identification of net environmental benefits in terms of the carbon footprint was difficult due to the nature of the projects: supply of natural gas, which is not a sustainable source, but could have positive effects in phasing out coal; and a road transport project that increased traffic, but possibly contributed to avoiding bottlenecks, which makes it difficult to estimate the greenhouse gas emissions.

102. The most prominent social impact of the projects supported was the effect on employment in the form of permanent jobs created/sustained and temporary jobs during construction. The type and magnitude of these effects differed significantly among projects. In some cases, no positive effects were observed for creating direct permanent employment. Other projects led to an increase in the number of permanent jobs; and yet others created a significant number of temporary jobs during implementation.

103. It should be noted that most of the employment figures are estimates, and there is no systematic monitoring of the jobs’ duration or type. The interviews with promoters of investment loans indicated that the creation of jobs was not perceived as the most important impact of the investments.
7. **EIB CONTRIBUTION**

**Box 5 – EIB contribution: Overall assessment and rating**

The EIB’s financial contribution was the most important element of additionality reported by borrowers. The EIB’s financial contribution to the operations evaluated was high overall. For virtually all of these operations, borrowers were unable to raise loans that would offer the same rate and tenor combination. The pricing offered by the Bank was viewed as extremely competitive in the years following the outbreak of the 2008 financial crisis, which enabled the EIB to play an important countercyclical role in the most credit-constrained countries. In a context of abundant liquidity, the EIB’s financial contribution has recently eroded.

According to the information gathered and perceptions of borrowers/promoters interviewed, the EIB’s financial facilitation was limited, which is contrary to the expectations set in most of the project appraisal documents reviewed. Good complementarity with EU funds was observed, but only in a limited number of cases did the EIB’s participation catalyse other private/public financing.

In most of the operations reviewed, no technical contribution by the EIB was envisaged or delivered, as the borrowers and promoters were considered to have substantial experience of managing operations. In the cases where technical support was provided, the borrowers/promoters considered it helpful.

The score on EIB contribution in the majority of cases was assessed as significant, but in six cases it was rated moderate, essentially due to the lower level of financial facilitation than anticipated at appraisal:

![EIB contribution](image)

104. The assessment of EIB contribution is based on three dimensions, in line with Pillar 3 of the 3 Pillar Assessment Methodology (3PA):

- EIB financial contribution identifies the value added provided by the EIB loan compared to alternatives sources of funding available to the borrower, whether in terms of the loan’s tenor, and/or cost of funding.
- EIB financial facilitation identifies how the EIB increases the efficiency of other stakeholder support. Financial facilitation may result from providing innovative products, or from complementing other financiers by attracting other private sector financing or by leveraging public-sector financing (from national or EU budget and financial instruments, for example).
- EIB technical contribution relates to any non-financial contribution to the operation provided by the EIB, which may take the form of improvements of the technical, economic or financial aspects of the projects financed through framework loans (enhanced quality), improved management practices of the authority and/or promoters to allow for the expected pipeline of projects.
105. The evaluation assessed these dimensions by applying the 3PA methodology that was applicable when these operations were approved. It is worth noting, however, that the framework for assessing the EIB’s contribution is evolving. At the time of drafting this report, the EIB was in the process of strengthening its additionality framework. The approach under development assesses not only the inputs provided by the EIB, but also the influence that such inputs had on the projects supported and the results achieved. Moreover, the framework under development intends to go into more detail in the identification and assessment of the market failures which caused the lack of the appropriate (financial and/or non-financial) inputs needed for the project. In the section below, the rating of EIB contribution is based on the 3PA framework applicable at the time of appraisal and completion, but aspects of the proposed new framework (market failures and influence of EIB support on projects supported) are also considered (though neither rated nor used as evidence for rating operations).

7.1 EIB financial contribution

106. The financial contribution of the EIB for the individual operations evaluated was high overall. For virtually all of the operations, the borrowers were unable to obtain on the market the same combination of rate, tenor and volume. The expected financial contribution set at appraisal materialised in most cases.

107. The long tenors offered by the EIB were highly valued for their ability to match the economic lifecycle of the investments financed. One borrower stressed that even though they were generally capable of raising funds from the capital/banking market with pricing conditions not that different from the EIB’s conditions, the EIB loans were highly attractive because of their long tenors. The inability to raise financing with the same maturities and price was confirmed by most of the borrowers interviewed.

108. For interest rates, the EIB offer was particularly competitive in the years following the financial crisis. The combination of low interest rates and long maturities of the EIB was better than those of commercial banks at the time of signature of the loans. The pricing offered by the Bank was viewed as extremely competitive in the years following the outbreak of the 2008 financial crisis, which enabled the EIB to play an important countercyclical role in the most credit-constrained countries. One of the borrowers explained that they could not raise financing with similar conditions (interest rate, tenors, grace period) in the currency of the loan (euro), while another highlighted the significant volume of the loan, which could not have been obtained from another single source. In a context of abundant liquidity, the EIB’s financial contribution has recently eroded, but its combination of rates and maturities remains unmatched by competitors.

7.2 EIB financial facilitation

109. The information gathered and perceptions of the borrowers/promoters interviewed indicate that EIB’s financial facilitation was limited. The assessment of EIB facilitation for the 19 operations reviewed the extent to which EIB financing catalysed other private/public financing, resulted in a signalling effect for promoting other comparable and valuable projects, or provided innovative financial products. The assessment of low financial facilitation was contrary to the expectations presented in the reviewed appraisal documents. Furthermore, the appraisal documentation does not provide sufficient explanation as to why positive effects were expected. Some interviewees shared the view that the EIB’s “stamp of approval” of projects might lead to signalling effects in the future, but no concrete effects were identified so far. Thus, the evidence shows that the financial facilitation scores defined at appraisal might have been overestimated. The project completion documents usually did not provide an ex-post estimate of the actual EIB financial facilitation.

110. The EIB’s additionality for the investment activity undertaken (scale and scope) was mixed. To thoroughly analyse the additionality of the EIB projects, a counterfactual would need to be constructed (presence vs. absence of EIB involvement in the operation). This approach was not feasible for the projects analysed. Instead, IG/EV used qualitative feedback from the borrowers
and promoters interviewed. These findings should therefore be interpreted with care and cannot be generalised considering the non-representative nature of the sample analysed. As such, only anecdotal examples were found of how EIB financing improved the promoters’ ability to implement faster, larger, or better projects.

- Cases were identified of investment loans for which the price advantage and longer maturity offered by the Bank allowed the planned investments to be launched faster than initially planned. For example, one borrower stated that it would not have been able to run two major investments at the same time without the conditions offered by the EIB. In the context of the financial and economic crisis, two borrowers declared that the EIB operation to a large extent influenced the ability to pursue investments, which would otherwise have been delayed.

- One of the operations evaluated was an EIB framework loan to co-finance a large set of public investments in combination with EU structural funds. This operation had a decisive effect on the ability of the authorities to unlock co-financing from the European Union, thereby safeguarding the timely deployment of the programme. The operation allowed the ministry of finance to pre-finance eligible schemes, with the assurance that the corresponding amounts would consecutively be covered by EIB disbursements. With this assurance, the ministry could kick-start or continue financing the costs incurred by schemes in a timely manner. This finding confirms a similar observation made by IG/EV for Structural Programme Loans (an EIB product dedicated to co-finance Operation Programmes supported by ESIF).

- As far as MBILs are concerned, no hard data were available to confirm whether intermediaries have lent more in volume because of EIB support than without it. For MBILs, the EIB loans and the ensuing credit lines of the financial intermediaries were standard products, which did not have innovative characteristics beyond the advantageous financial contribution.

- There was one case (framework loan) where EIB support facilitated the development of an innovative financing product. In this case, the EIB loan enabled the borrower to develop a targeted financing solution, which had particularly long-term maturities that were highly needed for solar photovoltaic investments.

