

**THE EIB'S USE OF  
FRAMEWORK LOANS  
IN ADDRESSING DISASTERS  
AND EMERGENCIES  
AN INDEPENDENT EVALUATION**

May 2025



European  
Investment Bank | Group



**EIB GROUP EVALUATION**

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**An independent evaluation**

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## The EIB's use of framework loans in addressing disasters and emergencies

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# ABBREVIATIONS AND ACRONYMS

<b>AIIB</b>	Asian Infrastructure Investment Bank
<b>AIM</b>	Additionality and Impact Measurement
<b>BBB</b>	Build back better
<b>CEB</b>	Council of Europe Development Bank
<b>COVID-19</b>	Coronavirus disease 2019
<b>D&amp;E</b>	Disasters and emergencies
<b>DG ECHO</b>	Directorate-General for European Civil Protection and Humanitarian Aid Operations
<b>DRM</b>	Disaster risk management
<b>DRRR</b>	Disaster response and risk reduction
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>EIB</b>	European Investment Bank
<b>ERI</b>	Economic Resilience Initiative
<b>EU</b>	European Union
<b>FL</b>	Framework loan
<b>GLO</b>	EIB Global
<b>IG/EV</b>	Evaluation Division
<b>IL</b>	Investment loan
<b>IsDB</b>	Islamic Development Bank
<b>JU</b>	Legal Directorate
<b>MDB</b>	Multilateral development bank
<b>NPB</b>	National promotional bank
<b>OPS</b>	Operations Directorate
<b>PIC</b>	Project investment cost
<b>PJ</b>	Projects Directorate
<b>PMM</b>	Portfolio Management and Monitoring Directorate
<b>TA</b>	Technical assistance
<b>UNDRR</b>	United Nations Office for Disaster Risk Reduction
<b>WB</b>	World Bank

# KEY TERMS

<b>Advisory activities</b>	<p>Advisory aims to improve the quality and sustainability of investments and ensure compliance with EU policies and the EIB's applicable standards.</p> <p>Advisory activities can be provided either directly by the EIB's staff, by consultants managed by the EIB or by consultants managed by the promoter but with resources provided/ managed by the EIB. Advisory activities do not include the work done by Projects Directorate staff as part of the standard process of appraising, preparing and implementing projects financed by the EIB in the framework of standard banking due diligence (even if that work often includes some element of advice). In the Projects Directorate procedures manual, advisory and technical assistance are terms that are used interchangeably. (Source: EIB definition.)</p>
<b>Allocation</b>	<p>In the context of framework loans, "allocation" refers to the process through which a scheme intended for financing under a framework loan is formally submitted to the Bank, by the promoter (typically a city or region). Subsequently, the EIB reviews its soundness and eligibility for inclusion in the framework loan, which if successful, leads to the issuance by the EIB of a formal "allocation letter" confirming that the project has been included among the projects financed under the framework loan. (Source: EIB definition.)</p>
<b>Approval</b>	<p>Event upon which an EIB governing body approves a financing operation. According to the new Lending Delegation Framework, the Board of Directors approves all operations classified as "high-risk" risk operations and delegates the approval of operations where no high-risk factors have been identified to the Management Committee. The approval triggers the start of negotiations aimed at the signature of the finance contract with a borrower. (Source: EIB definition.)</p>
<b>Beneficiary/ final beneficiary</b>	<p>Under a framework loan operation, a final beneficiary is physically implementing a scheme. In more complex structures, additional implementing bodies may also be involved in the intermediation of the EIB loan from promoter/financial intermediary to final beneficiaries. (Source: EIB definition.)</p>
<b>Borrower</b>	<p>The counterpart directly receiving the EIB's framework loan. (Source: EIB definition.)</p>
<b>Disbursement</b>	<p>Event upon which the EIB pays, in one or several tranches, the funds to the borrower. (Source: EIB definition.)</p>
<b>Delegation</b>	<p>Delegation in the context of framework loans is a transfer of the tasks traditionally performed by the EIB itself in the appraisal and monitoring process to the promoter or financial intermediary. (Source: EIB definition.)</p>
<b>Framework loan</b>	<p>Financial product used for financing multi-component investment programmes where, due to incomplete information being available at the appraisal stage, the full set of schemes to be co-financed by the EIB is not yet fully known.</p>

Therefore, decisions concerning the financing of specific schemes must be taken after approval of the overall operation by the Board. (Source: EIB definition.)

<b>Investment loan</b>	A direct lending operation to a borrower for a predetermined eligible investment project or programme, and on the basis of which a comprehensive technical, environmental, social, economic, climate and financial appraisal is performed by the EIB. (Source: PJ Manual, EIB.)
<b>Investment programme</b>	A multi-scheme set of investments with a feature of commonality (promoter, objective or sector). The investment programme may comprise a project pipeline, a portfolio of schemes provided by a financial intermediary, the budget of a region or city, or an EU-funded operational programme. (Source: EIB definition.)
<b>Operation</b>	The part of an investment for which the EIB provides financing. (Source: EIB definition.)
<b>Promoter</b>	The counterpart responsible for the management and implementation of the investment programme covered by the framework loan, and for compliance with the EIB's Guide to Procurement, Environmental and Social Standards. The promoter provides the EIB with information on the implementation of a framework loan operation and the underlying schemes that it supports. (Source: EIB definition.)
<b>Scheme</b>	A specific investment under an investment programme. (Source: EIB definition.)
<b>Technical assistance</b>	Support and capacity-building activities necessary for the implementation of a programme or an action, in particular preparatory, management, monitoring, evaluation, audit and control activities. In the PJ procedures manual, the terms "advisory" and "technical assistance" are used interchangeably. (Source: EIB definition.)

*Sources: EIB Business Glossary, EIB Projects Directorate Framework Loans Procedure Manual and other EIB documents.*

# GLOSSARY RELATED TO DISASTER AND EMERGENCY

<b>Build back better</b>	The use of the recovery, rehabilitation and reconstruction phases after a disaster to increase the resilience of communities by integrating disaster risk reduction measures into the restoration of physical infrastructure and societal systems, and into the revitalisation of livelihoods, economies and the environment. (Source: Sendai.)
<b>Damage</b>	Total or partial destruction of physical assets existing in an affected area. Damage occurs during and after the disaster and is measured in physical units (square metres of housing, kilometres of roads, etc.). Its monetary value is expressed in terms of replacement costs according to prices prevailing just before the event. (Source: Sendai.)
<b>Disaster</b>	Severe alterations in the normal functioning of a community or a society due to hazardous physical events interacting with vulnerable social conditions, leading to widespread adverse human, material, economic or environmental effects that require an immediate emergency response to satisfy critical human needs and that may require external support for recovery. (Source: IPCC/Sendai, DRMKC.)
<b>Disaster response and risk reduction (DRRR)</b>	Processes for designing, implementing and evaluating strategies, policies and measures to improve the understanding of disaster risk, foster risk reduction and transfer, and promote continuous improvement in disaster preparedness, response and recovery practices, with the explicit purpose of increasing human security, wellbeing, quality of life and sustainable development. (Source: IPCC/Sendai.)
<b>Disaster risk reduction</b>	Disaster risk reduction is aimed at preventing new and reducing existing disaster risks, as well as managing residual risk, all of which contribute to strengthening resilience and therefore to the achievement of sustainable development. (Source: Sendai.)
<b>Emergency</b>	An imminent, serious situation requiring immediate action. Emergencies tend to occur with some sort of regularity, which has allowed professionals to prepare a response to particular types of emergencies. (Source: GCSA.)
<b>Preparedness</b>	Activities that are implemented in anticipation of an imminent or potential disaster with the aim of ensuring the most effective and efficient response. (Source: EIB working definition.)
<b>Prevention</b>	Activities aimed at preventing or limiting damage, independently from the occurrence of a disaster. Effective prevention leads physically to increased resilience to disasters. (Source: EIB working definition.)
<b>Reconstruction</b>	Activities aimed at building back infrastructure, and at restoring facilities, livelihoods and economic conditions. Elements of prevention need to be embedded in reconstruction activities for these to be in line with the aim of “building back better.” (Source: EIB working definition.)

<b>Resilience</b>	The ability of a system, community or society exposed to hazards to resist, avoid, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions. (Source: IPCC.)
<b>Response</b>	Activities for the provision of services and assistance during or immediately after a disaster with the aim of saving lives, providing shelter and meeting basic needs or safeguarding from immediate economic losses. (EIB working definition.)
<b>Polycrisis</b>	A cluster of related global risks with compounding effects, such that the overall impact exceeds the sum of each part. (Source: World Economic Forum)

*Sources: Sendai Framework Terminology on Disaster Risk Reduction; Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation 2012 Special Report of the Intergovernmental Panel on Climate Change (IPCC); Disaster Risk Management Knowledge Centre (DRMKC); Group of Chief Scientific Advisors (GCSA) (2022), Strategic crisis management in the EU: Improving EU crisis prevention, preparedness, response and resilience; EIB experts working on the Bank's approach and operations in addressing disasters and emergencies, World Economic Forum Global Risks Report January 2023.*

# EXECUTIVE SUMMARY

## CONTEXT

**Between 2008 and 2024 the EIB approved over €91 billion towards addressing disasters and emergencies.** EIB interventions covered weather related and geological events such as floods or earthquakes; conflict, including Russia's first invasion of eastern Ukraine and annexation of Crimea in 2014 and the most recent full-scale invasion of Ukraine in 2022; forced displacement following the 2015/16 civil war in Syria; and public health emergencies with the COVID-19 pandemic.

**The EIB Framework Loan product is one of the most deployed by the Bank to address such disasters and emergencies.** Financing through framework loans represents 29% of the total approved volume of EIB disaster and emergency financing between 2008 and 2024.

**The framework loan is a financial product that enables the EIB to finance operations that consist of multi-component investment programmes within a framework of pre-defined objectives, target sector(s) and eligibilities.** At the time of appraisal, the full set of schemes to be financed is not always known. Overall, the framework loan is intended to be flexible, allow for multiple (often smaller sized) investment and provide efficiency gains.

**This evaluation considers the suitability of the EIB's framework Loan product across the four stages of the Disaster Response and Risk Reduction (DRRR) cycle.** The cycle covers (i) prevention such as flood protection, (ii) preparedness such as early warning systems, (iii) first response, essentially life saving measures and (iv) reconstruction such as rebuilding infrastructure. Each phase requires different interventions, with some being more time sensitive than others.

**The scope of the evaluation covers a portfolio of 83 approved framework loans addressing disasters and emergencies.** Of these, 46 were inside the European Union (€19 billion) and 37 were outside the Union (€6.5 billion). Disasters and emergencies were clustered around four types: natural or climate induced disasters, public health, conflict-affected areas and forced displacement. These EIB interventions were across one or more of the four phases of the DRRR cycle.

## KEY FINDINGS

**Framework loans performed particularly well in the reconstruction phase. This phase usually requires long-term reconstruction and/or resilience-building investment projects.** Promoters tend to need time to develop needs assessments, understand the long-term impacts of an event and identify a pipeline of investments. The product's ability to i) defer appraisal to post-signature, ii) finance many schemes of different sizes and iii) cover multi-sector needs make it well suited to address such requirements.

**Newly originated framework loans are not timely enough to address the needs of the immediate response phase,** where needs are urgent and focused on short-term, life-saving or damage-limiting actions. Inside the EU, framework loans addressing disasters and emergencies take more than a year on average to reach signature, and around three years to reach first allocation. Outside the EU, they take on average two years to sign. This is in part due to institutional aspects such as the Bank's due processes in assessing and approving financing, and in part due to promoter capacity, the latter being a particular challenge outside the EU.

**While potentially well suited to the prevention and preparedness phases, few framework loans were identified in these phases.** Prevention and preparedness usually require systems building, climate adaptation and long-term resilience-enhancing investment projects. The specific characteristics of the framework loan may respond well in instances where multiple smaller, multi-sector investments might be required. However, only 18% of framework loans were used for prevention and preparedness. This is likely due to challenges in prioritising pre-emergency spending in resource constrained environments, and a lack of knowledge and expertise in relation to potential risk factors and how to mitigate these.

**Where framework loans have been fully implemented, there is evidence that they delivered their intended outputs.** For example, through a post-earthquake framework loan in Italy more than 16 000 private building rehabilitation schemes had been approved, of which almost 9 000 were completed by June 2024. Positive outcomes such as improved access to public infrastructure and services, regional economic regeneration, public health and wellbeing, climate action and improved energy efficiency were identified by the evaluation. Long term outcomes and impacts were generally more difficult to identify due to limited information in project reporting.

**Outside the EU, the implementation of Framework Loans is constrained by promoter capacity and the operational context,** where legislative and regulatory frameworks may not be aligned with EIB requirements. The product modalities that are intended to enable framework loans to be more agile and timely are often restricted by weak promoter capacity, challenging compliance with EIB requirements, delays related to parliamentary approval processes, and the unavailability of project implementation units to coordinate across stakeholders. However, where framework loans are implemented outside the EU, they tend to be accompanied by technical assistance (68%) which builds long term promoter capacity.

**Inside the European Union, the EIB provided limited financial added value through framework loans addressing disasters and emergencies.** Despite the framework loans displaying better pricing conditions than the alternative funding sources known at appraisal stage, the availability of funding alternatives at a later stage eroded that financial advantage. Consequently, a large share of the financing approved inside the European Union was cancelled (21% inside the EU, compared to 2% only outside). Inside the EU, 42% of financing cancelled was attributed to the availability of alternative sources of funding, notably grants (e.g. Next Generation EU and the EU Solidarity Funds).

**EIB lending and the framework loan product itself provided non-financial added value to clients, promoters and communities.** In particular, visibility and reputational gains were identified as important in gaining public support and as a signalling effect to other lenders. The EIB's technical expertise was identified as extensive and a contributor to improvements in relation to project management, climate action and sustainability. The programmatic approach of the framework loan product enabled the integration of prevention and preparedness in reconstruction efforts, as well as a more holistic view of a geographical, sector and infrastructure need, identifying co-dependencies and supporting entire ecosystems in regenerating areas affected by a disaster or emergency.

**Technical assistance and advisory are strong contributors to the value added provided by EIB financing through framework loans addressing disasters and emergencies.** In the vast majority of cases, the advisory was not found to be disaster- or emergency-specific by rather in relation to EIB compliance requirements, including on climate action. However, more recently there has been an increase in technical assistance / advisory that provides upstream diagnostic and project specific disaster and emergency related support. For example, advisory support provided as part of a reconstruction and resilience-building operation in Italy provided technical assistance to address the specific climate-related context of the disaster.

**Until recently, the EIB did not explicitly refer to, or define, build back better (BBB) either as a concept or a requirement.** However, build back better aspects are embedded in framework loan operations through

infrastructure improvements, prevention and preparedness components and/or the application of EIB standards that can lead to environmental and social aspects of build back better being integrated. Though build back better is a valuable byproduct of broader EIB requirements and objectives, the lack of an explicit definition, objectives or reference to specific features that enable it means that opportunities are missed in terms of learning, cooperating with others, building on EIB expertise in specific areas and ensuring a consistent deployment of BBB efforts.

**The EIB's approach to addressing disasters and emergencies has evolved in recent months** with the application of new Group guidance setting out an approach to help accelerate actions in the response phase of the Disaster Response and Risk Reduction (DRRR) cycle. EIB's Response Packages to the 2024 Central European and Spanish floods depict a holistic approach in the short, medium and longer term with products adapted to each phase, whilst embedding build back better considerations. This evaluation intends to inform the EIB Group's ongoing consideration of how best to support borrowers in addressing disasters and emergencies.

## RECOMMENDATIONS

Overall, the evaluation does not point to changes needed to the framework loan product itself in addressing disasters and emergencies, but rather identifies three strategic recommendations that are both supportive of, and complementary to, the direction taken in the more recent disaster and emergency response packages. These recommendations, if adopted, could enable the EIB to be better prepared to address disasters and emergencies:

- **Recommendation 1: Explore enabling modalities to increase investments in the prevention and preparedness phases.** Counterparts are faced with the challenge of prioritising pre-emergency spending in resource constrained environments, and often lack knowledge and expertise in relation to potential risk factors and how to mitigate these. This recommendation should be implemented by (i) going a step further to incentivise investments prior to the occurrence of a disaster or emergency, (ii) providing technical assistance that identifies potential risks and builds a pipeline of prevention and preparedness investments and (iii) exploring partnerships and complementarities with other institutions in relation to building back better.
- **Recommendation 2: In addition to repurposing, consider expanding the mechanisms that enable the EIB to better address the urgent needs of the response phase.** Newly originated framework loans cannot provide for a timely response to disasters/emergencies. Currently at the EIB, repurposing existing loans is the only available option for an immediate release of liquidity to address urgent needs. This recommendation should be implemented by (i) undertaking an assessment of EIB products and mechanisms against the need of each phase of the DRRR, (ii) reviewing rapid response mechanisms available on the market and (iii) introducing such mechanisms to the EIB's procedures and/or product offer as suitable.
- **Recommendation 3: Refine and expand the EIB definition of build back better and enhance EIB learning across the disaster response and risk reduction portfolio.** The EIB should enhance its learning, cooperation with others, expertise in specific areas and consistent deployment of BBB efforts by (i) adopting a core EIB definition of build back better, (ii) expanding its application beyond infrastructure improvements, (iii) supporting learning through improved traceability of, and reporting on, the EIB's disaster response and risk reduction portfolio.

# MANAGEMENT RESPONSE

The Management Committee welcomes the outcomes and recognition of the EIB's engagement in addressing disasters and emergencies both outside and inside the European Union and the analysis of use of the framework loan product in different phases of the Disaster Response and Risk Reduction (DRRR) cycle.

The Management Committee would also like to commend the effective dialogue between the Evaluation Division team and the relevant services throughout the evaluation exercise.

The Management Committee would like to thank the Evaluation Division for the evaluation and its actionable recommendations. These will be duly taken into account and will be translated into concrete actions to improve the Bank's crisis response in the future while respecting the nature and business model of the EIB.

**Note: full recommendation details are available in the "Conclusions and Recommendations" section of the report.**

**Table 1: Recommendations and Management Response**

## RECOMMENDATION 1

**Explore enabling modalities to increase investments in the prevention and preparedness phases.**

## MANAGEMENT RESPONSE: AGREED

The Management Committee welcomes the recommendation to incentivise investments aimed at reducing the risk of occurrence and/or enhancing preparedness and resilience to a disaster or emergency, recognising their higher benefit to cost ratio, substantial externalities and potentially significant spillover effects when compared with post-disaster interventions.

The report highlights that *"For prevention and preparedness operations the EIB is bound to follow the standard rule of not financing more than 50% of the project investment cost. However, prevention and preparedness activities included as components of response and/or reconstruction operations can benefit from the exception as the operations are de-facto post-disaster"*.

In fact, as acknowledged in the evaluation report, the EIB Climate Adaptation Plan already allows for EIB financing more than 50% of project cost for climate-related risk reduction and preparedness (adaptation) and the recent expansion in the Climate Bank Roadmap (CBR) Mid-term review lists countries<sup>1</sup> in which it will consider financing up to 100% of the investment cost for projects primarily supporting climate adaptation objectives (>50%).

In response to the Report's recommendation and in the context of the forthcoming second CBR, the Management Committee will consider Services' proposal, including relevant analysis and justification, extending the possibility to request such Board derogation beyond the limited list of outside EU countries, including for non-climate-related disasters and emergencies.

In recognition of the capacity constraints of public entities in many countries and regions, Services are also working on developing advisory services to support promoters inside and outside the EU in identifying

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<sup>1</sup> In practice, this addition currently relates to EIB countries of operation included in the following list: Cameroon, Congo, Côte d'Ivoire, DR Korea, Equatorial Guinea, Eswatini, Honduras, Iran, Iraq, Kenya, Libya, Nicaragua, Nigeria, Pakistan, Syrian Arab Rep, Tajikistan, Turkmenistan, Ukraine, Venezuela, West Bank and Gaza Strip, Zimbabwe, Ukraine.

vulnerabilities and developing robust risk reduction and preparedness plans, impactful project pipelines, as well as possible extension of further technical assistance envelopes for post-disaster intervention (particularly outside the EU). The potential for deployment of advisory services will be clearly subject to the adequate availability of financial and human resources.

In parallel, coordination and cooperation with other relevant actors in the disaster risk management domain, particularly the European Commission, other International Financial Institutions and UN agencies, is being strengthened in view of harmonising approaches to build-back-better, exploiting synergies and delivering higher impact on the ground. Practical experiences have shown the need to harmonise specific procedures, for example for the deployment of grants and the co-operation with UN agencies, which will serve as a lesson learnt for future cooperations.

## RECOMMENDATION 2

**In addition to repurposing, consider expanding the mechanisms that enable the EIB to better address the urgent needs of the response phase.**

## MANAGEMENT RESPONSE: AGREED

The Management Committee acknowledges the recommendation to enhance the EIB's ability to address urgent needs during the response phase of disasters and emergencies, noting it goes beyond the current scope of this evaluation, which focuses on framework loans. Currently, repurposing existing loans is indeed the main option to address urgent needs in the response phase, particularly within the European Union, as the provision of liquidity to address such needs is not part of EIB's business model and lending practices, which are more geared towards building (back better) infrastructure. In that sense, even repurposing has its own limitations.

The Management Committee welcomes the recognition of the significant progress that the Bank has made in 2024 in managing the DRRR cycle with the new guidance on crisis and disaster response. This guidance specifically aims to accelerate actions in the response phase by identifying effective measures available to the Group. The Management Committee would like to highlight the promising application of the new guidance to its response to recent flood events in Central Europe and Spain, where the EIB's intervention was deemed timely and involved a comprehensive support package integrating advisory services, with the aim to address all four phases of the DRRR cycle and adapt product deployment to its various needs. The Management Committee emphasizes that any new steps, e.g. to further tailor the response toolkit use outside the EU, would build on the newly deployed guidance and the experience collected so far.

Beyond the response phase, the EIB Group will continue to regularly review and adapt, as necessary, its tools across all four phases of the DRRR cycle. This includes reviewing externally available instruments and models and a more effective and efficient use of its own products and mechanisms, as well as the possible development of new ones, with due consideration to their complementarity to other market offers, including EU grants and other funded instruments.

### RECOMMENDATION 3

**Recommendation 3: Refine and expand the EIB definition of build back better and enhance the EIB's learning across the disaster response and risk reduction portfolio.**

#### MANAGEMENT RESPONSE: AGREED

The Management Committee welcomes the focus on the continued and improved application of the Build Back Better approach to EIB's support for the response, reconstruction and recovery from a disaster or emergency.

Services are already engaged in reviewing and consolidating existing approaches to post-disaster reconstruction, including the application of Build Back Better approaches. One of the expected deliverables is an EIB operational definition of Build-Back-Better that incorporates its core focus on risk reduction and enhanced resilience while delivering the additional potential economic, social and environmental benefits that a well-designed reconstruction and recovery can deliver, taking into account lessons learned from ongoing co-operations, including with the UN.

An overview of scientific, policy and legislative landscape has been carried out and will be further consolidated, also by enhancing coordination with other relevant organisations, particularly the European Commission, other IFIs and UN organisations, starting with the United Nations Development Programme (UNDP). The existing partnership with UNDP on fragility and conflict constitutes a relevant starting point and is being extended to the broader disaster response and risk reduction area. Other partnerships are also being developed.

With reference to making a better use of existing project reporting tools and draw effective lessons from financed operations, performance indicators and reporting templates will be reviewed and dedicated business intelligence options will be analysed with the team in charge of deploying the new IRIS platform.

# 1. INTRODUCTION

## 1.1 DISASTERS AND EMERGENCIES

### Box 1: Definition of disaster and emergency

A **disaster** is defined as a severe alteration in the normal functioning of a community or a society due to hazardous physical events interacting with vulnerable social conditions, leading to widespread adverse human, material, economic or environmental effects.

An **emergency** is defined as an imminent, serious situation requiring immediate action. Emergencies tend to occur with some sort of regularity.

The two terms are sometimes used interchangeably. However, the effects of a disaster are typically more widespread and last longer, as with a major earthquake or very strong hurricane. Emergencies can be more localised and do not always result in serious disruption to a community or society's functioning, as with localised flooding for example.

*Source: United Nations Office for Disaster Risk Reduction (UNDRR), Disaster Risk Management Knowledge Centre (DRMKC), Group of Chief Scientific Advisors (GCSA).*

**Recent decades have been characterised by a polycrisis.**<sup>2</sup> Disasters and emergencies are increasing in frequency, and different types tend to overlap (for example, situations of conflict with forced displacement). As a result of climate change impacting global and local systems, disasters and emergencies can be expected to increase in frequency and intensity in the future.<sup>3 4</sup>

**An increase in the frequency of disasters and emergencies is associated with an increase in their global costs,** defined as the "immediate yearly damage to property, crops and livestock."<sup>5</sup> This increase has been steady since the 1970s (Figure 1). According to the International Disaster Database, the "global adjusted financial losses from disasters in the last three years (between 2020 and 2023) are estimated at between \$200 billion to \$270 billion per year."<sup>6</sup> At the EU level, the average economic loss due to disasters "was estimated at around €12 billion per year, totalling more than €480 billion between 1980 and 2020."<sup>7</sup>

<sup>2</sup> The term polycrisis describing the current state of the world was coined by the World Economic Forum in the Global Risk Report 2023, <https://www.weforum.org/agenda/2023/03/polycrisis-adam-tooze-historian-explains/>, accessed on 13/03/2025.

<sup>3</sup> Council of the European Union, 2021, Council conclusions on enhancing preparedness, response capability and resilience to future crises: <https://data.consilium.europa.eu/doc/document/ST-14276-2021-INIT/en/pdf>, accessed on 13/03/2025.

<sup>4</sup> European Environment Agency <https://www.eea.europa.eu/publications/europes-changing-climate-hazards-1/what-will-the-future-bring>, accessed on 13/03/2025.

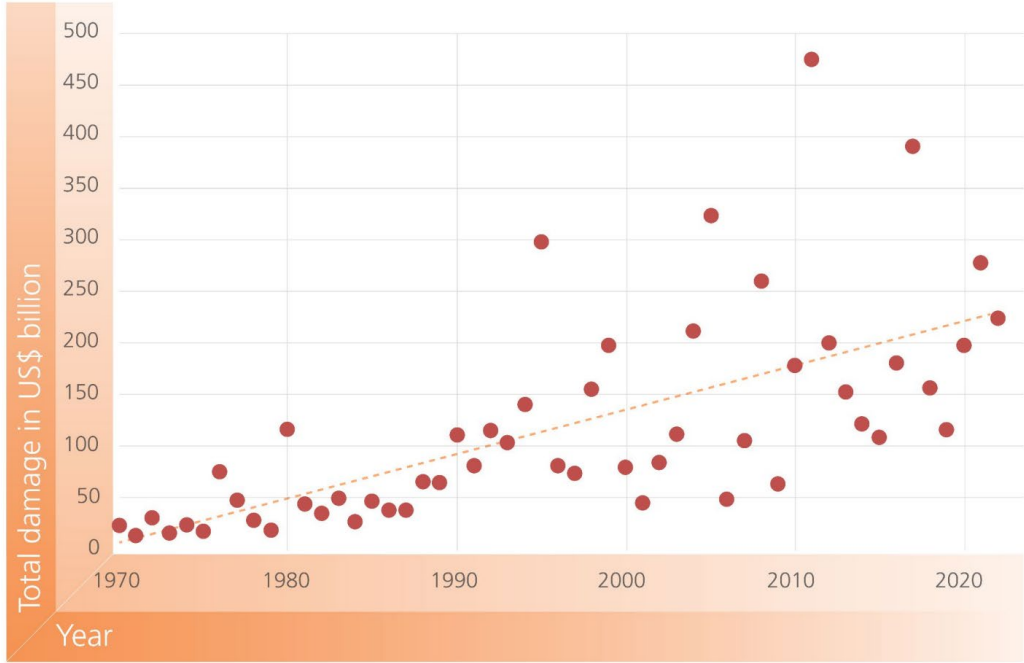
<sup>5</sup> CEB, 2023, Managing Disaster Risks to Leave No One Behind, Technical brief, October.

[https://coebank.org/media/documents/Managing\\_disaster\\_risks\\_to\\_leave\\_no\\_one\\_behind.pdf](https://coebank.org/media/documents/Managing_disaster_risks_to_leave_no_one_behind.pdf), accessed on 13/03/2025.

<sup>6</sup> Idem.

<sup>7</sup> Idem.

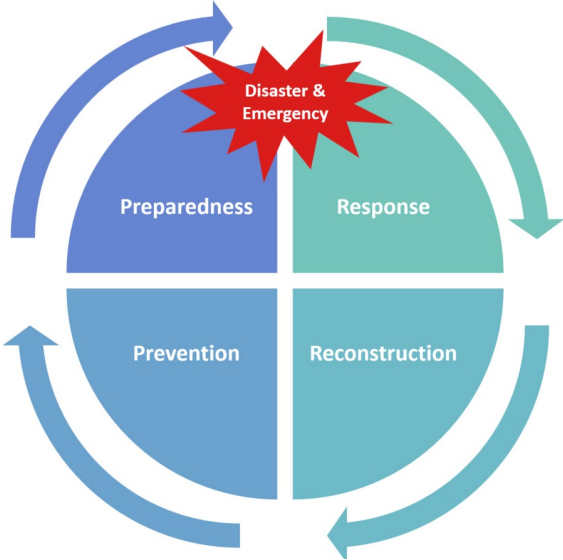
**Figure 1: Rising costs of disasters: total yearly adjusted damage globally, 1970-2023**



Source: CEB, 2023, *Managing Disaster Risks to Leave No One Behind*, Technical brief, October.

