



EIB GROUP EVALUATION

Activity Report 2022

and Work Programme 2023-2025

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European Investment Bank Evaluation Activity Report 2022 and Work Programme 2023-2025

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INTRODUCTION

The Evaluation function (IG/EV) of the European Investment Bank Group promotes accountability through evidence-based assessments of the Group's performance and results. It also contributes to learning, feedback and knowledge sharing to inform EIB Group decisions on policies, strategies, products, projects and organisational matters, and to improve performance. IG/EV's objectives are set out in the EIB Group Evaluation Policy.¹ It promotes accountability through evidence-based assessments of the EIB Group's performance and results.

This report presents IG/EV's activity and achievements in 2022:

- **Six evaluations launched.** In line with its 2022 work programme, IG/EV launched two evaluations of the EIB Group's support for SMEs and mid-caps, two evaluations of advisory activities inside the European Union and an evaluation of support for water and sanitation outside the European Union. At the request of the EIB's services and with the board's consent, IG/EV launched, outside its programme, an evaluation of the FEMIP Trust Fund.
- **Strong contribution to the evaluation community.** Through its participation at conferences and knowledge-sharing events, IG/EV contributes to the promotion of a culture of evaluation — inside and outside the Bank — helps foster best practices and strengthens the dissemination of the results stemming from its evaluations.
- **Mid-term orientations finalised.** Following on from the recommendations of the 2020 independent peer review, IG/EV developed a roadmap for how to achieve the objectives set out in the EIB Group Evaluation Policy.

This report also presents the evaluation work programme for the upcoming three years. The topics chosen for this work programme aim to maximise the relevance and usefulness of upcoming evaluations for the Bank. The work programme for 2023 is accompanied by a cost estimate in line with the provisions of the EIB Group Evaluation Policy.

¹ Available at: <https://www.eib.org/en/publications/ev-eib-group-evaluation-policy>



2022 IN RETROSPECTIVE

EIB Group support for SMEs and mid-caps

Support for small and medium-sized enterprises (SMEs) and mid-caps is one of the EIB Group's long-standing objectives and concentrates a large share of its activity. To tackle this large and complex portfolio, IG/EV designed two separate, yet interrelated, evaluations covering the two main types of financing that SMEs and mid-caps receive: (i) equity and quasi-equity and (ii) debt support. Following the completion of these two evaluations, IG/EV will produce a summary, bringing together the main insights from these evaluations and focusing on the relative benefits and costs of different products that the EIB Group uses to support small businesses and the potential trade-offs and synergies between them.

Evaluation of EIB Group equity and quasi-equity support for SMEs and mid-caps

To address the funding needs of young, fast-growing, innovative SMEs, the EIB and the EIF have become increasingly active in providing equity and quasi-equity. Young SMEs play a crucial role as key drivers of growth, yet they are often unable to access funding to develop their business through the commercial banking system. Due to their risky business models, they rely on equity-type financing. For some more mature firms, private equity can also play an important role in unlocking growth potential beyond innovation, such as regional or international expansion, mergers or transfer of ownership. For many such firms, equity-type financing is more suitable than loans, but not always readily accessible. The EIB and the EIF have significantly increased the volume of equity/quasi-equity operations targeting SMEs and mid-caps over the last ten years.

The evaluation — looking at operations from 2010 to 2021 — highlights the diversity of indirect equity investments. The relevance, additionality and policy impact of these investments vary, depending on the final beneficiary's development stages. They also contribute differently to the Group's financial sustainability.

Overall, the evaluation found that the EIB Group's support for equity and quasi-equity markets addresses relevant market gaps and makes a significant contribution to the market in terms of volumes, market development and best practices. Operations supporting funds that invest in buyout-stage firms made a smaller policy contribution, relatively speaking, than those investing in the venture or growth capital stage. At the same time, they contributed significantly to the Group's financial sustainability. These investments' performance is also more stable compared to that of venture and growth capital.

The EIF's provision of stable and predictable funding all along the economic cycle has a stabilising effect on the market, including in times of crisis. At the same time, the evaluation found that the long time it takes to commit equity investments and build up portfolios calls into question the suitability of indirect equity instruments to be used as part of initiatives designed to quickly reach firms in response to economic shocks.