The Bank’s loans contributed to the diversification of financing sources for some of the projects, which had a positive effect especially in the years following the 2008 financial crisis. However, the benefits of diversification of funding were not so pronounced in cases where the borrowers already had good access to a range of financing sources (though perhaps not with terms as competitive as those provided by the EIB). For financial intermediaries, the proportion of EIB funding as part of the total external funding was in some cases very small.

A few borrowers considered the signalling effect resulting from the relationship with the EIB an advantage. The EIB’s involvement has been positive for marketing and visibility, particularly at the regional level. However, in other cases EIB support was not considered to improve counterparts’ reputation. One borrower mentioned that their other (private or public) lenders were not necessarily always aware that the EIB provided the company with loans.

113. **EIB technical contribution**

For the majority of the 19 operations reviewed, the EIB’s technical contribution was considered to be low before project implementation (no technical contribution expected) and remained low at project completion. For the 19 operations evaluated, the promoters interviewed confirmed their limited need for EIB technical expertise. The borrowers and promoters were considered to have substantial experience in designing, implementing and managing the operations, which is why the EIB did not contribute technically to most of the reviewed cases.

The EIB’s technical contribution materialised in a limited number of operations. The contribution consisted of enhanced methods for analysing environment-related risks (ensuring the operation complied with EU environmental directives), transfer of know-how to environmental authorities or improved project risk assessment. For example, in one case the EIB’s technical contribution was related to the identification and analysis of more in-depth environment-related risks (support with additional “appropriate assessment” studies) and ensuring the operation’s
compliance with EU environmental directives, while also transferring know-how. In another case, the EIB technical contribution was critical in improving the project risk assessment and design (including quality, scale and timing) to ensure compliance with relevant EU regulations.

115. **For other operations, expectations for the EIB’s technical contribution (as mentioned in the appraisal documents) were higher than what was observed in reality.** For example, the expected promotion of procurement and/or standards for an investment loan did not materialise. In another case, the EIB had envisaged support on issues like the improvement of project risk assessments and the identification of CO₂ reduction objectives, but the borrower considered its internal capacity sufficient and this support was not requested. Beyond the EIB technical contribution for the management and implementation of the operations, it is worth noting that JASPERS provided support in respect of two of the evaluated projects.
8. EIB PROJECT CYCLE MANAGEMENT

This section rates the Bank’s management of the operations throughout their lifecycle, from identification and selection to post-completion reporting and repayment.

Box 6 – EIB project cycle management: Overall assessment and rating

Overall, the location of investments supported in EIB cohesion regions had little to no influence on the pre-appraisal and appraisal of the operations. No methodology was applied beyond standard EIB appraisal and risk assessment processes, which would have been done regardless of whether the project was predominantly based in an EIB cohesion region. The location of the investments supported in EIB cohesion regions generally (except for one of the reviewed projects) did not influence the terms of the loans provided. Furthermore, for MBILs the geographical distribution of allocations was not a hard requirement specified in the contracts or the side letters.

On the whole, reporting was not considered burdensome, but a few specific issues were identified during the review of the 19 operations: information on employment in completion documents could not be validated; insufficient information on sub-projects provided in the case of a hybrid product; issuance of a project completion documents prior to the overall completion of the works. Monitoring was facilitated by EIB local offices and the availability of a General Relationship Manager.

<table>
<thead>
<tr>
<th>EIB PCM</th>
<th>Satisfactory</th>
<th>Partially unsatisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 Investment loans, 6 MBILs, 3 framework loans</td>
<td>16</td>
<td>3 investment loans</td>
</tr>
</tbody>
</table>

8.1 Pre-appraisal/appraisal

The location of investments supported in EIB cohesion regions had little to no influence on the appraisal or structuring of the operations reviewed. No methodology beyond standard EIB appraisal and risk assessment processes was anticipated or applied.

In fact, the potential effect of cohesion operations on specific regions is not taken into account when the EIB appraises operations. This evaluation found that classifying a project as contributing to the cohesion KPI did not influence its design, for example by securing a share of cohesion-eligible investments to particularly underdeveloped regions within the country. In countries that only partially consist of cohesion regions, the evaluation found only anecdotal evidence that the incentive to meet cohesion targets translated into a stronger focus on cohesion regions. Only one case was identified for which the location of investments in an EIB cohesion region was considered a factor in allowing a larger financing amount to be extended to the borrower. In general, as the EIB operates in a demand-driven manner, project proposals tend to be already advanced when they are submitted to the EIB for appraisal, and the EIB has little scope to influence their design.
119. MBIL operations’ expected contribution to cohesion – though quantified at appraisal based on the share of the project investment cost to be spent in EIB cohesion regions – did not translate into contractual requirements specified in the contract or the side letter. In general, for all MBILs, there was no pre-identification of sectorial gaps or formulation of a specific strategy to meet these gaps as part of the proposed operation design.

120. The fact that most borrowers had previous loans with the EIB, and were well-known to the Bank, contributed to facilitating the appraisal process. Nevertheless, several promoters cited extended appraisal and negotiation processes that included long discussions to reach collateralisation agreements, additional environmental studies required by the EIB and a complex due diligence procedure.

8.2 Implementation

121. Most operations were implemented in the context of a good and flexible partnership with the EIB. In many of the reviewed cases, the operations were initiated in the framework of an ongoing good partnership between the borrower/promoter and the EIB, which also continued through the subsequent operations. Several clients noted positively the EIB’s flexibility to respond to the needs of clients to adverse circumstances of individual projects, particularly in cases of delays, which necessitated extending the availability periods. Most interviewees especially appreciated the rapid communication flow and responsiveness to their needs by the Bank.

122. Some financial intermediaries (MBILs) raised concerns about the complex terminology used in the Side Letter, for example on how to define SMEs (notably if a SME is part of a group). This lack of clarity had made financial beneficiaries uncertain of their eligibility, and forced EIB staff to spend time on clarifying the Side Letter to build confidence. In general, the financial intermediaries interviewed were very satisfied with the support provided by EIB staff in understanding the provisions of the Side Letter, including in responding to requests for clarifications on a case-by-case basis. However, in one of the reviewed cases, due to internal turnover of staff at the EIB there were instances where answers to pre-allocation requests clarifying eligibility of the projects were provided with a delay.

8.3 Monitoring, post-completion reporting and visibility

123. As noted in the Efficiency section (2.3), reporting was generally not considered burdensome, but a few specific issues were identified via the review of the 19 evaluated operations:

- An issue with reporting, in all operations, was that the information on employment in completion documents has not been verified. In the case of investment loans, it is assessed ex-ante on the basis of a standard methodology, while at completion employment numbers are usually provided by the promoters. For MBILs, the information is provided indirectly by the final beneficiaries based on an assessment done only ex-ante.

- One of the reviewed operations was a framework loan which had characteristics of an MBIL (hybrid). Given that it was formally a framework loan, the weaker obligations (compared to MBILs) on the financial intermediary to provide allocation reports meant that the information provided (in the simplified allocation list) on the sub-projects lacked a comprehensive overview of the projects and their location (to aggregate the cohesion contribution).

- In another case, the project completion documents were issued prior to the overall completion of the works, given some delays in construction. Considering these delays, it could have been more appropriate to adapt the documents’ delivery date, or to consider undertaking further reporting which would have provided information on performance at completion.

- In one of the reviewed operations, appraisal and completion documents sometimes used different reporting categories for sectoral distribution. Therefore, it was not possible to fully match the expectations made at the appraisal stage with the outcome of the
operation. However, this inconsistency was not identified as a recurring issue with the other operations.