**1.2 THE DISASTER RESPONSE AND RISK REDUCTION CYCLE**

**Figure 2: Disaster response and risk reduction cycle (DRRR)**



Source: Evaluation team.

As set out in the recent EIB Group guidance on crisis and disaster response, there are four phases to the disaster response and risk reduction (DRRR) cycle (Figure 2). Enshrined in the Sendai Framework for Disaster Risk Reduction<sup>8</sup> is the requirement for a coherent and integrated approach to all four phases for the effective management of disaster risk and response.

<sup>8</sup> Sendai Framework for Disaster Risk Reduction 2015-2030 | UNDRR. An international framework developed under the aegis of the United Nations Office for Disaster Risk Reduction.

The EIB distinguishes interventions to address disasters and emergencies in the following way:

- I. **Preparedness:** Activities that are implemented in anticipation of an **imminent** or **potential** emergency/disaster with the aim of ensuring the most effective and efficient response - such as early warning systems and emergency planning.<sup>9</sup>
- II. **Response:** The provision of services and assistance **during or immediately after** a disaster or emergency with the aim of saving lives, providing shelter and meeting basic needs or safeguarding from immediate economic losses -such as search and rescue operations and immediate relief provision.
- III. **Recovery/reconstruction (hereafter referred to as reconstruction):** Activities aimed at **building back** infrastructure, and the restoration of facilities, livelihoods and economic conditions **after a disaster or emergency**. Elements of prevention need to be embedded in reconstruction activities for these to be in line with the aim to **build back better**. Such activities include: rehabilitation of infrastructure and economic recovery.
- IV. **Prevention/risk reduction (hereafter referred to as prevention):** Activities aimed at **preventing** or **limiting** disaster or emergency-related damage, independently from the occurrence of an emergency or disaster. Effective prevention leads to increased resilience to disasters and emergencies. Such activities include: risk assessments and mapping, and investment in resilient infrastructure.

**Each phase of the cycle presents different challenges, opportunities and, importantly, needs.** Further, the operating environment, capacity of the stakeholders in charge of addressing the disaster or the emergency and the nature of that emergency or disaster will also influence needs. For example:

- **In two of the phases – preparedness and response – timeliness can be critical to an intervention.** In the case of preparedness, this is when a disaster or emergency is imminent. In the case of response, immediate action is fundamental, though actions/needs in this phase can extend beyond immediate life saving measures. Where needs are urgent and focused on short-term, life-saving or damage-limiting actions, the timeliness of the deployment of financing and actions is critical. Alongside the need for capital expenditure, there is often a surge in operational expenditure (OPEX) to cover requirements for additional staff and/or specific expertise, equipment and logistical capabilities.
- **In the reconstruction and prevention phases of the DRRR, as well as in the preparedness phase where this relates to potential, rather than imminent, events - timeliness is less critical.** These phases usually require systems building, and long-term reconstruction and/or resilience-building investment projects. Promoters tend to require time to develop needs assessments, to understand the long-term impacts of an event, alongside reconstruction and resilience needs, and to identify a pipeline of investments. In some cases, preparedness and prevention needs are addressed during reconstruction, as part of Building Back Better.

**The response and reconstruction phases of the DRRR involve addressing the negative impacts caused by an emergency or disaster that has taken place**, which are likely to be widespread and often scattered across several geographical areas and/or sectors. Needs can consist of several smaller schemes, not always immediately identifiable as the scale of the damage and its longer-term effects are still being understood. In the medium to long term, the needs and priorities of the reconstruction phase become clearer and more well- defined.

**Two of the phases, prevention and preparedness, take place *before* the occurrence of an emergency/disaster, whereas the response and reconstruction phases happen *afterwards*.** However, elements of prevention and preparedness-related activities are often considered as part of the longer-term reconstruction from a disaster/emergency, after its occurrence. Throughout this report, we often refer to framework loans *addressing* disasters and emergencies – in the context of this report, this may encompass activities across all phases, even where a disaster/emergency has not yet taken place.

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<sup>9</sup> Refer to [Table 5](#) (Annex 1 – Policy Review) for illustrative examples of activities in each of the phases of the DRRR cycle.

## 1.3 HOW THE EIB ENGAGES IN ADDRESSING DISASTERS AND EMERGENCIES

Recent (June 2024) internal guidance set out a new approach to help accelerate actions in the response phase of the Disaster Response and Risk Reduction (DRRR) cycle. It responds to an earlier Evaluation's recommendation to define modalities aimed at speeding up and better coordinating the EIBG's response to crises globally. In doing so it also sets out the Disaster Response and Risk Reduction framework and related definitions for the Group's actions. In parallel, the EIBG is continuing to work on framing its approach, actions and instruments in the other three phases.

Until June 2024, the EIB's policy or operational framework on disasters and emergencies could be found in multiple thematic areas and documents. These were split mainly by disaster type, phase or sector rather than presented as a single framework for addressing disasters and emergencies. The timeline in Figure 3 shows how the EIB's policy framework has evolved in response to events occurring inside the European Union or worldwide, and has sought to adapt and evolve to reflect growing evidence and learning regarding disasters and emergencies.

Figure 3: EIB's policy framework related to disasters and emergencies



Source: Evaluation team, based on EIB documentation.

Elements of the EIB policy formulation for addressing disasters and emergencies date back to 2003<sup>10</sup>. As shown in Figure 3:

- In 2003 the EIB introduced exceptional measures that could be applied in certain circumstances when funding reconstruction and restoration projects following *natural* disasters (Table 2).
- The 2014 *Ukraine Early Recovery framework loan*<sup>11</sup>, in response to the Russian invasion of eastern Ukraine and annexation of Crimea, was the first EIB operation to which similar exceptional measures to those allowed through the 2003 note were applied following a “*man-made*” disaster.
- The 2020 *EIB Group response to COVID*, following the coronavirus outbreak in 2020, the EIB Group mobilised resources to quickly counter both the economic fallout and the pandemic itself. Among other things the EIB

<sup>10</sup> An even earlier example of where the EIB provided support in addressing disasters/emergencies was in 1980 with the Nouvel Instrument Communautaire (NIC) which was used to subsidise EIB MBILs after an earthquake in Italy.

<sup>11</sup> [UKRAINE EARLY RECOVERY](#) (accessed 13/03/25), EIB Operation 20140532 and BoD approval CA/479/14 dated 16 December 2014.

Group developed and implemented a series of emergency measures, including allowing exceptional eligibilities, to enable the acceleration of its response to the Covid-19 crisis<sup>12</sup>.

- **The Climate Bank Roadmap** (2020) and the **Climate Adaptation Plan** (2021) touch on key concepts of *prevention, resilience*, inclusion and long-term social and environmental sustainability.
- In 2021 the EIB developed its approach to migration and forced displacement. With this, as well as the **2022 EIB Strategic Approach to Fragility and Peace**<sup>13</sup>, the EIB sought to update and consolidate its approach outside the European Union on human mobility, fragility and conflict.<sup>14</sup> The latter defines the EIB's role in the framework of the Humanitarian-Development-Peace (HDP) Nexus as working on long-term *preparedness and resilience* rather than on immediate disaster and emergency response.
- In June 2024, the EIB Group developed new guidance on crisis and disaster response, setting out institutional measures aimed at facilitating and enabling a *response* to disasters/emergencies that is agile, timely and relevant. It also established the EIB's alignment with, and EIGB definitions of the DRRR framework. It sets out an approach to accelerating actions in the response phase of the Disaster Response and Risk Reduction (DRRR) cycle.

**Overall, the EIBG provides financing through loans, guarantees and, occasionally, small grants through the EIB Institute**<sup>15</sup>. In some cases, the EIB complements lending with exceptional measures (Table 2), technical assistance as in the EU for Ukraine TA<sup>16</sup> and/or, to a lesser extent, grant financing through blended finance, such as trust funds. Exceptional measures introduced to accompany disaster/emergency-related financing do not provide for dedicated financing solutions *per se*, but they build on generic EIB financing products by enhancing some of their features to reflect specific disaster and emergency related needs. In more recent cases such as following the floods in Central Europe and in Spain (September and October 2024), the EIB has repurposed existing operations combined with exceptional measures, developed dedicated lending envelopes and offered technical assistance/advisory across multiple phases of a disaster or emergency.

**The EIB has also implemented specific initiatives**, including the Economic Resilience Initiative in aid of EU neighbouring countries affected by the 2015 civil war in Syria and movements of people; the European Guarantee Facility designed to help businesses recover from the economic shock of COVID-19; and the Ukraine Solidarity Package in response to Russia's invasion of, and subsequent war in, Ukraine. These initiatives have usually mobilised debt and guarantee products alongside complementary support (grants, etc.) and/or exceptional measures, each with the objective of better responding to clients' needs over the DRRR cycle and of alleviating economic and infrastructural damages resulting from a specific disaster or emergency.

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<sup>12</sup> [Coronavirus outbreak: EIB Group's response and Rapid assessment of the EIB Group's operational response to the COVID-19 crisis](#), accessed 13/03/25.

<sup>13</sup> EIB Strategic Approach to Fragility and Conflict, 2022.

<sup>14</sup> Strategic contribution to crisis response is one of the four goals of the Strategic Approach: "Respond to crisis: Crisis response and preparedness acts in support of the European Union's wider support for peace and stability in fragile and conflict-affected contexts. As part of the EU collective response, the EIB will seek to respond to different types of crises in fragile and conflict-affected contexts as appropriate (intensifying conflict, pandemics, financial or refugee crisis, natural disasters, etc.)." (2022 EIB Strategic Approach to Fragility and Conflict).

<sup>15</sup> The EIB institute is a branch of the EIB Group that actively supports disaster-affected communities within and outside the EU through three key phases of the DRRR cycle: preparedness, response, and recovery. The Institute, through its partners, has allocated nearly 20 million euros to aid communities impacted by disasters, benefiting hundreds of thousands globally. This support includes, inter alia, immediate deployment of shelter, food, medical aid, and WASH services, as well as rebuilding educational and community infrastructure. Additionally, projects funded by the Institute provide long-term mental health and psychosocial support, assistance to marginalized groups, and medical facilities. Through the "Know Your Hazard" initiative, the Institute has fostered a community of experts to enhance disaster preparedness, organized knowledge-sharing events, supported research, and launched a pilot community education program aimed at better preparing citizens for disasters, with plans to replicate this across Europe.

<sup>16</sup> The EU for Ukraine Fund (EU4U) was established in 2023 with the aim of accelerating EIB Global's support for Ukraine's most urgent infrastructure needs and of helping sustain its economy, through the deployment of public and private sector projects for the reconstruction of critical municipal infrastructure and better access to finance for entrepreneurs.

Table 2: EIB toolbox to address disasters and emergencies

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#### EIB FINANCING MODALITIES THAT CAN BE USED TO ADDRESS DISASTERS AND EMERGENCIES

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- **New lending operations:** Any EIB product that targets the financing needs arising from disasters and emergencies. In addressing disasters and emergencies the EIB has deployed the following products: framework loans, investment loans, multiple beneficiary intermediated loans and guarantees.
- **Repurposing existing loans:** The objectives of existing lending operations in an affected country may no longer be relevant or have lost importance in view of the disaster or emergency. They may be repurposed to serve new objectives relevant to the changed context. This modality allows for fast access to financing for emergency response.<sup>17</sup>
- **Programme loans (or lending envelopes)<sup>18</sup>:** These are not individual lending operations but an EIB internal operational delegation mechanism establishing a frame within which sub-operations meeting well-defined lending criteria can be processed and approved. While the borrower(s) (which can be multiple) and the details of sub-project(s) are typically not known at the Board approval stage, other framework criteria such as eligibility and policy orientation as well as regional focus and credit risk categorisation are typically identified and described as part of the approval request.

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#### MEASURES THAT CAN BE DRAWN UPON TO COMPLEMENT FINANCING THROUGH EIB PRODUCTS, INCLUDING IN ADDRESSING DISASTERS AND EMERGENCIES

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- **Technical assistance or advisory:** Complementing EIB lending activity, this helps improve the quality and sustainability of investments and ensure compliance with EU policies and EIB standards. Where advisory services are not paid for by the client, they may be financed by other sources, such as blending facilities, trust funds, European Commission mandates and – more rarely – EIB own resources.
- **Grants:** In some instances, an operation can benefit from grant financing provided through blending facilities or trust funds (either managed by the EIB or another institution). Grants can be used to support projects that may otherwise not be funded due to fiscal constraints, poor financial returns or high risks, but that generate significant non-financial benefits (such as social benefits).
- **Donations:** In rare cases, the EIB Institute has made small donations to non-profit organisations for different purposes, such as the Ukraine war and natural disasters (volcanic eruptions, floods and earthquakes).

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<sup>17</sup> The response packages to the Spanish flash floods of 2024 included some repurposed operations, as well as other measures.

<sup>18</sup> As of 01/01/2023 Lending Envelopes replaced Programme Loans and Global Authorisations.

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## EXCEPTIONAL MEASURES THAT CAN, IN THE CONTEXT OF DISASTERS AND EMERGENCIES, ACCOMPANY FINANCING— MOSTLY APPLIED IN LINE WITH NEW GROUP GUIDANCE ON CRISIS AND DISASTER RESPONSE AND/OR THE EIB APPROACH TO FUNDING RECONSTRUCTION AND RESTORATION PROJECTS FOLLOWING NATURAL DISASTERS

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- **Project investment cost and investment limits raised (response and reconstruction):** Based on pre-identified criteria, the EIB may finance up to 100% of the total project investment cost, lifting the traditional limit for EIB financing of up to 50%.
- **Flexibility on the type of expenditures considered eligible (response):**

*Eligibility flexibility measure:* Working capital finance or operating expenditures (OPEX) up to 50% of the total project investment cost (or more) can be approved as eligible on a case-by-case basis - generally for specified periods.

*Project scope flexibility measure:* For existing framework loans, amendments of the previously agreed project scope can be approved on a case-by-case basis. Scope revisions may also be granted for a specific time frame.
- **Forbearance measures (response):**

*Waivers:* Temporary relaxation of financial covenants or other credit risk-related covenants.

*Standstill measure:* Applicable on an exceptional basis for shorter periods – maximum two instalments and no longer than one year.
- **Disbursement conditions waived or upfront disbursement limit increased (response):**

*Disbursement condition waived:* Waiver of the extended use of the disbursement condition, which requires allocation of at least 80% of the previous disbursements before the next disbursement.

*Increased upfront disbursement measure:* Allows the Bank to disburse a larger amount of funding upfront (ahead of funds being allocated to final beneficiaries).
- **Financial top-ups (response):** Increase EIB financing of existing operations.
- **Procedural adaptations (response):** Include fast tracking or increased procurement thresholds.
- **Particularly long maturities (response and reconstruction):** (up to 30 years).
- **Small downward modulations (response and reconstruction):** of the interest rate.

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The new internal guidance on crisis and disaster response pulls together various existing institutional measures that facilitate and enable a relevant response to disasters and emergencies. It seeks to ensure that the institutional response is agile and that the overall support package provides for a holistic approach to addressing short, medium and long term needs whilst offering technical or advisory support where needed. The response to the 2024 September and October floods in Central Europe and Spain provided early opportunities for the EIB to put the guidance into practice (see [Box 3](#)).

## 2. ABOUT THE EVALUATION

### 2.1 WHY IS AN EVALUATION OF THE USE OF FRAMEWORK LOANS IN ADDRESSING DISASTERS & EMERGENCIES TAKING PLACE?

#### 2.1.1 WHAT ARE FRAMEWORK LOANS?

The EIB's framework loan product is available in all EIB countries of operations to public and private sector borrowers that are promoting multi-scheme investment programmes. It enables the EIB to finance operations that consist of multi-component investment programmes within a framework of pre-defined objectives, target sector(s) and eligibilities. Operations financed through framework loans can be single or multi-sector, and typically consist of multiple small to medium-sized schemes (often between <€25m to <€50million), though the inclusion of large individual schemes is also possible. A framework loan operation is approved prior to the specification of the individual sub-schemes to be financed – these are confirmed during the programme's implementation. During implementation, typically after contract signature and a first (upfront) disbursement, the Bank reviews and confirms the alignment of proposed sub-schemes with the Bank's and specific investment programme's eligibilities before allocating<sup>19</sup> pre-approved financing to these. Schemes are subject to different levels of EIB appraisal depending on their size.<sup>20</sup> The framework loan is designed to be flexible enough to handle changes in the investment programme over time.

Where clients are assessed as capable, the framework loan relies on the partial delegation to clients of some tasks typically performed by the Bank, such as the origination, compliance, due diligence and implementation aspects of the underlying schemes. This allows for efficiency gains that render an operation that consists of multiple smaller investments manageable for the EIB in terms of administrative burden. The level of delegation is not automatic and depends on the promoter's capacity as well as the maturity of the schemes proposed for financing. To enable such delegation, the EIB undertakes a risk-based assessment of the borrower and promoter's capacity to comply with its technical requirements and environmental, climate and social standards.<sup>21</sup>

Public sector borrowers often draw upon EIB framework loans to finance their needs in addressing disasters and emergencies. Such needs may not always be readily identifiable at appraisal and may require multiple smaller (relative to the typical ticket size for an EIB-financed scheme) investments in different sectors.

#### 2.1.2 WHY IS THIS EVALUATION RELEVANT?

It is important for the EIB to undertake an independent evaluation of its use of framework loans in addressing disasters and emergencies, considering (i) the increasing complexity of emergencies and disasters;<sup>22</sup> (ii) the EIB's evolving political, policy and institutional context; (iii) the increasing frequency of disaster and emergency situations; and, in particular, (iv) the prominence of framework loans among the EIB product types deployed to address such situations.

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<sup>19</sup> "Allocation" refers to the process through which a scheme intended for financing under the framework loan is presented to the Bank; the EIB reviews its soundness and eligibility for inclusion. The process varies depending on the size of the sub-schemes proposed (see the footnote 23).

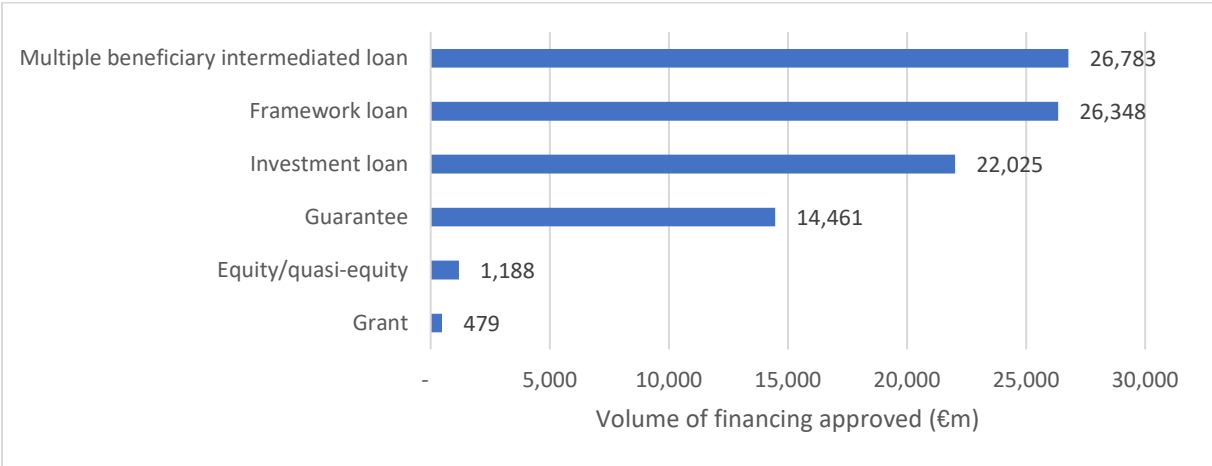
<sup>20</sup> Small schemes (under €25 million) are selected by the borrower in line with EIB eligibility requirements, and the EIB confirms the selection and allocation of the schemes to the loan after disbursement (EIB ex post confirmation). Medium schemes (from €25 million to €50 million up to 2024, subsequently to €80 million) need to be approved by the EIB before EIB funds can be used to finance them according to a project fiche (EIB ex ante confirmation). Large schemes (above €50 million up to 2024, subsequently €80 million) require a full separate standalone appraisal and approval by the board.

<sup>21</sup> Investment Programmes for which available pipeline would permit to allocate at least 80% of the loan combined with a "strong capacity" of the promoter allows for the full delegation of the control of the Investment Programme content.

<sup>22</sup> Council of the European Union, 2021, Council conclusions on enhancing preparedness, response capability and resilience to future crises: <https://data.consilium.europa.eu/doc/document/ST-14276-2021-INIT/en/pdf>, accessed 13/03/2025.

Indeed, the framework loan is one of the main EIB products drawn upon to address disasters and emergencies (Figure 4), representing 29% of the total volume of EIB financing addressing disasters and emergencies between 2008-2024.

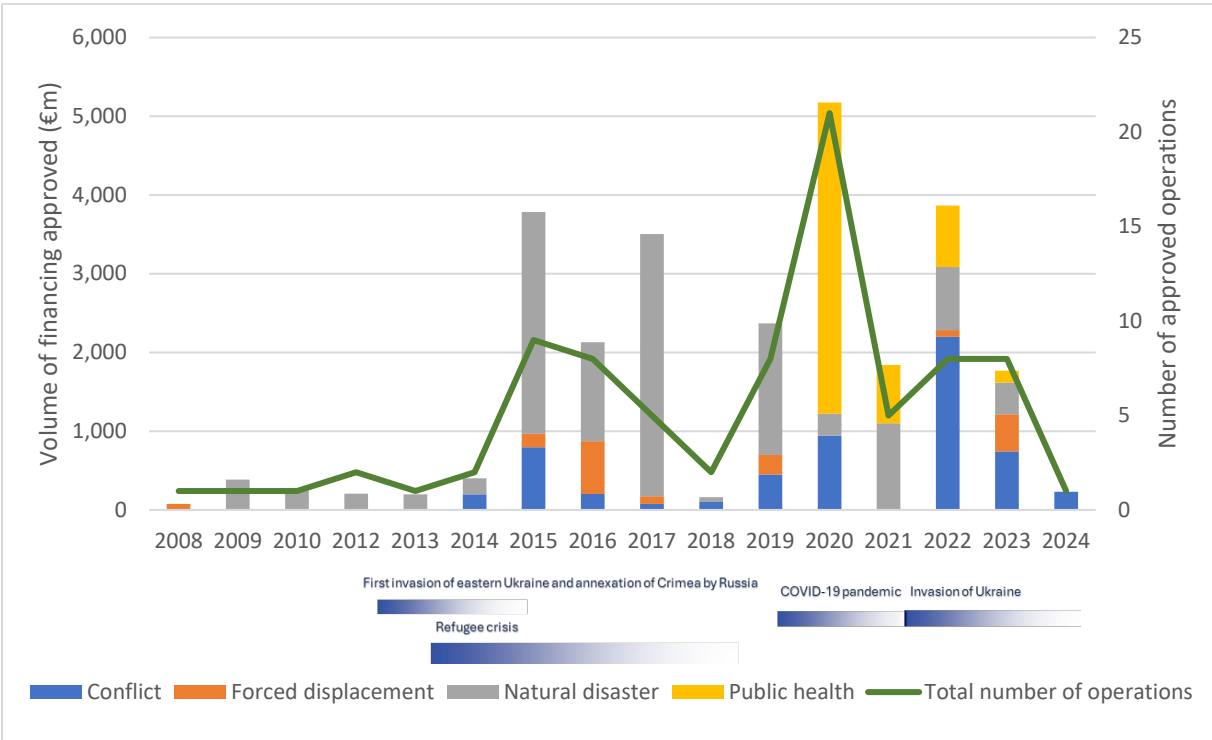
Figure 4: Volume of financing approved to address disasters and emergencies by product, 2008-2024 (€ million)



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.<sup>23</sup>

Since 2015, framework loans have been increasingly used to address disasters and emergencies (Figure 5). There is a broad correlation between the number and volume of financing approved through framework loans addressing disasters and emergencies and the occurrence of significant disasters and emergencies.

Figure 5: Volume and number of framework loans approved to address disasters and emergencies by product and over time (€ million)



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

<sup>23</sup> For details on categorisation, please refer to Box 2– Categorisation of operations addressing disasters and emergencies.

The aim of the evaluation is to understand whether the framework loan product – originally not designed explicitly for meeting disaster and emergency-related investment needs – is fit for purpose in doing so, and/or whether there is room for improving its suitability and offer to clients. The intention is to:

1. Explore how the framework loan product is used in addressing disasters and emergencies.
2. Make relevant recommendations to further improve its fit, as appropriate.
3. Support ongoing work in the Bank to optimise its toolbox to support its clients in addressing disasters and emergencies.

The main users of the evaluation will be the EIB Management Committee and the directorates concerned. These include the Projects Directorate (PJ), the Operations Directorate (OPS) and EIB Global (GLO).

## 2.2 SCOPE OF THE EVALUATION

The evaluation focuses on EIB framework loans approved since 2008 that aim to address disaster and emergency-related investment needs inside and outside the European Union. Between 2008 and 2024, 7% of the total volume of the EIB's approved financing went to operations addressing disasters and emergencies. This represented 6% of the total financing approved inside the European Union and 11% of the total financing outside the EU over the same period. During that period, 83 framework loan operations addressing disasters and emergencies were approved, 46 inside the EU and 37 outside the EU, amounting to a total approved financing of €26.3 billion (€19.8 billion inside the EU and €6.5 billion outside the EU). They fell within four broad categories of disasters and emergencies.

**First, disasters related to severe weather events and geological phenomena, including hazards such as floods and earthquakes;** for instance, the EIB has provided support in the aftermath of earthquakes. In such cases, EIB financing is usually used to support the reconstruction and restoration of essential services and residential, industrial and public buildings and infrastructure, as well as for preventative and resilience-building measures. In the Lazio, Umbria, Marche and Abruzzo regions and neighbouring provinces, financing helped restore and rebuild residential, business and public buildings after the 2016 earthquakes<sup>24</sup>. In Türkiye, EIB financing went to the rehabilitation, reconstruction and extension of drinking water, sewage and stormwater networks in the provinces affected by the earthquakes in 2023<sup>25</sup>. The EIB has also provided financing in relation to floods, for instance, to Montenegro for urgent flood relief, prevention, reparation and reconstruction after the exceptional rainfall and flooding of November and December 2010<sup>26</sup>. More recently in 2021, the EIB provided financing to reshape and strengthen the operational and administrative capabilities of the Civil Protection mechanism in Greece, by significantly upgrading the effectiveness of its intervention for disaster prevention and preparedness, public health and environmental protection<sup>27</sup>.

**Second, public health emergencies;** from the outset of the COVID-19 pandemic, the EIB mobilised resources to counter the economic fallout and the spread of the pandemic. In Poland, the EIB financed municipalities' multi-sector investment plans including COVID-related expenditures in sectors such as healthcare and civil protection<sup>28</sup>. In Italy, the EIB financed regions and other public sector entities to target healthcare investments in relation to the COVID-19 pandemic, such as upgrading their management information systems, and refurbishing works aimed at improving the energy performance of hospital buildings<sup>29</sup>.

<sup>24</sup> Italy: EIB and CDP provide further €500 million for reconstruction of areas hit by earthquake in central Italy (accessed 13/03/2025), Operation 2016-0810.

<sup>25</sup> Türkiye: EIB Global provides €400 million to support ILBANK's post-earthquake reconstruction projects (accessed 13/03/2025), Operation 2023-0153.

<sup>26</sup> Montenegro: URGENT FLOOD RELIEF AND PREVENTION (accessed 13/03/2025), Operation 2010-0683.

<sup>27</sup> Greece: COVID19 DISASTER PREVENTION & CLIMATE ADAPTATION (accessed 13/03/2025), Operation 2020-0182.

<sup>28</sup> Poland: EIB and Bank Gospodarstwa Krajowego set up joint scheme for mid-sized cities (accessed 24/04/2025), Operation 2020-0501.

<sup>29</sup> Italy: COVID-19 - EIB lends €2 billion for the healthcare system (accessed 13/03/2025), Operation 2020-0297.

**Third, conflict-related<sup>30</sup> disasters or emergencies;** since the 2014 conflict in the eastern region of Ukraine, the EIB has provided finance in support of investments in the recovery areas. These early recovery projects allowed for restoring basic services, rehabilitating key infrastructure and creating an enabling environment for the returning population and wider economic recovery<sup>31</sup>. Following the invasion by Russia in 2022, and with the support of the European Commission, the EIB has stepped up its financing by disbursing more than €2 billion in emergency relief to Ukraine. In addition, the EIB mobilised €4 billion to address the needs of countries in Ukraine's neighbourhood and within the European Union that welcomed refugees from Ukraine or were affected by the war in other ways<sup>32</sup>.