The evaluation also found that some elements of the EIB Group's internal processes need improvements to foster efficient and fast delivery of direct quasi-equity operations. In many aspects, quasi-equity differs from EIB core business transactions. The EIB is still on the learning curve to accommodate these operations and clients, which have special needs compared to other EIB clients.

Lastly, the evaluation found that the SME Public Policy Goal (PPG) does not fully capture the entirety of EIB Group support for SMEs. This makes it difficult to obtain a complete picture and report on the EIB Group's portfolio targeting SMEs.

Evaluation of EIB Group debt support for SMEs and mid-caps

The EIB Group has developed a diverse mix of products providing debt support to SMEs and mid-caps, including intermediated lending, guarantee instruments, asset-backed securities and direct loans to mid-caps. Overall EIB Group operations providing debt support to SMEs and mid-caps amounted to almost €20 billion in annual net signatures over the period 2010-2020.

This evaluation examines the relevance, effectiveness, financial sustainability and impact of EIB debt support for SMEs. It investigates the extent to which the EIB Group's market positioning and product offer has responded appropriately to the changing market context and needs. It examines the effectiveness of the EIB Group's support in improving access to finance for SMEs and mid-caps and delivering specific policy objectives relating to innovation, climate action, digitalisation, etc. With respect to financial sustainability, the evaluation looks at cost coverage, profitability and capital consumption of these different products (to the extent data permits). Lastly, the evaluation is working on gathering available evidence on the impact of guarantees and intermediated lending on final beneficiaries' performance (employment, assets and sales).

The evaluation report will be presented to the Board of Directors in the first half of 2023.



EIB advisory support inside the European Union, including cohesion regions

Investment in the European Union, particularly in cohesion regions, is often constrained by non-financial factors, as highlighted, among others, by the IG/EV evaluation of EIB cohesion financing.² EIB technical and advisory support intends to help address such constraints and also to support the Bank in achieving its lending objectives. The Bank has recently updated its strategic orientations for advisory activities and will review them in the coming years.

Thematic evaluation of EIB advisory support inside the European Union

IG/EV's assessment of EIB advisory activities is being timed and redesigned to maximise its utility. Much of the EIB's advisory activity is carried out under mandate, and many of these mandates have been subject to evaluations through the years. However, no recent evaluation has analysed the Bank's activity of providing advisory services as a whole. The current evaluation exercise addresses this gap. The initial focus of the evaluation was on advisory activities in cohesion regions only. However, during the scoping phase of this evaluation, the key questions identified were of a cross-cutting and strategic nature, going beyond cohesion regions. The scope of the evaluation has therefore been expanded to include all EIB advisory activities in the European Union, with a focus on strategic questions such as synergies and coherence between the EIB's various advisory initiatives in the European Union, opportunities and constraints of the EIB's current funding structure for advisory, and the contribution of advisory to the EIB Group's business activities. A particular focus on cohesion regions will be maintained, where relevant.

Evaluation of Project Advisory Support

The focus on cohesion-specific issues is maintained through the in-depth evaluation of the Project Advisory Support (PAS) programme. The PAS programme was established in 2015 in Bulgaria and Romania. It provides technical advisory and capacity-building support to administrations for the preparation and implementation of EU-funded projects and programmes. Some of these investments are also co-funded by the EIB, so the PAS programme is also intended to facilitate the design, disbursement and implementation of the associated EIB operations.

The PAS evaluation follows a dual purpose. It is a standalone assessment of the relevance and performance of the PAS programme. Second, it provides insights that will contribute directly to the overarching thematic evaluation of EIB's advisory activities in the European Union, including in cohesion regions. The evaluation of PAS was presented to the EIB Board of Directors in December 2022.

The evaluation found that PAS support has largely succeeded in supporting EU fund implementation in Romania and Bulgaria while directly contributing to EIB operations in both countries. EIB clients largely praised the PAS delivery model characterised by its tailor-made and flexible support relying on a limited number of highly skilled experts. This strength is also a weakness in that it limits the scalability of the programme with a team already working at maximum capacity.

The evaluation also found that despite providing support deemed relevant by the institutions concerned, the PAS programme achieved mixed results at building administrative capacity, due to structural weaknesses within the recipient institutions.