124. Monitoring was facilitated by the presence of EIB local offices. The EIB kept regular track of deadlines with allocations and the flow of information from financial intermediaries was generally considered smooth. Another factor that facilitated contact and monitoring was the availability of a General Relationship Manager within the EIB operational department who monitors regularly the relationship and counterparty risk. On the contrary, the lack of such a relationship manager and/or lack of continuous cooperation between the EIB and the borrowers/promoters led to difficulties in receiving regularly the information necessary for monitoring. Furthermore, there is no leverage for the EIB to receive information upon completion of the operations when there is no ongoing relationship with the clients.
## ANNEX 1 – LIST OF 19 OPERATIONS EVALUATED

<table>
<thead>
<tr>
<th>Country</th>
<th>Financial products</th>
<th>EIB public policy goal</th>
<th>Sector</th>
<th>Share of operation’s signed amount dedicated to EIB’s cohesion objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>Framework loan, investment loan, MBIL</td>
<td>1 Energy (incl. TEN-E) (INFRASTRUCTURE)</td>
<td>SECTION D: ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY</td>
<td>51%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 Knowledge Economy (INNOVATION)</td>
<td>SECTION C: MANUFACTURING</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>3 Protection of Environment and Sustainable Communities (ENVIRONMENT)</td>
<td>SECTION D: ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 SMEs</td>
<td>SECTION Z: GLOBAL LOANS, LOANS FOR SMES, LOANS FOR SMES AND MID-CAPS, LOANS FOR MID-CAPS</td>
<td>30%</td>
</tr>
<tr>
<td>Poland</td>
<td>Framework loan, investment loan, MBIL</td>
<td>5 Knowledge Economy (INNOVATION)</td>
<td>SECTION M: PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES</td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 SMEs</td>
<td>SECTION Z: GLOBAL LOANS, LOANS FOR SMES, LOANS FOR SMES AND MID-CAPS, LOANS FOR MID-CAPS</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7 TEN-T (INFRASTRUCTURE)</td>
<td>SECTION H: TRANSPORTATION AND STORAGE</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8 Urban Renewal and Regeneration (INFRASTRUCTURE)</td>
<td>SECTION H: TRANSPORTATION AND STORAGE (65%) SECTION F: CONSTRUCTION (35%)</td>
<td>100%</td>
</tr>
<tr>
<td>Portugal</td>
<td>Investment loan, MBIL</td>
<td>9 Energy (incl. TEN-E) (INFRASTRUCTURE)</td>
<td>SECTION D: ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10 Energy (incl. TEN-E) (INFRASTRUCTURE)</td>
<td>SECTION B: MINING AND QUARRYING (72%) SECTION H: TRANSPORTATION AND STORAGE (28%)</td>
<td>84%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11 Protection of Environment and Sustainable Communities (ENVIRONMENT)</td>
<td>SECTION E: WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES</td>
<td>100%</td>
</tr>
<tr>
<td>Country</td>
<td>Financial products</td>
<td>EIB public policy goal</td>
<td>Sector</td>
<td>Share of operation's signed amount dedicated to EIB's cohesion objective</td>
</tr>
<tr>
<td>---------</td>
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<td>---------------------------------------------------</td>
</tr>
<tr>
<td>Romania</td>
<td>Framework loan, investment loan, MBIL</td>
<td>12 SMEs</td>
<td>SECTION Z: GLOBAL LOANS, LOANS FOR SMES, LOANS FOR SMES AND MID-CAPS, LOANS FOR MID-CAPS</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13 Energy (incl. TEN-E) (INFRASTRUCTURE)</td>
<td>SECTION D: ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY</td>
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<td></td>
<td></td>
<td>14 ENVIRONMENT</td>
<td>SECTION A: AGRICULTURE, FORESTRY AND FISHING</td>
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<td></td>
<td>15 Renewable Energy and Energy Efficiency (ENVIRONMENT)</td>
<td>SECTION D: ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY</td>
<td>100%</td>
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<td>16 SMEs</td>
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<td>90%</td>
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<td>Slovakia</td>
<td>Investment loan, MBIL</td>
<td>17 Knowledge Economy (INNOVATION)</td>
<td>SECTION J: INFORMATION AND COMMUNICATION</td>
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<td>18 SMEs</td>
<td>SECTION Z: GLOBAL LOANS, LOANS FOR SMES, LOANS FOR SMES AND MID-CAPS, LOANS FOR MID-CAPS</td>
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<td></td>
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<td>19 SMEs</td>
<td>SECTION Z: GLOBAL LOANS, LOANS FOR SMES, LOANS FOR SMES AND MID-CAPS, LOANS FOR MID-CAPS</td>
<td>80%</td>
</tr>
</tbody>
</table>
ANNEX 2 – RATING GRIDS

1. Investment Loans

1.1. Relevance

Relevance is the extent to which the objectives of an investment loan operation are appropriate to and fit for the purpose of addressing the issues that justified its approval.

Weighting: The sub-criteria for relevance are equally weighted for determining the final rating on relevance.

**Contribution to EIB, EU and national/regional objectives**

This assessment extends beyond the “eligibility” verification. This assessment looks at the extent to which this project makes a significant contribution to investment priorities defined at EIB, EU, and local levels.

**Rating**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent:</td>
<td>The project plays a significant role in addressing the objectives or investment priorities specified in relevant strategic documents of: the EIB; the EU; the Member State/region (in terms of volume, strategic fit, innovation, etc.) AND The project clearly addresses critical and structural market failures.</td>
</tr>
<tr>
<td>Satisfactory:</td>
<td>The project’s objectives are consistent (i.e. not contradicting) with at least one objective of relevant strategic documents.</td>
</tr>
<tr>
<td>Partly unsatisfactory:</td>
<td>No rationale is provided for any of the two aspects above. Project rationale is induced or uncertain. There is a degree of inconsistency between the project’s objectives and those of relevant strategic documents.</td>
</tr>
<tr>
<td>Unsatisfactory:</td>
<td>There are obvious contradictions between the project’s objectives and those of relevant strategic documents.</td>
</tr>
</tbody>
</table>

**Relevance in relation to promoters’ needs**

Consistency and adequacy of the design of investment loans in meeting the needs of promoters including the EIB’s contribution to supporting the financing of expenditures and addressing local investment gaps.

**Rating:**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
</table>
| Excellent:      | The EIB-financed project has contributed to addressing the regional investment gaps and three elements are fulfilled:  
• The capacity constraints of the promoter were adequately assessed.  
• The EIB has provided the investment loan and its financial terms giving due consideration to the promoter’s specific needs.  
• The investment loan and its financial terms are sufficiently adapted to the promoter’s evolving needs. |
| Satisfactory:   | The EIB-financed project has contributed to addressing the regional investment gaps and two elements are fulfilled:  
• The capacity constraints of the promoter were adequately assessed.  
• The EIB has provided the investment loan and its financial terms giving due consideration to the promoter’s specific needs.  
• The investment loan and its financial terms are sufficiently adapted giving due consideration to the promoter’s evolving needs. |
| Partly unsatisfactory: | The EIB-financed project has contributed to addressing the regional investment gaps and one element is fulfilled:  
• The capacity constraints of the promoter were adequately assessed.  
• The EIB has provided the investment loan and its financial terms giving due consideration to the promoter’s specific needs.  
• The investment loan and its financial terms are sufficiently adapted giving due consideration to the promoter’s evolving needs. |
| Unsatisfactory: | The investment loan does not address local investment gaps or constraints.                                                                                                                                    |
1.2. Effectiveness

Effectiveness relates to the extent to which the objectives of the investment loan operation have been achieved, or are expected to be achieved, while recognising any changes introduced since loan approval. The assessment will be delineated by each step of the operation’s intervention logic.

Weighting: The sub-criteria are equally weighted for determining the final rating on effectiveness. The rating on outcome achievement cannot be higher than the rating on outputs delivered.

Delivery of expected outputs
Extent to which the level of implementation of the expected EIB activities enabled the delivery of expected outputs as defined in the intervention logic of the operation.