**Fourth, disasters or emergencies related to forced displacement;** in 2015 and 2016, more than 1 million people arrived in the European Union, many of them fleeing conflict such as that in Syria. The EIB financed housing facilities for refugees and asylum seekers in the EU<sup>33</sup>. At the request of the European Council, and to support countries of origin, hosting communities and transit countries, the EIB launched the Economic Resilience Initiative to support economic resilience in the EU's Southern Neighbourhood and the Western Balkans.

**The scope of this evaluation covers all four phases of the DRRR cycle: preparedness, response, reconstruction and prevention, recognising that some elements of prevention and preparedness may be embedded in other phases. Linked to this,** the evaluation also includes an exploration of how the concept of build back better (BBB) is understood and integrated within framework loan operations in disaster and emergency contexts.

**EIB interventions related to financial crises or to the longer-term response to the climate crisis fall outside the scope of this evaluation.** Prevention and disaster risk reduction interventions that occur routinely, as components of larger investment programmes, and that are not dedicated to a specific disaster and emergency, are also beyond the scope of this evaluation.

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<sup>30</sup> According to the [EIB Strategic Approach to Fragility and Conflict](#) (accessed 13/03/2025): Conflict occurs when distinct groups have, or believe they have, incompatible goals. This may manifest itself in a range of ways beyond immediate physical violence, including human rights abuses, exclusion and inequalities around economic resources, political voice and representation. Violent conflict occurs when organised groups or institutions, sometimes including the state, use violence to settle grievances or assert power.

<sup>31</sup> Such as operations 2014-0532 ([Ukraine: EIB supports early recovery and SME sector with EUR 600 million](#) - accessed 13/03/2025), and 2019-0903 ([Ukraine: The EIB invests €640 million to improve infrastructure resilience, public transport and road connections](#) - accessed 13/03/2025).

<sup>32</sup> Ukraine: [UKRAINE SOLIDARITY PACKAGE - PROGRAMME EU MS](#) (accessed 24/04/2025), Operation 2022-0249.

<sup>33</sup> Such as operations 2015-0687 ([LOGEMENT DES MIGRANTS](#)) and 2015-0493 ([WOHNRAUM FÜR FLÜCHTLINGE \(REFUGEE ACCOMMODATION\)](#) - accessed 24/04/2025).

### 3. HOW SUITED ARE FRAMEWORK LOANS TO ADDRESSING DISASTERS AND EMERGENCIES?

#### 3.1 THE USE OF FRAMEWORK LOANS ACROSS THE DISASTER RESPONSE AND RISK REDUCTION CYCLE

Given the different challenges and needs present across the DRRR cycle (see Section 1.2) this evaluation considered the relevance and fit of the EIB framework loan across these phases. The DRRR cycle itself, and related definitions used by the evaluation, are aligned with recent EIB guidance on crisis and disaster response. Further, when collating the sample for the portfolio analysis conducted as part of the evaluation, a specific and pragmatic approach was adopted to the identification of framework loans addressing disasters and/or emergencies, their DRRR phase and disaster type (see Box 2). This evaluation does not intend to set any static definitions for the EIBG and recognises that definitions and frameworks can and should evolve to reflect learning and international policy developments. However, for the purpose of this evaluation, working definitions were necessary and hence alignment was sought with this most recent guidance.

##### Box 2: Categorisation of operations addressing disasters and emergencies

EIB systems do not include a single, pre-existing tag that could help identify all the operations that are of relevance to this evaluation. Therefore, the following categorisation was applied by the evaluation when compiling the underlying portfolio dataset:

1. The disaster or emergency type and phase were identified using a combination of automatic formulae and manual screening aimed at identifying existing tags (such as for COVID, natural disasters) as well as certain key terms within the operation name and description data fields.
2. At the approach stage of the evaluation, relevant EIB services were consulted on the list of framework loan operations considered in scope for this evaluation, so as to ensure its completeness.

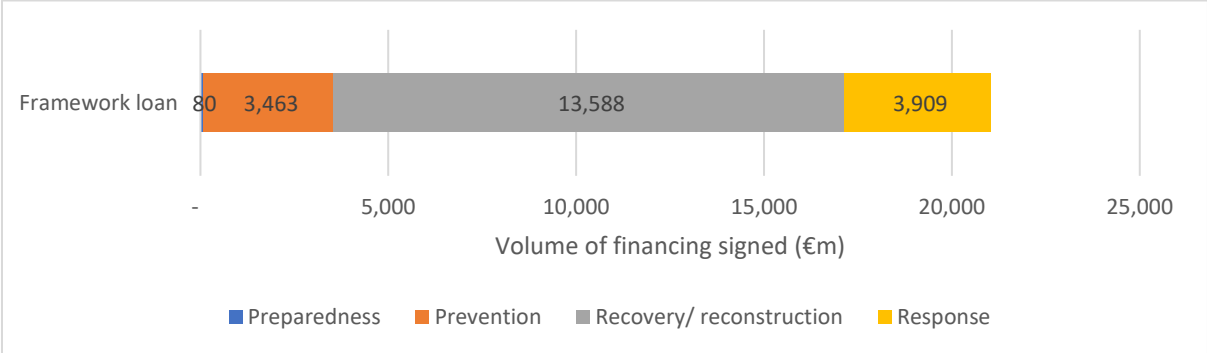
The choice of which category to apply for a given operation was underpinned by a consideration of which was the predominant category for that specific operation. Considering mutually exclusive categories for both the type of disaster and emergency and phase of the DRRR cycle addressed the following issues:

- Type of disaster: potential overlap within an operation across disaster types e.g., conflict and forced displacement.
- Phase of disaster: challenges in disentangling interventions targeting the Prevention and Preparedness phases. When intervening ex-post (Reconstruction or Response) often elements of Prevention and Preparedness are also covered. The mutually exclusive approach adopted may lead to an underestimate of how many interventions targeted these aspects.

Though the **Framework loans approved since 2008 were mostly in the reconstruction phase** of the DRRR (60% of financing approved through framework loans – see Figure 6), they **have also been used during the response phase of the DRRR**. The relatively large volume of financing in the response phase (i.e., €5.681 billion in approved financing and €3.909 billion in signed financing, Figure 6) was approved through 15 out of the 83 framework loan operations addressing disasters and emergencies overall, and largely responded to two specific crises: the COVID-19 pandemic (five out of the 15 response-phase framework loan operations approved, totalling €2.689 billion in

approved financing)<sup>34</sup> and the invasion of, and subsequent war in Ukraine (five approved operations, totalling €2.578 billion in approved financing). The remaining five operations represent a relatively small volume of approved financing (€415 million)<sup>35</sup>.

**Figure 6: Financing signed to address disasters and emergencies, by disaster phase, 2008-2024 (€ million)**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

In its response to the COVID-19 and Ukrainian crises, both particularly extreme and long lasting, the EIB allowed derogations to the requirements and features of the framework loan. In particular, operating expenditure (OPEX) was rendered eligible for financing. Furthermore, some qualitative evidence gathered found that even operations “tagged” (see Box 2) as response-phase operations in some cases financed schemes that addressed longer-term needs, more related to reconstruction than disaster or emergency response.

According to the portfolio analysis conducted, framework loans are less used in the prevention and preparedness phases of the DRRR. A total of 18% of the financing approved through framework loans addressing disasters and emergencies was in these phases (Figure 6). There are fluctuations and peaks in this average value over time. In fact, in line with the EIB’s evolving approach to prevention and risk mitigation (e.g., as set out in the Climate Adaptation Plan – see Section 1.3), in more recent years greater shares of financing were approved to prevention/preparedness phase operations<sup>36</sup>. However, generally, there are several reasons for which lower investments in these phases may be observed by the evaluation:

- Firstly, the **difficulty often faced by public sector borrowers/ promoters in prioritising purely or primarily prevention and/or preparedness investments**. These operations tend to be long-term with little immediate or tangible benefit. Therefore, compared to operations with immediate and visible benefits more greatly valued by public opinion, prevention and/or preparedness phase operations are more likely to be underinvested in. This can be particularly so in more finance-constrained environments.
- Secondly, clients may not have access to **reliable diagnostics or knowledge** on where future risks lie. This means that they cannot accurately assess or anticipate future risks that require preventive measures, and therefore investments.
- Thirdly, the **methodology used to identify framework loans addressing the prevention from, or preparedness for** disasters and emergencies may in part explain the lower number identified. Not all prevention and preparedness focussed framework loans will be easily identified as disaster or emergency-related, and where they are they may be part of an operation that primarily focussed on reconstruction efforts (therefore categorised as a reconstruction operation in this evaluation, as discussed in Box 2) and/or on climate adaptation. Prevention and preparedness phase operations were particularly challenging to

<sup>34</sup> Of this, €1.540 billion was eventually signed.  
<sup>35</sup> These were mainly in Germany and France in 2015/2016, and focused on responding to situations of forced displacement.  
<sup>36</sup> After 2015 greater volumes of financing were approved for operations in the prevention phase, whereas between 2008-2015 no financing was approved in prevention or preparedness.

identify since, as emphasised through interviews with EIB staff, these are more often included as a component within a wider operation primarily focussed on reconstruction (or, to some extent, response).

**Given the above, it is difficult for the evaluation to draw conclusions regarding the suitability of the framework loan product to the prevention and/or preparedness phases.** Framework Loans will be more or less suited to the preparedness or prevention phases depending on the needs, context and time sensitivity of each specific operation. For example, a preparedness phase operation that focusses on preparing for an imminent event may be less suited to framework loans, given that timeliness will be of the essence. Similarly, operations in the preparedness or prevention phases that require a high number of small schemes to be financed, which if not grouped together would not reach the critical size required for EIB financing, may be a good candidate for a framework loan.

**Overall, framework loans are, or to date have been, mainly used to address needs in the reconstruction phase of the DRRR.** Due to the methodology used in this evaluation to identify operations by phase, there may be an underestimate of their use in preparedness and prevention. However, there may also be fewer operations in these phases due to a lack of prioritisation and/or information in resource constrained environments. In the response phase, some operations identified were found, in practice, to be more akin to reconstruction phase operations. Further, response phase operations were concentrated in two very specific and protracted crises (i.e., COVID-19 and the full-scale invasion of Ukraine).

## **3.2 STRENGTHS OF FRAMEWORK LOANS IN ADDRESSING DISASTERS AND EMERGENCIES**

The following sub-sections set out how specific features of the framework loan make it relevant or not to addressing disasters and emergencies, and why the product is a better fit in some phases of the DRRR cycle, or geographical contexts, than in others.

### **3.2.1 THROUGH APPRAISAL DEFERRAL, THE FRAMEWORK LOAN OFFERS FLEXIBILITY AND AGILITY IN ADDRESSING NEEDS**

**The framework loan product offers the flexibility of a deferred appraisal process.** Borrowers and promoters can sign a financing contract with the EIB before they fully scope out the details of their project and sub-schemes. It also means that the specific schemes financed under an operation can change as it progresses, so long as they align with overall eligibilities and comply with due diligence requirements.

**The flexibility afforded by the deferred appraisal process is particularly suited to the reconstruction phase, where needs and their sequencing are not always immediately known.** During the reconstruction phase, needs can evolve and become apparent over time, as the impact of the disaster/emergency event and its longer-term consequences emerge. Furthermore, assessing how to reconstruct and rehabilitate in ways that improve the status quo requires careful consideration. Therefore, the specific focus and priorities of a financing operation may change throughout its implementation, and thorough needs assessments are usually required to consider long-term resilience-building aspects.

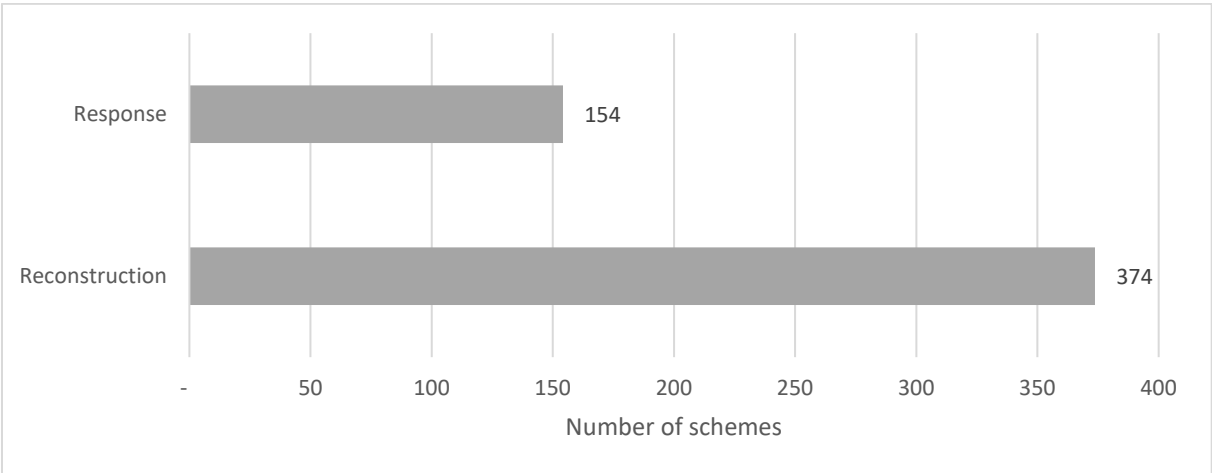
### 3.2.2 THE FRAMEWORK LOANS' CAPACITY TO FINANCE MANY SCHEMES OF DIFFERENT SIZES IS USEFUL IN ADDRESSING A WIDE RANGE OF DISASTER AND EMERGENCY NEEDS

The framework loan product allows the EIB to finance small schemes that, for cost coverage and efficiency reasons, it would not usually finance as standalone operations. In addressing disasters or emergencies, promoters welcome such flexibility. Interviews reported cases where disasters had caused such a multitude of damages that the reconstruction required “atomised operations” to rebuild or rehabilitate micro infrastructure. Given the small size of the schemes financed through another operation, the promoter interviewed flagged that without the framework loan product they would not have been able to receive financing from the EIB at all.

The portfolio analysis confirms that framework loans are drawn upon to finance operations that are composed of many, relatively small-sized schemes, regardless of the disaster/emergency context. The average number of schemes financed under a framework loan addressing a disaster or emergency is 277 per operation. On average, framework loans addressing disasters and emergencies allocate around €131 173 per scheme. For the EIB, financing so many relatively small yet distinct schemes is only possible under the framework loan product, due to the efficiency gains achieved through partial delegation of specific tasks to promoters, where they are assessed as capable.

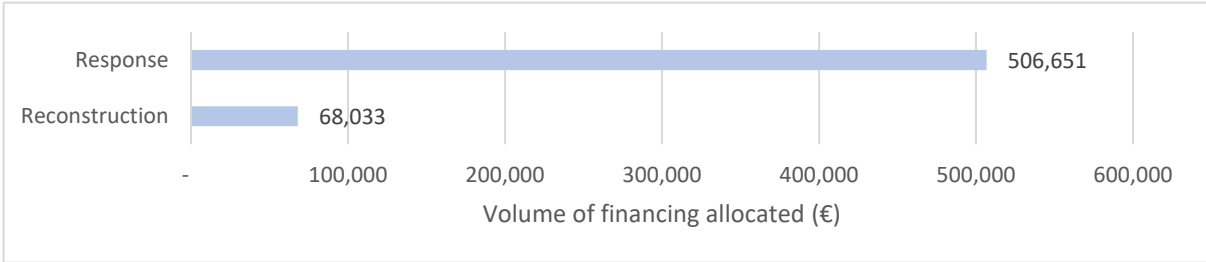
The portfolio analysis also confirms that framework loans in the reconstruction phase finance a greater number of smaller schemes than framework loans addressing disasters and emergencies overall. As Figure 7 shows, on average, operations in the reconstruction phase allocated financing to 374 sub-schemes per operation, relative to 277 across all phases. Those in the response phase allocated financing to the second largest number of schemes, at 154. Figure 8 also shows that operations in the reconstruction phase allocated smaller volumes of financing to individual sub-schemes within an operation, on average, than framework loans addressing disasters and emergencies overall: at €68 033 per scheme on average.

Figure 7: Average number of schemes to which financing was allocated through framework loans in the response and reconstruction phase of the DRRR



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.  
Note: operations in the prevention and preparedness phases were excluded due to small sample sizes and/or lack of available data on allocations.

**Figure 8: Average volume of financing allocated per scheme through framework loans in the response and reconstruction phase of the DRRR (€)**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

Note: operations in the prevention and preparedness phases were excluded due to small sample sizes and/or lack of available data on allocations.

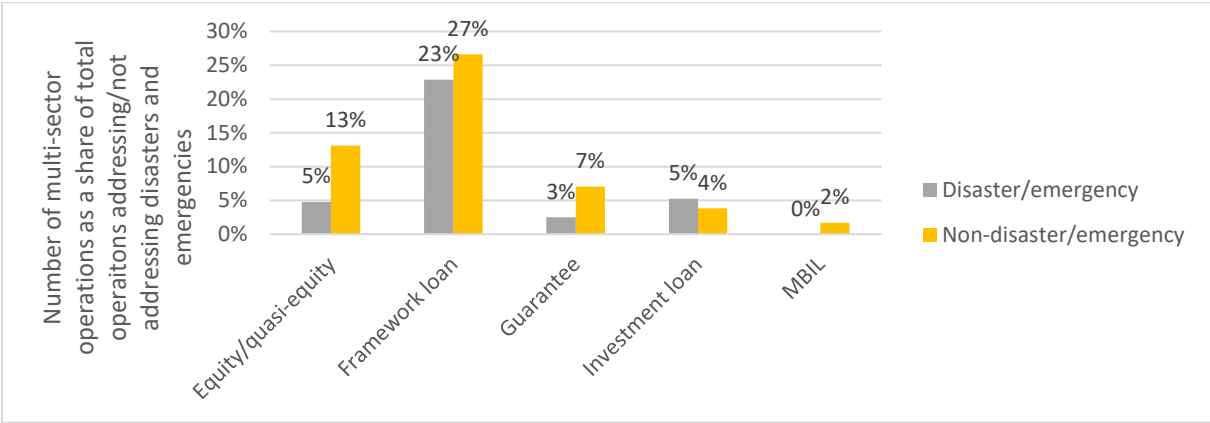
### 3.2.3 THE FRAMEWORK LOAN’S ABILITY TO FINANCE SCHEMES ACROSS MULTIPLE SECTORS AND STAKEHOLDERS ALIGNS WITH THE WIDESPREAD, OR SCATTERED, IMPACT OF DISASTERS AND EMERGENCIES

**In post disaster or emergency situations, the type of projects or schemes that require financing may spread across multiple sectors and/or geographies.** Given the nature of emergencies and disasters, damage is likely to be widespread, affecting several sectors, types of infrastructure (schools, hospitals, homes, etc.), and relatively large areas (such as regions and cities). For example, following an earthquake in Italy, an EIB loan financed the rehabilitation and reconstruction of various types of public and private buildings, from private homes to businesses, public infrastructure (such as schools) and cultural heritage.

**Since critical infrastructure damaged by a disaster or emergency is likely to serve multiple purposes and span several sectors and/or regions, it will also involve a range of different stakeholders at the local, regional or national levels in reconstruction and rehabilitation efforts** (regions, local authority areas, etc.). The framework loan, through its ability to finance multiple schemes under a single framework, generally lends itself well to support multi-sector, multi-stakeholder operations. For example, sub-schemes of a climate resilience loan were implemented by two executing agencies that respectively manage the water supply in large cities and small towns. In Spain, a framework loan financed after a natural disaster supported the strengthening of the riverbank, flood protection and associated systems (for example, wastewater treatment), as well as the reconstruction of tourist coastal infrastructure. These schemes were managed by numerous public sector bodies, including the regional and local implementing agencies, as well as the watershed authority.

**In fact, operations financed through framework loans, both in disaster/emergency contexts and otherwise, are more often multi-sector than those financed through other financial products (aside from grants).** As shown in Figure 9, approximately one-quarter (23%) of the framework loans addressing disasters and emergencies, and 27% of those that did not, cover multi-sector needs.

**Figure 9: Number of multi-sector framework loan operations approved, as a share of total operations, by product and disaster/emergency status**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

### 3.2.4 THE EIB’S CAPACITY TO FINANCE OVER 50% OF PROJECT INVESTMENT COST EASES CO-FINANCING CONSTRAINTS POST-DISASTER

**Contributing over 50% of the project investment cost helps to bring forward post-disaster operations in challenging economic contexts.** A lack of available co-financing can occur due to the volatility of the crisis context or the extent to which possible co-financiers are financially constrained. Offering financing for over 50% of the project investment cost can increase efficiency by reducing administrative burdens for clients associated with having to find and secure additional financing in such contexts, ultimately speeding up the provision of support. Indeed, the EIB contribution to the total project investment cost is generally greater for operations financed through framework loans that addressed disasters/emergencies (42% on average) than for those that did not (20%).

**The possibility for the EIB to contribute over 50% of the total project investment cost is an exception allowed only for post-disaster operations (reconstruction and response).** In practice, there seems to be an alignment between the EIB’s contribution to the total project investment cost and the urgency or degree of financing needs:

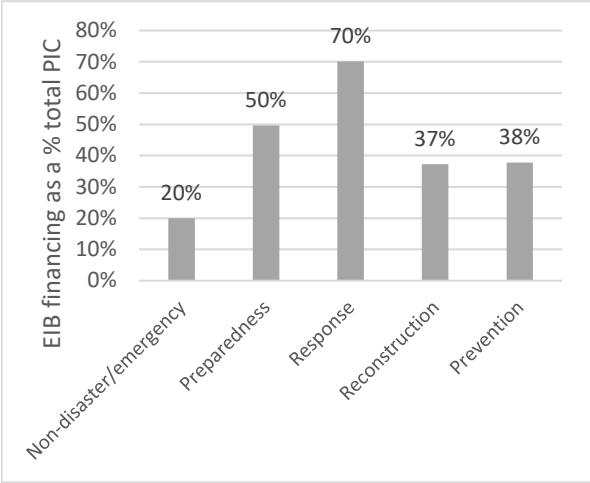
- The EIB contribution to the project investment cost was greatest for framework loan operations in the response phase (Figure 10) and in addressing situations of conflict (Figure 11), where time is of the essence and finding co-financiers might be even more challenging;
- Despite being permitted for operations in the reconstruction phase, the average EIB contribution to the overall project investment cost stood below 50% (37%, Figure 10), reflecting the longer time-horizon that enables greater co-financing.

**Pre-disaster operations do not benefit from this exception.** For prevention and preparedness operations the EIB is bound to follow the standard rule of not financing more than 50% of the project investment cost. However, prevention and preparedness activities included as components of response and/or reconstruction operations can benefit from the exception as the operations are de-facto post-disaster. Moreover, in the context of its Climate Adaptation Plan<sup>37</sup>, the EIB has increased its share of finance to up to 75% for projects principally addressing adaptation (i.e. a project in which 50% or more of the investment cost directly targets an adaptation goal). Given the strong links between climate adaptation and prevention and preparedness activities, some of

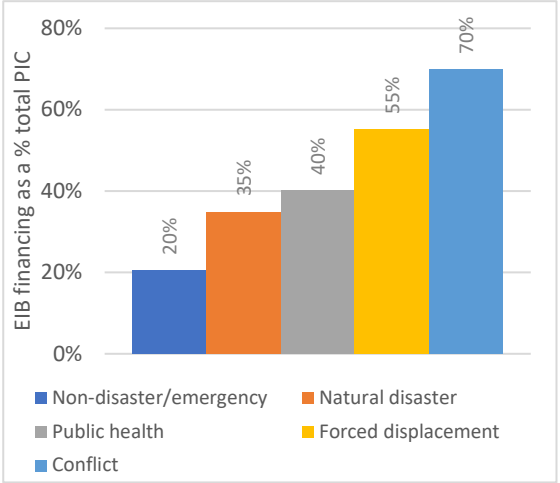
<sup>37</sup> The EIB Climate Adaptation Plan (accessed 14/03/25), EIB’s financing share of total project costs.

the EIB’s pre-disaster operations may have benefitted from this exception via the Climate Adaptation Plan. Figure 10 shows that the average EIB contribution to the project investment costs of preparedness and prevention operations stood at 50% and 38%, respectively.

**Figure 10: EIB financing amount as a share of total project investment costs for all framework loan operations, by disaster/emergency phase (including non-disasters/emergencies)**



**Figure 11: EIB financing amount as a share of total project investment costs for all framework loan operations, by disaster/emergency type (including non-disasters/emergencies)**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.  
 Note: PIC = project investment cost.

### 3.3 LIMITATIONS OF FRAMEWORK LOANS IN ADDRESSING DISASTERS AND EMERGENCIES

While the strengths of the EIB framework loan in addressing disasters and emergencies may apply across all phases of the DRRR, there are considerable limitations to its use during the response and, to the extent that it relates to an imminent event, preparedness phases of the DRRR. The following sub-sections set out the key features of the framework loan product, and where relevant EIB processes, that the evaluation found to be a barrier in disaster or emergency contexts, and particularly so in more time-pressured environments.

#### 3.3.1 THE DEPLOYMENT OF FRAMEWORK LOANS IS INSUFFICIENTLY TIMELY TO ADDRESS URGENT NEEDS

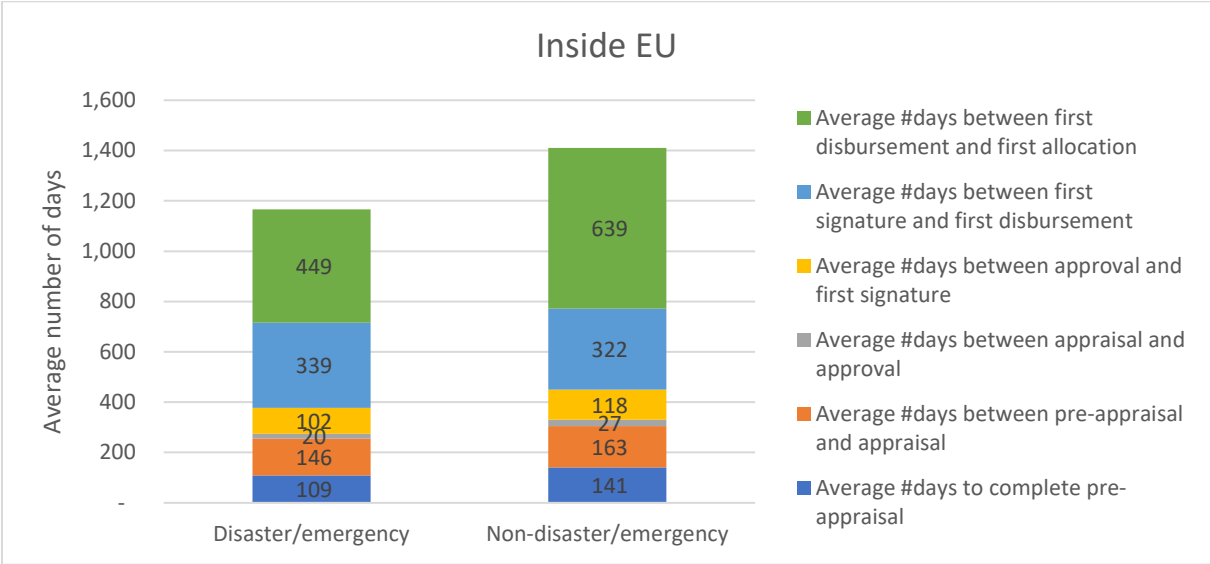
##### Overall timeliness of framework loans

Inside the European Union, framework loans addressing disasters and emergencies take more than a year on average to reach signature, and around three years to reach first allocation (see Section 3.3.2 for further analysis of project cycle timelines outside the EU)<sup>38</sup>. The overall length of the appraisal process for framework

<sup>38</sup> Estimates of project cycle timelines were also calculated for operations involving public sector borrowers only, and operations that had been fully disbursed only. This is due to risks of structural issues relating to the borrower type potentially affecting times to disbursement (such as the presence of a holding fee), and to avoid including in our sample operations that have been undischursed for a long time (“deadwood”). This analysis highlighted that, for fully disbursed framework loan operations addressing disasters and emergencies that involve public sector borrowers only, projects on average take under two years to reach first disbursement. This is a major reduction compared with three years (the time taken across all framework loans on average). However, the time to signature was still approximately one year overall, and close to 250 days for operations inside the European Union. Therefore, the difference does not change the conclusion presented above. It was also believed that the longer project cycle timelines for framework loans were driven by the fact that there were more multi-sector operations financed through framework loans addressing disasters and emergencies. This was disproved; both inside and outside the EU, multi-sector framework loan operations addressing disasters and emergencies take less time to first disbursement than single-sector operations.

loans addressing disasters and emergencies, from pre-appraisal to first disbursement, is 716 days on average inside the European Union (Figure 12: ).

**Figure 12: Average number of days<sup>39</sup> for each step of the project cycle for framework loan operations by disaster/emergency and non-disaster/emergency inside the EU**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

**There are framework loan product modalities that enable a more timely response**, such as the ability to - depending on promoter capacity, the definition of a pipeline of schemes and the outcome of EIB due diligence - disburse an indicative amount of 30% (and even up to 90% in exceptional cases where investment programmes are well-defined and implemented by a strong promoter inside the European Union) of the total signed financing amount upfront, or right after signature. The evaluation encountered exceptional upfront disbursements within six months of signature in the case of the COVID-19 pandemic, including an upfront disbursement of €1 billion, or 50% of the total amount, 2.5 months after signature. During COVID-19, the EIB clearly prioritised action in response to this crisis, enabling several exceptional modalities and internal procedural changes that allowed for a more streamlined project cycle and more timely response specific to operations addressing this crisis. Indeed, on average, COVID-19 operations were more than twice as fast in moving from appraisal to the first disbursement compared to operations in years preceding 2020, or non-COVID-19-related operations in 2020<sup>40</sup>.

