

EIB GROUP EVALUATION

EIB GROUP'S CONTRIBUTION TO THE EUROPEAN UNION'S 2021 - 2027 MULTIANNUAL FINANCIAL FRAMEWORK (MFF)

A SYNTHESIS OF EVALUATIVE EVIDENCE

JULY 2025



European
Investment Bank | Group

EIB GROUP'S CONTRIBUTION TO THE EUROPEAN UNION'S 2021 - 2027 MULTIANNUAL FINANCIAL FRAMEWORK (MFF)

A SYNTHESIS OF EVALUATIVE EVIDENCE

JULY 2025

EIB Group's contribution to the European Union's 2021 - 2027 Multiannual Financial Framework (MFF)
A synthesis of evaluative evidence
July 2025

© European Investment Bank, 2025

All rights reserved.

All questions on rights and licensing should be addressed to publications@eib.org.

European Investment Bank
98 -100, boulevard Konrad Adenauer
L-2950 Luxembourg

Independent evaluation reports are available from the EIB website: <http://www.eib.org/evaluation>.

Disclaimer

The views and assessments contained in this report reflect the views of the Evaluation function and do not necessarily represent the views of the EIB management or of its Board of Directors.

The EIB Group has an obligation of confidentiality to the owners and operators of the projects referred to in this report. Neither the EIB Group nor the consultants employed on these studies will disclose to a third party any information that might result in a breach of that obligation, and the EIB Group and the consultants will neither assume any obligation to disclose any further information nor seek consent from relevant sources.

For further information on the EIB's activities, please consult our website, www.eib.org. You can also contact info@eib.org. Get our e-newsletter at www.eib.org/sign-up.

Published by the European Investment Bank.

Printed on FSC® paper.

CONTENTS

Acknowledgements	iv
Abbreviations and acronyms	v
Executive summary	vii
1. Introduction	1
2. Inside the European Union	4
2.1 Evaluations affirm the EIB Group’s critical role in delivering on the European Union’s policy priorities during the current MFF.	4
2.2 At the same time, evaluations highlight constraints and challenges the Group faces under EU mandates - some stemming from the design and architecture of the MFF and mandates, others related to how it operates.	6
2.3 Evaluations provide valuable lessons on how to improve and adapt.	9
2.4 By integrating evaluation insights into its decision-making, the EIB Group has shown its commitment to continuous learning and delivering even greater value in meeting the European Union’s strategic ambitions.	12
3. Global Activity	14
3.1 While evaluation evidence is limited, findings indicate that EIB-financed projects contribute to development outcomes.	14
3.2 Evaluations and the HLEG report highlight challenges and constraints in the design and implementation of Global Europe (NDICI-GE), along with EIB-specific issues that the Bank is actively addressing.	16
3.3 Finally, these sources point to concrete lessons for strengthening the design and delivery of EU external financial instruments.	20
4. Special topic: Blending	22
List of studies covered by the synthesis	24

ACKNOWLEDGEMENTS

This study was carried out by the EIB's Evaluation Division (IG/EV), under the supervision of Áron Gereben (evaluation expert, IG/EV). The team included Charu Wilkinson (team leader, ICF/CW), Federico Mammana, Nicola Haysey (consultants, ICF) and Beatriz Sanz (assistant, IG/EV).

The team would like to thank the management and staff of the European Investment Bank and the European Investment Fund for the information and insights they have shared, as well as for their extensive and constructive cooperation throughout the process.

ABBREVIATIONS AND ACRONYMS

ACEM	European Association of Guarantee Institutions
AFIF	Alternative Fuels Infrastructure Facility
CAT Bonds	Catastrophe Bonds
CEF	Connecting Europe Facility
CMU	Capital Markets Union
COVID-19	Coronavirus disease (referencing the 2019 outbreak)
CRA	Climate Risk Assessment
DFI	Development Finance Institutions
DG	Directorate General
DNSH	Do No Significant Harm
EC	European Commission
ECA	European Court of Auditors
ECF	European Competitiveness Fund
EEAS	European External Action Service
EFI	External Financing Instrument
EFSD	European Fund for Sustainable Development
EGF	European Guarantee Fund
EIB	European Investment Bank
EIC	European Innovation Council
EIF	European Investment Fund
ELENA	European Local ENergy Assistance
ELITA	European Long-Term Investors Association
ERBD	European Bank for Reconstruction and Development
ERDF	European Regional Development Fund
ESG	Environmental, Social and Governance
EU	European Union
EV	Evaluation function within the EIB Group
FAO	Food and Agriculture Organisation
FI	Financial Institution
FOAK	First-of-a-kind
FX	Foreign Exchange Market
GenAI	Generative artificial intelligence

HLEG	High-Level Expert Group
IC	Investment Committee (InvestEU programme)
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFI	International Financial Institution
IP	Implementing Partner
IPCEI	Important Projects of Common European Interest
IT	Information Technology
JASPERS	Joint Assistance to Support Projects in European Regions
JTF	Just Transition Fund
KPI	Key Performance Indicator
MBIL	Multi-Beneficiary Intermediated Loans
MDB	Multilateral Development Bank
MFF	Multiannual Financial Framework
NDICI	Neighbourhood Development and International Cooperation Instrument
NDICI-GE	Neighbourhood Development and International Cooperation Instrument (Global Europe)
PAS	Project Advisory Support
PPF	Project Preparation Facilities
PSLF	Public Sector Loan Facility
SME	Small and Medium-Sized Enterprises
UN	United Nations
VC	Venture Capital

EXECUTIVE SUMMARY

CONTEXT

The EIB Group contributes to numerous initiatives financed under the current Multiannual Financial Framework (MFF), covering the period 2021-2027. Several of these activities have been evaluated, either by the EIB's Evaluation Division (IG/EV), the European Commission, the European Court of Auditors, or other entities.

This synthesis report compiles key insights and recommendations from these evaluations.

- The synthesis focuses mainly on evaluations covering the current MFF period (2021-2027), augmented by selected additional sources.
- It consolidates available evaluative evidence on the EIB Group's (EIB and EIF) role, achievements, and challenges under EU mandates, as well as lessons and solutions to shape a more impactful and efficient post-2027 MFF.
- It uses only publicly available reports. It is predominantly based on evaluations published by the European Commission and IG/EV (including management responses), with insights from selected reports prepared by the European Court of Auditors (ECA), the High-Level Expert Groups (HLEGs) set up by the Commission and industry position papers.

The synthesis presents evaluation findings, lessons and recommendations on:

- **The critical role of the EIB Group**, and how its financial and advisory capacities are leveraged to support EU priorities and mobilise investment.
- **The EIB Group's responsiveness to evaluation recommendations**, showcasing the Group's commitment to taking on board lessons learned and responding to evaluation findings.
- **The design and architecture of the post-2027 MFF**, highlighting challenges and constraints in the design and delivery of current EU programmes supporting investment to shape and inform the development of a more streamlined, impactful and coordinated investment framework. This synthesis does not incorporate the European Commission's 'Next MFF 2028–34 proposal' and, as such, does not reflect an EIB Group position on the matter.

KEY FINDINGS

Inside the European Union

Evaluations consistently confirm that the EIB Group plays a strategic role in advancing EU policy goals, by mobilising large-scale finance and providing targeted advisory support. Under InvestEU, it leverages public funds to de-risk investments in renewable energy, digital infrastructure, and emerging technologies. As Europe's top venture debt provider and a key investor in venture capital, the Group strengthens the Capital Markets Union and supports high-growth firms. Its contributions also include green bond market development, cohesion policy support, and countercyclical financing in times of crisis.