Rating:

<table>
<thead>
<tr>
<th>Excellent:</th>
<th>The expected outputs were <em>completely</em> delivered and the provision of financial resources by the EIB contributed to their achievement as defined in the intervention logic of the operation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory:</td>
<td>The expected outputs were <em>mostly</em> delivered and the provision of financial resources by the EIB contributed to their achievement as defined in the intervention logic of the operation.</td>
</tr>
<tr>
<td>Partly unsatisfactory:</td>
<td><em>Few</em> of the expected outputs were delivered and the provision of financial resources by the EIB contributed to their achievement as defined in the intervention logic of the operation.</td>
</tr>
<tr>
<td>Unsatisfactory:</td>
<td>The outputs were not delivered.</td>
</tr>
</tbody>
</table>

Achievement of anticipated outcomes
Extent to which the anticipated outcomes were achieved and to which the provision of financial resources by the EIB facilitated the achievement of the anticipated outcomes as defined in the intervention logic of the operation.

Rating: Maximum rating cannot be higher than rating for 2.1

<table>
<thead>
<tr>
<th>Excellent:</th>
<th>The anticipated outcomes were <em>fully</em> achieved and they are expected to contribute to convergence.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory:</td>
<td>The anticipated outcomes were achieved to a large extent and they are expected to contribute to convergence.</td>
</tr>
<tr>
<td>Partly unsatisfactory:</td>
<td><em>Few</em> anticipated outcomes were achieved and they are not expected to contribute to convergence.</td>
</tr>
<tr>
<td>Unsatisfactory:</td>
<td>The anticipated outcomes were not achieved.</td>
</tr>
</tbody>
</table>

Contribution to broader impacts
Not rated, as by definition an impact falls beyond the responsibility and remits of the operation.

1.3. Efficiency

Efficiency is the extent to which the benefits of the investment loan operation are commensurate with the costs/resources. This question is asked from the point of view of both the EIB and the promoter.

Weighting: The sub-criteria are equally weighted for determining the final rating on efficiency.

Cost efficiency
Measures the relationship between monetary inputs and the delivered outputs.

<table>
<thead>
<tr>
<th>Excellent:</th>
<th>The project was implemented, following procurement guidance (for public promoters) or at market prices (for private promoters) and:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The outputs were delivered with a lower budget; OR</td>
</tr>
<tr>
<td></td>
<td>• The outputs were higher than planned and within the expected budget.</td>
</tr>
</tbody>
</table>
Satisfactory: The project was implemented, following procurement guidance (for public promoters) or at market prices (for private promoters) and:

- The expected outputs were delivered and the planned budget was fully utilised.

Partly unsatisfactory: The project was implemented, following procurement guidance (for public promoters) or at market prices (for private promoters) and:

- The expected outputs were slightly (i.e. less than 10%) below expectations and the planned budget was fully utilised; OR
- The expected outputs were delivered, but there were limited budget overruns (i.e. less than 10%).

Unsatisfactory: The project was NOT implemented, following procurement guidance (for public promoters) or at market prices (for private promoters) and:

- The expected outputs were significantly (i.e. more than 10%) below expectations and the planned budget was fully utilised; OR
- The expected outputs were delivered, but there were significant budget overruns (i.e. more than 10%).

From the borrower's and promoter's viewpoint, benefits of the investment loan vs. managing administrative costs
From the promoter's viewpoint, perception of the extent to which the managing costs and administrative burden of dealing with the EIB (e.g. allocation system) are commensurate with the benefits (defined in terms of longer tenor, lower rate, flexibility of the product).

Rating:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>The borrowers/promoters consider that the benefits of the investment loan largely outweigh the managing costs and administrative burden of dealing with the EIB.</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>The borrowers/promoters consider that the managing costs and administrative burden of dealing with the EIB are commensurate with the benefits of the investment loan.</td>
</tr>
<tr>
<td>Partly unsatisfactory</td>
<td>The borrowers/promoters consider that the managing costs and administrative burden of dealing with the EIB exceed the benefits of the investment loan.</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>The borrowers/promoters consider that the managing costs and administrative burden of dealing with the EIB are high and see no benefit in the investment loan.</td>
</tr>
</tbody>
</table>

Schedule and timeliness in implementing the investment loan operation
Timeliness defines the absence of or justifiable delay in implementing the investment loan operation. The completion time for the investment loan operation will be compared to similar operations (average completion time for the population of investment loans within scope).

<table>
<thead>
<tr>
<th>Rating</th>
<th>Time to signature (from operation creation to first contract signature) was...</th>
<th>Last disbursement was made...</th>
<th>Actual project end-of-works date was...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>Faster than median¹⁹ benchmark</td>
<td>Significantly earlier than end of availability period (2/3 of expected time)</td>
<td>Significantly earlier than the date anticipated at appraisal (2/3 of expected time)</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>Faster or slower than median benchmark</td>
<td>Within availability period</td>
<td>By the date anticipated at appraisal</td>
</tr>
</tbody>
</table>

¹⁹ The median number of days to signature is computed as a benchmark of all cohesion-related operations for a similar type of financing. This benchmark was built from a Business Objects query from the DW Lending data (load date 28/7/2019) that covers the totality of cohesion operations signed from 1/1/2007 to 31/12/2018.
1.4. **Sustainability**

Sustainability assesses whether the outputs are likely to last and whether the outcomes and impacts that have been achieved will continue to have their effects in the medium and long term – or whether threats exist to their sustainability. The assessment of sustainability will vary depending on implementation progress and will take into account the issues identified in the ex-ante due diligence carried out by the Bank.

Weighting: All sub-criteria are equally important.

**Physical sustainability**

Rating:

| Excellent: | The promoter/beneficiary has rigorous procedures for implementation of the project AND has mobilised sufficient resources for maintenance, including a significant share of own resources. |
| Satisfactory: | The promoter/beneficiary has rigorous procedures for implementation of the project AND has mobilised sufficient resources for maintenance. |
| Partly unsatisfactory: | One of the following two elements is identified:  
• absence of rigorous procedures for implementation of the project; OR  
• absence of a plan for ensuring the maintenance of infrastructures. |
| Unsatisfactory: | Both elements are identified:  
• absence of rigorous procedures for implementation of the project; AND  
• absence of a plan for ensuring the maintenance of infrastructures. |

**Environmental and social sustainability**

Rating:

| Excellent: | There is proof of positive environmental and social impact. |
| Satisfactory: | There is proof of positive or non-negative environmental OR positive or non-negative social impact. |
| Partly unsatisfactory: | There is proof of environmental OR social risks arising as a result of the operation. |
| Unsatisfactory: | There is proof of environmental AND social risks arising as a result of the operation. |

1.5. **EIB contribution**

Assessment of EIB contribution based on the following three indicators: financial facilitation, financial contribution and technical contribution, in line with 3 Pillar Assessment Methodology (3rd pillar).

Weighting: The sub-criteria are equally weighted for determining the final rating on EIB contribution.

**EIB financial facilitation**

The EIB financial facilitation relates to the value added provided by the EIB loan by helping to attract private financing through a positive signalling effect or/and by promoting synergies in co-financing with other public sources of funds.

Rating:
| High | The EIB financial (and non-financial) inputs (appropriate terms, improved risk allocation and stamp of approval):
|      | • Catalyse other private and/or public financing in line with the expectations; AND
|      | • Have a high degree of signalling effect in terms of promoting other comparable and valuable projects. |

| Significant | The EIB financial (and non-financial) inputs (appropriate terms, improved risk allocation and stamp of approval):
|             | • Catalyse other private and/or public financing in line with the expectations; OR
|             | • Have a high degree of signalling effect in terms of promoting other comparable and valuable projects. |

| Moderate | The EIB financial (and non-financial) inputs (appropriate terms, improved risk allocation and stamp of approval):
|          | • Catalyse other private and/or public financing below the expectations; OR
|          | • Have a low degree of signalling effect in terms of promoting other comparable and valuable projects. |

| Low | The EIB financial (and non-financial) inputs (appropriate terms, improved risk allocation and stamp of approval) failed to catalyse other private and/or public financing AND did not have a signalling effect in terms of promoting other comparable and valuable projects. |

**EIB financial contribution**

The EIB financial contribution identifies the value added provided by the EIB loan in relation to the alternatives sources of financing available to the borrower, whether in terms of the loan’s tenor or cost of financing.