² Available at: <https://www.eib.org/en/publications/evaluation-of-eib-cohesion-financing-thematic>



Going forward the evaluation recommends to:

- Give a clearer priority to assignments that facilitate both the absorption of EU funds and EIB lending activity.
- Define a realistic handover strategy to ensure that the knowledge material produced by the programme is shared within the organisation and remains accessible despite staff turnover.
- Assess the feasibility of scaling up PAS support for climate action in EU-funded projects, in order to address the capacity gap faced by several Member States in converting the significant EU funds available for climate action into tangible projects. Such effort would also serve the EIB's climate ambitions.

Evaluation of EIB support for the water sector outside the European Union (2010-2021)

The EIB is the world's largest multilateral lender to the water sector, and invests, on average, about €3 billion per year in water infrastructure. Operations approved in 2020 will support safe drinking water for almost 30 million people, provide 15.5 million people with improved sanitation, limit the risk of exposure to drought for 9 million people and reduce the risk of flooding for almost 2 million people. The Bank's investments in the water sector are guided by its water lending orientation.³ The current water lending orientation was published in 2017 and is built around the key message of water security. It is focused predominantly on water supply, wastewater management and flood protection. The EIB is in the process of revising its water lending orientation to reflect changes to the operational environment — the European Green Deal, the EIB's Climate Bank Roadmap (CBR) and the newly founded EIB Global — that have taken place since 2017.

The evaluation of the EIB's support for the water sector outside the European Union will contribute to the update of the water sector lending orientation. Taking a country and thematic case study approach, the evaluation assesses what worked and what did not in terms of the results of projects supported by the EIB, their development outcomes and the contribution to environmental sustainability and climate action. Based on this analysis, it then examines factors (both internal and external to the Bank) that could explain the findings on what worked and what did not. By doing so, the evaluation aims to be useful for the update of the water sector lending orientation but also for EIB Global as it develops its future strategy.

The evaluation will be presented to the Board of Directors in early 2023.

³ Available at: <https://www.eib.org/en/publications/eib-water-sector-lending-orientation>

Evaluation of the FEMIP Trust Fund

The FEMIP Trust Fund, one of the EIB's oldest funds, is now at a crossroads. The fund was set up in 2004 as part of the larger FEMIP initiative to provide support to critical projects and more generally the economic development of the European Union's Southern Neighbourhood. It draws its resources from contributions by 19 donors, primarily EU Member States, the United Kingdom and the European Commission, totalling €63 million. Over the years, it has supported close to 90 operations, primarily through advisory services, capacity building (including an internship and secondment programme) and risk capital operations. With funds largely exhausted but needs continuing to run high, the donors are due to decide on the fund's replenishment.

The evaluation looks at the relevance, efficiency and effectiveness of the fund. IG/EV accepted to undertake this assessment at the specific request of the EIB and following the board's agreement, even though it had not been initially included in the work programme in light of the stakes that this evaluation represents for the fund and the Bank's activity in the Southern Neighbourhood. The evaluation addresses each of the key questions — relevance, effectiveness, efficiency — at different levels and from different angles, in line with the complex nature of the fund and its objectives.

The evaluation is ongoing and the report will be presented to the Board of Directors in the first half of 2023.

Impact evaluation of an infrastructure project on gender

IG/EV is coordinating a study to prepare the ground for an impact evaluation, which — after project completion — will enable the direct and indirect effects of improved water access on the population to be assessed. Since 2021, the EIB Group's Evaluation function has, together with the EIB's Projects Directorate, been coordinating a study on the impacts of gender mainstreaming in infrastructure projects. The study, financed by the EIB Institute through the EIB university research sponsorship programme (EIBURS) is focusing on a project to reinforce and extend drinking water provisioning services in Antananarivo, Madagascar. Expected effects include time gains, health improvements, reduced health expenses and better standards of living. The project's contribution to gender equality is also of particular interest. The team will collect and analyse baseline data and identify the indicator(s) that would best serve as a proxy to estimate, at project appraisal, the contribution to gender equality in similar upcoming projects.

The study is currently focusing on the design of the impact evaluation and preparing field work to collect the baseline data. Baseline data collection is scheduled in 2023.