Despite these achievements, several challenges hinder the full potential of EIB Group activities under the current MFF. Evaluations found that the fragmented EU funding landscape leads to inefficiencies,

with overlapping programmes and inconsistent rules creating unnecessary hurdles. Lengthy and complex rules and processes slow down deployment, while administrative burdens drive up costs for all stakeholders. Moreover, EU budgetary resources for programmes like InvestEU fall short of policy ambitions, investment needs and market demand, limiting their potential impact.

For the post-2027 MFF, evaluations emphasise the need for a more streamlined and simplified EU financial architecture that improves efficiency and accessibility. Addressing fragmentation across EU programmes, accelerating time-to-market, reducing complexity and ensuring that resources match policy priorities will be critical to enhancing impact. Strengthening governance frameworks to balance simplification with strategic flexibility will also help improve efficiency and impact.

Global Activity

Evaluation evidence of EIB operations outside the European Union is limited but points to strong alignment with EU policies and contributions to development goals. Projects in sectors such as water and agriculture support climate resilience and food security, with high standards ensuring project viability. While themes like climate, environment and gender are included, mainstreaming varies. EIB financing fills market gaps and supports impactful development outcomes.

Evaluations highlight challenges in the design and implementation of NDICI-GE as well as EIB-specific constraints that the Bank is addressing. The European Commission found that the European Fund for Sustainable Development Plus (EFSD+) suffered from slow approval and implementation processes, high administrative burdens, unclear strategic priorities, insufficient resources, and policy alignment challenges. For the EIB, evaluations point to an incomplete product offering, limited local presence, and delays in project start-up and implementation, which have constrained to some extent the effectiveness of interventions. Additionally, incomplete monitoring of development outcomes makes impact assessment and learning somewhat difficult. The EIB is actively taking on board evaluation recommendations to strengthen its approach outside the European Union by addressing these challenges through concrete actions.

Evaluations offer key lessons to improve EU external financial instruments, calling for greater flexibility, adequate resourcing, and better alignment with local needs. The evaluations of EU external financial instruments flag up that decentralised project selection and stronger EU Delegation roles can enhance relevance. Simplified processes, clearer rules, and improved coordination across EU institutions and DFIs would boost efficiency and policy coherence. Expanding innovative tools and project preparation can help mobilise private capital, especially for SMEs and green investments.

Special topic: Blended finance

Many evaluations highlight the importance of blended finance, particularly in high-risk or nascent sectors, in:

- **Supporting high-risk, high-impact investments:** The European Innovation Council blended finance model (combining equity with grants) has been instrumental in funding deep tech startups with transformative market-creating potential, despite their inherently high-risk profiles.
- **Fostering private sector participation:** risk-sharing mechanisms and targeted incentives can help attract private capital to areas with limited market appetite.
- **Enhancing investment pipelines:** combining financial support with advisory services has been effective in transforming complex projects into bankable investments.

1. INTRODUCTION

The synthesis aims to inform post-2027 MFF reflections by presenting key insights from existing evaluations

The European Union is currently reflecting on the design of the post-2027 MFF – with legislative proposals presented in July and September 2025.

This synthesis leverages existing evaluation evidence to inform the design of a post-2027 MFF that is ambitious, effective, and responsive to the European Union’s long-term investment needs. Specifically, it presents key findings, lessons and recommendations from a broad set of evaluations (and related material) to provide insights on:

- **Designing the post-2027 MFF architecture**, highlighting challenges and constraints in the design and delivery of current EU programmes supporting investment to inform the development of a more streamlined, impactful and coordinated investment framework.
- **Optimising the role of the EIB Group**, ensuring its financial and advisory capacities are fully leveraged to deliver on EU priorities and mobilise investment.

The synthesis mostly relies on evaluations covering the current MFF period, enhanced by selected additional sources

The synthesis is predominantly based on evaluations published by the European Commission and the EIB’s Evaluation Division (including management responses). It is further enriched with insights from selected additional sources such as reports prepared by the European Court of Auditors (ECA), the High-Level Expert Groups set up by the Commission and industry position papers (see Annex 1 for a complete list of literature).

The synthesis focuses mainly (although not exclusively) on evaluations related to the 2021-2027 period. This is to maintain relevance and avoid biases from past MFF cycles as the European Union’s future policy direction is clear and past approaches are not expected to be revisited.

The synthesis primarily covers the EIB Group’s mandate activities under the MFF. On broader aspects of the EIB Group’s engagement or contributions beyond mandates – such as the Capital Markets Union (CMU) and Cohesion Policy – the synthesis captures key evaluations but does not provide a comprehensive assessment. The available evaluation evidence in these areas is relatively limited and somewhat dated in the case of Cohesion Policy. This synthesis does not incorporate the European Commission’s ‘Next MFF 2028–34 proposal’ and, as such, does not reflect an EIB Group position on the matter.

The synthesis has some inherent limitations

Limitations of available evaluation literature. The scope and depth of the synthesis are naturally constrained by the available evaluation reports and literature. Several relevant evaluations are either ongoing or have been recently launched by the Commission (see Box 1). As a result, the synthesis does not fully capture the EIB Group’s activities under the current mandates. Moreover, there are variations in the depth of coverage across different topics of interest. While some areas benefit from strong evaluative evidence, others remain less explored as indicated in Table 1 below.

Box 1: Ongoing or recently launched evaluations (as of March 2025)

- Mid-term evaluation of Cohesion Policy programmes 2021-2027 (ERDF, Cohesion Fund, JTF)
- Interim evaluation of the Public Sector Loan Facility (PSLF)
- Mid-term evaluation of JASPERS
- Evaluation of the Modernisation Fund
- Interim evaluation of the Connecting Europe Facility (CEF) 2021-2027

Table 1: Quality of coverage by area

	Inside EU activity	Global activity
The EIB Group's role in delivering on the European Union's policy priorities during the current MFF	Moderate coverage	Limited coverage
Constraints and challenges the EIB Group faces under EU mandates	Good coverage	Good coverage
Lessons on how to improve and adapt	Good coverage	Good coverage
The EIB Group's commitment to continuous learning	Good coverage	Moderate coverage

Source: Evaluation team, European Commission

Source: Evaluation team

Presentation of findings. While we have aimed for consistency in presenting findings across both inside and outside EU activities, differences in the depth, scope and focus of available evaluations, as highlighted in the table above, have resulted in some unavoidable variations.

Operationalisation of lessons and insights extracted from existing evaluations. The synthesis extracts key lessons, insights and recommendations from existing evaluations, identifying areas for improvement and opportunities to do things differently or more effectively. However, it does not provide guidance on how to implement these recommendations in practice. For example, while it highlights the need for simplification or the establishment of a one-stop shop, as identified in past evaluations, it does not explore the practical implications or how these changes could be operationalised by the EIB Group.