**However, signature still takes on average over a year for framework loans addressing disasters/emergencies inside the European Union, and the average time to first disbursement for framework loans overall (considering both inside and outside the European Union) is not shorter than that for other products that do not offer upfront disbursement**, such as investment loans<sup>41</sup>. In fact, the portfolio analysis confirms that, on average, framework loans addressing disasters and emergencies take 450 days between signature and first disbursement, compared to 434 days for investment loans. Therefore, this feature has a limited effect on improving the overall urgency with which funds are disbursed and thus the relevance of the framework loan

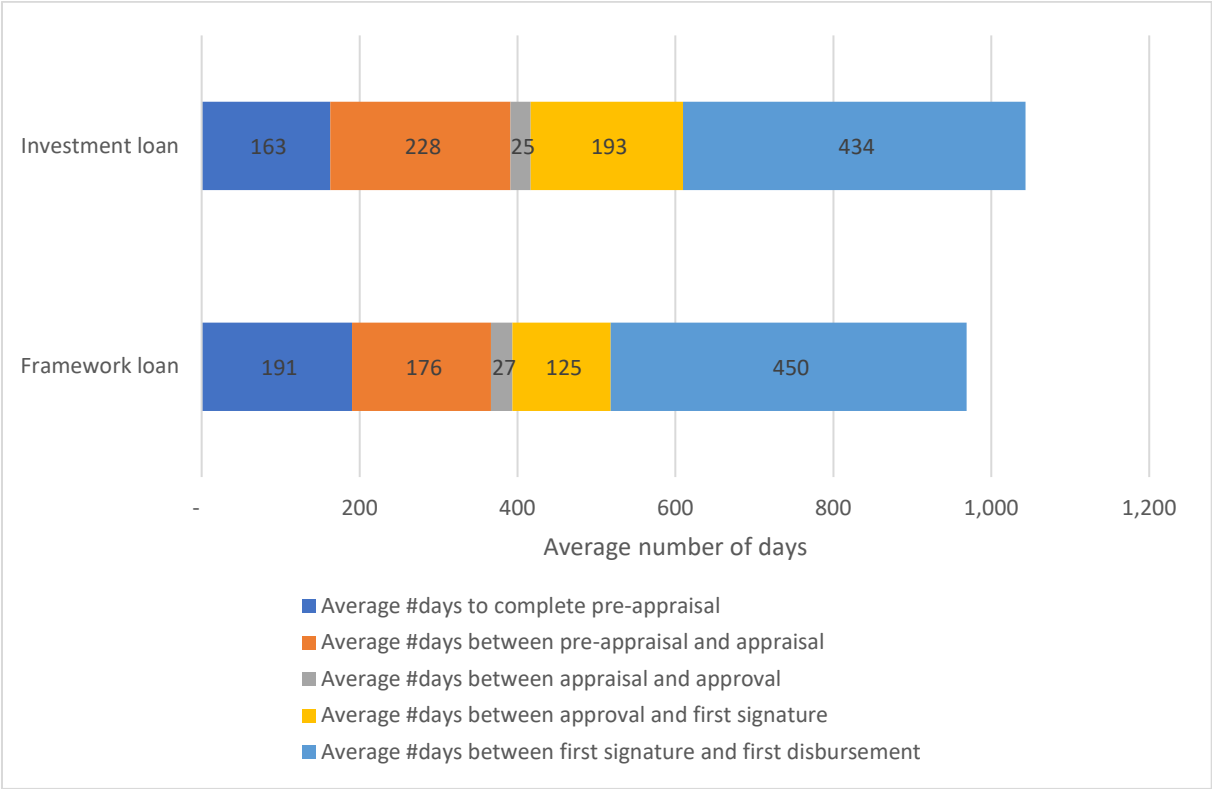
<sup>39</sup> Averages were calculated as follows: 1. For each operation calculating the difference in running days between subsequent project cycle milestones: operation creation, PIN/GNG validation, MC decision, operation approval, first contract signature, first disbursement and first allocation. 2. Averages across these number of days at each stage (pre-appraisal, appraisal, approval, signature, first disbursement and first allocation), by category (i.e., disaster/emergency, region etc.) were next calculated.

<sup>40</sup> Rapid assessment of the EIB Group’s operational response to the COVID-19 crisis, December 2021, accessed 14/03/2025.

<sup>41</sup> Framework loans and investment loans are the two main products through which financing is approved by the EIB to address disasters and emergencies. They are both used to similar degrees in the context of addressing disasters and emergencies: the volume of financing signed through both products follow similar trends, and peak at similar times. Though other products, such as Multiple Beneficiary Intermediated Loans (MBILs), also represent an important volume of funding for the EIB in these situations, these are designed to support economic relief through the provision of liquidity to private actors and SMEs, and do not allow for a meaningful comparison.

product in the response and, to the extent they address time-sensitive needs, prevention/preparedness phases of the DRRR. This length is in part due to promoter capacity, and in part due to institutional aspects such as the Bank’s own project cycle and due processes in assessing and approving financing. Because of this latter aspect, comparison with the speed at which peer entities may deliver would not be a valid comparison.

**Figure 13: Average number of days for each step of the project cycle by product (disaster and emergency contexts only)**

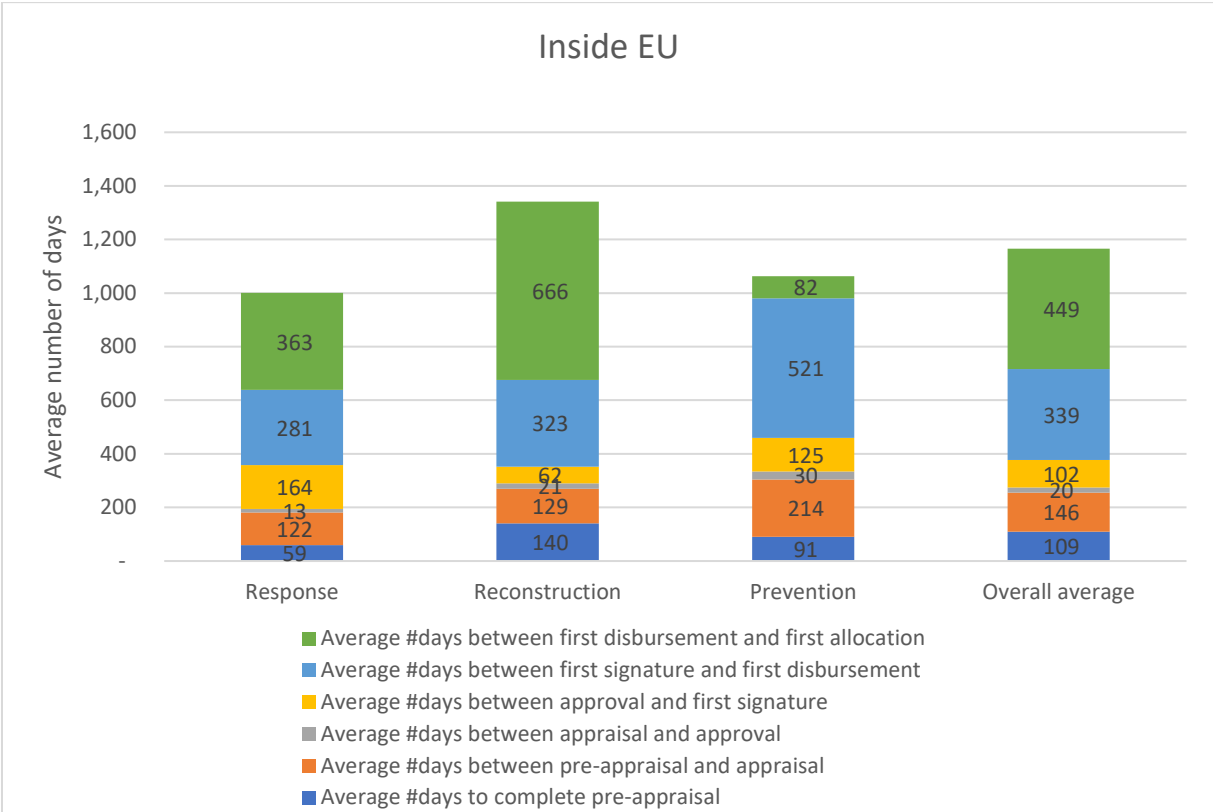


Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

**Timeliness of framework loans addressing the response to disasters and/or emergencies**

As shown in Figure 14, framework loans addressing the response to disasters and/or emergencies inside the European Union take less time to reach disbursement and allocation than those in the reconstruction and prevention phases. Similarly, there is some variation in the project cycle timelines for EIB-financed framework loans across disaster types: inside the European Union, framework loans addressing situations of conflict take the least time to reach first allocation. These framework loans take on average 105 days to reach signature, compared to 377 days across all framework loans addressing disasters and emergencies inside the European Union. However, it still takes around a year (361 days) to reach disbursement for framework loans addressing situations of conflict inside the EU - though this is much lower than the overall average (716 days for framework loans addressing disasters and emergencies inside the EU). Considering only framework loans within the response phase, operations inside the European Union take on average around a year (358 days) to reach signature, close to two years (697 days) for first disbursement and over three years (1 146 days) for first allocation. This considers only the time from the moment an operation is created in the EIB’s system rather than from when an emergency or disaster event occurs.

**Figure 14: For framework loan operations, average number of days for each step of the project cycle by DRRR phase inside the EU<sup>42</sup>**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

Further, six of the 15 operations approved to address the response to disasters/emergencies were under programme loans/lending envelopes (all of which were inside the European Union, including five that supported the response to the invasion and subsequent war in Ukraine and one to the COVID-19 crisis - therefore these operations also benefitted from the exceptional measures aimed at improving the timeliness of the EIB’s response discussed in Section 1.3). Programme loans/lending envelopes are used to group together a series of sub-loans, which can include several framework loans, that target a single sector, policy objective or geographical region. At the Board approval stage of the programme loan, the borrower(s) (as these can be multiple) are not yet identified nor the details of the sub-projects. The approval process for sub-loans is done through a simplified process, whereby only tacit Management Committee approval is required for financial proposal signature authorisation.

**Framework loan operations, including these six response phase operations, that were implemented as part of a wider programme loan (or lending envelope), provided a more timely response.** As shown in Figure 15, out of the 83 in-scope framework loans analysed, the 14 that were under programme loans<sup>43</sup>, all of which were inside the European Union, took less time to reach signature (99 days) than those not under programme loans inside the European Union (which took on average 338 days to reach signature)<sup>44</sup>. In fact, in line with the recent EIB

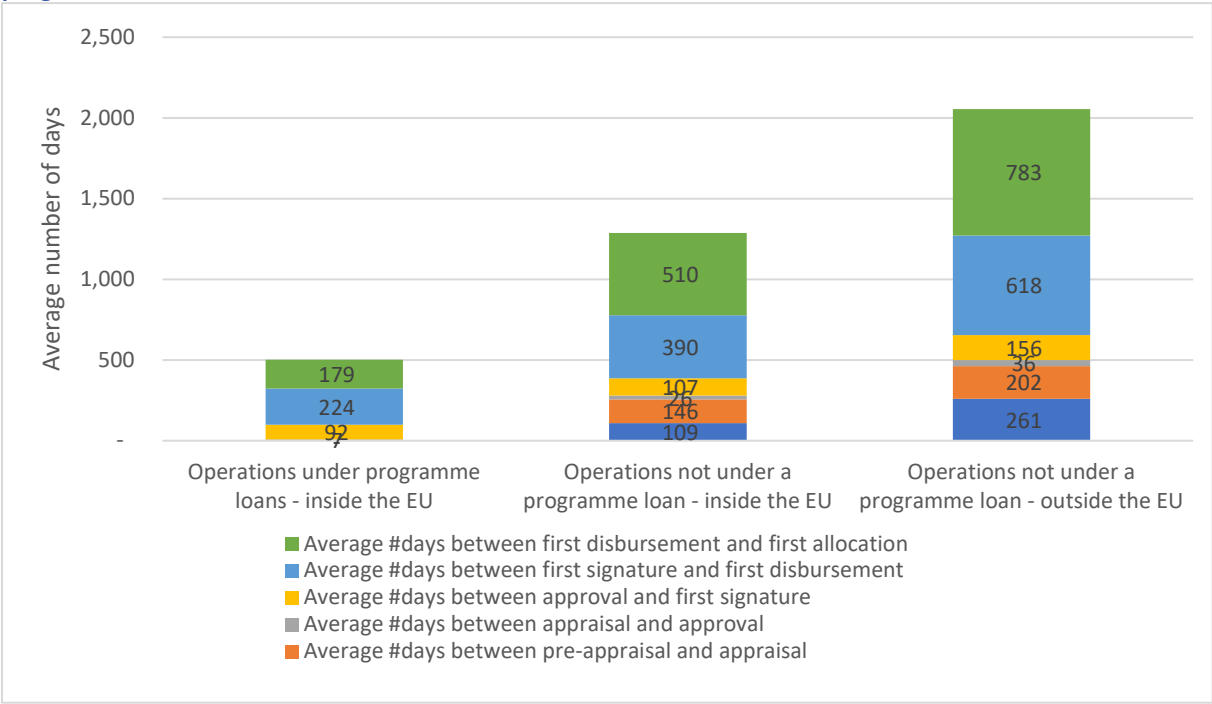
<sup>42</sup> Note: there were no operations tagged as responding to the preparedness phase of the DRRR inside the EU for which there was data available on project cycle timelines.

<sup>43</sup> The 14 framework loans under programme loans in our sample in turn fell under only three programme loan operations. Two of these were created in response to, or to support the reconstruction from, the war in Ukraine and COVID-19 crises, respectively. The third supported reconstruction after a natural disaster in Spain, but in practice only approved one sub-operation.

<sup>44</sup> Interestingly, framework loans addressing disasters and emergencies inside the EU that were under programme loans also took less time after signature to reach first disbursement (224 days), and after disbursement to reach first allocation (179 days) than those not under

guidance on crisis and disaster response, the EIB approved operational response packages including a new lending envelope to financial intermediaries, along with repurposing of existing operations and technical assistance/advisory to provide timely support to the floodings in Spain and Central Europe (see Box 3). However, these operations had not yet been signed at the time of writing this report, and therefore their ultimate timeliness is not yet known.

**Figure 15: For framework loan operations addressing disasters and emergencies, average number of days for each step of the project cycle by region, for operations under programme loans, and those not under programme loans**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

### Key drivers of project cycle timeframes

There are several factors driving the observed project cycle timelines for framework loans addressing disasters and emergencies, including some which are outside of the EIB’s control, and others that are down to the framework loan as a product. The EIB is required to disburse financing between 10 and 15 days following the receipt of a disbursement offer/request. Despite this, timeframes between signature and disbursement may still be long due to the time taken for clients to meet disbursement conditions or indeed request disbursements, whether upfront disbursements or subsequently through the allocation procedure. Further, disbursement procedures could take longer for framework loans due to the deferral of the appraisal of sub-schemes to after signature.

Other drivers of project cycle timelines are due to EIB processes and procedures. Prior to June 2024, when new EIB guidance for crisis and disaster response was provided, the EIB lacked the procedures and surge capacity to cope with the requirements of the response and, to the extent that it concerns imminent risks, preparedness/prevention phases. The Evaluation Division’s *Rapid assessment of the EIB Group’s operational response to the COVID-19 crisis* highlighted the EIB’s lack of dedicated processes, procedures and staff to facilitate a quick response to disasters and emergencies. Given the absence of a pre-positioned surge capacity within the

programme loans (390 days and 510 days, respectively). However, this may be due to the smaller sample of operations that were under programme loans.

EIB to deal with these situations, interviews confirmed that, when required, staff have had to reprioritise their work to focus on operations addressing disasters or emergencies at short notice. This has implications for delays to other operations, as well as workload and pressure put on staff that can last beyond the immediate response phase.

**Many of the above factors that are beyond the scope of the framework loan as a product are addressed in the latest guidance for crisis and disaster response.** For example, a crisis/disaster response process to speed up action, including through the creation of personalised teams, is intended to provide the means to rally the right teams and experts rapidly. It may not deal with the lack of surge capacity and potential ripple effect on workload and other workstreams, but this is yet to be tested. So far, the experience from Central Europe and Spain (Box 3) point to a rapid reaction across services to develop an operational response to both flood events, with a package of support – combining lending and advisory - that addresses all four phases of the DRRR cycle.

**Overall, newly originated framework loans do not marry well with the urgent requirements of the response, and to some extent preparedness/prevention phases of the DRRR.** Indeed, interviews with staff highlighted that newly originated framework loans should not be considered the product of choice during the response phase, and that mostly the EIB should consider how best to sequence its support through a variety of products dependent on urgency and need. This is underway with the repurposing of existing operations alongside the deployment of new lending envelopes for the response to the floods in Central Europe and Spain in 2024<sup>45</sup>. This reflects the new approach established in the latest crisis and disaster response guidance and builds on experience during other emergencies and disasters, such as the repurposing of existing facilities to quickly support Ukraine after the invasion by Russia, as well as to respond to the effects of the COVID-19 pandemic.

### Box 3: EIB operational response in the aftermath of the 2024 floods in Central Europe and Spain

Building on the measures recommended by the latest guidance for crisis and disaster response, the EIB has put forward a series of measures to support the affected Member States, covering all the four phases of the DRRR cycle, through an integrated lending/advisory approach:

- **Repurposing of existing facilities:** identification of non-fully disbursed facilities with sub/sovereigns and National Promotional Banks which would enable quick liquidity deployment for emergency investments and expenditures (**response**); and discussions with respective EIB facilities borrowers around needs.
- **New lending envelopes:** facilitation and provision of support for **reconstruction** efforts, as well as **preventive measures** to enhance resilience against future floods, by providing additional liquidity to banks and other financial institutions. The lending envelope consists of sub operations in the form of multiple beneficiary intermediated or framework loans with financial intermediaries.
- **Advisory:** the proposal includes the formulation of mid-term/structural measures for the prioritization of investment for reconstruction and recovery, in line with **build-back-better** approaches, flood risk management best practices and climate adaptation objectives aligned with the EIB Water Programme that is being developed. It also considers the potential to include nature-based solutions. Moreover, EIB's Management approved the donation of €300 000 to support the victims of the flash floods in Spain. The funds will be drawn from the Bank's contingency reserve and allocated by the EIB Institute to three local non-governmental organisations (NGOs), with each receiving an equal share.

<sup>45</sup> [EIB mobilises €900 million to back recovery and reconstruction after floods in Spain](#) (accessed 14/03/2025) and [EIB to support flood recovery projects across the EU and provide new financing for farmers](#) (accessed 14/03/2025).

### **3.3.2 THE LIMITATIONS OF FRAMEWORK LOANS IN ADDRESSING EMERGENCIES AND DISASTERS DURING THE RESPONSE PHASE ARE EXACERBATED OUTSIDE THE EUROPEAN UNION, AND THEIR ROLL OUT IS MORE CHALLENGING ACROSS ALL PHASES OF THE DRRR DUE TO SPECIFIC CONTEXTUAL FACTORS**

As established above, the features of the framework loan, alongside EIB procedures, do not marry well with a context requiring immediate liquidity and life saving actions. This is found to be even more so when operating in countries beyond the European Union. Outside the European Union, where the context is often more complex, framework loans are even less able to meet the needs of the response phase than inside the EU.

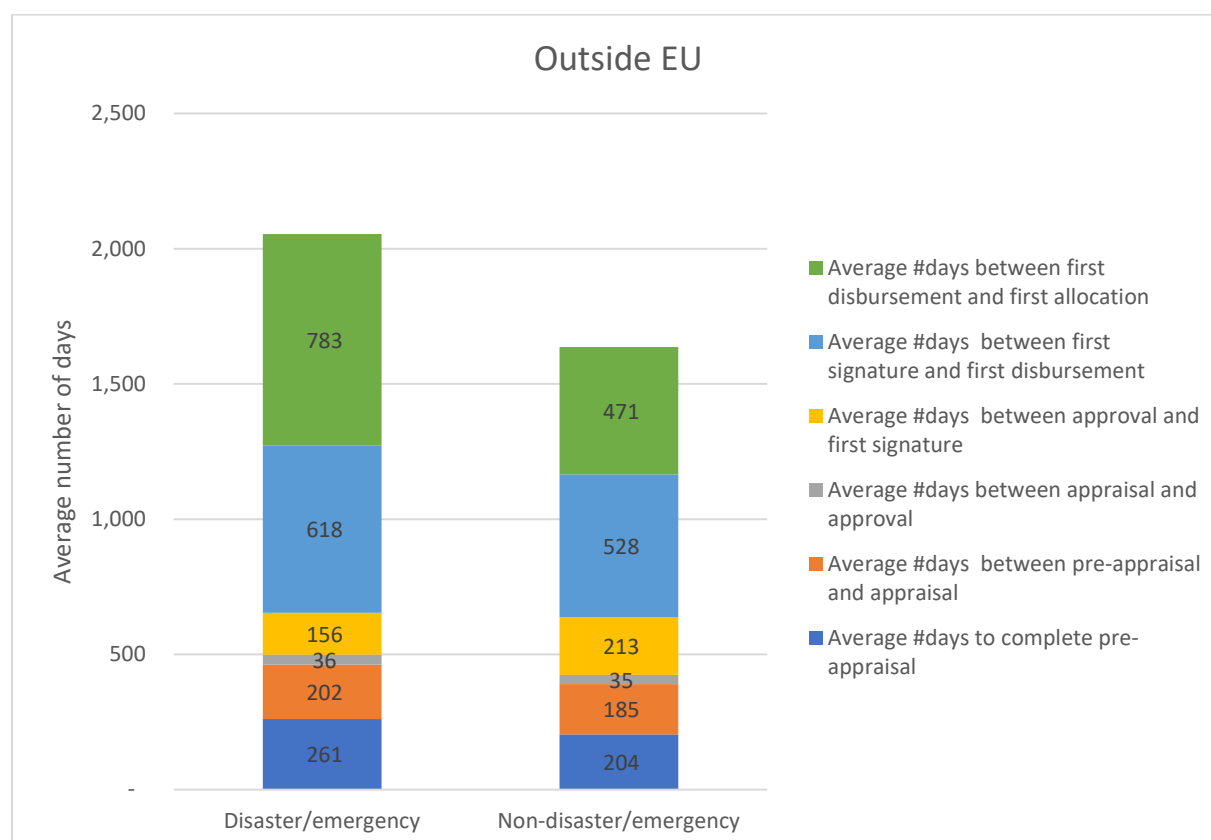
The product modalities that are intended to enable framework loans to be more agile and timely are often restricted outside the EU. As established, even inside the EU these modalities often do not render framework loans sufficiently timely for the response phase. Nonetheless, outside the EU, framework loans addressing disasters and emergencies face additional challenges related to the capacity of promoters; advisory or technical assistance requirements, compliance with EIB due diligence processes; parliamentary approval requirements, and the availability of project implementation units or regional or governmental departments to coordinate the needs of various ministries and sectors.

- **Delegation and promoter capacity:** The delegation of tasks to borrowers or promoters under the framework loan can render them more efficient in disaster or emergency contexts. However, to do so, and despite the delayed appraisal modality, EIB due diligence is required to assess upfront that the client has (or in some cases will develop in time) the capacity to comply with environmental, social and procurement standards, as well as technical requirements. Such due diligence seeks to ensure that EIB projects do no harm. Though there are a number of measures to enable some flexibility in exceptional circumstances such as disasters and emergencies, the due diligence process remains thorough and may also need to include context specific safeguarding such as the humanitarian aid principles and child protection. This means that framework loans outside the EU take more time than inside where capacity for compliance is generally greater alongside a more enabling legal and regulatory framework.
- **Lack of regional or government-department ability to coordinate the needs of various ministries or sectors.** Operations that span multiple sectors, regions or stakeholders occur more frequently in disaster/emergency contexts, given their nature and likelihood to cause widespread damage. Such operations often require the involvement of a project implementation unit or coordination body to centrally manage or coordinate the operation and liaise with the EIB, borrower and local authorities. This requirement can add complexity and administrative burden, but can also be very helpful in scheme preparation, allocation and implementation. Outside the European Union this is often lacking, while inside the EU, Member States often have coordination mechanisms in place. In fact, in several cases the EIB provided technical assistance involving the provision of support to the project implementation unit in operations outside the European Union. Further, the EIB has limited country presence outside the European Union, which limits its ability to support such coordination and the timely progression of projects through the project cycle. Findings from the peer learning exercise and interviews with EIB staff indicate that having expert staff on the ground is key for efficient and timely responses, as it allows for faster and more frequent policy dialogue and increases both the relevance to the context and the local ownership of the response.

- **Parliamentary approval requirements:** Outside the European Union, it is often the case that any sovereign debt commitment must be approved by the country's Parliament to obtain a sovereign guarantee, even where a guarantee is provided by the European Union. This process can take time and may create delays between the signature and disbursement of financing through any product, including framework loans.
- **Advisory:** During project preparation and implementation, technical assistance and advisory services are also more often required outside the EU, to support capacity building and compliance. As will be discussed in the following subsections, this valuable support intends to build long term promoter and country capacity but further adds to project timelines.

**These challenges may explain why framework loans outside the European Union are found to be less timely than those inside the European Union.** Framework loans addressing disasters and emergencies outside the European Union take almost twice as long to be signed than those inside the EU, i.e. 655 and 377 days respectively, on average from inception to first signature (Figure 16 below, and Figure 12: above).<sup>46</sup> Therefore, outside the European Union, a Framework Loan is even less well suited to the response, and to some extent the preparedness/prevention phases. Where timeliness is less critical, challenges remain in terms of project cycle timelines though these may potentially be balanced by longer term capacity building through, for example, compliance requirements and technical assistance.

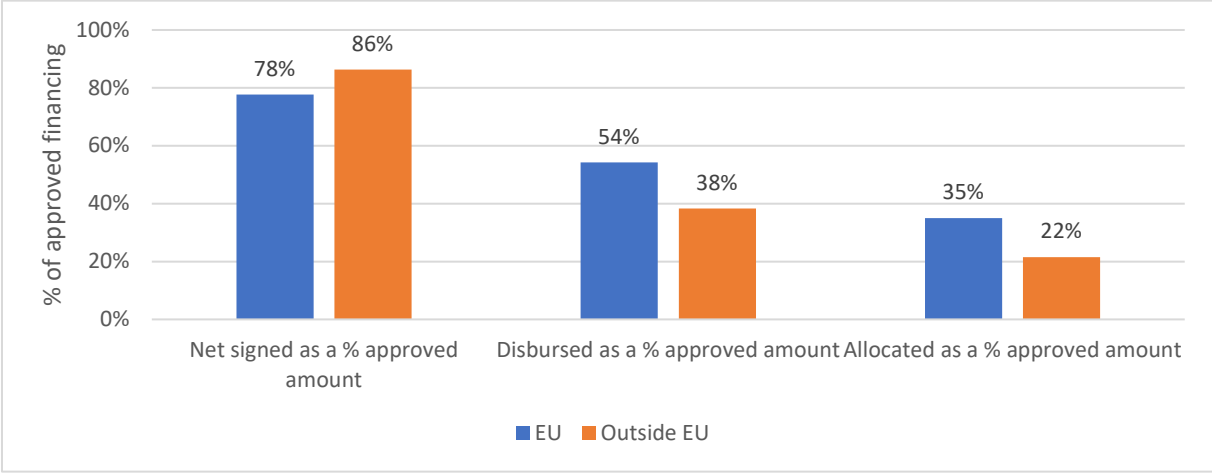
**Figure 16: Average number of days for each step of the project cycle for framework loans by disaster/emergency and non-disaster/emergency outside the EU**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

<sup>46</sup> When considering only operations that involve public sector borrowers and that are fully disbursed, the average time to first signature outside the European Union is in fact slightly longer, at 659 days. Time to first disbursement outside the EU is around 1 000 days when considering only these operations.

**Figure 17: Volume of financing signed, disbursed and allocated through framework loans in addressing disasters and emergencies as a percentage of approved financing, by region**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

The challenges faced by the EIB outside the European Union may also explain the observed differences in the extent to which financing approved through framework loans addressing disasters and emergencies is absorbed by borrowers inside the EU, compared with those outside the EU (Figure 17)<sup>47</sup>. Outside the European Union, a greater share of the financing signed through framework loans addressing disasters and emergencies remains undisbursed than inside the EU. A total of 56% of the net financing signed through framework loan operations addressing disasters and emergencies outside the EU remains undisbursed, compared to 30% inside. Similar trends are observed for framework loans not addressing disasters and emergencies as well as investment loans that did; higher shares of financing are undisbursed to date outside the EU than inside<sup>48</sup>. This suggests that the outside EU context, rather than the framework loan as a product or disaster/emergency context, is the key driver for higher rates of undisbursed financing.