**Rating:**

- **High**
  - Two elements taken together:
    - The borrower was unable to raise financing at similar maturities on the market.
    - The borrower was unable to raise financing at a similar rate on the market.

- **Significant**
  - One of the following two elements:
    - The borrower was unable to raise financing at similar maturities on the market.
    - The borrower was unable to raise financing at a similar rate on the market.

- **Moderate**
  - One of the following two elements:
    - The borrower has during the same period mobilised financing at similar maturities on the market.
    - The borrower has during the same period mobilised financing at a similar rate on the market.

- **Low**
  - Two elements taken together:
    - The borrower has during the same period mobilised financing at similar maturities on the market.
    - The borrower has during the same period mobilised financing at a similar rate on the market.

**EIB technical contribution**

EIB technical contribution relates to any non-financial contribution to the operation provided by the EIB, which may take the form of improvements to the technical, economic or financial aspects of the projects financed via an investment loan (improved quality), improved management practices of the authority and/or promoters in order to allow for the expected pipeline of projects. Activities which may indirectly contribute to the performance of an investment loan in achieving the objectives will be described but not evaluated; these activities include (i) those falling under
EIB’s responsibility such as JASPERS and any other potential advisory service provided by the EIB Group to a beneficiary/promoter, and (ii) those not falling under EIB Group’s responsibility, which includes technical assistance and advisory supporting investment loans but provided by third parties (such as the European Commission).

N.B. The EIB technical contribution is scored only if some positive expected effects have been identified and scored at the appraisal stage. If not, the elements below may be considered, but not scored.

Rating:

<table>
<thead>
<tr>
<th>High</th>
<th>EIB technical assistance/advice was critical in the promoter/beneficiary achieving one or more of the following objectives:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Improving project risk assessment.</td>
</tr>
<tr>
<td></td>
<td>• Improving project design (including quality, scale or timing).</td>
</tr>
<tr>
<td></td>
<td>• Ensuring compliance with relevant regulations.</td>
</tr>
<tr>
<td>Significant</td>
<td>EIB technical assistance/advice was beneficial in the promoter/beneficiary achieving one or more of the above-mentioned objectives.</td>
</tr>
<tr>
<td>Moderate</td>
<td>EIB technical assistance/advice was of minor importance in the promoter/beneficiary achieving one or more of the above-mentioned objectives.</td>
</tr>
<tr>
<td>Low</td>
<td>No effect of assistance or advice on the practices of the promoter/beneficiary.</td>
</tr>
</tbody>
</table>

1.6. **EIB project cycle management**

This criterion rates the Bank’s handling of the operation, from identification and selection to post-completion reporting and repayment.

Weighting: Each stage of the cycle (project identification/pre-appraisal, appraisal, project implementation, monitoring, and completion) is equally important.

Rating:

<table>
<thead>
<tr>
<th>Excellent</th>
<th>EIB management proved key to success, at all stages of the cycle (from project identification/pre-appraisal to post-completion reporting).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The contribution to cohesion was duly analysed at appraisal and at completion.</td>
</tr>
<tr>
<td></td>
<td>• Proactive support was provided to the promoter/beneficiary when it faced difficulties in the disbursement process and contributed to solving the identified issues.</td>
</tr>
<tr>
<td></td>
<td>• Monitoring information was received and used by the EIB to adapt its approach (where/if needed).</td>
</tr>
<tr>
<td></td>
<td>• Visibility of the EIB’s contribution was ensured.</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>Sound management, at all stages of the operation (from project identification and pre-appraisal to post-completion report).</td>
</tr>
<tr>
<td></td>
<td>• Proactive support was provided to the promoter/beneficiary when it faced difficulties in the disbursement process.</td>
</tr>
<tr>
<td></td>
<td>• Monitoring information was received by the EIB.</td>
</tr>
<tr>
<td>Partly unsatisfactory</td>
<td>Weak management with some negative effects on performance of the investment loan; some deviations from procedures or identified weaknesses in procedures.</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>Complete failure to manage a certain phase or serious breaches of procedures.</td>
</tr>
</tbody>
</table>
2. **MULTIPLE BENEFICIARY INTERMEDIATED LOAN**

2.1. **Relevance**

Relevance is the extent to which the objectives of an MBIL operation are adequate to address the issues that justified its approval.

Weighting: The sub-criteria for relevance are equally weighted for determining the final rating on relevance.

**Contribution to EU, EIB and national objectives for support to SMEs and mid-caps**

This assessment extends beyond the “eligibility” verification. It looks at the extent to which the operation makes a significant contribution to addressing limited access to finance, which is one of the major stumbling blocks to the development of private enterprises, particularly SMEs, the backbone of EU economies.

**Rating:**

<table>
<thead>
<tr>
<th>Excellent:</th>
<th>1. The project addresses critical and structural market constraints to productivity and competitiveness of SMEs, as highlighted in relevant strategic documents. AND 2. The choice of eligible final beneficiaries and of eligible sub-loans supports relevant strategic priorities (e.g. focus on type of SMEs, type of mid-caps, type of investments, etc.). AND 3. The choice of the intermediary is based on a thorough assessment of its potential ability to extend access to finance for SMEs and mid-caps in the region(s) concerned (incl. geographical and sectoral coverage, capacity and quality of its procedures).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory:</td>
<td>1 AND either 2 or 3.</td>
</tr>
<tr>
<td>Partly Unsatisfactory:</td>
<td>Project rationale is induced or uncertain. There is a degree of inconsistency between the project’s objectives and those of relevant strategic documents.</td>
</tr>
<tr>
<td>Unsatisfactory:</td>
<td>There are obvious contradictions between the project’s objectives and those of supporting productivity and competitiveness of SMEs.</td>
</tr>
</tbody>
</table>

**Relevance to the needs of the financial intermediary, of SMEs and mid-caps**

Adequacy of the design of MBILs in meeting the needs of financial intermediaries, SMEs and mid-caps.

**Rating:**

<table>
<thead>
<tr>
<th>Excellent:</th>
<th>1. The timing of the operation was appropriate, considering the constraints faced by local banks and SMEs in the region at the time. AND 2. The amount extended to the intermediary was based on the EIB’s assessment of the funding needs of the underserved SME market, on the SME pipeline presented by the intermediary, and on its expected absorption capacity. AND 3. The contractual terms (incl. options, financial clauses) offered and taken by the intermediary were suited to the objective of enhancing the quality of sub-loans, i.e.: ability for the targeted final beneficiaries to apply for a loan, attempting to pass on transfer of financial advantage (ToFA) to SMEs, streamline the product, enhance visibility, appropriate eligibilities, and, accordingly, the reach of EIB products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory:</td>
<td>Two of the three expectations above are met.</td>
</tr>
<tr>
<td>Partly unsatisfactory:</td>
<td>The MBIL has a certain number of limitations in design, which restricted the ability of the operation to fully achieve its objectives.</td>
</tr>
</tbody>
</table>
2.2. Effectiveness

Effectiveness concerns the extent to which the objectives of the MBIL operation have been achieved, or are expected to be achieved, while recognising any changes introduced since loan approval. The assessment will be delineated by each step of the operation’s intervention logic.

Weighting: All sub-criteria for effectiveness are equally important but in cases of even distribution between positive and negative aspects, the effectiveness against expected outcomes is a key sub-criterion.

Delivery of expected outputs
Disbursement from the EIB to the financial intermediary and the intermediary’s allocation of the EIB funding.