Implementation of recommendations from the IG/EV external peer review

IG/EV has finalised the implementation of recommendations from the IG/EV external peer review. In 2019, the Inspector General commissioned an external peer review of IG/EV. The panel of high-level experts that undertook the review presented their report to the EIB and the EIF Boards of Directors in the spring of 2020. Since then, IG/EV has implemented all the review's recommendations under its remit. Already in 2020, IG/EV started making changes in the way it works, to improve its effectiveness and efficiency, as suggested by the review. Examples include the administrative reorganisation of the team, entrusting the management of some evaluations to senior team members and the streamlining of the consultation procedure. In June 2021, the EIB Group Evaluation Policy⁴ was approved.

In 2022, IG/EV developed its medium-term orientations, complementing the EIB Group Evaluation Policy. As recommended by the peer review, the orientations restate IG/EV's vision and provide a roadmap for the implementation of the objectives stated in the policy — accountability and learning. It underlines that IG/EV's ambition is to be useful to all EIB Group stakeholders both in holding the EIB and the EIF accountable and in supporting them to continuously learn and improve. It outlines six objectives that IG/EV will focus on going forward, among which ensuring the relevance of evaluation work, evaluation topics, findings and products, strengthening the quality and precision of evaluations and improving their user orientation.

The policy's provision on IG/EV's separate budget line⁵ is now also operational. IG/EV's work programming exercise has been aligned with the Bank's programming and budget cycle. Starting this year, IG/EV consults the board on its draft work programme in October via the Working Group on Lending, Evaluation and Impact (LEVI), at the same time that the Board is gearing up to discuss the EIB Group's operational plan. Based on feedback received, IG/EV then submits its work programme to the EIB Board for formal approval in December. The related cost estimate is included in the EIB Group Operational Plan overall budget proposal, for approval in December.

Promoting an evaluation culture

In 2022, IG/EV continued to improve the dissemination of its evaluation findings and support knowledge sharing across the EIB Group. IG/EV convened an internal high-level panel discussion on climate change adaptation. The Inspector General moderated a discussion including EIB Group senior management and services, in which IG/EV shared the findings of its evaluation on climate change adaptation, and the panellists shared their views on the Bank's future support for climate adaptation and the adaptation plan. IG/EV has also continued to collaborate closely with the Bank's services, for example, by providing guidance to the services to ensure the evaluability of the CBR results framework.

IG/EV is gradually strengthening its digital presence to reach broader audiences. In collaboration with the EIB Group's Communications department, IG/EV modernised its report templates and revamped its webpages on the EIB website. The latter now features evaluation content more prominently and allows for better search engine optimisation. IG/EV is also starting to produce more digital content, including blog stories and landing pages for its reports. These channels are helping to share evaluation insights with broader audiences and to highlight innovative evaluation methods of interest to the evaluation community.

4 Available at: https://www.eib.org/attachments/publications/ev_eib_group_evaluation_policy_en.pdf

5 Available at: https://www.eib.org/attachments/publications/ev_eib_group_evaluation_policy_en.pdf, Art 39



IG/EV also continues to closely follow up on the implementation of the recommendations stemming from its evaluations. This is an important tool to strengthen the Bank's commitment to learning, and ensures that evaluation insights help improve the Bank's activity going forward. IG/EV's regular reporting on the implementation of recommendations to the EIB Group's governing bodies further contributes to transparency and accountability. In 2022, the latest recommendations from three older evaluations were completed, while IG/EV started to follow up on the action plan for the evaluations of the EIB's Special Activities, EIB support for climate change adaptation and the rapid assessment of the EIB Group's operational response to the COVID-19 crisis. The follow-up also continues for the evaluation of the EIB's mandate activity, the evaluation of the EIB's cohesion financing, the evaluation of EIB support for urban public transport in the European Union and the evaluation of the Climate Awareness Bond. Overall, in 2022, the Bank has made good progress in implementing evaluation recommendations