1.1 THE BIG PICTURE

The Commission is aiming for a simpler, flexible, focused and impactful EU budget post-2027

The Commission communication “Road to the next MFF” sets out the following guiding principles for the next EU long-term budget:

Table 2: Guiding principles for the next EU long-term budget

 Focused	 Simpler	 Flexible	 Impactful
<ul style="list-style-type: none"> Greater focus on Europe’s strategic priorities (security, competitiveness etc.), targeting areas where EU-level spending delivers the highest added value. A policy-driven budget, where spending is closely aligned with the EU’s priorities Stronger steering mechanisms to ensure alignment between EU budget and policy priorities (e.g. Competitiveness Coordination Tool) 	<ul style="list-style-type: none"> A single European Competitiveness Fund, offering a unified financial toolbox (grants, guarantees, equity, loans, advisory support etc.) that spans the full investment journey (from research to start-up, scale up and global manufacturing) Simplified rules and requirements. Transparent and user-friendly processes, ensuring clarity and efficiency for beneficiaries. 	<ul style="list-style-type: none"> Balancing long term investments with the capacity to adapt to new realities in a smooth way. Ability to respond quickly and effectively to unforeseen crises and natural disasters. Greater flexibility across the MFF, including between budget headings and years, and within and across programmes. 	<ul style="list-style-type: none"> Using public investment strategically to crowd in private capital. Centred on national and regional partnerships for investments and reforms. Sharper performance focus, with milestones and targets to track progress and ensure accountability.

Source: European Commission, Evaluation team

The Commission’s Competitiveness Compass provides a strategic vision to guide the European Union’s economic future

On 29 January 2025, the European Commission unveiled the **Competitiveness Compass**. It provides a strategic framework to guide the Commission’s work, ensuring the European Union remains competitive, resilient and innovative in a rapidly evolving global landscape. This initiative, based on recommendations from Mario Draghi's report, focuses on **three core pillars** (main highlights provided below). The Compass also outlines **five horizontal enablers** to support these pillars. A key element is **the European Competitiveness Fund (ECF)**, which will provide flexible financing to scale up investments in critical technologies such as AI, clean tech, and biotech. The ECF will build on lessons from InvestEU (and other EU programmes), ensuring a streamlined governance structure, simplified rules, and targeted support for high-impact sectors. By leveraging both public and private capital, the fund will play a central role in enhancing the European Union’s industrial and technological leadership.

Table 3: Pillars of the Competitiveness Compass

 <p>Pillar 1: Closing the innovation gap</p> <ul style="list-style-type: none"> A dedicated EU Start-up and Scale-up Strategy A 28th legal regime providing a single, harmonised set of rules for innovative companies Savings and Investment Union to boost European Venture Capital TechEU initiative to support disruptive innovation 	 <p>Pillar 2: Decarbonisation and competitiveness</p> <ul style="list-style-type: none"> Introducing an Affordable Energy Action Plan and a Clean Industrial Deal Tailored action plans for energy-intensive sectors (e.g., steel, metals, chemicals) Balancing climate targets with economic competitiveness 	 <p>Pillar 3: Reducing excessive dependencies and increasing security</p> <ul style="list-style-type: none"> Reducing dependencies in key sectors like energy, semiconductors, and critical raw materials Strengthening the EU’s global position and improving the efficiency of its external actions Enhancing economic security through strategic partnerships and trade agreements
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Source: Evaluation team.

2. INSIDE THE EUROPEAN UNION

2.1 EVALUATIONS AFFIRM THE EIB GROUP'S CRITICAL ROLE IN DELIVERING ON THE EUROPEAN UNION'S POLICY PRIORITIES DURING THE CURRENT MFF.

Evaluations provide focused yet valuable insights into the EIB Group's contribution to EU policy objectives

Accelerating the European Union's twin transitions.

Under InvestEU, the EIB Group is strategically leveraging public funds to de-risk and catalyse green and digital investments.

- The EIB is financing large-scale renewable energy projects, enhancing energy efficiency, driving industrial de-carbonisation and accelerating investments in critical digital connectivity infrastructure. Its thematic venture debt products are enabling the commercial deployment and scaling-up of breakthrough technologies, closing financing gaps in areas where private investors remain hesitant.
- In parallel, the EIF is playing a pivotal role in fostering robust equity ecosystems in Europe, while EIF-backed debt funds are facilitating both the scale-up and deployment of existing technologies, complementing traditional lending channels and expanding financing options for high-growth businesses. Its targeted portfolio guarantees – such as the Sustainability Portfolio Guarantee and the Innovation and Digitalisation Portfolio Guarantee – are broadening SME access to finance, particularly for those investing in green and digital transformation.
- Beyond financing, targeted advisory support is shaping investment pipelines and ecosystems in high-impact sectors, including clean technology, quantum computing, semiconductors, and artificial intelligence. [11, 18]

SME financing

The EIB Group utilises its broad product palette – including equity, quasi-equity, intermediated lending, portfolio guarantees and other forms of risk sharing – to address the diverse needs of SMEs across size, stage, geography and sector. Counterfactual impact evaluations show that EIF indirect equity investments help companies grow and develop in the same way as fully “private” equity investors. Likewise, intermediated lending (EIB) and guarantee instruments (EIF) have been shown to enhance SMEs' employment capacity and investment performance, driving tangible economic benefits. [30, 35]

Capital Markets Union (CMU)

The EIB Group has been instrumental in advancing the CMU through its leadership in green bond issuance, pioneering sustainable finance, and setting global standards [28]. The EIB Group is also playing a critical role in developing risk capital markets, addressing financing gaps, and catalysing private investment. As the largest venture debt supplier in Europe, the EIB provides vital support to innovative, high-growth companies [30]. The EIF is the largest investor in European VC funds and supports almost 50% of VC-backed startups in Europe in a typical year [44]. Additionally, the EIF plays a key role in

supporting the development of EU equity markets by nurturing emerging players, enhancing governance, and promoting best practices [18, 30]. The EIF has also contributed significantly to the development of the securitisation market, particularly in the area of SME securitisation, both through its transactional activities as well as by spreading know-how and best market practices [25].

Cohesion policy

The EIB is addressing critical investment gaps and market failures in less-developed, rural, peripheral, and underserved regions. Through targeted investments, the EIB has made a significant contribution to reducing regional disparities, and to enhancing the GDP of less-developed EU regions. Investments supported by EIB cohesion financing operations signed between 2007 and 2018 are projected to increase the GDP of cohesion regions by an average of 1.3% during the period 2025–2030 [26]. Note: This finding is based on an evaluation that pre-dates the current MFF. Since the 2014–2020 MFF, cohesion policy has undergone significant changes, including updates to regional classifications and a shift in the EIB's cohesion priorities.

Anti-crisis response

During crises like COVID-19, the EIB Group acted swiftly to provide liquidity for SMEs and enable investments in critical sectors, helping to safeguard jobs and Europe's economic stability. Beyond emergency liquidity support, the EIB played a pivotal role in financing vaccine research, development and production, ensuring timely access to life-saving solutions across Europe and globally [29].

Building investment pipelines and ecosystems

Advisory services have been instrumental in strengthening investment pipelines and ecosystems across key sectors and mobilising investments aligned with EU priorities. These initiatives have directly addressed technical and administrative capacity gaps, facilitated the absorption of EU funds and supported the European Union's policy objectives such as the green and digital transitions [18, 27, 31, 32]. For example, in the nascent blue economy sector, advisory support has facilitated the structuring of investments in offshore wind projects and sustainable aquaculture, improving project bankability and attracting private capital [18]. The Project Advisory Support (PAS) in Romania and Bulgaria has contributed significantly to enhancing the design and delivery of climate-related investments and infrastructure development [31]. The ELENA facility supported municipalities in achieving significant energy savings through projects like retrofitting public buildings and implementing district heating systems [32].

2.2 AT THE SAME TIME, EVALUATIONS HIGHLIGHT CONSTRAINTS AND CHALLENGES THE GROUP FACES UNDER EU MANDATES - SOME STEMMING FROM THE DESIGN AND ARCHITECTURE OF THE MFF AND MANDATES, OTHERS RELATED TO HOW IT OPERATES.