Rating:

| Excellent: | EIB’s financing was fully disbursed and allocated. AND Financing was allocated by the intermediary to a number of final beneficiaries and via a number of sub-loans broadly commensurate with initial expectations, in line with EIB eligibility and exclusion guidelines. |
| Satisfactory: | EIB’s financing was fully disbursed and allocated. AND The spectrum of final beneficiaries having benefited from the sub-loans differs slightly from initial expectations, for justifiable reasons. |
| Partly unsatisfactory: | EIB’s financing was not fully disbursed and allocated. OR The spectrum of final beneficiaries or number of sub-loans differs significantly from initial expectations. |
| Unsatisfactory: | Sub-loans were not extended to the targeted final beneficiaries. |

Achievement of expected outcomes
On the side of SMEs: these sub-loans to SMEs are expected to be extended on more favourable financing conditions than what these clients would receive from the market (transfer of financial advantage = ToFA in terms of rate and/or maturity). Another objective is that the MBIL enables the financial intermediary to lend more in volume to SMEs than the volume it would have mobilised from the market (without necessarily passing on a financial advantage).

On the side of financial intermediaries: it is usually expected that the transaction will incentivise or allow the financial intermediary to expand its commercial lending to these types of clients. A measure of that is the extent to which the financial intermediary’s overall portfolio of similar clients (beyond the list of sub-loans reported to the EIB) has expanded over time. Technical assistance may also help the financial intermediary develop new products or skills to better serve these SME clients.

Rating:

| Excellent: | All of the following are met: ToFA in terms of rate and/or maturity has been passed on to final beneficiaries:  
• The average maturity of the loans extended is longer than the maturity of the intermediary’s overall loan book for similar clients. AND  
• ToFA was significantly higher than the contractual basis points committed. AND The financial intermediary has lent more in volume to the targeted clients than what it had done in the recent past, and has streamlined the product. |
| Satisfactory: | ToFA was only passed on in terms of average maturity. AND |
Annex 2 – Rating grids

No change observed in the financial intermediary’s overall volume and product offer to the targeted clients.

<table>
<thead>
<tr>
<th>Partly unsatisfactory:</th>
<th>At least one of the above elements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsatisfactory:</td>
<td>None of the above elements.</td>
</tr>
</tbody>
</table>

The rating on outcome achievement cannot be higher than the rating on outputs achieved.

**Contribution to expected impacts**

Contribution to SME job creation and competitiveness (turnover) and contribution to fiscal revenue generation.

**Rating:**

<table>
<thead>
<tr>
<th>Excellent:</th>
<th>All of the following are met:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. New jobs were created/jobs were preserved as a result of the loans.</td>
</tr>
<tr>
<td></td>
<td>2. Beneficiaries generated additional turnover.</td>
</tr>
<tr>
<td></td>
<td>3. Most of the impacts are in convergence regions.</td>
</tr>
</tbody>
</table>

| Satisfactory: | At least two of the above elements. |
| Partly unsatisfactory: | At least one of the above elements. |
| Unsatisfactory: | None of the above elements. |

2.3. **Efficiency**

Efficiency is the extent to which the benefits of the MBIL operation are commensurate with the costs/resources.

**Weighting:** All sub-criteria are equally important but in cases of even distribution between positive and negative aspects, the assessment of economic and financial sustainability should be regarded as a key sub-criterion.

*From the intermediary and final beneficiaries’ viewpoint, benefits of the operation vs. managing administrative costs*

Costs from the financial intermediary’s perspective and costs from the final beneficiary’s perspective

**Rating (based on the qualitative self-assessment done by the financial intermediary and the final beneficiary)***

<table>
<thead>
<tr>
<th>Excellent:</th>
<th>Financial intermediary and final beneficiary are both fully convinced that the cost/benefit ratio is favourable.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory:</td>
<td>Financial intermediary and final beneficiary are somewhat convinced that the cost/benefit ratio is favourable (same cost as with other financial intermediaries or traditional loan).</td>
</tr>
<tr>
<td>Partly unsatisfactory:</td>
<td>Financial intermediary or final beneficiary is somewhat concerned about cost-effectiveness.</td>
</tr>
<tr>
<td>Unsatisfactory:</td>
<td>Financial intermediary and final beneficiary are deeply concerned about cost-effectiveness.</td>
</tr>
</tbody>
</table>

**Timeliness**

**Rating:**

| Time to signature (from operation creation to first contract signature) was... | Last disbursement was made... | Allocation deadline was... |
2.4. **EIB contribution**

Financial contribution is assessed in comparison to alternative sources of funding, and by taking on board the specific features of the transactions (tenor, grace period, currency, etc.) regarding the financial engineering of each operation. Non-financial contribution may take the form of advice and capacity building. Finally, facilitation may include the provision of a product that does not exist in the target market, and the contribution to raising the intermediary’s standards (including E&S).

**EIB financial facilitation**

Rating:

<table>
<thead>
<tr>
<th>High</th>
<th>All of the following apply:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• New product by general industry standards or highly customised lending approach (has required significant financial structuring effort from EIB Services).</td>
</tr>
<tr>
<td></td>
<td>• EIB’s involvement has significant impact on co-financiers/investors’ decision to commit to operation.</td>
</tr>
<tr>
<td></td>
<td>• The ratio between EIB funding exposure and borrower’s external funding is significant.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Significant</th>
<th>At least one of the above elements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate</td>
<td>None of the above elements.</td>
</tr>
</tbody>
</table>

**EIB financial contribution**

Rating:

<table>
<thead>
<tr>
<th>High</th>
<th>All of the following apply:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Interest rates are lower than those available on the market.</td>
</tr>
<tr>
<td></td>
<td>• Financial intermediary was unable to raise funds at similar maturities on the market.</td>
</tr>
<tr>
<td></td>
<td>• Financial value added is in line with or above appraisal stage estimate.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Significant</th>
<th>At least two of the above elements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate</td>
<td>At least one of the above elements.</td>
</tr>
<tr>
<td>Low</td>
<td>None of the above elements.</td>
</tr>
</tbody>
</table>

2.5. **EIB project cycle management**

This criterion rates the Bank’s handling of the operation, from identification and selection to post-completion reporting and repayment.

**Weighting:** Each stage of the cycle (project identification/pre-appraisal, appraisal, project implementation, monitoring and completion) is equally important.

---

The median number of days to signature is computed as a benchmark of all cohesion-related operations for a similar type of financing (in this case, MBILs). This benchmark was built from an IG/EV query from the EIB database (load date 28 July 2019) that covers the totality of cohesion operations signed from 1 January 2007 to 31 December 2018.
Rating:

Excellent:
- EIB management proved key to success, at all stages of the cycle (from project identification/pre-appraisal to post-completion reporting).
- The contribution to convergence was duly analysed at appraisal and in the end allocation report.
- Proactive support was provided to the promoter/beneficiary when it faced difficulties in the disbursement process and contributed to solving the identified issues.
- Monitoring information was received and used by the EIB to adapt its approach (where/if needed).
- Visibility of the EIB’s contribution was ensured.

Satisfactory:
- Sound management, at all stages of the operation (from project identification and pre-appraisal to post-completion report).
- Proactive support was provided to the promoter/beneficiary when it faced difficulties in the disbursement process.
- Monitoring information was received by the EIB.

Partly unsatisfactory: Weak management with some negative effect on performance of the MBiL; some deviations from procedures or identified weaknesses in procedures.

Unsatisfactory: Failure to manage a certain phase or serious breaches of procedures.

3. Framework Loans

3.1. Relevance

Relevance is the extent to which the objectives of a framework loan operation are adequate to address the issues that justified its approval.

Weighting: The sub-criteria for relevance are equally weighted for determining the final rating on relevance.

Contribution to EU, EIB, local objectives and promoter’s priorities

This assessment extends beyond the “eligibility” verification. This assessment looks at the extent to which this project makes a significant contribution to investment priorities defined at EIB, EU, and local levels.

This evaluation will not analyse the underlying rationale of EU cohesion policy, nor the rationale of the objectives defined in strategic documents (and Operational Programmes in the case of SPLs).

Rating:

Excellent: The project plays a significant role in addressing the objectives or investment priorities specified in relevant strategic documents (for SPLs this includes Operational Programmes), AND The project clearly addresses critical and structural constraints highlighted in the strategic documents (for SPLs this includes Operational Programmes).