Externally, the Evaluation function remained an active member of the evaluation community. IG/EV participated in several conferences and workshops. The year was marked by the 14th European Evaluation Society Biennial Conference where IG/EV led and participated in many expert sessions addressing a broad range of topics such as assessing additionality, conducting rapid assessments of IFIs' responses to the COVID-19 crisis, evaluating climate change adaptation responses, leading impact evaluations and using ex-post cost-benefit analyses in evaluations. IG/EV also led a session at the Asian Evaluation Week on evaluating climate finance with representatives from other evaluation functions of the World Bank, the European Bank for Reconstruction and Development, and the Global Climate Fund. Promoting ties with other IFIs, the Evaluation division participated in a practitioners' dialogue session with the Asian Infrastructure Investment Bank and shared its recent evaluation on climate change adaptation. The Evaluation Cooperation Group (ECG) held its spring 2022 meeting in June. As part of the ECG Strategic Reflections Group, IG/EV contributed to renewed thinking on the ECG's long-term strategy, reflecting the evolution of evaluation functions' role since their creation. IG/EV is also co-leading — with the World Bank's Independent Evaluation Group — an ECG working group on additionality to share practices among MDBs. During the ECG meeting, the Evaluation division participated in discussions on enhancing the usefulness of evaluations to feed into strategic and operational decision-making, particularly in times of crisis when rapid evaluation insights are needed.

An international conference bringing together evaluators and decision-makers will be organised in 2023. It will discuss the role of evaluation in a rapidly changing world, marked by urgent climate and environmental challenges. The conference will address the accelerated pace at which evaluation findings are required to inform decision-making and how this trend is fostering innovation in the field of evaluation.



WORK PROGRAMME 2023-2025

IG/EV develops and implements a three-year rolling work programme. IG/EV develops its work programme in consultation with EIB Group services, senior management and members of the Management Committee. The EIB Management Committee and the EIF Chief Executive discuss the draft work programme and can enhance it before its approval by the EIB and EIF Boards of Directors. The programme is updated annually, to adapt to the rapidly evolving context in which the Group operates as well as its emerging priorities.

This year, for the first time, IG/EV is presenting, along with its three-year work programme, an estimate of the costs for carrying out next year's evaluations as a direct response to the provisions of the EIB Group Evaluation Policy. As of the end of 2023, IG/EV will also report back on the use of resources.

Work programme 2023

In 2023, IG/EV will launch the following four evaluations:

- Evaluation of the EIB Group Climate Bank Roadmap
- Evaluation of the EIB Group Gender Strategy
- Evaluation of EIB support for agriculture
- Evaluation of EIB support for migration and refugees

Resources permitting, IG/EV will also launch the evaluation of EIB support for health.



Evaluation of the EIB Group Climate Bank Roadmap

The EIB Group has increased its commitment to tackling the climate challenge. With the European Green Deal, the European Union vowed to become climate neutral by 2050. In this context, the EIB Board of Directors decided to stress the EIB Group's climate and environment commitment by:

- supporting €1 trillion of investment in climate action and environmental sustainability from 2021 to 2030;
- gradually increasing its share of finance dedicated to green investment to over 50% by 2025 and beyond;
- aligning with the principles and goals of the Paris Agreement as from 2021.

In 2020, the EIB published its Climate Bank Roadmap,⁶ outlining the Bank's goals for climate finance for the period 2021-2025. The roadmap includes four main work streams:

- accelerating the transition through green finance;
- ensuring a just transition for all;
- supporting Paris-aligned operations;
- building strategic coherence and accountability.

The EIB's efforts are organised around ten action plans with specific actions and deliverables to ensure progress over the period. A subsequent iteration of the Climate Bank Roadmap will be prepared for the period 2026-2030. The evaluation will feed into this revision.

The evaluation will focus primarily on the Climate Bank Roadmap's relevance: the adequacy of its objectives to address stakeholders' needs, its alignment with EU policy, its design, including the implementation framework, governance, resources, monitoring and reporting arrangements, communication, etc. The evaluation will also zoom in on a few selected action plans and gauge the progress made at the time of the assessment.

⁶ Available at: <https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap>

Evaluation of the EIB Group Gender Strategy

The EIB Group gender strategy⁷ commits to embedding a gender lens into all EIB Group activities. This should make a significant contribution to achieving gender equality as set out by the UN Sustainable Development Goals and the European Pillar of Social Rights. The implementation of the strategy is outlined in two consecutive Gender Action Plans (GAP I and GAP II). The first one, spanning the period 2018-2020, was more process-oriented and aimed to lay the foundations of the strategy's implementation. The second, covering the years 2021-2024, was more performance-oriented. Both action plans rest on four pillars:

- Protect the rights of women.
- Impact by enhancing the impact of EIB operations on gender equality.
- Invest in female economic empowerment and entrepreneurship.
- Build institutional foundations by driving change in institutional culture, practices and processes.