The portfolio data also suggests that there may be some long running undisbursed amounts within the sample of framework loans addressing disasters and emergencies. A greater volume of undisbursed financing is found to be associated with more recently approved projects, which can be expected. However, the analysis also shows that there is some undisbursed financing associated with projects that were approved longer ago (before 2019). The latter may serve as a good proxy for “deadwood”. Operations approved before 2019 and that have financing remaining undisbursed are more often in Ukraine and Italy. However, most countries with operations approved before 2019 for which financing is not yet fully disbursed are outside the European Union. It therefore follows that financing approved through framework loans outside the European Union may be more likely to remain undisbursed for longer periods. Higher levels of undisbursed financing from framework loans addressing disasters and emergencies, particularly if this remains undisbursed for longer periods of time, may affect their effectiveness in terms of their ability to generate impacts and revenues, as well as their capital headroom consumption.

<sup>47</sup> Across all regions and DRRR phases the volume of financing disbursed and allocated as a share of approved financing is generally higher, or close to the volume of financing that was signed, until around 2016. From 2017 onwards, the share of financing approved that was eventually signed remains relatively high, whilst that which is then disbursed and allocated is generally lower. There are some exceptions: for example, in 2020 and 2022 the volumes of financing disbursed and allocated are relatively high, considering also these were approved more recently. Whereas a decrease in disbursement rates over time is to be expected (more recently approved operations are more likely to not yet be fully disbursed due to normal implementation timelines), there is some evidence of operations that have remained undisbursed for relatively longer periods of time.

<sup>48</sup> For framework loans not addressing disasters and emergencies, 18% of net financing signed inside the EU was undisbursed, compared to 39% outside the EU. Through investment loans addressing disasters/emergencies, 9% of net financing signed inside the EU was undisbursed, compared to 48% outside the EU.

## 4. HOW EFFECTIVE ARE FRAMEWORK LOANS IN DELIVERING RESULTS WHEN ADDRESSING DISASTERS AND EMERGENCIES?

Framework loans have been increasingly used to address disasters and emergencies in recent years, especially since 2015, in line with the EIB's increased involvement in addressing these (Figure 5). This means that there are fewer mature or completed operations that have already generated results – out of the 83 framework loans analysed, only 11 were completed. Still, this evaluation did find encouraging evidence to suggest that framework loans were effective in addressing disasters and emergencies.

This section analyses the extent to which framework loans were effectively deployed to address disasters and emergencies. It also provides some indicative evidence on the results that these operations have achieved, on the EIB's added value and the extent to which build back better was encouraged.

### 4.1 FINANCING DISBURSED THROUGH EIB FRAMEWORK LOANS WAS ALLOCATED TO, AND SUPPORTED IMPLEMENTATION OF, SCHEMES ADDRESSING DISASTERS AND EMERGENCIES

The portfolio analysis highlighted that, in absolute terms, the 83 framework loans in the sample have, as of May 2024, allocated €8.355 billion of EIB financing to eligible schemes, representing 32% of financing approved<sup>49</sup>. The largest volumes of allocated financing went to three sectors: (i) construction, with €4.7 billion allocated; (ii) electricity, gas, steam and air conditioning supply, with €1.3 billion allocated; and (iii) professional, scientific and technical activities, with €575 million allocated (Figure 18, top panel); as well as to schemes addressing situations of conflict and natural disasters, with just over €3 billion allocated to schemes in both cases (Figure 18, bottom panel).

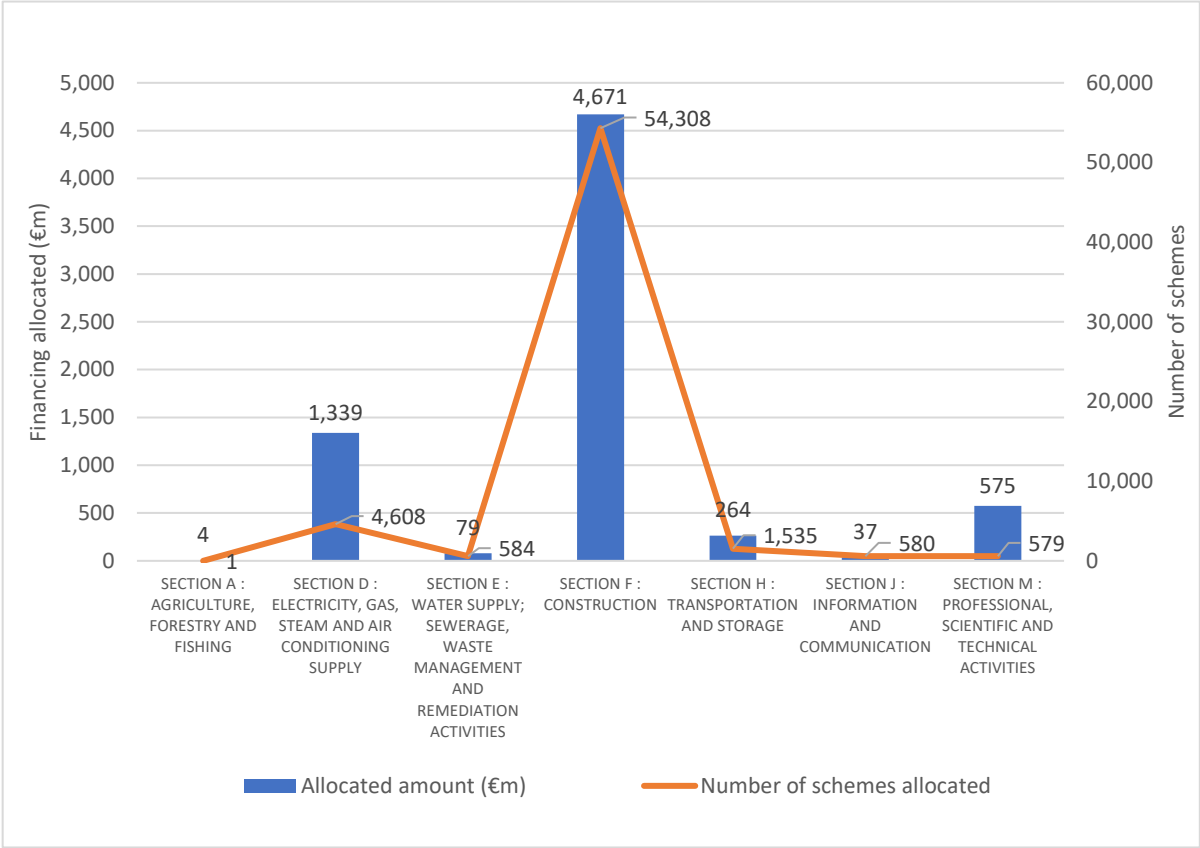
Framework loans addressing disasters and emergencies have allocated financing to 63 697 schemes in total to date, including over 55 000 schemes addressing natural disasters. By sector, the greatest number of schemes were supported in construction (54 308), electricity, gas, steam and air conditioning supply (4 608) and transportation and storage (1 535).

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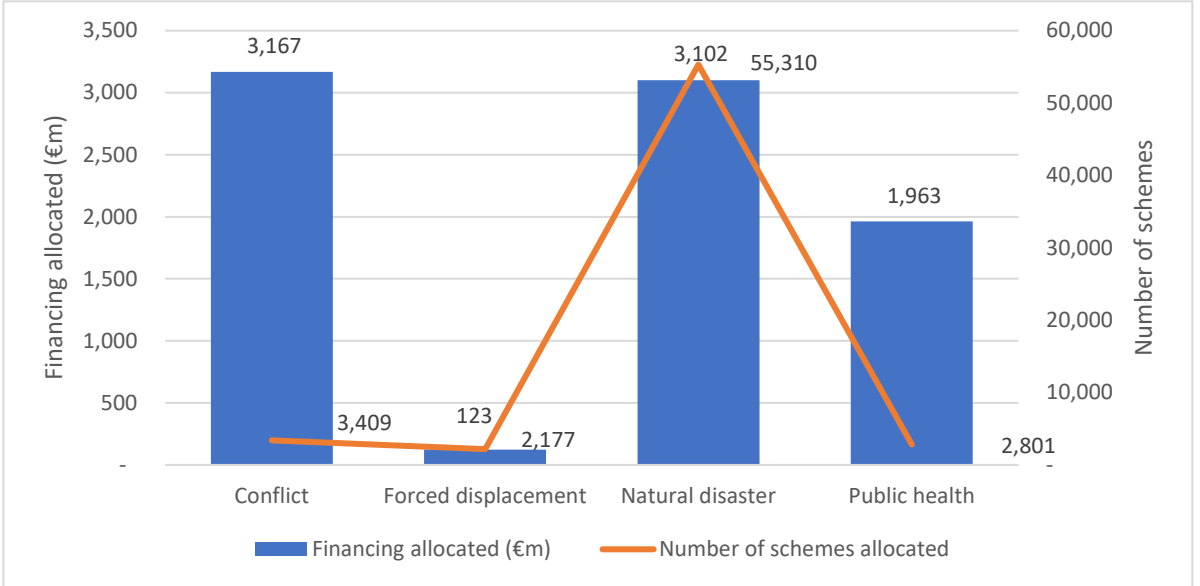
<sup>49</sup> As noted in the previous sub-section, since relatively few of the framework loan operations addressing disasters/emergencies had been completed by the time of drafting the report, many of the operations are ongoing and additional allocations are expected.

**Figure 18: Volume of financing allocated through framework loans addressing disasters and emergencies and the number of schemes to which financing was allocated by sector and disaster type**

1. Volume of financing allocated and number of schemes supported through framework loans by sector



2. Volume of financing allocated and number of schemes supported through framework loans by disaster type



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

## 4.1.1 MANY OPERATIONS ARE STILL IN EARLY IMPLEMENTATION STAGE, BUT THOSE THAT ARE COMPLETED LARGELY ACHIEVED THEIR INTENDED RESULTS

**There was relatively little information on the results achieved by the schemes financed through EIB framework loans in disaster or emergency contexts.** Out of the 83 framework loans addressing disasters or emergencies analysed, 11 had been completed. Out of the 15 operations for which case studies were developed as part of this evaluation, only three were completed. Mostly, this is because there is a higher number of framework loans addressing disasters and emergencies approved in more recent years.

**Reporting on completed framework loans addressing disasters and emergencies was inconsistent.** Even when reports were available, they did not systematically present data on the outputs delivered and presented little evidence on outcome results for promoters and affected communities. Therefore, the EIB's ability to monitor results, in particular longer-term outcomes, is limited in these contexts. This points to a broader issue across the EIB of inconsistency in the development and use of reporting on completed projects. However, given the relatively smaller sample of completed framework loans addressing disasters and emergencies, this inconsistency has a disproportionate impact on the evaluation's ability to analyse the realisation of outputs and outcomes at project completion.

**The 11 completed operations were relatively successful in achieving outputs.** There is strong evidence that schemes aimed at reconstruction after a natural disaster delivered their intended outputs. They supported large-scale reconstruction efforts, in particular for the repair of damaged public infrastructure such as transport networks, water and sanitation infrastructure, and public and private buildings. For example, through a post-earthquake framework loan, thousands of private building rehabilitation schemes had been completed. Further, framework loans designed to address the 2015 refugee crisis successfully supported the construction or renovation of significant numbers of housing units or temporary accommodation. Framework loans have also been able to include risk reduction and prevention features, often by adding prevention-related components in operations that primarily focussed on reconstruction efforts, as will be discussed in subsequent sections on Build Back Better.

**Despite the more limited data available, examples were found of outcomes achieved by framework loans addressing disasters or emergencies:**

- **Access to improved public infrastructure and services:** A framework loan supporting reconstruction in an earthquake-affected region helped rebuild schools to align not only with anti-seismic measures but also modern standards for energy efficiency and pedagogy (such as purpose-built classrooms). After the completion of one scheme where a school had been rebuilt and re-opened, an increase on prior years in demand for pupil places was observed. Similar positive outcomes (such as improved access to high-quality education and decent housing) from investments in social infrastructure were noted following another framework loan; improvements to the business environment and job opportunities were also noted, resulting from the investments made in urban infrastructure. Similarly, another EIB framework loan helped support educational needs of Ukrainian pupils at the end of 2023. This operation also repaired and adapted the railway infrastructure to handle the surge of service users, launching additional free passenger trains to transport people moving from Ukraine. A different framework loan supported the development of temporary accommodation units that also benefited asylum seekers or refugees, reportedly resulting in an improved integration of disadvantaged groups locally.
- **Regional economic redevelopment:** An EIB framework loan helped repair cultural and tourist infrastructure, including some elements that had been in disrepair before the earthquake (for example, hotels, thermal baths and schools), helping to increase the attractiveness and economic prospects of the area. Further,

another operation supported the delivery of several schemes that rebuilt public and tourist infrastructure following a weather-related disaster. For example, several beach-front facilities were rebuilt. Given the importance of tourism to the local economy, having these facilities functional in time for the summer season was critical to the region's economy.

- **Public health and wellbeing:** A framework loan supported the provision of medical care to people arriving from Ukraine. It also helped ensure the functioning of the ICT systems used to facilitate the establishment of contacts between employers and Ukrainian jobseekers as well as a promotional campaign. A framework loan after a natural disaster was used to restore a damaged wastewater facility, with possible impacts on long-term health outcomes in the local area.
- **Climate action and improved energy efficiency:** Framework loans have also supported the delivery of energy efficiency improvements to public and private buildings in earthquake-affected areas. In disaster or emergency contexts, the share of operations financed through framework loans that supported climate action was higher than that for investment loans (37% vs. 32%). The share of framework loans addressing disasters or emergencies that contribute to climate action has increased over time (from 0% of net financing signed through framework loans addressing disasters and emergencies being attributable to Climate Action in 2008, to 9% in 2011, 30% in 2022 and 87% in 2023).
- **Increased resilience to future similar crises and Build Back Better:** One operation implemented schemes that had contributed to the resilience of the earthquake-affected communities. Several public schools had been rebuilt in line with more modern standards, which reduced seismic risks. Another framework loan supported the repair and rehabilitation of the region's water supply and roads, as well as several maritime construction activities. In doing so, the interventions also developed an integrated solution to risk prevention (through construction of dams, planting of trees, etc.), including an early warning system and risk management strategy and action plan, which was deemed to reduce the damaging impacts of future similar events.

## 4.2 IN DISASTER AND EMERGENCY SITUATIONS, EIB FRAMEWORK LOANS PROVIDED ADDED VALUE TO BORROWERS, PROMOTERS AND COMMUNITIES

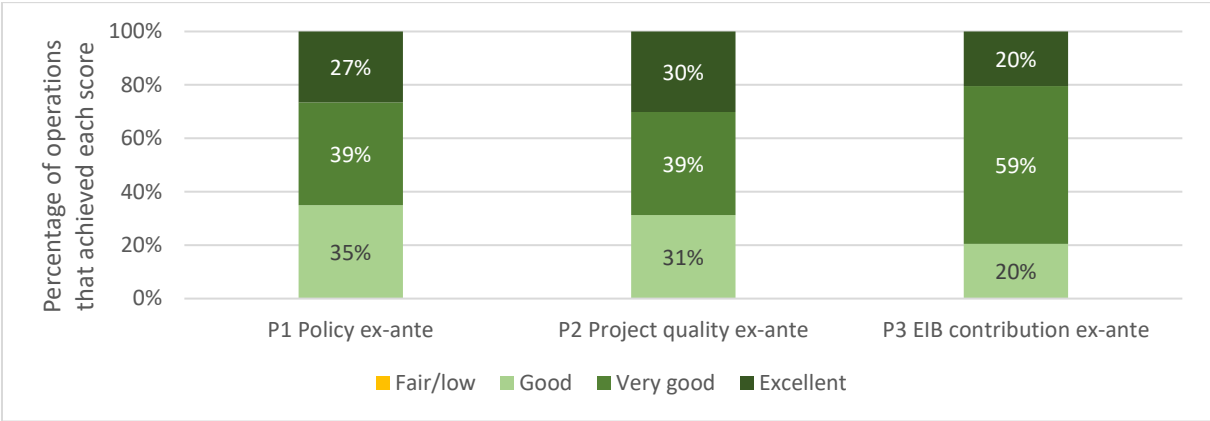
**At appraisal stage, most framework loans were expected to achieve very good or excellent additionality.**

Figure 19 shows the score of the 83 framework loans addressing disasters and emergencies against the EIB's additionality and impact measurement (AIM) framework. The highest scores were achieved on financial and non-financial contribution.<sup>50</sup> However, only 11 operations have reached completion and have an ex-post AIM rating available.

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<sup>50</sup> The EIB Impact and Additionality Measurement Framework (AIM): [Additionality and Impact Measurement](#) (accessed 14/03/2025).

**Figure 19: Percentage of framework loan operations addressing disasters and emergencies for each pillar rating score, by AIM pillar**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

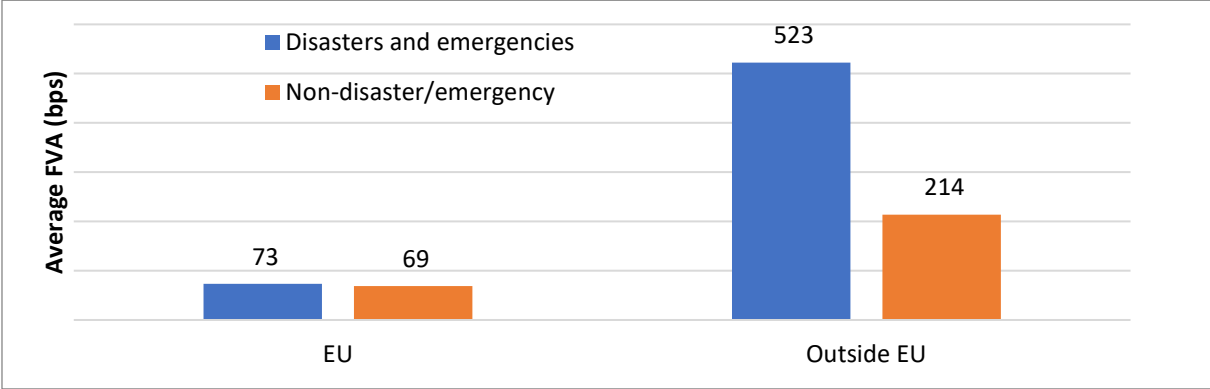
### 4.2.1 THE EIB’S FINANCIAL CONDITIONS WERE MORE ATTRACTIVE OUTSIDE THE EU THAN INSIDE

**The EIB’s pricing is far more competitive than alternative sources of funding outside the EU than inside**

The EIB’s framework loans addressing disasters and emergencies displayed better pricing conditions than the alternative funding sources that were known at appraisal stage. The financial value added (FVA) is given in basis points and estimates the extent to which an EIB loan is cheaper than the alternative funding cost to a borrower for comparable borrowing at the time of appraisal. The average FVA provided through framework loans addressing disasters and emergencies, as assessed at appraisal, was higher than that of framework loans not addressing disasters and emergencies, both inside and outside the European Union.

However, while inside the EU the pricing difference was small (only 4 basis points), it was greater outside the EU (over 300 basis points, as seen in Figure 20). To contextualise: first, inside the EU average interest rates are lower than outside the EU; second, financing conditions among EU Member States are more homogeneous than outside the EU; third, the portfolio of framework loans addressing disasters and emergencies outside the EU is smaller than the counterfactual of framework loans not addressing disasters and emergencies and skewed towards countries that face a worse alternative cost of funding. Moreover, in line with EIB internal guidance in place since 2003, on a case-by-case basis, some projects benefited from smaller downward modulations of interest rates.

**Figure 20: Average FVA (in basis points) of framework loans, period 2008-2024, by region**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

## Alternative sources of funding are one of the main drivers of cancellations inside the EU

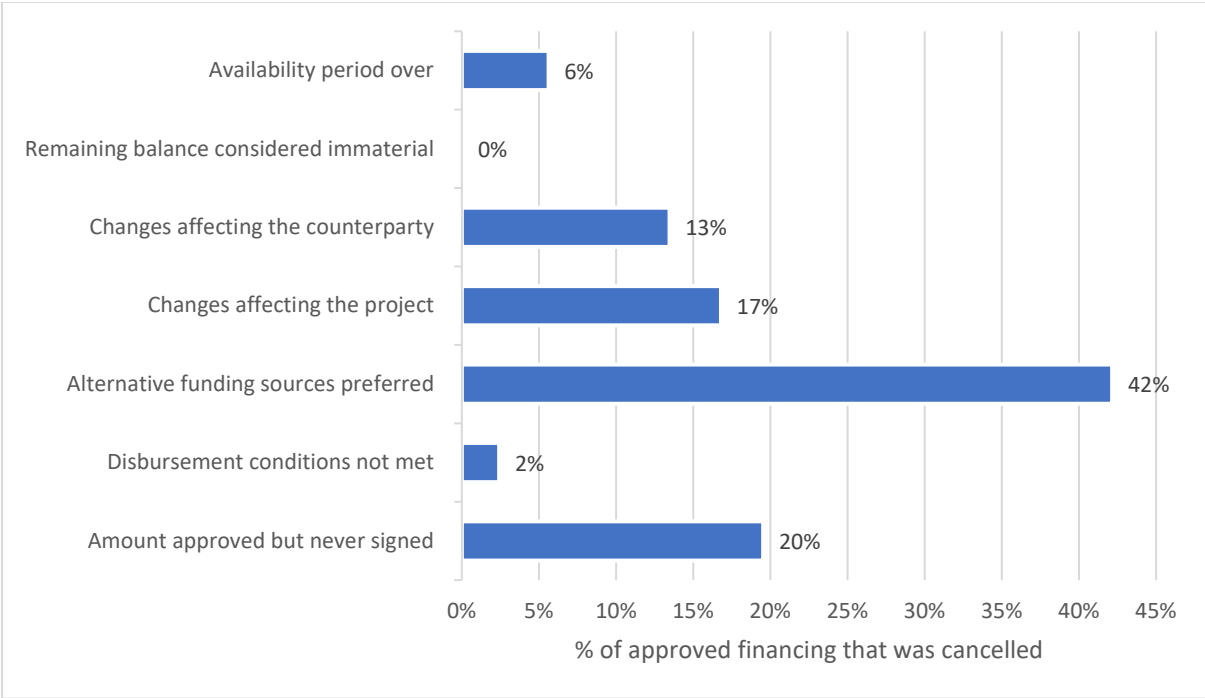
**Despite the EIB's framework loans in disasters and emergencies displaying better pricing conditions than the alternative funding sources that were known at appraisal stage, the availability of funding alternatives (notably grants) at a later stage eroded that financial advantage, and cancellations were seen.** At the portfolio level, analysis suggests that framework loans that address disasters or emergencies are not associated with particularly high rates of cancellations compared with other products or contexts. The share of financing approved through framework loans addressing disasters and emergencies that was cancelled (16%) was only slightly higher than investment loans in the same context (15%), and lower than that through framework loans not addressing disasters and emergencies (22%). However, following disaster or emergency situations, different stakeholders or donors often emerge to offer funding conditions that are more attractive than the EIB's, notably the provision of grants which do not entail any repayment of interest or capital. Thus, cancellations occurred on occasion due to the availability of this new alternative funding.

**Nevertheless, securing financing is per se a milestone that can provide value to project promoters.** Available financial resources are typically a requirement to allow the promoter to start tendering procedures, i.e. the Bank's commitment to disburse (signed finance contract) could be essential for a smooth implementation. If later on during the process, more concessional funding becomes available, it will be used first, as obviously promoters seek to optimise their funding sources and costs.

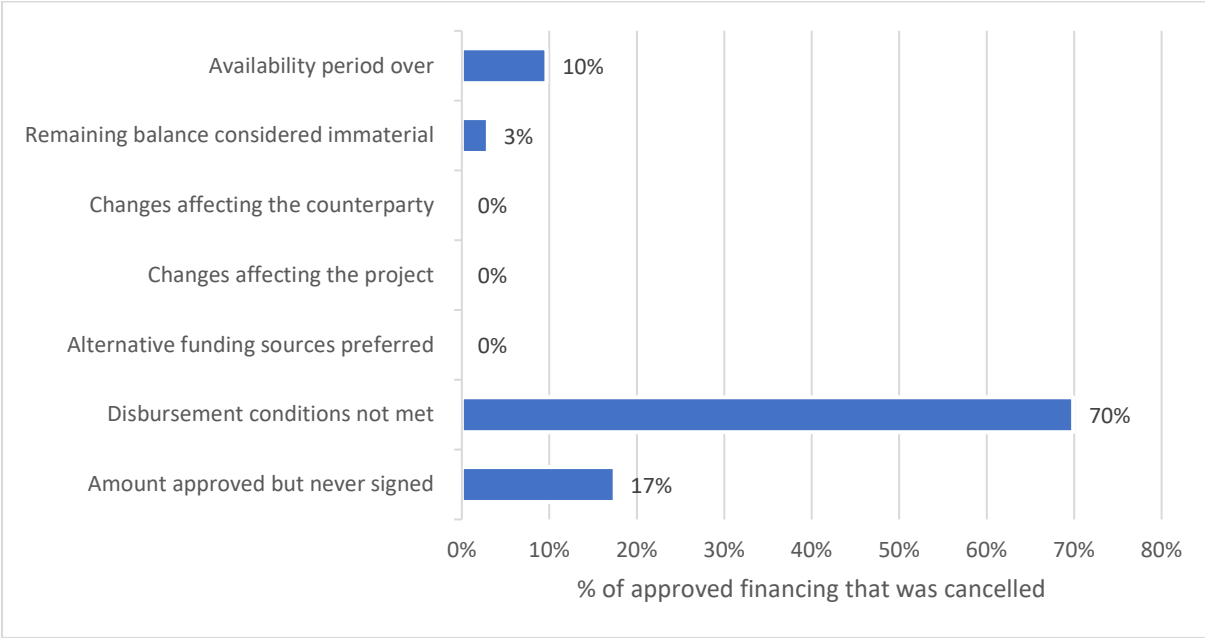
**However, a much larger share of the financing approved through framework loans addressing disasters and emergencies inside the European Union is cancelled than outside (21% inside the EU, compared to 2% outside).** As seen in [Figure 21](#) (top panel), across all framework loans addressing disasters and emergencies inside the EU, "alternative sources of funding" was the reason for the largest volume of cancellations (42% of financing cancelled in the EU was attributed to this reason, compared to 0% of financing cancelled outside the EU). Cancellations inside the EU are therefore in large part due to the availability of grants, which are understandably more attractive than debt products, and are not indicative of the suitability of the product. This is supported by evidence from the interviews and site visits conducted that highlighted that, in particular inside the EU, EIB financing through framework loans was at times cancelled once grants (e.g., from the EU Recovery and Resilience Fund or Next Generation EU programmes) or more concessional finance became available. The European Commission has dedicated tools and mechanisms, such as the reallocation of the structural and cohesion funds, the humanitarian aid and civil protection mechanism, and the EU Solidarity Fund ([Box 4](#)).

**Figure 21: For all framework loan operations addressing disasters and emergencies, share of the total volume of approved financing that was cancelled by reasons for the cancellation of financing.**

**a. Inside the European Union (cancellations represented 21% of respective approved financing)**



**b. Outside the European Union (cancellations represented 2% of respective approved financing)**



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

#### **Box 4: The European Commission's toolbox for addressing disasters and emergencies**

##### ***Reallocation of structural and cohesion funds***

To the extent that they are compatible with respective regulations, the European Union can reallocate structural and cohesion funds to, essentially, infrastructure work, which includes preventive and reinstatement operations. In the aftermath of the 2024 wildfires in Portugal, the European Commission allowed Portugal to access €500 million from the cohesion funds allocated to the country over the next few years. The funding is intended to cover the damage incurred, with a contribution and reimbursement rate that may exceptionally reach 100%.

##### ***European Civil Protection and Humanitarian Aid Operations***

The Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO) is the European Commission's department responsible for:

- Humanitarian aid: Providing assistance to the most vulnerable victims of natural and man-made disasters, within and outside the European Union.
- Civil protection: Coordinating the EU response to disasters through the Union Civil Protection Mechanism.

It intervenes mainly in the following phases:

- Emergency response: Deploying resources and expertise to disaster-affected areas quickly and efficiently.
- Preparedness and prevention: Working on disaster risk reduction and preparedness to mitigate the impact of future disasters.

