



The EIB's Three Pillars: Outcomes assessment framework of operations within the EU



As the EU Bank, the European Investment Bank (EIB) ensures that its activities support EU policies, financing projects which are economically, financially, environmentally and socially viable.

The EIB provides loans to more than 300 projects in the EU annually. Its responsibility to demonstrate the positive impact of these projects has never been more apparent than following the capital increase by its shareholders, the EU Member States, at the start of 2013. Over the period 2013-2015, the additional EUR 10bn in public money will be leveraged six times, translating into funding of EUR 60bn. The operational focus during this period is on projects which contribute positively to growth and employment in the EU, in the context of the challenges posed by the difficult financial and economic environment.

The Bank's activities in the EU support projects according to the following priority areas:

- Small and medium sized enterprises (SMEs)
- Regional development, addressing social and economic imbalances
- Environmental sustainability
- Innovation and research
- Trans-European Networks, linking Europe's infrastructure
- Competitive and secure energy supply.

A Robust Mechanism for Project Assessment

The Bank has reviewed the principles of how it selects projects for financing to create a robust mechanism for assessment of potential operations within the EU.

The result is the **Three Pillar Assessment**. This mechanism has been developed to determine the eligibility of projects for EIB support and to establish their priority.

The Three Pillars are:

- Pillar One – Quality and Contribution to Sustainable Growth and Employment
- Pillar Two – Consistency with and Contribution to EU/EIB Policy
- Pillar Three – Contribution of the EIB to the Project

The mechanism also proposes a monitoring methodology to measure the actual or 'ex-post' value added results at project completion.

Operation of the Three Pillars

Once the EIB establishes that a project adheres to its basic eligibility criteria, a multi-disciplinary appraisal team carries out an in-depth assessment using the Three Pillar methodology. Each of the pillars consists of a number of scoring indicators to quantify assessment. These indicators are applied for all projects.

Pillar One - Quality and Contribution of the project to Sustainable Growth and Employment

The project is assessed on the basis of the following indicators:

- **Growth** – Does this project contribute to economic growth in the EU?
- **Promoter Capability** – Does the project sponsor have the necessary experience and resources?
- **Environmental and social sustainability** – Will the project have a neutral or positive impact on its surrounding environment?
- **Employment, Technology and other benefits** – What are the employment or technology impacts of the project? Are there any other important benefits?

Pillar Two - Contribution of the project to EU/EIB policy

Three indicator levels are used to score projects within Pillar Two:

- **EIB Eligibility** – Is this project eligible for EIB funding?
- **Higher Priority Areas** – Is it a high priority area for achieving EU objectives e.g. growth and employment, regional development, climate action or support for SMEs?
- **Exceptional Contribution** – Is it a project with specific features making an exceptional contribution towards the achievement of EU policy objectives e.g. key cross-border or unique demonstration project?

Pillar Three - Contribution of the EIB to the project

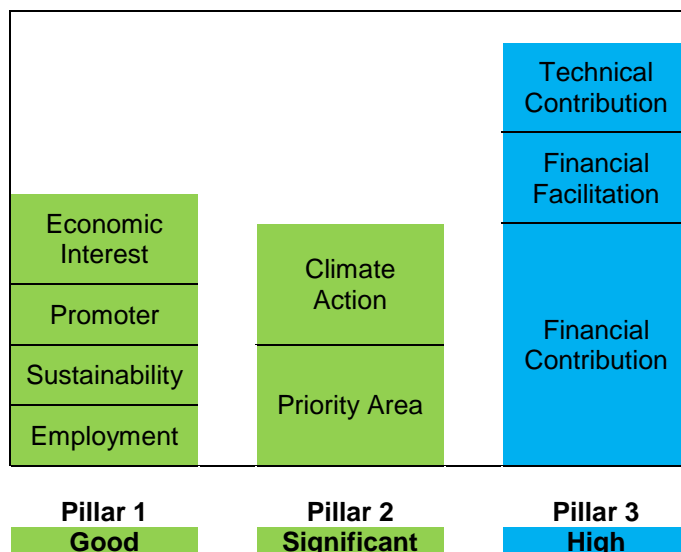
Assessment is based on the following indicators:

- **Financial Contribution** – Does EIB funding make a difference, offering better conditions than the borrower could get elsewhere?
- **Financial Facilitation** – Will EIB participation catalyse other financial support?
- **Technical Contribution** – Can EIB make a difference by contributing technical advice?

Monitoring Results

The true measurement of the EIB’s contribution lies in the final results and successful outcome of the projects financed. An additional element of the mechanism is the reinforced monitoring of projects to establish their overall impact in terms of economic, financial, social and environmental outcomes and outputs.

Example: A Metro



For more information, contact EIB Information Desk (tel: +352 4379-31000; email: info@eib.org).