Evaluations highlight several constraints and challenges that are impeding the effectiveness and efficiency of EIB Group activities



Slow time to market

- **Delays in programme rollout** due to significant changes and complexities in design and architecture as compared to the previous MFF leading to a compressed timetable for delivery [18]
- **Lengthy and sometimes complex state aid rules and procedures** leading to delays in the launch of programmes and projects, hindering timely access to funds and slowing down crisis response [9, 11, 12, 18, 29]
- EU financial instruments like InvestEU and Horizon Europe face delays due to **complex due diligence, governance and approvals**, which hinder timely fund deployment. Several evaluations highlight slow and cumbersome approval and contractual processes, out of line with the pace of the market [16, 18, 24, 30]. This point is echoed in several European Long-Term Investors Association (ELTIA) and European Association of Guarantee Institutions (AECM) position papers [2, 40, 41, 42]. For SMEs and cleantech startups, lengthy and complex application processes can be a deterrent, limiting access to much-needed financing [1, 37, 40]. Similarly, evaluations suggest that EIB approval timelines for venture debt operations tend to be longer than market standards. While EIB venture debt plays a crucial role in addressing financing gaps, some clients note that the time from initiation to signature is too slow to meet their business needs, highlighting the need for streamlined processes to enhance market responsiveness [30]. As developed in section 2.4, the EIB is acting on these evaluation findings; planned enhancements focus on greater flexibility and faster time-to-market, ensuring the product remains responsive and competitive.

High levels of complexity and administrative burden

Evaluations consistently highlight the complexity of navigating various requirements and high administrative burden. These concerns are also reflected in ELTIA position papers [37, 40, 41] and research reports. [1]

- **Unclear, complex, and disproportionate requirements** – such as eligibility criteria [18, 24], DNSH and sustainability proofing [9, 18], and complex and lengthy contracts [18, 30, 35] – hinder access to funding. Evaluations suggest that complexity stems partly from EU requirements, but also from the EIB Group’s processes and standards [18, 30, 35]. According to AECM, the EIB Group’s ESG requirements include an additional annex concerning Paris alignment, which some stakeholders consider complex. They suggest simplifying this annex for SME financing. [2]
- **High administrative burden at various stages** (application, approval, monitoring and reporting), leading to significant entry costs and transaction costs for project applicants and final recipients [16, 18, 24, 30]. Standard EIB processes can be administratively burdensome for venture debt clients, particularly those with limited resources or expertise. [30]
- **Unfit monitoring systems** (large number of KPIs, granularity of data to be collected from final recipients, high number and frequency of reports) impose a heavy administrative burden on implementing partners, intermediaries and recipients while failing to provide adequate or actionable information to assess policy impacts effectively [4, 16, 18, 27, 32].

Fragmentation and lack of coherence within and across programmes

- **Fragmented EU funding landscape with multiple overlapping programmes** (for example, Innovation Fund, Horizon Europe, InvestEU) targeting similar objectives but with different processes and criteria [1]. Fragmentation across EU programmes and Directorate-Generals leads to inefficiencies, duplication of efforts, and reduced market acceptance [2, 32, 42].
- **Inconsistencies in rules and requirements across EU programmes** (for example, exclusion criteria, DNSH, reporting requirements, climate and digital tracking [18]). Final recipients also face administrative duplications due to overlapping investment objectives of some funds (such as the Just Transition or Cleantech Development), which create a complex patchwork of application processes and criteria [1]
- **Low levels of practical synergies and complementarities between different EU programmes** leading to lost opportunities for scaling impact and leveraging resources effectively [10, 16, 18, 24]
- **Fragmentation of EU advisory services across different programmes and mandates.** While some efforts have been made to consolidate advisory services (for example, merging European Investment Advisory Hub (EIAH) and InnovFin under InvestEU), there remain gaps in cohesiveness. [4, 8, 18, 32]. A past EV evaluation flagged that EIB advisory services have often operated in silos, although several mitigating measures have been taken since. In addition, the evaluation also suggested that the limited integration between advisory services and financing instruments or investment pipelines can undermine the potential impact of advisory support. The EIB is taking steps to improve these linkages. [18, 32]

Additional constraints and challenges specific to the InvestEU programme

- Delays in negotiation of guarantee agreements with implementing partners delayed deployment of the InvestEU Fund [18, 37, 41]
- Limitations due to inadequate resources relative to policy ambition and market demand, restrictive provisioning and risk-taking limits, lack of liquidity instruments, currency risks for non-euro Member States. [11, 18]
- Heavy frontloading of approvals due to NextGenerationEU (NGEU) deadlines, exhausting available envelopes for many financial products by the end of 2025. Without budgetary reinforcements, new approvals for some products will cease post-2025 (“cliff-edge effect”). [18]
- Insufficient remuneration for implementing partners, and high operational costs, all of which constrain InvestEU’s ability to meet policy ambitions and support high-impact projects effectively. [11, 18]
- Combining funds from different programmes (the use of sectoral ‘blending top-ups’) is hindered by administrative complexity arising from separate monitoring and reporting of each finance source/ budget line and guarantee compartment, inconsistent rules across programmes (such as exclusions, DNSH rules, climate tracking, eligibility criteria), and unpredictable funding commitments from sectoral programmes. [11, 18]
- The Financial Regulation is ambiguous on the final destination of reflows from financial instruments. This uncertainty reduces the financial incentives for Directorate-Generals to channel resources from sectoral programmes to InvestEU. [11, 18]
- Complex governance and delivery architecture requiring coordination across multiple implementing partners (IPs) and DGs [2, 18, 42].

2.3 EVALUATIONS PROVIDE VALUABLE LESSONS ON HOW TO IMPROVE AND ADAPT.

Evaluations offer several valuable lessons for post-2027 MFF design



Simplicity and streamlined processes

Evaluations of programmes like Horizon and InvestEU reveal an urgent need to simplify administrative processes and make them more proportionate. Simplifying eligibility criteria and requirements, minimising multi-layered approvals, streamlining KPIs and tailoring reporting requirements to project size can ease burdens on applicants, especially SMEs, and accelerate the deployment of funds. Using technology, including GenAI, for routine administrative tasks like document processing and compliance checks can help streamline processes and reduce the time required to process applications and prepare reports. [10, 16, 18, 24, 42]



Streamlining KPIs

The large number of KPIs across programmes creates a significant monitoring burden without providing actionable insights for policymaking. Future frameworks should focus on targeted and meaningful indicators to enhance policy relevance and decision-making. This would reduce administrative complexity while improving the quality of data available for strategic decisions. [8, 18, 32]



Avoiding front-loading of approvals

Evidence suggests that heavily front-loading programme approvals – an approach encouraged by the NGEU framework - can strain resources and reduce flexibility in later stages. While predictability over the 7-year MFF is crucial for business planning from market to Implementing Partner level, a more phased approach, allowing adjustments based on evolving needs and performance, could improve programme adaptability and effectiveness, particularly in long-term frameworks like the MFF. The flexibility mechanisms already in place should be maintained or further enhanced. [18]



Flexibility and responsiveness

Delays observed in deploying crisis-focused initiatives, such as the EGF, underline the need for more adaptable programme structures. Greater agility could be achieved by streamlining approval processes and adopting more flexible ways of working and coordination among the institutions involved. This approach would enable a faster response to emerging needs and provide greater resilience in the face of unforeseen challenges. [29]



