EIB Annual Economics Conference

Investment and Investment Finance in Europe: A Policy Perspective

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I. Three Stylized Facts
Public Investment Levels Have Fallen

Source: IMF Public Investment Database.
I. Three Stylized Facts
Public Investment Spending is not Counter-Cyclical

Correlation of the Growth in Public Investment to Economic Slack

Source: IMF staff estimates.
I. Three Stylized Facts

Public Investment is not that Efficient

Source: IMF staff estimates.
II. The EIB’s Role – Boosting Spending

EFSI Funding is Growing in Importance

EFSI Capital, Approved Projects and Targets
(EUR billion)

Sources: EC Fact Sheet and EIB 2017/18 Investment Report.
II. The EIB’s Role – Counter-cyclical Funding
EFSI Funding Going to the Weakest Economies

EFSI Approved Funding vs 2016 Output Gap
(in percent of GDP)

Sources: EFSI Fact Sheet & IMF WEO.
II. The EIB’s Role – Improving Efficiency

Weaknesses in Public Investment Management

Results of PIMA Assessments

- Fiscal Rules
- National & Sectoral Planning
- Central-Local Coordination
- Management of PPPs
- Company Regulation
- Multiyear Budgeting
- Budget Comprehensiveness
- Budget Unity
- Protection of Investment
- Transparency of Execution
- Availability of Funding
- Monitoring of Assets
- Project Selection
- Project Appraisal
- Project Management

Allocating

EU Average

ADV Average

Source: IMF staff estimates.