##### ***EU Solidarity Fund***

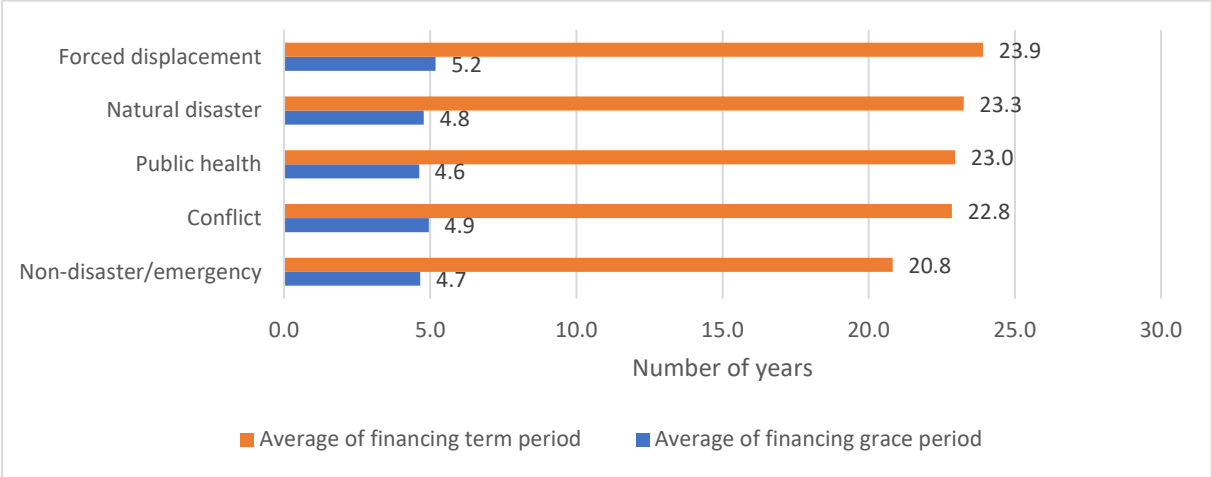
The EU Solidarity Fund, managed by the European Commission's Directorate-General for Regional and Urban Policy (DG REGIO), allows the European Union to provide grants that supplement public spending on essential emergency and recovery measures and to alleviate damage which, in principle, is non-insurable. It applies mainly to major natural disasters (floods, earthquakes, storms and droughts) and, since 2020, major public health emergencies. Urgent measures eligible for grant funding include:

- The immediate restoration to working order of infrastructure and facilities providing energy, drinking water, wastewater disposal, telecommunications, healthcare, transport and education;
- The provision of temporary accommodation and the funding of rescue services;
- The cleaning-up of disaster-stricken areas, including natural zones;
- Rapid assistance, including medical, to the population affected by major public health emergency and the protection of the population from risk of being affected.

**Repayment terms extended to operations addressing disasters/emergencies are more favourable than those to operations that do not**

Nevertheless, for the projects that did draw on EIB funds in disaster or emergency contexts, more favourable EIB repayment terms were extended. As Figure 22 shows, framework loans addressing disasters and emergencies offered two- to three-year longer tenors than framework loans that did not address disasters and emergencies. Grace periods extended under framework loans addressing disasters and emergencies were also in general slightly longer than those not addressing disasters and emergencies. This is in line with the EIB guidance in place since 2003, which called for particularly long maturities of up to 30 years.

Figure 22: Average maturity and grace periods across framework loans



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

**4.2.2 EIB LENDING AND THE FRAMEWORK LOAN PRODUCT ITSELF PROVIDED NON-FINANCIAL ADDED VALUE TO CLIENTS, PROMOTERS AND COMMUNITIES**

Below are selected examples of non-financial additionality, intended to illustrate the body of evidence gathered.

**Visibility and reputational gains in public opinion and financial markets**

**The association with the EIB has provided borrowers and promoters with welcome visibility during times of crisis.** The EIB brand name is recognised as valuable both politically and for financial markets. This added value is not linked to the framework loan product itself but to the EIB as a lender.

**Reputational gains were identified in terms of visibility for the borrower (and by association for the public sector or authority) and for Europe.** The visibility provided by the EIB brand name (through press coverage, for example) was identified by borrowers as furthering public awareness of the European, national and regional response to the situation. This was believed to lead to increased trust and confidence in borrowers and promoters, especially in disaster and emergency contexts where many lives are affected, and public expectations are high.

**EIB backing provided a strong positive signal inside the European Union to other potential lenders on financial markets.** It signalled that a borrower and its promoters had met stringent criteria for financial and technical viability, environmental and social sustainability, and climate action. As such, borrowers value the endorsement from the EIB, which can open doors to a wider financial ecosystem and provide further debt diversification.

## Technical expertise

**The EIB, as a lender, builds technical expertise among borrowers and promoters.** An essential element of non-financial additionality identified on a recurring basis is that of skill building among borrowers and promoters, whether project management skills or technical expertise in new domains. Reporting requirements, though often reported to be onerous (particularly when in conjunction with European funds), were nonetheless identified as building project management expertise. Technical expertise provided by Bank staff, alongside compliance requirements, were identified as improving a project's climate, environmental and/or social outcomes.

**One illustration is the upskilling of an entire public sector entity on the use of nature-based solutions in flood protection.** In this case, a decision to opt for a (new) nature-based solution as part of the EIB-financed response and reconstruction operation was made as a result of (i) a requirement from the European Commission during the consultation phase of the appraisal of the framework loan, (ii) the availability of high-level technical expertise among EIB project staff and (iii) the provision of technical assistance. This allowed for a complete upskilling of promoter staff, with promising long-term benefits to the entity's approach to ongoing and future flood protection efforts. The compliance aspects helped make the case for this solution in a context of difficult political pressure for visible action (which nature-based solutions may not be) while the technical expertise ensured that there were capable and equipped staff to implement and manage the project.

## A holistic approach

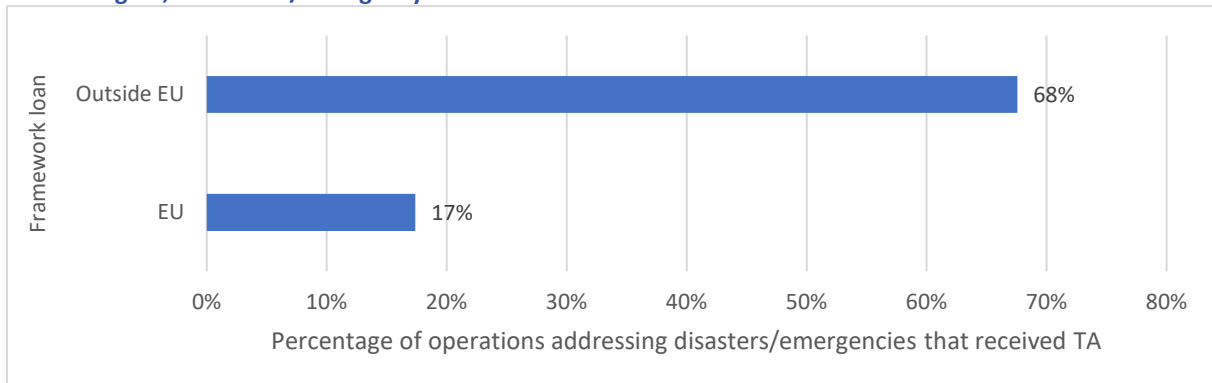
**The framework loan product features enable the promotion of a holistic approach to reconstruction for communities.** It allows for multiple small infrastructure investments across a region and in some cases across sectors. It relies on nationally or regionally led coordination, which can enable a bird's-eye view of the reconstruction efforts, whether multi-sector or single sector. For example, in the case of a reconstruction operation in the European Union, the framework loan product enabled a response that addressed the region as a whole, coordinating efforts across multiple sectors, including business, social and cultural infrastructure. This approach supported an entire ecosystem that contributed to rebuilding and improving aspects of the region pertaining to employment, social infrastructure and cultural heritage. Improvements brought about by the framework loan schemes are likely to make the region more attractive to visitors and generate a better living environment for local families and communities. Such a holistic scope helps ensure that the reconstruction is not just immediate but sustainable, creating long-term value beyond initial crisis recovery.

**The framework loan also enables prevention and preparedness to be considered, as per Build Back Better objectives.** For example, a Framework Loan focussed primarily on the rehabilitation of damaged private and public infrastructure also supported prevention and mitigation measures to cope with hydrogeological risks in the area. This enabled long term resilience building through reconstruction efforts. In recent efforts to respond to the floods in Central Europe and Spain, framework loans are being rolled out as part of an integrated approach that considers the short, medium and long term response to these crises, assessing which EIB product will be most effective at which moment and for which counterpart. These recent operational response packages provide for a holistic and integrated approach, including embedding technical assistance/advisory where possible, akin to a programming approach.

### 4.2.3 TECHNICAL ASSISTANCE AND/OR ADVISORY ARE A STRONG CONTRIBUTOR TO THE NON-FINANCIAL ADDITIONALITY PROVIDED BY EIB FRAMEWORK LOANS ADDRESSING DISASTERS AND EMERGENCIES

Over the evaluation period, 40% of the framework loans addressing disasters and emergencies, against 20% overall, deployed technical assistance. Technical assistance is provided on 17% of framework loans addressing disasters and emergencies inside the European Union and on 68% outside the EU (Figure 23).

Figure 23: Framework loan operations that received technical assistance as a share of total approved in each region, in disaster/emergency situations



Source: Evaluation Division analysis of EIB operations data, based on own categorisation.

The discrepancy between technical assistance deployment inside the European Union (where 17% of framework loans addressing disasters and emergencies received technical assistance) and outside the EU (68%) can be explained by the capacity, institutional and – in some cases – legislative gaps that can exist in EIB Global countries of operation. Implementation of the framework loan product relies on country systems, delegation to clients and highly capable promoters. Capacity gaps outside the EU pertain to the ability to comply with the EIB guide to procurement, the EIB environmental, climate and social standards and technical specifications all necessary to safeguard project quality. Project staff repeatedly emphasised the capacity constraints and challenges that they face in implementing framework loans outside the EU, which in turn render such operations particularly resource intensive.

Indeed, alignment with the EU *acquis*, EU regulations and legislative frameworks, alongside more experienced clients and promoters, means that EU Member States tend to have less of a need for technical assistance, unless it is in new domains of specific expertise as was the case for the nature-based solutions to flood protection risks mentioned above. This was further verified during site visits inside the European Union, where promoters flagged that they did not need technical assistance as they had the required technical expertise in-house.

The prevention, preparedness and reconstruction phases of the DRRR lend themselves best to receiving technical assistance. These phases of the DRRR allow for needs assessments and technical studies to be conducted. Initiating, securing and launching technical assistance is generally a time-consuming process, in particular where blending facilities and multiple stakeholders are involved, which is not conducive to the fast-paced requirements of the preparedness and response phases.

#### To date, technical assistance additionality is mostly not specific to addressing disasters or emergencies

The additionality provided by technical assistance, while meaningful and valuable, was – in the vast majority of cases to date - not found to be specific to disasters and emergencies. Outside the EU, technical assistance tends to focus on building promoter capacity and filling compliance gaps. These aspects are related to the

requirements of the framework loan product rather than the specific characteristics of a disaster and emergency context. In some cases, over and above closing capacity gaps, technical assistance can assist in setting strategic goals for a framework loan and in defining appropriate eligibility criteria aligned with these objectives. This was the case in a country outside the European Union where technical assistance was deployed to accompany a framework loan addressing a disaster/emergency. It helped one municipality to develop its first spatial urban plan, based on the new urban planning legislation, which in turn informed the definition of schemes.

**The Bank can offer technical assistance either as an embedded component within an operation or, in some instances, as a separate activity.** The evaluation found only one example of technical assistance used upstream to undertake diagnostic studies or to support collaboration between and across promoters or potential clients. For the most part, technical assistance or advisory activities were provided to develop a pipeline of investment schemes, ensure compliance with EIB standards and requirements, and to a lesser extent support the development of technical expertise in new domains.

**Inside the EU, technical assistance tends to build capacity for Building Back Better** (e.g. nature-based solutions, climate) which is not inherently disaster or emergency focussed but rather centres on alignment with best practice in terms of sustainable infrastructure.

### Potential use of technical assistance in addressing disasters and emergencies

**There are some more recent examples of disaster and/or emergency-specific technical assistance.** For example, one operation received technical assistance to address the specific climate-related context of the disaster it was addressing. Also, the EIB's response to the recent floods in Central Europe and Spain<sup>51</sup> demonstrate a more immediate and holistic approach that brings in technical assistance as part of the response and reconstruction package. The latter points to early implementation of the new internal guidance for the response phase.

**Two upstream opportunities were identified by services as having potential value to the specific characteristics of addressing disasters and emergencies.** On the one hand, the importance of diagnostics for future planning and for identifying priority investments to help build resilience to future risks and/or to prevent and adapt to these was identified as a potential offer of technical support to clients. In one example, the technical advisory services provided by the EIB under the Climate Adaptation Investment Advisory Platform (ADAPT) will help identify climate adaptation activities, investment options and technical design needs for reconstruction in order to reset and improve the resilience of the affected areas and support the competent authorities' preparations<sup>52</sup>. The technical assistance provided by the EIB will also help identify options and sources of financing for the proposed activities to which the EIB could potentially contribute direct financing if the conditions were met. On the other hand, promoters pointed to the potential value in sharing learning and experience across countries, and the role that the EIB – particularly in Europe – could play in facilitating cross-fertilisation and learning in EU Member States.

**Such opportunities are not specific to the needs of the framework loan product itself.** Technical assistance can contribute to orient client requests and EIB financing towards sectors or thematic areas that contribute to adaptation, resilience or prevention as seen with the ADAPT+ technical assistance inside the EU. This potential system-wide application of technical assistance or advisory services was also highlighted as being aligned with the ambition of the latest work plan for EIB Global Advisory and allowing for better preparation, risk mitigation and the building of an enabling environment. As noted in the work plan, advisory services should seek to strengthen capacities and contribute to an enabling investment environment, including supporting

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<sup>51</sup> [EIB mobilises €900 million to back recovery and reconstruction after floods in Spain](#) (accessed 17/03/2025) and [EIB to support flood recovery projects across the EU and provide new financing for farmers](#) (accessed 17/03/2025).

<sup>52</sup> [Climate Adaptation Investment Advisory Platform \(ADAPT\)](#) (accessed 17/03/2025).

counterparties with upstream planning, so that an operational pipeline can be built in areas where lending pipelines are less well-developed.

**Interviews with clients and staff pointed to potential disaster- and emergency-related technical assistance, advisory or otherwise (such as via a helpdesk) that could be of value to operations, including those financed through framework loans, in such contexts.** The Fragility and Conflict Helpdesk (consultancy-sourced and managed by the Environment, Climate and Social Office in the Projects Directorate’s Sustainability and Quality Management Department) was identified by project staff as an example of useful and timely support that can be provided during the appraisal of operations in fragile or conflict-affected contexts. Project staff also pointed to the value of specific expertise that can be provided by EIB experts on social aspects such as gender equality or on, for example, climate action, and that can help broaden the impact of a project, including that relating to build back better.

**Overall, the additionality provided by technical assistance or advisory services deployed through framework loans in disaster/emergency situations is, for the most part, non-specific to the needs or requirements of the context or to that of the framework loan product itself.** However, this has been changing in recent years with Technical Assistance Envelopes such as ADAPT and ERI, and experience of specific operations. Also, the increasing focus on build back better, diagnostics and learning, alongside the more integrated approach to the response phase illustrated by the EIB’s response to the floods in Spain and Central Europe may provide for more specific linking of technical assistance to disaster and emergency needs, notwithstanding the challenge of speedy deployment during the response phase.

### **4.3 BUILD BACK BETTER ASPECTS ARE EMBEDDED IN FRAMEWORK LOAN OPERATIONS, BUT OPPORTUNITIES MAY BE MISSED FOR LEARNING AND COOPERATING WITH OTHERS**

**Build back better in recovery, rehabilitation and reconstruction has been institutionalised in the Sendai Framework.** Here, it is defined as the “use of the recovery, rehabilitation and reconstruction phases after a disaster to increase the resilience of nations and communities through integrating disaster risk reduction measures into the restoration of physical infrastructure and social systems, and into the revitalisation of livelihoods, economies and the environment.”

**While build back better in physical infrastructure is accompanied by technical engineering requirements and standards, other aspects of the Sendai definition tend to be context specific and can touch on a broad range of aspects.** For example, in a post-conflict context, embedding elements that reduce the risk of disenfranchisement, social exclusion and social vulnerability could contribute to the reduction of the risk of social violence and tension, leading in turn to a reduced risk of forced displacement. Conflict sensitivity could therefore be considered as an ingredient of build back better in post-conflict reconstruction and recovery efforts.

**Build back better mainly happens in EIB framework loans through infrastructure improvements, such as technical features that prepare for future emergencies, climate adaptation and/or the application of EIB standards that can lead to social aspects of build back better being integrated.** Only two of the framework loans included in the evaluation deep-dive sample *explicitly* refer to build back better: in one case, with a focus on anti-seismic construction measures that “will exemplify the ‘build back better’ principle of the Sendai Framework,” and the other on community engagement to reduce gender inequalities.

**The channel through which build back better happens can be different inside and outside the European Union.** Inside the EU, build back better happens in part through EIB climate action and climate risk assessments or the provision of technical assistance, but also as a result of EU directives and legislation, or of national legislation,

that require an upgrading of infrastructure from its pre-disaster state (whether for health and safety, energy efficiency or disability access, etc.). This was exemplified by a post-earthquake reconstruction framework loan, where national and EU anti-seismic engineering proofing was required by law. In some cases, technical assistance inside the EU helps bridge the gap between an enabling regulatory framework and the capacity to implement, or to update existing risk assessments.

Outside the European Union, infrastructure is predominantly built back better through the need to comply with EIB technical, climate, environmental and social standards, which in many instances stretch beyond national requirements. An example of this is a post-disaster and climate change resilience framework loan that encompassed a broader social dimension to build back better. This framework loan required the engagement of communities and, in particular, the involvement of women in resettlement issues. This was linked to the application of the Bank's social standards. As a result, the scheme financed by the framework loan sought to ensure that the community's new or restored living conditions reflected gendered-needs and did not sustain existing gender inequalities. Such elements of build back better outside the European Union tend to be facilitated and accelerated through the provision of technical assistance for compliance with EIB standards.

**Up until more recently, the EIB did not refer to, or define, build back better either as a concept or a requirement in its policy documents, guidance or procedures, including for framework loans addressing disasters and emergencies.** Through the country visits, it was clear that the concept of resilience and, by association of elements of build back better, is implicit in project design and implementation in the context of addressing disasters and emergencies during the reconstruction and recovery phases. However, as mentioned, only two framework loans in the evaluation deep-dive sample explicitly referred to build back better as a project objective. The concept of resilience,<sup>53</sup> whether climate, economic or social, is more commonly used than build back better in EIB policy<sup>54</sup> and project documentation on disaster and emergency situations. For example, in the economic assessment of EIB projects, a multi-criteria analysis framework is used which accounts for resilience in relation to climate adaptation.<sup>55</sup> In general, in project documentation, there is significant overlap between what could be deemed build back better efforts, but not defined as such, and what is in fact compliance with EIB technical, climate, environmental and social standards. In interviews with project staff, it was clear that build back better is at the forefront of thinking and there is recognition of the opportunity and need to frame the definition within the context of the EIBG, in order to provide further consistency and build learning and expertise.

**In effect, it was found that even where resilience and, in rarer instances, build back better objectives are explicitly mentioned in appraisal documents, they are not reported on unless they are accompanied by contractual requirements** (such as technical compliance or disbursement conditions). In the case of a school earthquake-proofing framework loan, high school dropout rates were explicitly mentioned as a concern and outcome measure to be monitored, as it was assumed that better infrastructure may play a role in retention rates. This was not, however, subsequently reported on by the borrower or requested through EIB monitoring requirements. This also points to the use made of, and the level of detail provided in, project-level reporting being insufficient relative to results achieved beyond infrastructure outputs.

**Recent EIB operations coupled with dedicated advisory support represent a paradigm change with regards to disaster and emergency response and reconstruction efforts being aligned to build back better principles.** The first project of this kind was focussed on the provision of support to post disaster urgent reconstruction measures. This followed an earthquake and landslides/flood events and was coupled with prevention and

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<sup>53</sup> Resilience is the ability of a system, community or society exposed to hazards to resist, absorb, accommodate to and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions. [https://www.un.org/en/development/desa/policy/untaskteam\\_undf/thinkpieces/3\\_disaster\\_risk\\_resilience.pdf](https://www.un.org/en/development/desa/policy/untaskteam_undf/thinkpieces/3_disaster_risk_resilience.pdf) (accessed 17/03/2025).

<sup>54</sup> Documents such as: EIB Group Climate Bank Roadmap 2021-2025, EIB Strategic approach to fragility and Conflict (2022).

<sup>55</sup> Environment is one dimension out of seven; the other six are institutional, territorial, social, environmental, economic and financial.

mitigation measures to cope with hydrogeological risk in the area, both through a dedicated credit facility and technical assistance/advisory support. The project benefited from a climate risk vulnerability assessment, which included analysis of climate risks that could affect the island in the medium term and made recommendations about prioritising investments needed to ensure adaptation to climate change. A further advisory package funded by the Invest EU Advisory Hub provided more medium-long term assistance aimed at preparing technical and economic feasibility studies for the investments previously identified. In the same vein, the recent response and reconstruction packages developed in the aftermath of floods in Central Europe and Spain include advisory support aimed at the formulation of mid-term/structural measures for the prioritisation of investment for reconstruction and recovery. This is in line with build-back-better approaches, flood risk management best practices and climate adaptation, as expressed by the President of the Bank in a press release regarding the operation: *“We need to make sure we build back better: with an approach which is adapted to the new reality, that protects against increasingly frequent and intense climatic shocks.”*<sup>56</sup>.

**Though build back better is a valuable byproduct of broader EIB requirements and objectives, the lack of an explicit definition, objectives or reference to specific features that support it means that opportunities are missed (Box 5 for example).** EIB staff identified ways in which a more explicit definition might be useful, by:

- Limiting the risk of inconsistency in the EIB’s approach to BBB across its portfolio. As a result of minimal monitoring and a lack of clarity on a definition, there is also limited scope to learn across framework loans in relation to build back better in disaster and emergency situations.
- Drawing on the Bank’s growing experience in aspects such as gender equality, conflict sensitivity and social inclusion to provide operations addressing disasters and emergencies with further tools to approach build back better on social sustainability (such as tackling the risk of social housing furthering social exclusion or gender discrimination as a result of design approaches).
- Helping partnerships with other organisations and the complementarity of roles across actors in addressing disasters and emergencies.

#### **Box 5: Potential synergies with EU grant funding**

**Some opportunities exist to coordinate and complement EU grant funding.**

First, the EU Solidarity Fund is focused on immediate repair and putting back into operation essential services and infrastructure. The EU Solidarity Fund does not consider as eligible for funding any costs incurred that go beyond immediate restoration to working order. It therefore excludes any additional financing needed if an affected region/country wishes to build back better to be more resilient to future disasters and emergencies. Any additional financing to build back better needs to be funded from other sources than the EU Solidarity Fund. The EIB has the opportunity to provide such additional financing needed to ensure resilience to future disasters. There is potential for close coordination and complementary in the use of EIB funds with the EU Solidarity Fund, building on the added value and expertise areas of each institution.

Second, there is potential for cooperation with DG ECHO in areas where the EIB is less strong, such as preparedness and prevention (excluding climate change adaptation), and for bringing, in exchange, the EIB’s expertise in other areas such as climate change adaptation and building back better.

Third, there could be potential for cooperation when structural funds are reallocated to address the effects of disasters and emergencies.

<sup>56</sup> EIB to support flood recovery projects across the EU and provide new financing for farmers (accessed 17/03/2025).

## 5. CONCLUSIONS AND RECOMMENDATIONS

This evaluation draws the following conclusions:

- 1. Framework loans perform particularly well in the reconstruction phase.** This phase usually requires long-term reconstruction and/or resilience-building investment projects. Promoters tend to need time to develop needs assessments, understand the long-term impacts of an event and identify a pipeline of investments. The product's ability to i) defer appraisal to post-signature, ii) finance many schemes of different sizes and iii) cover multi-sector needs, make it well suited to address such requirements. Moreover, the EIB's ability to finance more than 50% of the project investment cost for post-disaster operations helps finance framework loans in challenging economic contexts.
- 2. Despite enabling measures, newly originated framework loans are not timely enough to address the urgent needs of the response phase.** Framework loans addressing disasters and emergencies take too long to be relevant to short term, lifesaving or damage limiting actions. This is in part due to institutional aspects such as the Bank's due processes in assessing and approving financing and in part due to promoter capacity, the latter being a particular challenge outside the EU.
- 3. Framework loans are less used in the prevention and preparedness phases of the DRRR.** This is likely to be due to the difficulty in prioritising prevention and preparedness investments in resource constrained environments, rather than to the suitability of the product itself to address needs. However, prevention and preparedness considerations are often included as components of post-disaster operations and/or on climate adaptation. Clients may need incentives and support to increase their take up of financing of prevention and preparedness.
- 4. Outside the EU, the effective delivery of framework loans is constrained by weak promoter capacity as well as complexities of the operating environment.** However, when accompanied by technical assistance, framework loans can contribute to longer term capacity building beyond the scope of the project itself.
- 5. The EIB has supported a meaningful number of schemes addressing disasters and emergencies.** These are relevant to the needs of the disaster or emergency, and have enabled the rehabilitation, reconstruction and longer term development of affected areas. However, outcomes and impacts are difficult to ascertain due to limited reporting by clients and the EIB itself.
- 6. The EIB provided limited financial value added inside the EU, with a high level of cancellations** – this is due to the: (i) reduced pricing attractiveness of framework loans addressing disasters and emergencies inside the EU, and (ii) availability of alternative funding (notably grants from other mechanisms). Outside the EU the financial added value was higher and the number of cancellations much lower, albeit after much longer lead in times and from a much smaller pool of projects.
- 7. The EIB provided non-financial added value through TA/Advisory services, its internal expertise, signalling effects and the programmatic approach of the product** that enables a holistic approach to addressing disasters and emergencies across regions and sectors. Technical assistance and advisory have been deployed more recently to the specific needs of disasters and emergencies, including on build back better.
- 8. Build back better would benefit from being explicitly defined by the EIB to ensure a more consistent approach that builds on the EIB's specific expertise and promotes learning.** To date it has been implicit and mostly focussed on infrastructure improvements to limit the impact of any future reoccurrence of the event. Reporting or learning on build back better is rarely available.

9. **There are promising signs of improvements in the EIB’s response to disasters/emergencies from the recent response packages to the Central Europe and Spanish Floods, that were in line with recent guidance for crisis and disaster response.** Within them, there is a consistent EIB offer of a holistic approach covering all four phases of the Disaster and Recover Risk Cycle:
- a. For response: identification of undisbursed facilities with sovereigns, sub-sovereigns and NPBs that can be repurposed, alongside additional measures (e.g. financing of OPEX) and the quick provision of emergency financing;
  - b. For reconstruction: lending envelopes, which speed up the sub-loan approval process of Framework Loans and MBILs targeting the long-term recovery financing needs;
  - c. Coupled with technical assistance/advisory aimed at identifying a suitable pipeline of operations to be financed, as well as integrating Building Back Better principles and elements of prevention/risk reduction and preparedness.
10. **This evaluation does not point to changes needed to the framework loan product itself in addressing disasters and emergencies, but rather identifies three strategic recommendations** that are both supportive of, and complementary to, the direction taken in the more recent response packages. These recommendations could enable the EIB to be better prepared to address disasters and emergencies

## 5.1 RECOMMENDATION 1: EXPLORE ENABLING MODALITIES TO INCREASE INVESTMENTS IN THE PREVENTION AND PREPAREDNESS PHASES

### Rationale:

**The EIB recognises the importance of preparedness and prevention.** Its EIB Climate Adaptation Plan<sup>57</sup> specifically identifies disaster risk management as a key investment area.

**The evaluation points to the relevance of the Framework Loan to these phases.** The framework loan responds well where preparedness and prevention needs are not time sensitive, are scattered across sectors, require a wide range of smaller sized investments and/or a deferred appraisal to identify needs.

**The evaluation also identified the need to increase client appetite for investments in prevention and preparedness.** Clients may require incentives to consider longer-term investments, that could significantly reduce the risks of future loss of lives and livelihoods, as well as high reconstruction costs, since they do not bear immediate visible benefits to a population.

Supporting investment in prevention and preparedness involves continuing to incorporate prevention and/or preparedness aspects into reconstruction/response efforts, but also going a step further and prioritising prevention and/or preparedness in high-risk areas, *prior* to the occurrence of any disaster/emergency situation.

### To implement this recommendation, the EIB should:

**Explore ways of incentivising the take-up of financing (drawing upon framework loans where operations are not addressing imminent/time-sensitive needs) for prevention and preparedness. In doing so, the EIB could consider:**

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<sup>57</sup> The EIB Climate Adaptation Plan (accessed 17/03/2025)

- As in the EIB Climate Adaptation Plan, where this is possible for climate adaptation operations, and the latest guidance on crisis and disaster response, **financing beyond 50%** of the project investment costs for operations *pre-disaster and emergency*. This could address the sub-optimal investment situation by reducing the financial and administrative hurdles to completing an operation.
- In this case, **it will be necessary to develop guidance to staff and clients on how to identify which investments**, and where, would qualify for beyond 50% of project investment cost financing and any other special conditions aimed at incentivising clients to invest more in the prevention and preparedness phases.
- Secure further financing for **technical assistance and/or advisory and/or expert support in prevention and preparedness**. For example, this could, depending on the scope of future mandates, involve setting up a technical assistance and/or advisory envelope (such as, for inside the European Union, ADAPT which focusses on climate adaptation and is provided through the InvestEU Advisory Hub<sup>58</sup>) for upstream diagnostics and forecasting. Diagnostics could contribute to orienting client requests and financing towards sectors or thematic areas that contribute to adaptation, resilience and/or prevention. This would serve to build a pipeline on the prevention and resilience side. It would help identify those projects that could benefit from financing beyond 50% of the project investment cost. This would be needed both inside and outside the European Union.
- **Exploring potential partnerships or blending with other institutions** where EIB is well poised to support prevention and preparedness in relation to building back better.