Clearer focus and strategic alignment

EU programmes should have defined roles, target groups, and lifecycle stages to minimise overlaps and gaps. For instance, InvestEU and the EIC can target different phases of innovation – the EIC for breakthrough, early-stage innovation and InvestEU for later-stage investments – aligning with specific policy objectives to provide comprehensive support across the innovation cycle. [10, 18]



Enhanced impact through cohesion, synergy and continuity

The MFF should emphasise synergy across EU programmes, creating a seamless support pathway from early-stage innovation through to market expansion. Reducing fragmented programme structures and fostering shared objectives can significantly amplify the overall impact [10, 18, 24]. Furthermore, ensuring continuity between the current and upcoming MFF by building on established legal and operational frameworks (and not reinventing the wheel) can help avoid a disruptive “stop and go” effect, supporting long-term planning and sustaining market confidence. [18]

Insights from evaluations highlight valuable lessons that could inform the design and implementation of the European Competitiveness Fund (ECF)

Matching resources to policy ambition and market demand

Lessons from InvestEU underscore the importance of ensuring that resources match policy ambition and market demand. A key takeaway from the InvestEU evaluation would be to ensure sufficient budgetary resources in the future, particularly for high-demand sectors and advisory services. [11, 18]

Leveraging private capital

Experiences from InvestEU highlight that flexibility in risk-sharing arrangements is key to attracting private sector involvement. The ECF could provide adaptable risk-sharing options that suit a range of investor profiles and allow for private sector co-financing, helping to maximise capital mobilisation. [11, 18]

Simplified sustainability proofing

Sustainability proofing requirements, while necessary, can deter private investors if they are overly complex. Simplifying these requirements for the ECF, while maintaining alignment with EU sustainability objectives, can make it easier for private partners to participate, especially in sectors like green transition and digital transformation. [11, 18]

Streamlined, centralised governance with flexibility

InvestEU’s challenges illustrate the need for a centralised but adaptable governance model to reduce administrative burden, procedural bottlenecks and improve coordination. For the ECF, a streamlined governance structure could support faster decision-making and avoid redundant processes, allowing the fund to respond more quickly to strategic needs. [11, 18]

Integrate and step up advisory support

Combining funding with robust advisory support, as seen in InvestEU, can enhance the ECF’s impact. By offering advisory services alongside financing, the ECF could contribute to building investment pipelines and ecosystems. Evaluations show that advisory services such as EIAH and JASPERS have assisted their clients in overcoming the investment barriers they faced. [1, 5, 8, 11, 18]

Promote blending to amplify impact

Blended finance is a powerful tool for de-risking projects and attracting private capital, especially in innovative or high-risk sectors. Building on lessons from InvestEU, the ECF could support blending of public and private funds to mobilise larger investments, particularly in areas like emerging technologies, social investments and high-risk climate investments. Clear guidance on blending structures and accessible frameworks can make it easier for stakeholders to leverage this approach. [18]

Liquidity provision

InvestEU evaluations pointed to issues with liquidity provision, particularly in high-interest environments, where funding costs for equity operations became substantial and limited available resources. For effective support, the ECF should ensure adequate liquidity mechanisms, especially for equity operations. [11, 18]

Foreign exchange flexibility

To reduce complexity and increase accessibility in non-euro areas, the ECF could incorporate mechanisms to cover or mitigate foreign exchange risks, such as offering an EU guarantee in local currencies, where feasible. [11, 18]

Consolidation and optimisation

To maximise efficiency and reduce fragmentation, the ECF could consider integrating legacy portfolios within its framework. [18]

Use of framework operations

Framework operations enable more streamlined and pragmatic implementation for the IPs, especially when dealing with high volumes of small-scale sub-operations. This approach mitigates the potential inefficiencies and delays that would arise if the IC were required to approve each sub-project individually. [18]

2.4 BY INTEGRATING EVALUATION INSIGHTS INTO ITS DECISION-MAKING, THE EIB GROUP HAS SHOWN ITS COMMITMENT TO CONTINUOUS LEARNING AND DELIVERING EVEN GREATER VALUE IN MEETING THE EUROPEAN UNION'S STRATEGIC AMBITIONS.

The EIB Group has demonstrated a strong commitment to integrating evaluation insights into its decision-making



Improving time to market

Mobilising existing products and partnerships to provide rapid response to crisis: Based on learning from crises, the EIF mobilised existing fast-disbursing products conducive to quick deployment, worked principally with “tried-and-tested” counterparts (for portfolio guarantees) and expanded existing mandates to alleviate the liquidity and working capital constraints of SMEs during the COVID-19 crisis. [29, 35].

Speeding-up crisis response: Drawing on lessons from the COVID-19 crisis, the EIB Group has strengthened its ability to respond swiftly by creating the ability to offer risk-capacity products using own resources and developing crisis response guidance [35]. Additionally, it is exploring pre-established governance and management frameworks to ensure faster action in future emergencies [29].



Enhancing additionality and impact

Stronger focus on additionality: Following broader internal reflections, including insights from evaluations, the EIB now includes well-articulated additionality narratives in project appraisals, explaining how investments address market failures or suboptimal conditions – especially in cohesion regions. This practice enhances accountability, communication, and learning by explicitly linking financial support to expected outcomes. [26]

Climate Change Adaptation Plan: Building on existing commitments (Climate Bank Roadmap) and reinforced by evaluations, the EIB is implementing its first dedicated Adaptation Plan, which includes an enhanced Climate Risk Assessment (CRA) tool to improve project resilience, collaborating further with organisations like the Global Center on Adaptation to support knowledge-sharing and capacity-building for clients; strengthening internal skills and knowledge; and adding dedicated adaptation questions to the annual EIB Investment Survey to gain deeper insights into clients' adaptation readiness. [27]

Strengthening advisory and technical support: The Management response to an EV evaluation recognises the need to improve coordination, strengthen monitoring and quality assurance capabilities, and enhance the medium and long-term planning of advisory activities across different services [32]. Examples of concrete actions taken by

the EIBG include the shift from a mandate-centric to a client-centric organisation [32], coordinated initiatives in the EIAH and the InvestEU Advisory Hub (such as Circular City Centre) [18], and enhanced coordination at country level under JASPERS [5].

Piloting innovative financial instruments such as green securitisation: Building on evaluation feedback, the EIB is working on scalable green securitisation structures to unlock financing in fragmented markets, particularly in residential energy efficiency. This approach is informed by lessons on designing impactful and replicable financing solutions. [28]

Improving venture debt product design: The EIB is improving its venture debt product design in response to market changes and client feedback. Planned improvements include improving flexibility and time to market, while maintaining rigorous appraisal processes. These updates aim to enhance market fit and better meet the needs of innovative companies. [30]

3. GLOBAL ACTIVITY

3.1 WHILE EVALUATION EVIDENCE IS LIMITED, FINDINGS INDICATE THAT EIB-FINANCED PROJECTS CONTRIBUTE TO DEVELOPMENT OUTCOMES.

Although limited in number, evaluations indicate that EIB-financed projects contribute to development outcomes

Limited evaluation evidence EIB's activities outside the European Union

The evidence on the EIB's achievements and impact beyond the European Union is primarily based on two sectoral evaluations by the EIB's Evaluation Division – agriculture & bioeconomy, and water. With evaluations covering just these two sectors, it is difficult to determine the full scope of the EIB's role and impact outside the European Union. Additionally, the Bank's portfolio outside the European Union is significantly smaller and more geographically dispersed, further limiting the ability to conduct comprehensive sectoral or regional impact assessments using quantitative methods.