Each pillar of the GAPs is accompanied by a set of actions, outputs and outcomes.

The evaluation will assess the strategy, as well as the two action plans. An evaluability assessment carried out by IG/EV in 2019 already helped to strengthen the implementation of GAP I and was used as guidance to draft GAP II. The evaluation will primarily focus on the strategy's relevance and effectiveness. While an ex-post evaluation can be envisaged for GAP I, GAP II's assessment will have the features of a mid-term evaluation. To match the nature of the initiative, which aims at driving a deep change of culture within the EIB Group, IG/EV will adopt a participatory approach for this evaluation.

Evaluation of EIB support for agriculture

EIB support for agriculture is very diverse. Operations in this sector contribute to several EIB public policy goals such as SMEs, Innovation and Climate Action. This is reflected in a heterogeneous portfolio, covering among other things R&D, infrastructure and SMEs. Over three-quarters of EIB financing in the sector is concentrated within the European Union, where the EIB supports climate-resilient solutions and helps provide liquidity support for small farmers, agri-food SMEs, R&D and agricultural technology. Outside the European Union, the improvement of infrastructure for farmers, enhancement of product delivery and minimisation of losses are of particular importance. Within those areas, the EIB channels financing through different products: direct lending, multi-beneficiary intermediated loans (MBILs), infrastructure and climate funds. Recent events such as Russia's invasion of Ukraine and the EIB's role as the EU climate bank have created the need for the EIB to (re-)think how to best support agriculture.

The evaluation's goal is to provide lessons for future EIB support in the agriculture sector. This will be done by assessing the relevance, performance and effectiveness of EU support in the agriculture sector and by gathering insights from peer organisations' evaluations.

⁷ Available at: <https://www.eib.org/en/publications/eib-group-strategy-on-gender-equality>

Evaluation of EIB support for migration and refugees

The EIB has been taking part in the EU response to the challenges posed by forced displacement and migration. The Syrian conflict, Russia's invasion of Ukraine as well as protracted crises elsewhere generate significant refugee and migrant flows, which put pressure on the social and economic resources of transit and receiving countries, including in the European Union and its neighbouring countries. The EIB is contributing to delivering the European Union's response to these crises and strengthening economic development in the affected regions. Responses combine short-term humanitarian interventions and longer-term support for social infrastructure. At the same time, the responses seek to address the root causes of migration and create economic resilience in affected countries.

The EIB has financed various initiatives in support of refugees' origin, transit and host countries. The Bank has been managing the ACP (African, Caribbean and Pacific) Migration Package with two envelopes: one focusing on projects with the private sector and the second with the public sector. In 2016, the EIB launched, in cooperation with the European Commission, the Economic Resilience Initiative (ERI) to support Southern Neighbourhood and Western Balkans countries in responding to various challenges, including forced displacement and migration. More recently, the EIB has also contributed to the European Union's effort deployed following Russia's invasion of Ukraine. This support includes, among others, interventions to mitigate consequences of this invasion on refugee inflows beyond Ukraine's borders, primarily in central and eastern EU Member States.

IG/EV's assessment of the EIB's support for migration and refugees will include an ex-post evaluation of the ERI and ACP migration packages and a real-time evaluation of support for refugees from Ukraine in the European Union. Assessing older mandates will serve to focus on results and more specifically on the extent to which these initiatives have contributed to coping with refugee crises and building resilience in recipient countries. This will help the Bank to draw lessons that will inform current and upcoming interventions in a similar context. The evaluation of recent support for Ukrainian refugees will focus on the relevance and initial results, if any, of the EIB's intervention in order to enable the Bank to adjust its approach, if needed.

Evaluation of EIB support for health

The EIB is a long-standing supporter of the health sector. If prior to the COVID-19 pandemic much of the EIB's funding focused on health infrastructure, since 2020 the Bank has stepped up and diversified its financial backing to the health sector. New or reinforced areas of support include pandemic preparedness and emergency response, innovation and research and development (R&D).