## 5.2 RECOMMENDATION 2: IN ADDITION TO REPURPOSING, CONSIDER EXPANDING THE MECHANISMS THAT ENABLE THE EIB TO BETTER ADDRESS THE URGENT NEEDS OF THE RESPONSE PHASE

### Rationale:

**Newly originated framework loans are not suited to address the immediate needs of the response phase to disasters and emergencies, because they cannot provide for a timely response.** This is in part because needs assessments take a well justified amount of time to identify a pipeline of projects and in part due to institutional and contextual factors necessary for the safeguarding of EIB requirements. The latter are exacerbated outside the European Union, where EU acquis, legislative and regulatory frameworks and counterpart capacity do not provide upfront alignment with EIB technical, procurement, environmental, social and climate standards amongst other factors.

**Technical assistance would therefore be much needed for the response phase, but also takes time to deploy.** Given that time is of the essence for this phase, its deployment ought to be rapid, which is not always possible given that technical assistance is generally a time-consuming process.

**The response to the floods in Central Europe and Spain provides for an integrated and holistic approach across all phases of the DRRR with a combination of products to suit each phase.** For immediate response, the EIB has given preference to repurposing of existing operations with sovereigns, sub-sovereigns and national promotional banks. This short-term financing benefits from exceptional measures to further enable their suitability (e.g. specific eligibilities regarding operational expenditure). For the recovery phase, lending envelopes of framework

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<sup>58</sup> Climate Adaptation Investment Advisory Platform (ADAPT) (accessed 17/03/2025).

loans and multiple beneficiary investment loans are offered to financial intermediaries. Financing is coupled with technical assistance/advisory as needed (e.g. on build back better).

**Currently at the EIB, repurposing is the only available option for an immediate release of liquidity to address urgent needs.** However, there may not always be existing EIB operations to repurpose in a given context. Studies have shown that disaster risk financing and insurance can help minimize the cost and optimize the timing of meeting post-disaster funding needs without compromising policy goals<sup>59</sup>. Building financial resilience requires establishing the mechanisms and instruments to pre-arrange finance for beneficiaries through a combination of contingent finance and risk-sharing instruments (financial preparedness) and linking these to the systems and implementation channels that can ensure better post-disaster outcomes (operational preparedness)<sup>60</sup>.

**The latest internal guidance for crisis and disaster response does not carry out an analysis of the range of potential financing products or additional mechanisms that might be suited to the phase.** It provides for exceptional measures and institutional processes to better address needs of the response phase through existing EIB products.

### **To implement this recommendation, the EIB should:**

- **Undertake an assessment of EIB products and mechanisms against the needs of each phase, including the response phase.** In developing guidance on the other three phases of the DRRR, and in further refining its existing one, the EIB could for example explore products aiming to close the disaster insurance protection gap<sup>61</sup>; procedures such as fast-track procurement of advisory services; pre-approved technical assistance envelopes; expedited processes for newly originated loans to ensure a swift response – not only relying on repurposing, etc.
- **Review rapid response mechanisms available on the market and through other IFIs (including NPBs and MDBs) that provide for rapid assistance in cases of urgency and identify their suitability to the EIBG.**
- **Consider introducing those identified as suitable** to the EIB’s business model and to a rapid response and/or whether partnerships might fill any gap that the EIB business model does not allow for. Contextual specificities may need to be accounted for considering the different operating contexts of inside and outside the European Union.

## **5.3 RECOMMENDATION 3: REFINE AND EXPAND THE EIB DEFINITION OF BUILD BACK BETTER AND ENHANCE THE EIB’S LEARNING ACROSS THE DISASTER RESPONSE AND RISK REDUCTION PORTFOLIO**

### **Rationale:**

**Build back better is embedded in framework loans addressing disasters and emergencies, despite there currently being no specific EIB definition or requirement to do so.** In the operations reviewed, build back better is delivered through compliance with environmental, climate and social standards, and through infrastructure and engineering improvements specific to the disaster or emergency. In more recent response packages, build back better is explicitly referred to, including in communication efforts.

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<sup>59</sup> Publication: [Financial Protection Against Natural Disasters: An Operational Framework for Disaster Risk Financing and Insurance](#) (accessed 17/03/2025).

<sup>60</sup> [Financial Resilience](#) (accessed 17/03/2025).

<sup>61</sup> [Italy to Require Companies Buy Insurance for Climate Risks - Bloomberg](#) (accessed 17/03/2025). The insurance-protection gap—the difference between insured and uninsured losses from climate-related catastrophes.

**Resilience, preparedness and prevention are all important components of build back better.** Where the context is relevant, the EIB could build on its experience and introduce elements of build back better that contribute to more inclusive development, such as social inclusion, gender equality and conflict sensitivity.

**Considering the EIB's current work on clarifying disaster response and risk reduction across all phases of the Disaster Response and Risk Reduction cycle, the time is opportune to refine its build back better definition and provide guidance to its application.** This will help ensure a more systematic integration of build back better across all products in disaster and emergency situations, generating further additionality and building resilience in the broader sense by ensuring that it is considered in all instances.

**There was limited evidence on outcome and impact results generated by framework loan operations addressing disasters/emergencies financed by the EIB,** despite the increase in their frequency and EIB capacity to engage in disasters and emergencies. This points to a broader issue around the quality and consistency of project-level reporting, which not only hinders results reporting but also learning including on build back better.

### **To implement this recommendation, the EIB should:**

- **Continue to develop and eventually adopt an EIB core definition of build back better,** mainly tied to preparedness, prevention and resilient infrastructure, as a distinctive and systematic part of the EIB's offer in addressing post-disaster and emergency situations.
- **Build on its growing expertise in areas such as social cohesion and inclusion, gender equality and conflict sensitivity, to consider opportunities for its build back better application to include social aspects where relevant.** Guidance or a checklist on how to define and introduce social aspects of build back better in projects would be beneficial.
- **Consider how this could be supported** (helpdesk support, staff technical expertise, advisory or technical assistance, exceptional measures that could apply to BBB efforts) **and resourced** (e.g. advisory or technical assistance mandates).
- **Ensure the traceability of EIB financing in Disaster Response and Risk Reduction through a tagging system.** Considering the increase in frequency of, and public attention to disasters and emergencies, such an approach would facilitate reporting on, and enhance the visibility of, the EIBG's DRRR portfolio. This will also enable cross-learning between sectors, geographies and clients.
- **See to it that the project reporting contains a section on lessons learnt, including on build back better, with clarity about what went well and what did not, which is crucial for continuous improvement.** Once included, ensure that it is regularly reviewed, reported on and disseminated at an aggregate level for lesson learning across sectors, geographies and teams.

# ANNEX 1 – POLICY REVIEW

## EU MECHANISMS TO ADDRESS DISASTERS AND EMERGENCIES

**Crisis management in the European Union is a multifaceted area of policy that has evolved significantly over the years, responding to the diverse array of disasters and emergencies that have impacted the EU Member States.** This includes natural disasters, financial crises, public health emergencies, and security threats. The EU's approach to crisis management reflects its unique political and institutional structure, as well as its commitment to solidarity, cooperation and the protection of its citizens and Member States.

**At the heart of EU crisis management policy is the principle of solidarity among Member States. The Solidarity Clause Article 222** of the Treaty on the Functioning of the European Union provides that Member States are obliged to act jointly where one of them is the victim of a terrorist attack or a natural or man-made disaster.<sup>62</sup> EU Member States can invoke the solidarity clause when its own capacities are overwhelmed. The request for support is sent to the Presidency of the Council and to the President of the European Commission by means of the Commission's Emergency Response Centre (ERCC). When the clause is invoked, the European Union mobilises all efforts (operational, policy, financial, etc.), such as for instance the EU Civil Protection Mechanism. Consistency of the EU response is ensured by the Integrated Political Crisis Response (IPCR) arrangements.

**The EU IPCR arrangements provide a framework for the coordinated response to large-scale emergencies or crises that require a comprehensive approach involving multiple policy areas and levels of governance.** The IPCR enables timely and efficient decision making at the highest political level, ensuring a unified response to crises that affect multiple Member States or require the mobilisation of significant resources.<sup>63</sup>

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<sup>62</sup> [Putting the EU's solidarity clause into practice | EUR-Lex](#) (accessed 17/03/2025).

<sup>63</sup> [web\\_ipcr.pdf ;ipcr-final\\_update\\_3](#) (accessed 17/03/2025).

Figure 24: Integrated Political Crisis Response (IPCR) Mechanism



Source: <https://www.consilium.europa.eu/media/45843/ipcr-mechanism.pdf>

The **European Union Solidarity Fund enables the EU to provide effective support to a Member State**, or to a country involved in accession negotiations, in its efforts to deal with the effects of a major natural disaster or a major public health emergency. The Solidarity Fund is not a tool for providing rapid responses to specific emergencies or natural disasters. This is the role of the Emergency Aid Reserve.

**The Solidarity Fund is the main EU instrument for supporting recovery from natural disasters and is an expression of EU solidarity.** It enables the European Union to provide effective support to an EU Member State (or a candidate country) to help it deal with the effects of a major natural disaster, such as a flood, forest fire, earthquake, storm or drought. Since 2020, the Solidarity Fund has also covered major public health emergencies, such as the COVID-19 pandemic. Due to the increasing frequency and severity of extreme weather events and natural disasters linked to climate change, there is a growing recognition of the Solidarity Fund's importance.

**The Solidarity Fund was set up in 2002 in response to the disastrous flooding that affected central Europe in the summer of that year.** Since then, it has provided support on over **130 occasions**. So far, 24 Member States (plus the United Kingdom) and three candidate countries (Albania, Montenegro and Serbia) have received support from the Solidarity Fund, and **over €8.2 billion has been paid out in total**.

**Since 2021, the Solidarity Fund and the Emergency Aid Reserve have been financed as one instrument, called the Solidarity and Emergency Aid Reserve (SEAR).** The maximum annual budget for the SEAR is €1.2 billion (in 2018 prices).

**Assistance from the Solidarity Fund takes the form of a grant to supplement public spending by the beneficiary state** and is intended to finance essential emergency and recovery measures to alleviate damage which, in principle, is non-insurable. Urgent measures eligible for funding are:

- the immediate restoration to working order of infrastructure and facilities providing energy, drinking water, wastewater disposal, telecommunications, transport, healthcare and education;
- the provision of temporary accommodation and the funding of rescue services, in order to meet the needs of the population affected;
- the immediate consolidation of preventive infrastructure and protection of cultural heritage sites;
- the cleaning-up of disaster-stricken areas, including natural zones;
- rapid assistance, including medical, to the population affected by a major public health emergency and the protection of the population from the risk of being affected.

The European Union can grant financial aid to any Member State or candidate country that requests it following a major natural disaster. The affected country must submit its application within 12 weeks of the disaster. The European Commission then assesses the application and proposes an amount of financial aid.

**In addition to these mechanisms, the European Union has developed specific strategies and policies for dealing with particular types of crises** (see Table 3). For example, the **EU Health Security Framework**<sup>64</sup> aims to protect citizens from health threats by enhancing the coordination of health security measures among Member States.

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<sup>64</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_7871](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7871) (accessed 17/03/2025).

**Table 3: Relevant policies and guidelines at EU level, DG ECHO**

TOPIC	TITLE	DATE
Climate change and environment	Guidance on the operationalisation of the Minimum Environmental Requirements and Recommendations for EU-funded humanitarian aid operations	2022
Disability inclusion	The Inclusion of Persons with Disabilities in EU-funded Humanitarian Aid Operations	2021
Disaster preparedness	Guidance Note – Disaster Preparedness	2021
Disaster risk management	Communication – European Union Disaster Resilience Goals: Acting together to deal with future emergencies	2023
Education in emergencies	Education in Emergencies in EU-funded Humanitarian Aid Operations	2021
Forced displacement: Refugees, asylum seekers and internally displaced persons (IDPs)	Commission staff working document — Addressing displacement and migration related to disasters, climate change and environmental degradation	2022
Gender- and age-sensitive aid	Gender: Different Needs, Adapted Assistance	2021
Health	Consolidated Humanitarian Health Guidelines	2021
Health	General Documents and Guidelines on Health in Crisis Affected Populations	2021
Health	Endemic and Epidemic Diseases in Crisis Affected Populations	2021
Shelter and settlements	Humanitarian Shelter and Settlements Guidelines	2021
Water, sanitation, and hygiene	Meeting the challenge of rapidly increasing humanitarian needs in Water, Sanitation and Hygiene	2021
Water, sanitation, and hygiene	Commission Staff Working Document: Meeting the challenge of rapidly increasing humanitarian needs in Water, Sanitation and Hygiene (WASH)	2021

Source: [https://civil-protection-humanitarian-aid.ec.europa.eu/resources-campaigns/policy-guidelines\\_en#disaster-preparedness](https://civil-protection-humanitarian-aid.ec.europa.eu/resources-campaigns/policy-guidelines_en#disaster-preparedness). (accessed 18/03/2025)

## EU BODIES ADDRESSING DISASTERS AND EMERGENCIES

**In Europe, crisis response tends to be organised by the affected Member State and implemented through their specialised agencies.** If the Member State or involved entity in a crisis or disaster situation is not able to cope with the impact, the assistance of the European Union Civil Protection and Humanitarian Aid from DG ECHO is requested in the crisis response phase (see above).

**The Directorate-General for European Civil Protection and Humanitarian Aid Operations, commonly referred to as DG ECHO, plays a critical role in the European Union's approach to managing crisis situations,** particularly in the realms of humanitarian aid and response to natural disasters. Established to deliver emergency assistance and relief to countries facing humanitarian crises, DG ECHO embodies the European Union's commitment to solidarity, **both within its borders and globally.**

**DG ECHO is instrumental in mobilising resources and coordinating the European Union's humanitarian aid efforts. It works closely with various partners, including UN agencies, non-governmental organisations, and international organisations,** to provide timely and effective assistance to populations affected by conflicts, natural disasters and other crises. This aid encompasses emergency food assistance, shelter, healthcare, and access to clean water and sanitation, underpinning the EU's dedication to alleviating human suffering and maintaining human dignity.

**Another pivotal component of DG ECHO's role is managing the EU Civil Protection Mechanism (EUCPM).** This mechanism enhances the cooperation among EU Member States and six additional participating states in the field of civil protection, aiming to improve prevention, preparedness, and response to disasters. When the scale of a disaster overwhelms the response capabilities of a country, it can request assistance through the EUCPM. DG ECHO then coordinates the voluntary contributions from other countries, including personnel, equipment, and expertise, to assist the affected nation. In 2022, the mechanism was activated 106 times to respond to war in Ukraine; wildfires in Europe; COVID-19 in Europe and worldwide; and floods in Pakistan.<sup>65</sup>

**In the specific field of health, the European Centre for Disease Prevention and Control (ECDC) is central to the EU response to health crises like the COVID-19 pandemic.** This mechanism facilitates rapid information exchange, resource mobilisation, and coordinated action among Member States, showcasing the European Union's capacity to address public health emergencies collectively.

## THE ROLE OF PUBLIC BANKS IN EUROPE

**The Council of Europe Development Bank (CEB) 2023-2027 Strategic Framework<sup>66</sup> highlights the current crisis context and pursues its commitment in funding crisis management and social cohesion in Europe.** For instance, the CEB signed a €450 million loan in June 2022<sup>67</sup> to help in the unprecedented humanitarian crisis triggered by Russia's aggression against Ukraine in February 2022 and, more specifically, fund first aid and assistance to people fleeing the conflict, mainly women, children and the elderly.

**The EBRD also provides crisis response through intermediated crisis lending supporting private sector and municipalities.** Examples include Morocco and Türkiye following earthquakes, and the EBRD support to Syrian refugees in Jordan and Türkiye with economic support, and infrastructure.

<sup>65</sup> [https://civil-protection-humanitarian-aid.ec.europa.eu/what/civil-protection/eu-civil-protection-mechanism\\_en](https://civil-protection-humanitarian-aid.ec.europa.eu/what/civil-protection/eu-civil-protection-mechanism_en) (accessed 17/03/2025).

<sup>66</sup> [https://coebank.org/media/documents/CEB\\_Strategic\\_Framework\\_2023\\_2027.pdf](https://coebank.org/media/documents/CEB_Strategic_Framework_2023_2027.pdf) (accessed 17/03/2025).

<sup>67</sup> <https://reliefweb.int/report/poland/ceb-signs-record-eu450-million-loan-poland-aid-displaced-people-ukraine> (accessed 17/03/2025).

In Jordan, the EBRD is supporting the City of Amman in modernising the landfill which serves the capital (home to half of the Jordanian population and 30% of all refugees present in the country) as well as the cities of Zarqa and Rusayfeh, home to a significant number of refugees.

In Türkiye, thanks to an EBRD loan and grants from the SSF, the city of Gaziantep, which saw a sharp rise of its population due to refugee inflows, acquired 50 new buses which are increasing the service for commuters. The Bank is now working on extending another loan to continue improving urban transport.<sup>68</sup>

**In the countries covered by the EIB framework loan portfolio, which are largely EU Member States, national promotional banks (NPBs) also play an important role in recovery and reconstruction activities** under a different form, with loans and through channelling direct grants as well.

In Germany, for example, KfW finances similar operations to the EIB through framework loans during the evaluation period (such as refugee hosting support and flood relief).

In France, Bpifrance was very active during COVID-19 to support small and medium-sized enterprises,<sup>69</sup> while Caisse des Dépôts has supported investments across regions as part of the Plan de Relance (Recovery Plan) after COVID-19.<sup>70</sup>

**In some cases, national promotional banks are EIB borrowers for crisis operations:**

In Poland, the **Bank Gospodarstwa Krajowego (BGK)** has set up the Aid Fund<sup>71</sup> to support refugees from Ukraine. The Aid Fund was established by act on 12 March 2022 to provide financing for all activities and projects necessary to help (and integrate) Ukrainian refugees and to ensure the security of food supplies in Poland.<sup>72</sup> The EIB approved a €4 billion package in 2022 out of which €2 billion is allocated to the Aid Fund.

in 2017, **Cassa Depositi e Prestiti (CDP)** in Italy signed a €530 million loan from the EIB to support reconstruction after the losses suffered by households and businesses as a result of 40 disasters (floods, landslides etc.) in the last four years in 16 Italian regions.

## DISASTER AND EMERGENCY MANAGEMENT OUTSIDE THE EU

**At the United Nations level, there are several key policy documents and frameworks that guide crisis and disaster management efforts globally.** These documents serve as the foundation for international cooperation, preparedness, response and recovery activities related to disasters and crises.

**The main policy document is the Sendai Framework for Disaster Risk Reduction 2015-2030.**<sup>73</sup> Adopted in 2015, the Sendai Framework is a 15-year, voluntary, non-binding agreement, which recognises that the state has the primary role to reduce disaster risk but that responsibility should be shared by other stakeholders including local government and the private sector. It aims to achieve substantial reductions of disaster risk and losses in lives,

<sup>68</sup> EBRD and refugees: Refugees: building host countries' resilience: <https://www.ebrd.com/refugees#:~:text=The%20EBRD%20is%20helping%20to,of%20millions%20of%20Syrian%20refugees.&text=The%20EBRD%20is%20engaged%20with,well%20as%20advancing%20economic%20development.> (accessed 17/03/2025).

<sup>69</sup> <https://bpifrance-creation.fr/encyclopedie/covid-19-mesures-exceptionnelles> (accessed 17/03/2025).

<sup>70</sup> <https://www.caissedesdepots.fr/engage/plan-de-relance/on-a-un-plan> (accessed 17/03/2025).

<sup>71</sup> <https://www.en.bgk.pl/funds/aid-fund/> (accessed 17/03/2025).

<sup>72</sup> Poland: EIB and Bank Gospodarstwa Krajowego (BGK) successfully issue first tranche of bonds under EIB solidarity package: <https://www.eib.org/en/press/all/2022-399-the-eib-and-bgk-successfully-issued-the-first-tranche-of-bonds-under-the-eib-solidarity-package> (accessed 17/03/2025).

<sup>73</sup> Preceding the Sendai Framework, the Hyogo Framework for Action 2005-2015 (HFA) was the first plan to explain, describe and detail the work that is required from all different sectors and stakeholders to reduce disaster losses. It was developed and agreed on by many stakeholders, including national governments, international agencies and disaster experts, to build the resilience of nations and communities to disasters: <https://www.unisdr.org/2005/wcdr/intergover/official-doc/L-docs/Hyogo-framework-for-action-english.pdf> (accessed 17/03/2025).

livelihoods and health. Many other policy frameworks refer to crisis: the 2030 Agenda for Sustainable Development (2015) includes 17 Sustainable Development Goals (SDGs), several of which are directly related to disaster risk reduction and management, including Goal 11 (Sustainable Cities and Communities) and Goal 13 (Climate Action). The Paris Agreement on Climate Change (2015), while primarily focused on climate change mitigation and adaptation, has significant implications for disaster risk reduction and management, given the increasing frequency and severity of climate-related disasters. The New Urban Agenda (2016)<sup>74</sup> adopted at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) emphasises the importance of making cities and human settlements inclusive, safe, resilient and sustainable, including through disaster risk reduction.

**Outside Europe, including in contexts affected by fragility and conflict, international crisis response is termed “humanitarian assistance” and is typically grant-funded in the first humanitarian phase.** In terms of process, if a state is not able to cope with the impact of the crisis, the support of the UN can be officially requested. UNOCHA, the UN Office for the Coordination of Humanitarian Affairs, coordinates the overall crisis response, except in refugee situations, where the UNHCR leads. At the same time, in large scale, formerly level 3<sup>75</sup> (now referred to as system-wide scale up) humanitarian crises, the UN Cluster System is activated, in which UN specialised agencies and non-governmental organisations coordinate the response in each sector.<sup>76</sup> This assistance is implemented by humanitarian bodies, such as UN organisations and agencies, non-governmental organisations and the International Red Cross and Red Crescent Movement.

All multilateral development banks (MDBs) are involved in supporting crisis management. In December 2023, at **COP 28**, these banks<sup>77</sup> (including the EIB) signed a **joint statement** “*recognising the interlinkages between the triple planetary crises of climate, nature, and pollution, achieving the Sustainable Development Goals, the goals of the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework (GBF) requiring all [multilateral development banks] to step up efforts with urgency and scale.*” A specific paragraph was dedicated to **supporting efforts on adaptation and disaster risk management**: “*To scale up adaptation financing, we will enhance our support for disaster risk management and building of resilience through a wide range of efforts, including planning and policy, risk assessment, preparedness for disaster and recovery, post-disaster reconstruction, financing mechanisms, capacity building and knowledge sharing. We look forward to the establishment of a loss and damage fund and commit to supporting the Early Warning for All initiative on accessible and inclusive early warning systems for all by 2027.*”

The table below summarises and exemplifies tools and some multilateral development banks’ approaches to crisis:

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<sup>74</sup> <https://habitat3.org/the-new-urban-agenda/> (accessed 17/03/2025).

<sup>75</sup> Level 1 is a localised emergency; Level 2 is an emergency that is at a larger scale but can still be dealt with within the capacity of the agencies, government and other stakeholders who are present in-country; Level 3 is the largest type of emergency and requires an international response, with the need for capacity and resources to be “surged” into the country to help with the response. <https://higuide.elrha.org/humanitarian-parameters/humanitarian-contexts/> (accessed 17/03/2025).

<sup>76</sup> <https://emergency.unhcr.org/coordination-and-communication/cluster-system/cluster-approach> (accessed 17/03/2025).

<sup>77</sup> AfDB, ADB, AIIB, CEB, EBRD, EIB, IADB, IsDB, New Development Bank and World Bank Group.

**Table 4: Multilateral development bank tools and approach to crisis**

MDB	TOOLS AND APPROACH TO DISASTERS AND EMERGENCIES
African Development Bank	<p>The African Development Bank (AfDB) has developed a targeted financial product, the Crisis Response Budget Support (CRBS). CRBS serves as a <b>rapid response mechanism</b> to provide timely financial assistance to countries facing various crises, including natural disasters, economic shocks, conflicts, and health emergencies. The primary purpose of CRBS is to address immediate needs, stabilise affected economies, and mitigate the impact of the crisis on vulnerable populations. Through CRBS, the AfDB aims to support governments in maintaining essential services, promoting recovery and laying the groundwork for long-term resilience.</p> <p>CRBS has been mobilised in several instances to provide critical support during crises:</p> <ul style="list-style-type: none"><li>• The AfDB utilised CRBS to respond to <b>the Ebola outbreak</b> in West Africa in 2014, providing rapid financial assistance to affected countries for healthcare infrastructure and response efforts.</li><li>• In response to <b>the COVID-19 pandemic</b>, the AfDB harnessed CRBS to address the unprecedented challenges faced by its member countries. CRBS was mobilised to provide urgent financial assistance for healthcare infrastructure, social safety nets and economic recovery measures.</li></ul> <p>The primary goal of CRBS is to <b>offer flexible and targeted support</b> tailored to the specific needs of each crisis. CRBS operates by providing direct budget support to the recipient country's government. Instead of financing specific projects or programmes, the funds are injected into the government's budget to be used according to <b>its priorities and needs</b>.</p> <p>In 2018, an evaluation of this financial product conducted by the Independent Development Evaluation (IDEV) emphasised the importance of <b>clear justification</b> for choosing CRBS as a response financial product and transparently waiving eligibility criteria. It noted that CRBS should initiate multi-year engagement for structural reforms and be leveraged for future policy dialogue post-crisis. The evaluation advocated for <b>realistic conditionalities</b> promoting good governance and highlighted the significance of robust results frameworks with credible statistical data. Strong coordination within the AfDB was identified as crucial for CRBS success, along with proper risk identification and mitigation strategies. Additionally, the evaluation underlined the importance of harmonising donor responses to ensure effectiveness.</p> <p>The AfDB <b>Africa Disaster Risk Financing (ADRFi) Programme</b> (2018) is an initiative designed to increase the resilience and response to climate shocks in African countries. It aims to promote and facilitate the development of sovereign disaster risk financing across the continent, enhancing the capacity of African countries to evaluate climate-related risks and costs, and to access financial tools that can help in managing and transferring the risk of disaster impacts.<sup>78</sup></p>

<sup>78</sup> Press release: <https://www.afdb.org/fr/press-release/02/08/2019-1528/financement-et-assurance-contre-les-risques-climatiques-en-afrique-la-banque-africaine-de-developpement-lance-adrifi-un-programme-ad-hoc-2790> (accessed 18/03/2025).

Asian  
Development  
Bank

In **2021**, the Asian Development Bank (ADB) launched the Disaster and Emergency Assistance Policy (DEAP), a framework guiding its response to crises and emergencies, including natural disasters, pandemics, conflicts and other humanitarian crises. DEAP provides a strategic approach to address the immediate needs of affected populations and supports **long-term recovery and resilience-building efforts** in ADB member countries.

Before DEAP, ADB's crisis and emergency interventions were primarily reactive, focusing on providing immediate relief and assistance in the aftermath of disasters or emergencies. DEAP represents a shift towards a more **proactive and holistic** approach to disaster and emergency response. It emphasises the importance of risk reduction, preparedness, and resilience-building measures alongside immediate response efforts. Under DEAP, ADB prioritises initiatives that aim to reduce the underlying vulnerabilities and risks that contribute to the severity of disasters and emergencies. Additionally, DEAP emphasises the integration of disaster and emergency risk management into ADB's **broader development agenda**.

ADB allocates financial resources to support DEAP implementation, including grants, concessional loans and technical assistance. The specific amount of funding allocated for DEAP initiatives may vary depending on the **emergency's nature and scale** and the needs of affected countries. The effectiveness of DEAP is evaluated based on several factors, including the timeliness and adequacy of ADB's response, the impact of assistance on affected populations, the coordination with other stakeholders, and the sustainability of recovery efforts. An evaluation of the DEAP launched in February 2024 is **ongoing**.

ADB's previous disaster management cycle comprised three phases: prevention, mitigation, and preparedness; transitional assistance and priority rehabilitation; and recovery. **ADB has shifted from this cycle** into an approach focusing on resilience to disasters and emergencies through a balanced **emphasis on risk reduction, preparedness and response**.<sup>79</sup>

Asian  
Infrastructure  
Investment  
Bank<sup>80</sup>

The Asian Infrastructure Investment Bank (AIIB) (**2023**) has developed a suite of financial products to address crises effectively. These tools intervene at various stages of a crisis, including **pre-, mid-, and post-crisis**, aiming to provide targeted support to member countries. AIIB's financial toolkits cover a wide range of needs, including restoring damaged infrastructure, providing public health services, supporting environmental restoration, and sustaining livelihoods. The primary objective is to stabilise affected economies, mitigate the impact on vulnerable populations, and build long-term resilience. In its regular financing toolkit, AIIB uses various financial products to respond to crisis:

- **Immediate Emergency Response Support (IERS)**: enables rapid access to undisbursed balances of approved AIIB projects.
- **Additional Financing**: as part of co-financing arrangements with partner multilateral development banks.
- **Liquidity Financing**: available to financial intermediaries or infrastructure-related companies operating in AIIB's core sectors.
- **Emergency Infrastructure Sector Support**: facilitates financing or eligible recurring or crisis-related expenditure.