Strong alignment of selected projects with EU policy objectives

Both the agriculture & bioeconomy and water sector evaluations confirm that EIB-supported projects were well aligned with EU policies and objectives, including climate action, environmental sustainability and economic development. The EIB's financing often targeted sectors and geographies where EU strategic priorities were most relevant, such as climate resilience in water projects and food security in agriculture [33, 36].

Emphasis on selection of high-quality projects

The EIB applied rigorous due diligence and appraisal standards, ensuring that only financially, environmentally, and technically viable projects received support. In both sectors, the selection of strong promoters (such as municipalities in the water sector or agribusinesses in agriculture) contributed to the success and sustainability of projects. [33, 36].

Mainstreaming climate, environment, and gender equality

The EIB has integrated climate action, environmental standards, and gender equality into its operations, but the depth of mainstreaming varies by sector [33, 36]. In agriculture, climate and environmental objectives were more effectively embedded in direct lending than in multi-beneficiary intermediated loans (MBILs). Gender mainstreaming improved after the launch of the 2016 Gender Strategy, but financial access for women-led agribusinesses remains limited [36]. In the water sector, projects consistently applied EU environmental standards, yet few were designed with systemic approaches to water resource management or ecosystem restoration. Gender aspects were often acknowledged in project documentation but not fully embedded in the design and implementation of water sector projects [33].

EIB-financed projects demonstrated additionality by filling market gaps

The EIB's support generally provided what the market alone would not, fulfilling the Bank's additionality criteria. However, the nature of additionality varied across sectors.

- **In agriculture and bioeconomy, EIB financing addressed market failures by providing long-term loans, which were often unavailable in local financial markets.** It played a catalytic role by encouraging local financial intermediaries to extend credit to agribusinesses and smallholder farmers, particularly through MBILs. However, the extent of additionality was sometimes constrained by a preference for established borrowers, limiting outreach to less creditworthy or informal sector actors [36].
- **In the water sector, EIB provided long-term financing for large-scale water projects, often in markets where concessional funding was scarce.** Additionally, it introduced EU environmental and technical standards, which improved project quality and governance [33].

EIB-financed projects contributed to important development outcomes

In the agriculture and bioeconomy sector, EIB investments facilitated modernisation, introduced productivity-enhancing technologies, and promoted exports, contributing to job creation and economic development in recipient countries [36]. EIB support for the water sector outside the European Union demonstrated high potential for contributing to development, primarily through infrastructure investments. Some operations successfully mobilised national resources and reached smaller, marginalised municipalities. [33]

3.2 EVALUATIONS AND THE HLEG REPORT HIGHLIGHT CHALLENGES AND CONSTRAINTS IN THE DESIGN AND IMPLEMENTATION OF GLOBAL EUROPE (NDICI-GE), ALONG WITH EIB-SPECIFIC ISSUES THAT THE BANK IS ACTIVELY ADDRESSING.

European Commission evaluations and studies highlight challenges in the design and implementation of NDICI-Global Europe



Delays and coordination challenges in programme launch

The transition to new EFIs under NDICI-GE involved significant changes in mandates, roles, processes, and mindsets, which were underestimated. The late adoption of regulations compressed the first programming cycle, leading to a focus on delivery over comprehensive change management. Moreover, the European Commission found that the potential of EFSD+ was undermined by delays in deployment, late allocation of funds from MIP budgets, and changes to targets and allocations. Lastly, misaligned timelines between EFSD+ (long-term focus) and traditional programming hindered coordination. [15]

Slow time to market

The European Commission found that EFSD+ and blending operations are characterised by slow design, approval, and implementation processes. Lengthy planning and PIP approval cycles hinder timely project delivery, while simplification tools remain underutilised. Prolonged negotiations among multiple stakeholders further slow down deployment. Long-term planning cycles and heavy procedural requirements of investment projects make it difficult to respond quickly to short-term crises. Additionally, the slow deployment of financial instruments makes the European Union less competitive compared to faster-moving investors. This is particularly problematic when private-sector counterparts are involved, as they typically operate under much shorter contracting timelines. [15]

High administrative burden

Fragmented, indicator-heavy monitoring frameworks and frequent contract changes increase administrative complexity and transaction costs. [13, 15]

Limitations of monitoring and reporting framework

Inconsistent indicators, inadequate IT systems, and limited capacity to capture qualitative impacts hinder effective assessment of development outcomes and EU leverage. [15]

Lack of synergies

Operational challenges arise from fragmented collaboration between DFIs, lack of integration of blending and guarantees, and weak alignment with broader sectoral reforms like budget support. [15]

Pricing

Guarantee pricing under EFSD+, as set in the Risk Policy Framework and communicated to all FIs, provides for risk-reflective pricing with the possibility of providing discounts for addressing certain policy objectives. However, FIs reported that lack of transparency (such as access to the pricing model) creates uncertainties. [15]

Lack of clarity in EFSD+ strategic orientations

The European Commission points to insufficient clarity on the balance to be achieved between: (i) supporting large investment projects that are attractive ('bankable') and addressing the important funding and infrastructure gaps experienced by partner countries; (ii) implementing potentially costly solutions to serve the most in need; and (iii) ensuring coherence with the European Union's values agenda. [15]

Insufficient resources and capacity

EU ambitions exceed available resources, with repeated crises and legacy loan commitments straining NDICI-GE budgets. Demand for guarantees far exceeds capacity, limiting their scalability and impact. [15]

Policy alignment challenges

The Policy First approach faces challenges in effectively steering the work of DFIs/IFIs towards EU priorities. The European Union competes with other, non-European investors which finalise investment contracts much faster than the European Union does and do not apply conditions on the fundamentals. [15]

Link to partner needs

EFSD+ implementation often prioritises EU or DFI objectives, less so local development needs. [15]

The EIB is taking on board evaluation recommendations to strengthen its approach outside the European Union

Challenges highlighted by evaluations*

Limited product offer in the agriculture and bioeconomy sectors: The EIB's strict requirements to comply with EU standards and reliance on senior loans limited its flexibility to address diverse challenges, especially in the agriculture and bioeconomy sectors. Unlike other IFIs, the EIB rarely offered blended instruments, subordinated loans, or local currency financing, constraining its ability to expand financial access to smaller, domestically oriented firms and address sector-specific needs. [36]

Limited local presence and institutional dialogue: Despite recent improvements in coordination through initiatives like NDICI and Team Europe, the EIB and the European Commission have not fully leveraged their complementarity on the ground. Insufficient coordination with EU Delegations and other partners, coupled with a lack of local presence and misaligned timelines, hampers project identification, appraisal and implementation. Limited local presence also restricts the EIB's ability to provide continuous support throughout the project lifecycle and adapt to the needs of low-capacity promoters, particularly in the water sector in challenging environments. [33, 36]

*The evidence on EIB's achievements and impact beyond the European Union is primarily based on two sectoral evaluations by the EIB's Evaluation Division — agriculture & bioeconomy, and water

** Most of these aspects listed here — product palette, local presence through regional hubs, etc. — are further addressed by the new EIB Global strategic orientation approved in October 2025.