Satisfactory: The project’s objectives are consistent (i.e. not contradictory) with at least one objective of relevant strategic documents (for SPLs this includes Operational Programmes).

Partly unsatisfactory: No rationale is provided for either of the two aspects above. Project rationale is induced or uncertain. There is a degree of inconsistency between the project’s objectives and
<table>
<thead>
<tr>
<th>Unsatisfactory:</th>
<th>There are obvious contradictions between the project’s objectives and investment priorities identified in strategic documents.</th>
</tr>
</thead>
</table>

**Relevance in relation to promoters’ and borrowers’ needs**

Adequacy of the design of framework loans in meeting the needs of borrowers and promoters, notably in terms of their ability to support the pre-financing, financing and re-financing of expenditures and the securing of the national or regional share of funding under an Operational Programme.
### Rating:

#### Excellent:
- The framework loan was designed in a way that could kick-start and accelerate the implementation of the local strategic priorities/Managing Authority's Operational Programme (i.e. operation allowed Managing Authority’s being ahead of schedule).

AND

- The framework loan addresses local investment gaps or constraints.

#### Satisfactory:
- The framework loan was designed in a way that could bring the local strategy/Operational Programme on schedule.

AND

- The framework loan addresses local investment gaps or constraints.

#### Partly unsatisfactory:
- Issues are identified in the way the framework loan was designed, which caused start of implementation to be behind schedule.

OR

- The framework loan does not fully address local investment gaps or constraints.

#### Unsatisfactory:
- The framework loan was designed in a way that delayed further the implementation of the local strategy/Operational Programme.

OR

- The framework loan does not address local investment gaps or constraints.

Adequacy will also be compared to breaking down the operation into multiple operations or using alternative EIB products.

### Rating:

#### Excellent:
All of the following criteria are met:

- The framework loans are flexible in their design.
- The majority of projects are unknown or unclear at the time of appraisal.
- The majority (in terms of number) of projects are expected to be small and medium-sized schemes.
- The projects are best served within the framework of one operation as compared with a multi-operational approach or with alternative EIB products.

#### Satisfactory:
Three out of criteria (a) to (d) are met.

#### Partly unsatisfactory:
Two out of criteria (a) to (d) are met.

#### Unsatisfactory:
None of criteria (a) to (d) are met.

### 3.2. Effectiveness

Effectiveness concerns the extent to which the objectives of the framework loan operation have been achieved, or are expected to be achieved, while recognising any changes introduced since
loan approval. The assessment will be delineated by each step of the operation’s intervention logic.

Weighting: The sub-criteria are equally weighted for determining the final rating on effectiveness.

The rating on outcome achievement cannot be higher than the rating on outputs delivered.

**Delivery of expected outputs**
Extent to which the level of implementation of the expected EIB activities (e.g. provision of financial expertise and resources, interaction with local authorities/Managing Authorities and the European Commission, the offering of technical assistance services within framework loans, etc.) enabled the delivery of expected outputs (mainly understood as pre-financing expenditures and securing the national or regional share of funding).

**Rating:**

| Excellent:     | At end of Final Availability date, more than 90% of the framework loan has been allocated against a list of eligible projects. |
| Satisfactory:  | At end of Final Availability date, between 90 and 75% of the framework loan has been allocated against a list of eligible projects. |
| Partly unsatisfactory: | At end of Final Availability date, between 75 and 50% of the framework loan has been allocated against a list of eligible projects. |
| Unsatisfactory: | At end of Final Availability date, less than 50% of the framework loan has been allocated against a list of eligible projects. |

**Achievement of anticipated outcomes**
Extent to which the anticipated outcomes are achieved (in particular the kick-starting of implementation of local strategies/Operational Programmes, or the financing of unplanned projects provided they met EIB eligibility criteria).

**Rating:** Maximum rating cannot be higher than the rating for delivery of expected outputs.

| Excellent:     | The framework loan enabled the local authority/Managing Authority to do (a) and (b) and (c) (if (c) is relevant): |
|               | a) Formally launch tendering processes for its projects (relates to “Secure their anticipated share of funds”), i.e. pre-finances projects. |
|               | b) Finance projects that are being implemented. |
|               | c) Re-finance completed projects. |
| Satisfactory:  | The framework loan enabled the local authority/Managing Authority to do (a) or (b) and (c) (if (c) is relevant). |
| Partly unsatisfactory: | The framework loan enabled the local authority/Managing Authority to do (c) only. |
| Unsatisfactory: | |

**Contribution to broader impacts at local strategy/Operational Programme level**
Extent to which the framework loan projects have contributed to the broader objectives defined at local strategy/Operational Programme level.

**Rating:** Maximum rating cannot be higher than the rating for achievement of anticipated outcomes.

| Excellent:     | The local strategy/Operational Programme is on track in achieving its objectives and the rating for 2.2 is excellent. |
| Satisfactory:  | One of the following options is met: |
**3.3. Efficiency**

Efficiency is the extent to which the benefits of the framework loan operation are commensurate with its cost. This question is asked from the point of view of both the EIB and the promoter.

**Level of flexibility of the product**

From the promoter’s viewpoint, the level of flexibility of the product to allow for unplanned projects to be approved, provided they meet EIB eligibility criteria. Framework loans are, by definition, characterised by a degree of uncertainty as regards the projects that will ultimately be confirmed or approved. This flexibility in the approval of allocations is important to minimise delays in the disbursement process.

**Rating:**

<table>
<thead>
<tr>
<th>Excellent:</th>
<th>The EIB approved all unplanned projects with due diligence, provided they meet EIB eligibility criteria.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory:</td>
<td>The EIB approved all unplanned projects – albeit with a long delay as compared to planned projects – provided they meet EIB eligibility criteria.</td>
</tr>
<tr>
<td>Partly unsatisfactory:</td>
<td>The EIB approved only certain unplanned projects, despite meeting EIB eligibility criteria.</td>
</tr>
<tr>
<td>Unsatisfactory:</td>
<td>The EIB did not approve unplanned projects, despite meeting EIB eligibility criteria.</td>
</tr>
</tbody>
</table>

**From the borrower’s and promoter’s viewpoint, benefits of the operation vs. managing administrative costs**

From the promoter’s viewpoint, perception of the extent to which the managing costs and administrative burden of dealing with the EIB (e.g. allocation system) are commensurate with the benefits (defined in terms of longer tenor, lower rate, flexibility of the product).

**Rating:**

<table>
<thead>
<tr>
<th>Excellent:</th>
<th>The borrowers and promoters consider that the benefits of the framework loans largely outweigh the managing costs and administrative burden of dealing with the EIB.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory:</td>
<td>The borrowers and promoters consider that the managing costs and administrative burden of dealing with the EIB are commensurate with the benefits of the framework loans.</td>
</tr>
</tbody>
</table>
Schedule and timeliness in implementing the operation

Timeliness defines the absence of or justifiable delay in implementing the framework loans operation. The completion time for the framework loan operation will be compared to similar operations (average completion time for the population of framework loans within scope).

Rating:

<table>
<thead>
<tr>
<th>Partly unsatisfactory:</th>
<th>Time to signature (from operation creation to first contract signature) was...</th>
<th>Last disbursement was made...</th>
<th>Actual project end-of-works date was...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent:</td>
<td>Faster than median 21 benchmark</td>
<td>Significantly earlier than end of availability period (2/3 of expected time)</td>
<td>Significantly earlier than the date anticipated at appraisal (2/3 of expected time)</td>
</tr>
<tr>
<td>Satisfactory:</td>
<td>Faster or slower than median benchmark</td>
<td>Within availability period</td>
<td>By the date anticipated at appraisal</td>
</tr>
<tr>
<td>Partly unsatisfactory:</td>
<td>Faster or slower than median benchmark</td>
<td>Either the availability period was extended, or the actual project end-of-works date was later than anticipated at appraisal</td>
<td></td>
</tr>
<tr>
<td>Unsatisfactory:</td>
<td>Slower than median benchmark</td>
<td>Availability period was extended</td>
<td>Actual project end-of-works date was later than anticipated at appraisal</td>
</tr>
</tbody>
</table>

3.4. Sustainability

Sustainability is the likelihood of the financed projects generating lasting effects on (i) the practices of promoters and (ii) the situation of final beneficiaries. The assessment of sustainability will vary depending on implementation progress, and will take into account the issues identified in the ex-ante due diligence carried out by the Bank.