One of AIIB's key financial products in a crisis context is the **Policy-Based Crisis Facility (PBCF)**, which provides fast-disbursing **countercyclical** financing during specific crisis situations. The PBCF enables

<sup>79</sup> ADB, 2024, Concept Note, ADB Support for the Transition from Crisis Response to, Long-Term Development. February: [https://www.adb.org/sites/default/files/Evaluation%20Document/950166/files/to\\_transition\\_from\\_crisis\\_to\\_ltdev\\_cn.pdf](https://www.adb.org/sites/default/files/Evaluation%20Document/950166/files/to_transition_from_crisis_to_ltdev_cn.pdf) (accessed 18/03/2025).

<sup>80</sup> AIIB, 2023, Paper on AIIB's Approach to Emergency Response: [https://www.aiib.org/en/what-we-do/emergency-response/pdf/Paper-on-AIIB-Approach-to-Emergency-Response\\_June-13-2023-FOR-PUBLIC-DISCLOSURE-CLEAN.pdf](https://www.aiib.org/en/what-we-do/emergency-response/pdf/Paper-on-AIIB-Approach-to-Emergency-Response_June-13-2023-FOR-PUBLIC-DISCLOSURE-CLEAN.pdf) (accessed 18/03/2025).

AIBB to respond to emergencies and support member countries in addressing urgent needs, such as healthcare infrastructure, social safety nets, and economic recovery measures.

An example of AIBB financial toolkit's effectiveness is the response to the "*China: Henan Flood Emergency Rehabilitation and Recovery Project*," where the bank provided financing to support the reconstruction of the energy, transport, urban and digital sectors.

Inter-American  
Development  
Bank Group<sup>81</sup>

The Inter-American Development Group (IDB) has formulated a Disaster Risk Management Policy (2007) that emphasises proactive measures to reduce risks and improve the institutional framework to support disaster risk management, with a focus on actions taken **before disasters occur**. IDB focuses on two complementary approaches:

### 1. Preventive Approach

This approach emphasises actions aimed at preventing or minimising the impact of natural hazards on populations, physical assets, natural capital, and economic activities. It includes:

- Understanding disaster risk: involves conducting risk analysis to identify the types and magnitude of potential impacts faced by member countries.
- Strengthening governance: emphasises integrating disaster risk prevention into governance structures, policies and practices.
- Investing in resilience: focuses on investing in measures to reduce vulnerability and enhance resilience at national, regional and local levels.
- Enhancing preparedness for response and resilient recovery: aims to improve emergency preparedness and facilitate resilient recovery after a disaster.

### 2. Responsive Approach

This approach focuses on effective humanitarian assistance and rapid restoration of essential services after a disaster. This includes three categories of actions:

- Response: involves immediate actions taken to address the immediate aftermath of a disaster, including emergency relief efforts, search and rescue operations, and provision of humanitarian aid to affected populations.
- Rehabilitation: focuses on restoring essential services, infrastructure, and livelihoods in the affected areas.
- Recovery: entails longer-term efforts to rebuild and strengthen the resilience of communities and economies affected by the disaster.

Islamic  
Development  
Bank<sup>82</sup>

The Islamic Development Bank (IsDB) has developed a Disaster Risk Management and Resilience Policy (DRM) (2020) framework for managing disasters and building resilience, centred on four main pillars:

#### **Managing Disaster Risks and Responses:**

IsDB focuses on implementing impact-based early warning systems to protect livelihoods, infrastructure, and basic services. This includes partnering with regional and global developers of early

<sup>81</sup> IADB, Disaster Risk Management, <https://www.iadb.org/en/who-we-are/topics/disaster-risk-management> (accessed 17/03/2025).

<sup>82</sup> IsDB, 2019, Disaster Risk Management and Resilience Policy: <https://www.isdb.org/sites/default/files/media/documents/2022-02/Disaster%20Risk%20Management%20Resilience%20Policy.pdf> (accessed 17/03/2025).

warning systems and strengthening local disaster preparedness planning. Here, the bank focuses on pre-crisis intervention.

**Supporting Post-disaster Recovery Planning:**

Post-crisis, IsDB invests in strengthening national capacities in member countries to participate in Post-Disaster Needs Assessment (PDNA) processes and to develop recovery and reconstruction plans. This includes facilitating solidarity between member countries through mechanisms for South-South Cooperation.

**Investing in Resilient Infrastructure and Disaster Risk-information:**

The bank ensures that disaster risk management is integrated into its own operations and supports member countries in integrating disaster risk management into public investment planning. This includes promoting risk-informed and resilient urban development.

**Financing Disaster Risk Management:**

IsDB utilises existing financial resources such as the Islamic Solidarity Fund for Development (ISFD) and the Cash Waqf Sukuk for rapid and flexible financing responses to disasters, to intervene mid-crisis.

World Bank Group

In 2024, the World Bank approved a suite of new tools to help developing countries better respond to crises and strengthen preparedness for future shocks. The expanded Crisis Toolkit fills gaps based on lessons learnt from previous crisis response and expands tools available to countries to ensure protection in times of crisis. The tools will offer countries:

- Fast access to cash for emergency response, through flexible resource reallocation: includes the Rapid Response Option, allowing countries to quickly repurpose a portion of their unused Bank financing across their portfolio to address emergency needs when a crisis occurs.
- Substantially scaled up access to pre-arranged financing for emergency response, strengthening countries' financial capacity and preparedness for future crises: equips them with immediately accessible money to manage the impact of a disaster, with fewer trade-offs between their development priorities and emergency financing needs.
- Expanded catastrophe insurance, offering increased protection against large-scale disasters: offers all countries the option to embed catastrophe bonds, insurance, and other risk management products into their Bank financing operations. Governments then could be eligible for a payout from an insurance mechanism in the event of a crisis, without having to take on more debt at that time.

These new measures will work with other key components of the expanded Crisis Toolkit: the Climate Resilient Debt Clauses (CRDC) will allow small states to prioritise disaster recovery over debt repayment when catastrophes hit, so they can focus on maintaining access to clean water, food, and power instead of paying loan bills, and enabling fees to be covered by concessional resources.

## EXAMPLES OF ACTIVITIES UNDERTAKEN IN EACH OF THE FOUR PHASES OF THE DRRR CYCLE

The below table provides for illustrative examples of activities undertaken in each of the four phases of the disaster response and risk reduction (DRRR) cycle.

**Table 5: Illustrative examples of activities in each of the phases of the DRRR cycle**

PHASE	ACTIVITIES
<b>Preparedness</b>	<p><b>Early warning systems:</b> Develop and maintain efficient early warning systems to provide timely and accurate information about impending hazards.</p> <p><b>Emergency planning:</b> Create and regularly update disaster preparedness and response plans at local, national and regional levels.</p> <p><b>Capacity building:</b> Train emergency response personnel and conduct regular drills and simulations to ensure readiness.</p> <p><b>Community involvement:</b> Engage local communities in preparedness activities and ensure that they have access to information and resources.</p> <p><b>Resource allocation:</b> Ensure the availability of financial, material and logistical resources for emergency response.</p>
<b>Response</b>	<p><b>Coordination mechanisms<sup>83</sup>:</b> Establish clear coordination frameworks among different levels of government agencies, non-governmental organisations (NGOs) and international agencies to ensure effective response.</p> <p><b>Search and rescue operations:</b> Deploy trained and equipped search and rescue teams to affected areas promptly.</p> <p><b>Immediate relief provision:</b> Provide emergency shelter, food, water, medical care and other essential services to affected populations.</p> <p><b>Information management:</b> Implement systems for collecting, analysing and disseminating information about the disaster and response efforts.</p>
<b>Reconstruction</b>	<p><b>Damage and needs assessment:</b> Conduct comprehensive assessments of damage and recovery needs to inform planning and resource allocation.</p> <p><b>Rehabilitation of infrastructure:</b> Reconstruct and repair critical infrastructure, of different sizes and in multiple sectors, to ensure that it is more resilient to future hazards.</p> <p><b>Economic recovery:</b> Support the revival of local economies through financial aid, job creation and revitalisation of key sectors.</p> <p><b>Social services restoration:</b> Restore education, healthcare and other essential social services disrupted by the disaster.</p>

<sup>83</sup> Coordination mechanisms would have to be set-up during the preparedness phase so as to be operational during the response phase.

PHASE	ACTIVITIES
<b>Prevention</b>	<p><b>Investment in resilient infrastructure:</b> Improve infrastructure, and promote the development and retrofitting of infrastructure to withstand hazards.</p> <p><b>Investment in green-grey solutions:</b> Reduce exposure and increase protection by mixing conservation and restoration of nature with more conventional methods as needed<sup>84</sup>.</p> <p><b>Risk assessment and mapping:</b> Identify and map hazard-prone areas and assess vulnerabilities. Policies should support scientific research, data collection and the development of risk maps.</p> <p><b>Regulatory frameworks:</b> Establish and enforce building codes, land-use planning, and environmental regulations to reduce risks.</p> <p><b>Public awareness and education:</b> Implement educational programmes to raise awareness about risks and promote a culture of prevention.</p>

*Sources: UN Office for the Coordination of Humanitarian Affairs and European Civil Protection and Humanitarian Aid operations (ECHO), Sendai Framework for Disaster Risk Reduction 2015 – 2030; UNDP/National Post-Disaster Recovery Planning and Coordination and evaluation team.*

<sup>84</sup> [Green-Gray Infrastructure](#) (accessed 18/03/2025).

# ANNEX 2 – EVALUATION METHODOLOGY

## EVALUATION QUESTIONS

The evaluation questions cover the four evaluation criteria: relevance, effectiveness, efficiency and coherence.

Table 6: Evaluation questions and rationale

Relevance
EQ1 – In addressing disasters and emergencies, to what extent is the EIB framework loan product suited to meet the needs of borrowers and promoters?
<p>Rationale</p> <ul style="list-style-type: none"> <li>• The EIB has not been set up as a disaster and emergency response organisation but it has financed different types of operations in the context of disaster and emergency to respond to requests of borrowers and/or its shareholders.</li> <li>• EIB framework loans were not designed specifically for disaster and emergency response; they are used by the EIB in various contexts. The evaluation will look at the appropriateness of features of framework loans for financing in disasters and emergencies, and how well they are suited to meet the needs of borrowers, promoters and beneficiaries.</li> <li>• Disasters and emergencies can vary greatly. The evaluation will look into possible differences in using framework loans in these various contexts (across different types of disasters and emergencies and/or phases of the disaster reduction risk cycle).</li> </ul>
Effectiveness
EQ2a – To what extent were framework loan operations timely and agile in addressing disasters and emergencies?
<p>Rationale</p> <ul style="list-style-type: none"> <li>• By its design, the framework loan is a potentially agile product (allows for funding multiple small schemes and allows to fund schemes that have not been identified yet at signature), which can be adapted in addressing disasters and emergencies. The evaluation will assess whether framework loans and/or the exceptional measures they were combined with were indeed agile enough to fulfil formulated objectives in the context of disaster and emergency, at the programme and scheme levels.</li> <li>• The EIB has strict principles regarding the additionality of its interventions: EIB financing should only be granted in a case of market failure, in support of specific EU policy objectives, crowd in and not crowd out other funding. The evaluation will look at the appropriateness of framework loans in view of these principles.</li> <li>• From the initial portfolio analysis, there seems to be a risk of the financing being sometimes cancelled or implemented with delays. The evaluation shall assess the drivers of this and any other risks that may affect the implementation of framework loans.</li> </ul>

EQ2b – To what extent did framework loan operations contribute to preventing, preparing for, responding to, and recovering from disasters and emergencies?

#### Rationale

- The evaluation shall check, where possible (when the operations are complete and the loan disbursed) the contribution of the schemes financed by framework loans in preventing, preparing for, responding to, and recovering from disasters and emergencies.
- The EIB is a public policy-driven bank, meaning that the Bank should make a tangible contribution to EU policy objectives.<sup>85</sup> The EIB's mandate is built around the policy goals of building more sustainable, greener and more inclusive economies and societies. These principles and standards remained unchanged in disasters and emergencies. It is therefore expected that the EIB, through the application of its policies, contributes to raising the sustainability standards in reconstruction where these were not previously compliant. It may also go beyond these standards to build back better after a disaster and emergency. The evaluation shall identify to what extent the underlying schemes of the investment programmes provided economic, social, environmental and/or governance benefits as well as employment benefits.

#### Efficiency

EQ3 – To what extent is the implementation of the framework loan project cycle efficient in addressing disasters and emergencies?

#### Rationale

- The EIB framework loan process and product were not developed specifically for disaster and emergency situations, but it is reputedly (one of) the best suited EIB products for such contexts. The evaluation will look into the overall product cycle to assess in how far framework loans are fit for purpose in addressing disasters and emergencies.

#### Coherence

EQ4 – INTERNAL: To what extent can the EIB framework loan be complemented by other products/ measures of the EIB in addressing disasters and emergencies?

#### Rationale

- The framework loan is not the only product that the EIB deploys when addressing disasters and emergencies. There are a range of others. The evaluation shall examine the specific justification to deploy framework loans instead of other products (investment loans in particular), the role they have within the EIB toolbox, and how they interact and complement other products. We will analyse the combination of framework loans with other products (technical assistance, grants) to judge how they are better able to deliver on objectives.
- We will also take into account situations where exceptional measures (repurposing, waivers, etc.) are used in combination with framework loans to disentangle effects.

<sup>85</sup> EIB (2022) Additionality and Impact Measurement (AIM) Framework.

EQ5 – EXTERNAL: To what extent are EIB framework loans coherent with interventions by other actors (at national, EU and/or international level) in addressing disasters and emergencies?

#### Rationale

- Many players (multilateral development banks, non-governmental organisations, etc.) are active in disasters and emergencies. There is an important difference between disaster and emergency response mechanisms inside and outside Europe, and the stakeholders are also different. The question to be analysed is how the EIB actively positions itself within the respective EU/international existing toolboxes.

## DATA COLLECTION ANALYSIS AND TOOLS

The evaluation drew upon different methods, which are described below. Given that this is a product evaluation, the unit of analysis is the framework loan.

- **EIB document review:**
  - **Policy documents:** In order to understand the context in which framework loans are deployed in disasters and emergencies, we synthesised strategies, policy and project documents, and evaluations on the relevant topics (such as disasters and emergencies related to severe weather events, geological hazards, public health, conflict, forced displacement) available at the EIB and EU level (EQ1).
  - **Internal documents related to the EIB toolbox for disaster and emergency situations:** We analysed the different disaster and emergency measures and tools available at the EIB level and their combinations with framework loans to test effectiveness (EQ2) and coherence (EQ4).
- **Quantitative portfolio analysis** of the framework loans and their sub-operations across all geographies from 2008 to May 2024. The analysis focused on operations financed by the EIB through framework loans in the context of disasters and emergencies as well as investment loans, which were deemed the most relevant product to use as a comparator. It looked at performance against objectives, signature rates, disbursement rates, allocation rates, cancellation rates, default rates, time efficiency during appraisal and operation implementation, and transaction costs, among others.
- **Seven scoping and 32 transversal qualitative interviews with EIB staff from various directorates** were conducted (Projects Directorate, Operations Directorate, Portfolio Management and Monitoring Directorate, EIB Global Directorate, Secretariat General in particular). The objective was to check the results of the desk review and deepen our understanding of the framework loan portfolio as well as the case study themes (see below). The team collected key stakeholders' views on the EIB's framework loan as a product to respond to disasters and emergencies (such as their experience with disaster and emergency response, strategy and policy, operational aspects, toolbox and exceptional measures), and their views on whether the operations effectively and efficiently addressed disaster and emergency needs (all evaluation questions).
- **In-depth assessment of 16 framework loans through documents and remote interviews.** A sample of 16 framework loan operations were selected through a purposeful selection to include a range of geographies, types of disasters, and status of operations (for example, completed or ongoing). These were assessed in greater depth through: a review of key project documents (appraisal and approval document, monitoring reports, technical assistance reports if applicable and completion documents, when available) as well as

qualitative interviews with EIB staff involved in the operations – Operations Directorate (OPS)/EIB Global (GLO) and Projects Directorate (PJ) officers, as well as Advisory Services and Portfolio Management and Monitoring Directorate (PMM) when relevant. This analysis was compiled in 16 project fiches. The **sampling strategy** was based on the following selection criteria:

- date of approval/maturity of operation;
- geographical location to ensure that framework loans deployed inside and outside the European Union are included;
- type of disaster and emergency, based on the typology defined above;
- volume of the framework loan.

The **sample** was structured along the following characteristics:

- deployed in combination with other tools of the EIB’s toolbox, in particular technical assistance;
- approved but not signed;
- cancelled after signature;
- tagged “gender significant” or “gender principal;” and
- deployed as part of EU initiatives or under specific mandates.

The operations in the portfolio can be reviewed or assessed to different extents mostly depending on the stage of the project cycle at which they are at the moment of our review. They can respectively be assessed via:

- **Document analysis:** Based on a review of internal documents along the framework loan project cycle.
- **Remote interviews:** With EIB teams in charge (such as the Projects, Operations or EIB Global Directorates), borrowers, promoters and final beneficiaries if possible.
- **On site:** Visits and interviews conducted on site with the operation stakeholders (borrowers, promoters and beneficiaries).
- **Field missions:** We conducted direct observation through site visits in given countries to assess in-depth framework loans across different types (disasters related to severe weather events and geological phenomena, with hazards such as floods and earthquakes; public health (COVID-19); conflict (such as Ukraine during war time); and forced displacement (affecting refugees and communities hosting refugees)). Selected countries for site visits are **Italy, Spain, Serbia, Belgium and Poland** (the latter remotely) to ensure a diversity of framework loan contexts.

In each country, a few framework loan operations (ranging from one in Belgium and Spain to three in Italy) were assessed, and main framework loan stakeholders interviewed (the EIB staff involved in the appraisal, borrowers, promoters and if possible and relevant, beneficiaries, the EIB external offices, national authorities and or/associations and international organisations). We also contacted other public banks operating in the same context to feed the peer learning exercise.

- **Learning from peers:** Through interviews and document review, we captured lessons learnt from peer organisations (Council of Europe Development Bank, European Bank for Reconstruction and Development,

Directorate-General of the European Union for Civil Protection and Humanitarian Aid Operations, and the European Union Solidarity Fund) on their toolboxes and policies to address disaster and emergency.

- **Two data interpretation workshops:** These were conducted with EIB services using framework loans to test our preliminary conclusions from the data.

## LIMITATIONS TO THE METHODOLOGY

The evaluation encountered the following limitations:

- **Even if framework loans are commonly used by the EIB to address situations of disaster and emergency, this product has not specifically been designed to be used in these contexts.** Therefore, in the absence of detailed and explicitly stated rationale and objectives at the Bank level for the EIB to use disaster and emergency framework loans, the evaluation team had to reconstruct an intervention logic and its underlying hypotheses specific to framework loans in contexts of disaster and emergency. This intervention logic was revised through discussions with the reference group and used to frame the evaluation and define evaluation judgment criteria.
- **No single policy or approach specifically frames how the EIB addresses disasters and emergencies.** The EIB's policy framework with regard to disasters and emergencies can be found across multiple thematic areas and operational or policy documents. These are overall split by disaster or sector type rather than presented as a single framework for operating in situations of disaster and emergency. The absence of an agreed-on, consolidated policy has complicated the scoping for this evaluation. Through dialogue with the evaluation reference group, the evaluation team has sought to adapt the scope of the evaluation to ensure its relevance in view of the ongoing efforts of the EIB to define its approach.

# ANNEX 3 – THE EIB’S INTERVENTION LOGIC FOR FRAMEWORK LOANS ADDRESSING DISASTERS AND EMERGENCIES

This evaluation aims to assess the relevance, effectiveness, efficiency, and coherence of using framework loans for addressing disasters and emergencies. The evaluation assessed this against the intervention logic of this type of support provided by the EIB. The intervention logic is a **hypothesised sequence of events**, which illustrates the intended objective of a given policy intervention. The intervention logic is aimed to answer and illustrate the following questions:

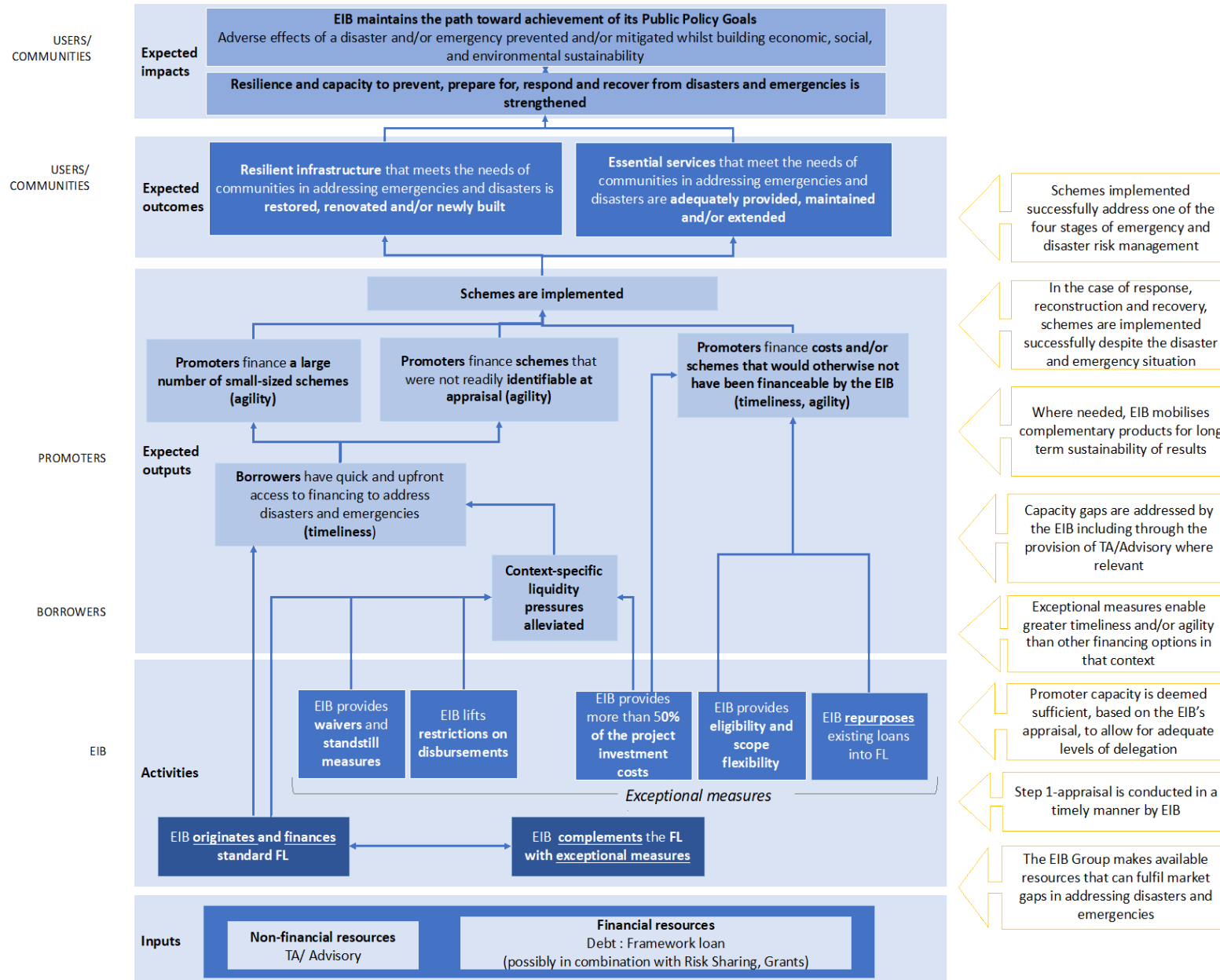
- *What does EIB aim to achieve by using the framework loan product in the specific context of disasters and emergencies?*
- *How is the EIB intervention expected to achieve its intended results (causal links, assumptions, risks)?*

In the absence of a detailed and explicitly stated rationale and objectives, at Bank level, for the EIB using framework loans in addressing disasters and emergencies, the evaluation team reconstructed this intervention logic. This was done using information from various documents produced by the EIB, as well as information gathered in discussion with EIB teams. Given the ongoing work to define the EIB’s role in addressing disasters and emergencies, it may be relevant to further develop this intervention logic at a later stage, following this evaluation.

The following intervention logic distinguishes between (i) standard framework loans and their outputs, outcomes and impacts; and (ii) framework loans mobilising a set of exceptional measures (repurposing, eligibilities flexibility). The evaluation will trace the outputs, outcomes and impacts according to each framework loan-type analysed, in its specific context. It focuses on the key linkages between these logical steps, recognising that there may be further links not explicitly identified in the following.

The intervention logic is depicted in the diagram below and its accompanying narrative. It has been used by the evaluation team to formulate the evaluation questions and design the evaluation framework.

Figure 25: Intervention logic of the EIB's use of disaster and emergency framework loans



Source: Evaluation team.

## INPUT TO ACTIVITIES

The EIB has a range of products (among them framework loans) as well as exceptional measures that can be mobilised in addressing disasters and emergencies. In some instances, the EIB also deploys technical assistance, advisory and/or grants in combination with debt products.

The key assumptions are in the following tables.

Table 7: Key assumptions: input to activities

#	KEY ASSUMPTIONS
1	The EIB Group makes available resources that can fulfil market gaps in addressing disasters and emergencies

## ACTIVITIES TO OUTPUT

The EIB teams originate operations by responding or reaching out to clients (existing or new) with an interest in addressing disasters and/or emergencies. This can be at a different phase of the cycle – prevention/risk reduction; preparedness; response; recovery/reconstruction – and of a different nature (such as pandemic, natural disaster and conflict).<sup>86</sup>

The EIB teams propose and finance framework loans. Framework loans are proposed to cope with the uncertainty/complexity of borrowers' needs in disasters and emergencies. At all phases of a disaster or emergency situation, the information available to borrowers/promoters about the specific interventions to be financed may be incomplete, beyond an indicative pipeline. They may also need to support a multitude of small schemes that cannot be financed viably by EIB as individual projects.

Depending on the situation, the EIB can offer exceptional measures in addition to standard framework loans. These include repurposing, waiver and standstill measures, lifting of disbursement restriction, provision of funding for more than 50% of the project investment cost or allowing other flexibilities in defined eligibilities.

At the time of signature, it is sufficient that borrowers and promoters provide only broad information about the sectors they plan to intervene in. Eligible activities can be agreed with the EIB without precise information available about the entirety of schemes that will need to be financed. The information available at signature stage is thus not sufficient to perform a comprehensive appraisal of all the schemes before board approval.

The financial contract for the framework loan is signed between EIB and the borrower.

<sup>86</sup> Disasters related to severe weather events and geological phenomena, with hazards such as floods and earthquakes; public health emergencies (COVID-19); conflict-related disasters (such as Ukraine during war time); and emergencies related to forced displacement (affecting refugees and communities hosting refugees).

**Table 8: Key assumptions: activities to output**

#	KEY ASSUMPTIONS
2	Step 1-appraisal is conducted in a timely manner by EIB
3	Promoter capacity is deemed sufficient, based on the EIB's appraisal, to allow for adequate levels of delegation
4	Exceptional measures enable greater timeliness and/or agility than other financing options in that context

## OUTPUT TO OUTCOMES

The signature of the financial contract **relieves liquidity pressures** faced by borrowers addressing disasters and emergencies.

**The borrowers have access to liquidity quickly, and upfront (before the full list of schemes they will finance is known, and possibly also through upfront disbursements).** Thanks to this assurance of liquidity, **promoters can plan to fund a large number of small schemes** and/or schemes that were **not identifiable at appraisal** and are decided at a later stage. The financial foresight also enables them to plan for other costs they may be facing within the specific context.

Framework loans combined with exceptional measures (such as eligibilities flexibility, possibility to fund more than 50% of the project investment cost) enable promoters to finance costs and/or schemes **that would otherwise not have been financeable by the EIB.**

Promoters **successfully implement schemes** that address disasters and emergencies.

**Table 9: Key assumptions: output to outcomes**

#	KEY ASSUMPTIONS
5	Capacity gaps are addressed by the EIB including through the provision of technical assistance/advisory where relevant
6	Where needed, EIB mobilises complementary products for long-term sustainability of results

## OUTCOMES TO IMPACT

**The schemes implemented result in either the restoration, renovation and/or construction of resilient infrastructure or the provision, maintenance and/or extension of access to essential services.** The infrastructure and services supported by schemes reflect the needs of communities in disasters and emergencies.

**Given this, resilience to future disasters and emergencies is strengthened, as well as the capacity to prevent, prepare for, respond to and recover from them.**

Overall, framework loans enable the EIB to support the prevention and mitigation of the adverse effects of disasters and emergencies while building economic, social and environmental sustainability.

**Table 10: Key assumptions: outcomes to impact**

#	KEY ASSUMPTIONS
7	In the case of response, reconstruction and recovery, schemes are implemented successfully despite the disaster and emergency situation
8	Schemes implemented successfully address one of the four phases of emergency and disaster risk management

## **THE EVALUATION DIVISION OF THE EIB GROUP**

The Evaluation Division of the EIB Group conducts independent evaluations of the EIB Group's activities. It assesses the relevance and performance of these activities in relation to their objectives and the evolving operating environment. It also helps the EIB Group 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: <http://www.eib.org/evaluation>**



# **THE EIB'S USE OF FRAMEWORK LOANS IN ADDRESSING DISASTERS AND EMERGENCIES**

**AN INDEPENDENT EVALUATION**

May 2025