Actions being taken by the EIB**

Expanding its product line: EIB Global is enhancing its toolkit of products in the form of sector-based lending, sustainable and green financing, syndications with private investors, trade finance and social impact financing. [33, 36]

Exploring local currency lending to suit the financing needs of domestically oriented firms: The EIB is exploring options to provide local currency financing via central banks, which could possibly be supported by the European Commission's budget. The idea is for the EIB to obtain local currency at the best possible conditions (directly from the issuer of local currency), while providing the recipient country with access to much needed foreign exchange to cover their balance of payments financing needs. A European Commission guarantee or a grant could cover the portion of the exchange rate risk due to a market failure. [36]

Strengthening partnerships: the EIB Management Committee has committed to strengthen synergies with the European Commission, UN agencies (for example, IFAD and FAO), and other development partners, while acknowledging that additional technical assistance resources may be needed to enhance cooperation. [33]

Challenges highlighted by evaluations*

Delays in project start-up and implementation

in the water sector: EIB-supported water sector operations experienced delays during both start-up and implementation, leading to slow disbursements. These delays were caused by several factors, including low incentives for EIB staff and borrowers to expedite disbursements, complex preconditions tied to risk management, and time-consuming mobilisation of technical assistance. External factors, such as legislative or institutional challenges, also contributed to these delays. [33]

Unrealistic timelines: The EIB sometimes signed insufficiently prepared projects, resulting in unrealistic implementation timelines that required subsequent revisions. In certain cases, project designs lacked sufficient quality, necessitating additional EIB support, such as technical assistance, which was challenging to arrange. [33]

Insufficient resources for technical assistance: Evaluations indicate that technical assistance plays a vital role in both project preparation and implementation phases. However, as compared to other IFIs (such as IFC, EBRD), the EIB lacks sufficient technical assistance funds for pipeline, project development and feasibility studies. This affects its activity in sectors like agriculture and bioeconomy that suffer from a lack of ready-made proposals. [36]

Incomplete monitoring of development outcomes: Sectoral evaluations suggest the systems and resources needed for adequate monitoring of intended development outcomes and the potential unintended outcomes that could be improved. [33, 36]

Actions being taken by the EIB**

Improving project effectiveness outside the European Union: To address delays and challenges in institutionally weak contexts, the EIB established EIB Global and a centralised implementation unit in 2022. These measures, coupled with increased local presence, have accelerated disbursements. [33]

Increasing access to and mobilisation of technical assistance: The Bank introduced a strategy for mobilising technical assistance outside the European Union, including where external funding sources are not available or not in sufficient amount. [33]

*The evidence on EIB's achievements and impact beyond the European Union is primarily based on two sectoral evaluations by the EIB's Evaluation Division — agriculture & bioeconomy, and water

** Most of these aspects listed here – product palette, local presence through regional hubs, etc. - are further addressed by the new EIB Global strategic orientation approved in October 2025.

3.3 FINALLY, THESE SOURCES POINT TO CONCRETE LESSONS FOR STRENGTHENING THE DESIGN AND DELIVERY OF EU EXTERNAL FINANCIAL INSTRUMENTS.

Evaluations and the HLEG report provide concrete lessons for strengthening the design and delivery of current and future EU external financial instruments

Flexibility for rapid responses

Flexibility in EFSD and EFSD+ has been valuable for adapting to crises like COVID-19 and the war in Ukraine. Future mechanisms could embed this flexibility further to quickly respond to evolving socioeconomic needs. [15]

Adequacy of resources and capacity

EU policy aspirations often exceed available funding, particularly in crisis-prone regions. Future programming could ensure:

- Standardised, transparent funding allocation methodologies for geographic and thematic budgets. [21]
- Increased capacity-building at EU Delegations and headquarters to manage complex instruments effectively. [15]

Alignment of instruments with local needs

EFSD+ has been criticised for prioritising EU or DFI interests over local development needs. The HLEG and the European Commission call for stronger alignment of investments with local priorities through multi-actor engagement. As such, future approaches could consider:

- Decentralised project identification processes involving EUDs, local governments, private sectors, and civil society.
- Complementing guarantees and blending with technical assistance, grants and budget support. HLEG recommendations highlight the importance of deploying tailored instruments based on country-specific contexts, particularly in fragile contexts and those with less developed capital markets. [15, 17]

Simplification

Evaluations highlight the need to simplify programming cycles and streamline decision-making processes to reduce delays and ensure coherence. Consolidation and harmonisation of rules, requirements and procedures across funding streams have been identified as ways to simplify implementation and reduce administrative burdens for all stakeholders. Lastly, evaluations suggest developing unified platforms or tools for monitoring, reporting and compliance to address fragmentation and ensure efficient data management. [15, 17]

Strengthening governance and coordination

Governance under NDICI-GE has improved, but challenges remain. Evaluations identified a need to enhance coordination between the Commission, EEAS, and DFIs/IFIs for better policy alignment. [13, 14, 15, 36]

Improve project preparation

Existing project preparation facilities (PPFs) are fragmented, lack standardisation, often fail to cover the very early stages of project preparation and have limited private-sector involvement. The HLEG highlights the need for integrated PPFs to mitigate early-stage risks and enhance project quality and bankability. It recommends creating a single EU digital platform for sustainable projects in low-to-middle-income countries, which would serve as a one-stop entry point for stakeholders. This platform would provide clarity on sustainability aspects, share standardised processes and contracts, and improve access to key data, ultimately fostering collaboration and boosting project visibility and demand. [17]

Leverage innovative financial instruments strategically

DFIs and MDBs have so far mobilised limited private capital. The HLEG recommends several innovative financial instruments to channel finance to sustainable investments and mobilise private capital [17]:

- Local currency-denominated green, social and sustainability (GSS) bonds to support sustainable financing and reduce FX risks for borrowers.
- De-risking mechanisms such as combined insurance and adaptation/resilience financing and resilience-related bonds.
- Asset recycling and securitisation to unlock capital tied in mature assets to finance new investments and broaden private-sector participation.
- Instruments such as Catastrophe Bonds (CAT Bonds) and risk pooling for disaster risk financing.
- Scaling up carbon and biodiversity credits markets.

The need to support greening of SMEs

SMEs in low-to-middle-income countries face significant hurdles in accessing sustainable finance. The HLEG recommends providing sizeable incentives for SMEs to adopt sustainable practices and report on their ESG performance. These incentives should target both the final recipients (the SMEs) as well as the intermediaries (such as DFIs and private FIs). [17]

4. SPECIAL TOPIC: BLENDING

Evaluations provide key insights into the value of blended finance in achieving policy objectives, particularly in sectors requiring significant de-risking and technical support

Catalyst for investment in high-risk sectors

The European Innovation Council's (EIC's) blended finance model has been pivotal in fostering deep tech startups with transformative market-creating potential, despite their inherently high-risk profiles. By combining grants with equity investments, the EIC model effectively bridges critical funding gaps and acts as a catalyst for other investors, encouraging them to engage in high-risk, high-reward ventures that they might otherwise avoid. Key aspects include:

- **De-risking:** the grant component reduces the overall risk for both the startup and potential co-investors. If the venture fails, the grant does not need to be repaid, which means that the financial loss is partially absorbed by the EIC rather than solely by the startup or its investors.
- **Leverage effect:** the EIC's involvement often acts as a seal of approval, attracting additional private capital and creating a multiplier effect (>3x) on the initial investment.
- **Long-term support:** patient capital gives deep tech startups the necessary runway to develop and commercialise complex technologies, which typically require extended timelines. [16]

Supporting nascent markets and early-stage ecosystems

Blended finance has proven highly effective in driving investments in climate adaptation projects, especially in sectors like climate resilience that often lack traditional market mechanisms. When paired with advisory services, it helps transform complex needs into bankable projects. [27]

Blending 'top-ups', such as those in the Blue Economy under InvestEU, have been instrumental in supporting entire ecosystems that were previously underserved. By offering funding and capacity-building support, these sectors have seen growth and ecosystem development from an early stage. [18]

Various ELTIA position papers have emphasised the effectiveness of blended finance instruments, such as CEF AFIF in mobilising private investment for high-risk or emerging sectors like hydrogen infrastructure [38, 39]. They call for extending blending mechanisms beyond transport to energy, digital infrastructure, and other strategic sectors.