Weighting: All sub-criteria are equally important.

Physical sustainability of projects

Physical sustainability of projects (quality, provisions for maintenance).

Rating:

| Excellent:             | The promoter/final beneficiary has implemented model projects in terms of the quality of their engineering AND has secured resources and procedures for maintenance. |
| Satisfactory:          | The promoter/final beneficiary has implemented ISO-like procedures for the implementation of projects AND has mobilised resources for maintenance. |
| Partly unsatisfactory: | One of the two following elements is identified: Absence of quality control system on the infrastructures delivered OR absence of a plan for ensuring the maintenance of infrastructures. |
| Unsatisfactory:        | Both elements are identified: Absence of quality control system on the infrastructures delivered AND absence of a plan for ensuring the maintenance of infrastructures. |

Environmental and social sustainability

| Excellent:             | There is proof of positive environmental and social impact. |
| Satisfactory:          | There is proof of positive or non-negative environmental OR positive or non-negative social impact. |

21 The median number of days to signature is computed as a benchmark of all cohesion-related operations for a similar type of financing. This benchmark was built from a Business Objects query from the DW Lending data (load date 28/7/2019) that covers the totality of cohesion operations signed from 1/1/2007 to 31/12/2018.
Partly unsatisfactory: There is proof of environmental OR social risks arising as a result of the operation.

Unsatisfactory: There is proof of environmental AND social risks arising as a result of the operation.

3.5. **EIB contribution**

**EIB financial facilitation**

EIB financial facilitation relates to the value added provided by the framework loans by helping to attract private financing through a positive signalling effect and/or by promoting synergies in co-financing with other public sources of funds.

Rating:

<table>
<thead>
<tr>
<th>High</th>
<th>The EIB financial (and non-financial) inputs (appropriate terms, improved risk allocation and stamp of approval) catalyse other private and/or public financing beyond what was originally planned.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant</td>
<td>The EIB financial (and non-financial) inputs (appropriate terms, improved risk allocation and stamp of approval) catalyse other private and/or public financing in line with the originally planned amount.</td>
</tr>
<tr>
<td>Moderate</td>
<td>The EIB financial (and non-financial) inputs (appropriate terms, improved risk allocation and stamp of approval) catalyse other private and/or public financing, which is lower than the originally planned amount.</td>
</tr>
<tr>
<td>Low</td>
<td>The EIB financial (and non-financial) inputs (appropriate terms, improved risk allocation and stamp of approval) failed to catalyse other private and/or public financing.</td>
</tr>
</tbody>
</table>

**EIB financial contribution**

EIB financial contribution identifies the value added provided by the EIB loan in relation to the alternative sources of funding available to the borrower, whether in terms of the loan’s tenor or cost of funding.

Rating:

<table>
<thead>
<tr>
<th>High</th>
<th>Two elements taken together: Borrower was unable to raise funds at similar maturities on the market. Borrower was unable to raise funds at a similar rate on the market.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant</td>
<td>One of the following two elements: Borrower was unable to raise funds at similar maturities on the market; Borrower was unable to raise funds at a similar rate on the market.</td>
</tr>
<tr>
<td>Moderate</td>
<td>One of the following two elements: Borrower has during the same period mobilised funds at similar maturities on the market. Borrower has during the same period mobilised funds at a similar rate on the market.</td>
</tr>
<tr>
<td>Low</td>
<td>Two elements taken together: Borrower has during the same period mobilised funds at similar maturities on the market. Borrower has during the same period mobilised funds at a similar rate on the market.</td>
</tr>
</tbody>
</table>

**EIB technical contribution**

EIB technical contribution relates to any non-financial contribution to the operation provided by the EIB, which may take the form of improvements to the technical, economic or financial aspects of the projects financed via a framework loan (enhanced quality), improved management practices of the authority and/or promoters in order to allow for the expected pipeline of projects. The rating of this aspect will only concern the pilot operations for which the framework loans included a technical assistance component. Activities which may indirectly contribute to the performance of the operation in achieving the objectives of Operational Programmes will be described but not evaluated; these activities include (i) those falling under EIB’s responsibility such as JASPERS and any other potential advisory service provided by the EIB Group to a Managing Authority, and (ii) those not falling under EIB Group’s responsibility, which includes technical assistance and advisory supporting SPLs but provided by third parties (such as the European Commission). If readily available evaluations exist for these activities, this material will be used to feed into IG/EV’s analysis of framework loans.
N.B. The EIB technical contribution is scored only if some positive expected effects have been identified and scored at the appraisal stage. If not, the elements below may be considered, but not scored.

Rating:

<table>
<thead>
<tr>
<th>Rating</th>
<th>EIB technical assistance/advice was CRITICAL in the promoter achieving one or more of the following objectives:</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Improving project risk assessment.</td>
</tr>
<tr>
<td></td>
<td>Improving project design (including quality, scale or timing).</td>
</tr>
<tr>
<td></td>
<td>Improving management practices to allow for the expected pipeline of projects.</td>
</tr>
<tr>
<td></td>
<td>Ensuring compliance with relevant regulations (e.g. procurement, E&amp;S).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rating</th>
<th>EIB technical assistance/advice was BENEFICIAL in the promoter achieving one or more of the above-mentioned objectives.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant</td>
<td>EIB technical assistance/advice was of minor importance in the promoter achieving one or more of the above-mentioned objectives.</td>
</tr>
<tr>
<td>Low</td>
<td>No effect of advice or advice on the practices of the promoter.</td>
</tr>
</tbody>
</table>

3.6. **EIB project lifecycle management**

This criterion rates the Bank’s handling of the operation, from identification and selection to post-completion reporting and repayment.

Weighting: Each stage of the cycle (upstream, disbursement, allocations, monitoring) is equally important.

Cooperation and coordination in particular with the European Commission and Member States will be reviewed as appropriate, but not rated.

Rating:

<table>
<thead>
<tr>
<th>Rating</th>
<th>EIB management proved key to success, at all stages of the cycle (from project identification/pre-appraisal to post-completion reporting).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>Proactive support was provided to the promoter/beneficiary when it faced difficulties in the disbursement process and contributed to solving the identified issues.</td>
</tr>
<tr>
<td></td>
<td>Monitoring information was received and used by the EIB to adapt its approach (where/if needed). Visibility of the EIB’s contribution was ensured.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rating</th>
<th>Sound management, at all stages of the contract (from project identification and pre-appraisal to post-completion report).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Proactive support was provided to the promoter/beneficiary when it faced difficulties in the disbursement process.</td>
</tr>
<tr>
<td></td>
<td>Monitoring information was received by the EIB.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rating</th>
<th>Weak management with some negative effect on performance of the MBIL; some deviations from procedures or identified weaknesses in procedures.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partly unsatisfactory</td>
<td>EIB management proved key to success, at all stages of the cycle (from project identification/pre-appraisal to post-completion reporting).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rating</th>
<th>Failure to manage a certain phase or serious breaches of procedures.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsatisfactory</td>
<td>EIB management proved key to success, at all stages of the cycle (from project identification/pre-appraisal to post-completion reporting).</td>
</tr>
</tbody>
</table>
About the Evaluation Division

The Evaluation Division conducts independent evaluations of the European Investment Bank Group’s activities. It assesses the relevance and performance of these activities in relationship to their objectives and evolving operating environment. It also helps the EIB Group to draw lessons on how to continuously improve its work, thereby contributing to a culture of learning and evidence-based decision-making.

Evaluation reports are available from the EIB website:


Synthesis of project evaluations

October 2020