Addressing capital-intensive projects with high potential

Blended finance is critical to closing Europe's cleantech scale-up financing gap, as private venture capital remains insufficient to support high-risk, capital-intensive green innovations [44].

The EU-Breakthrough Energy Catalyst partnership addresses critical financing gaps for large-scale, capital-intensive decarbonisation projects. These projects often face extended timelines, and

product-to-market fit can be hindered by a green premium and a lack of buyers. This situation does not align with the typical risk appetite of private investors. By blending repayable and non-repayable components, the EU–Breakthrough Energy Catalyst partnership reduces the overall risk profile of projects (by taking on a portion of risk), making them more palatable to private investors, bridges the funding gap between venture capital and project finance, and provides patient capital to support first-of-a-kind (FOAK) projects. [18]

Incentivising financial intermediaries and SMEs

Within the EIB Group’s thematic SME initiatives, blended finance remains underutilised despite its potential to drive alignment with thematic objectives. Combining advisory services, risk-sharing operations, and pricing linked to specific targets can incentivise financial intermediaries and beneficiaries to pursue these objectives. [35] This need is particularly acute for SMEs in low-to-middle-income countries, where barriers to accessing sustainable finance hinder their growth and ability to implement ESG measures. HLEG recommends providing sizeable incentives for SMEs and financial intermediaries to adopt sustainable practices and report on their ESG performance. [17]

LIST OF STUDIES COVERED BY THE SYNTHESIS

- [1] Climate Strategy & Partners (2024). Filling the EU Climate Investment Gap more efficiently.
- [2] European Association of Guarantee Institutions (AECM) (2023). AECM on the InvestEU Interim Evaluation.
- [3] European Commission (2018). Commission staff working document: Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the mid-term evaluation of the Connecting Europe Facility (CEF).
- [4] European Commission (2020). Mid-term evaluation of the JASPERS initiative in 2014-2020.
- [5] European Commission (2021). Commission staff working document: Mid-term evaluation of the JASPERS initiative in 2014-2021.
- [6] European Commission (2022). Commission staff working document: EFSI 2.0 ex-post evaluation.
- [7] European Commission (2022). Evaluation study on the European Innovation Council (EIC) Pilot: Final Report.
- [8] European Commission (2022). Study supporting the ex-post Evaluation of the European Fund for Strategic Investments, following Regulation 2017/2396 (EFSI 2.0).
- [9] European Commission (2023). Study supporting the mid-term evaluation of the recovery and resilience facility: final report.
- [10] European Commission (2024). Act, align, accelerate: research, technology and innovation to boost European Competitiveness.
- [11] European Commission (2024). Commission staff working document: InvestEU interim evaluation.
- [12] European Commission (2024). Commission staff working document: Mid-term evaluation of the recovery and resilience facility.
- [13] European Commission (2024). Commission staff working document accompanying the document report from the Commission to the European Parliament and the Council on the evaluation of the European Union's External Financing Instruments for the 2014 - 2020 and 2021 - 2027 Multiannual Financial Framework.
- [14] European Commission (2024). Council conclusions on the Mid-Term Evaluation of the NDICI-Global Europe external financing instrument.
- [15] European Commission (2024). European Union's External Financing Instruments (2014-2020 and 2021-2027).
- [16] European Commission (2024). Evaluation study of the European framework programmes for research and innovation for innovate Europe: report phase 2 (support study for the interim evaluation of Horizon Europe).
- [17] European Commission (2024). High-Level Expert Group on scaling up sustainable finance in low- and middle-income countries.
- [18] European Commission (2024). Interim Evaluation of the InvestEU Programme: Final Report.
- [19] European Court of Auditors (2018). JASPERS - ECA Special Report 2018.01.

- [20] European Court of Auditors (2020). The European Investment Advisory Hub — Launched to boost investment in the EU, the Hub’s impact remains limited.
- [21] European Court of Auditors (2023). Programming the Neighbourhood, Development and International Cooperation Instrument – Global Europe: Comprehensive programmes with deficiencies in the methods for allocating funds and impact monitoring.
- [22] European Court of Auditors (2023). The Recovery and Resilience Facility’s performance monitoring framework – Measuring implementation progress but not sufficient to capture performance.
- [23] European Economic and Social Committee (2023). Mid-term evaluation of the implementation of the recovery and resilience facility.
- [24] European Economic and Social Committee (2024). Evaluation of the Digital Europe Programme.
- [25] European Investment Bank (EIB) (2017). Evaluation of the EIF’s SME Securitisation Activities, 2004-2015.
- [26] European Investment Bank (EIB) (2020). Evaluation of EIB cohesion financing (2007-2018): Synthesis of project evaluations.
- [27] European Investment Bank (EIB) (2021). Evaluation of EIB support for climate change adaptation (2015-2020).
- [28] European Investment Bank (EIB) (2021). Evaluation of the EIB’s Climate Awareness Bonds.
- [29] European Investment Bank (EIB) (2021). Rapid assessment of the EIB Group’s operational response to the COVID-19 crisis.
- [30] European Investment Bank (EIB) (2022). Evaluation of EIB Group equity and quasi-equity support for small businesses and mid-caps.
- [31] European Investment Bank (EIB) (2022). Evaluation of EIB Project Advisory Support in Bulgaria and Romania.
- [32] European Investment Bank (EIB) (2023). Evaluation of EIB advisory activities in the European Union.
- [33] European Investment Bank (EIB) (2023). Evaluation of EIB support for the water sector outside the European Union from 2010 to 2021.
- [34] European Investment Bank (EIB) (2023). Evaluation of the FEMIP Trust Fund – From 2004 to 2022.
- [35] European Investment Bank (EIB) (2024). Evaluation of EIB Group debt support for small businesses and mid-caps.
- [36] European Investment Bank (EIB) (2024). Evaluation of EIB support for agriculture and bioeconomy outside the European Union from 2014 to 2023.
- [37] European Long-Term Investors Association (ELTIA) (2023). InvestEU – Joint feedback on the interim evaluation of InvestEU.
- [38] European Long-Term Investors Association (ELTIA) (2024). CEF transport: Alternative fuels infrastructure facility (AFIF).
- [39] European Long-Term Investors Association (ELTIA) (2024). Mid-term review EU Financial Instruments: InvestEU, CEF Blending, Cohesion Policy Funds, Horizon.
- [40] European Long-Term Investors Association (ELTIA) (2024). Mid-term review Horizon Europe.

- [41] European Long-Term Investors Association (ELTIA) (2024). Mid-term review InvestEU Programme.
- [42] European Long-Term Investors Association (ELTIA) (2024). Strategic outlook: Activating the EU budget for long-term needs.
- [43] fi-compass (2022). fi-compass survey among EAFRD managing authorities on use of financial instruments: Current experiences and future plans.
- [44] Mack, S. (2024). Europe ventures forward: Getting the scaleup of cleantech right. Policy brief. Hertie School, Jacques Delors Centre.

EIB GROUP'S CONTRIBUTION TO THE EUROPEAN UNION'S 2021 - 2027 MULTIANNUAL FINANCIAL FRAMEWORK (MFF)

A SYNTHESIS OF EVALUATIVE EVIDENCE

JULY 2025



**European
Investment Bank** | **Group**