Health support currently falls under the EIB's Innovation, Digital and Human Capital (IDHC) Public Policy Goal. The latest IDHC orientation document, covering the period 2021-2027, outlines the Bank's priorities, taking into account recent developments in the green and digital transition as well as the COVID-19 crisis. The orientation sets three key objectives for the health sector:

- Foster the development of effective, accessible and resilient health systems
- Speed up medical innovation
- Build strong partnerships with stakeholders

Against this background, the Bank has defined four lending priorities for the health sector:

- Support for healthcare infrastructure
- Support for vaccination campaigns
- Support for the health force (skills and training)
- Support for regional pandemic preparedness

The evaluation will assess the relevance and results of operations in support of healthcare infrastructure and vaccination campaigns. These areas are both fields with relevant past operations and remain priorities for the future. The evaluation will assess their contribution to the IDHC's key objectives and will feed into the review of the IDHC orientation, scheduled for 2024.

Resources estimate

As always, IG/EV will use a mix of in-house and externally hired resources to complete the evaluations currently ongoing and launch and advance work on the five evaluations planned for 2023. The three-year work programme is developed on the basis of current staff resources, namely 23 full-time equivalent staff. In order to implement the programme, IG/EV estimates that a dedicated budget of €1.2 million is needed for 2023 to hire external expertise and cover other administrative expenses (such as staff training and missions). This estimate is in line with resources available in 2022.





Tentative work programme 2024

The work programme includes a tentative list of topics for evaluation in 2024. With a stable level of resources, IG/EV should be able to launch up to five evaluations in 2024. Topics will be selected based on their usefulness and relevance. Evaluations not included on the present list might also be proposed at a later stage in response to emerging developments and needs for the EIB Group.

European Guarantee Fund (EGF): The EGF's description states that the "EIB shall perform an evaluation of the fund after the second anniversary of the end of its investment period. This evaluation will aim at making the fund and the operations funded thereunder accountable to the contributors and at promoting lessons learnt. The evaluation shall be shared with the Contributors Committee." IG/EV will carry out this evaluation in 2024 and look at the early results of the supported operations.

EIB Energy Lending Policy (2019): Delivering on ambitious EU climate and energy targets for 2030 requires long-term investment from the private sector. Adopted in November 2019, the Bank's energy lending policy sets out how the EIB, as a public bank, can help support the European Union in meeting this challenge. The evaluation could discuss the implications of the EU Sustainable Finance Taxonomy and of further policy development in the context of the European Green Deal and EU external action. A particularly relevant angle in light of the current geopolitical context could also be that of energy independence.

EIB support for environmental sustainability and the circular economy: While the circular economy currently represents a relatively small share of EIB financing, the EIB launched the Joint Initiative on Circular Economy together with the European Union's largest national promotional banks and institutions, with the goal of investing at least €10 billion in the circular economy by 2023. The evaluation would identify and assess barriers and opportunities to increase support.

EIB Transport Lending Policy (2022): The new Transport Lending Policy was approved in July 2022. It includes a revision process — a mid-term review in 2025. An IG/EV evaluation could inform this mid-term review.

EIB support for urban development: The Bank tackles environmental and social issues, among others, by supporting projects to build resilient cities for future generations, construct social and affordable housing and provide sustainable urban services. An evaluation on social housing had been launched in 2020 but was cancelled due to competing priorities and a lack of resources. The topic remains and is likely to become increasingly relevant. In this context IG/EV would relaunch this evaluation or consider a broader angle, in line with the type of support and the interests of the Bank.

Additionality and Impact Measurement Framework (AIM): The EIB approved the Additionality and Impact Measurement Framework in October 2020 to unify, upgrade and replace the previous systems. After a pilot phase, the framework was rolled out fully as from 1 January 2021. The evaluation would assess if it adequately captures the additionality of the Bank, and how it is used for decision-making and reporting.

EIB support for digitalisation: "Innovation, digital and human capital" is one of the EIB's four public policy goals. The pandemic underlined the need to accelerate societal changes, boost EU competitiveness and strengthen growth potential through a green and smart transformation of EU economies. The evaluation would focus on the relevance of EIB support for stakeholders' needs and on the efficiency and effectiveness of this support.



Tentative topics for 2025

The topics for evaluation in 2025 will be selected from the following tentative list:

EIB activity in post-conflict and fragile states: The EIB recently developed a strategic document consolidating the EIB's approach and outlining its vision for working in fragile and conflict-affected contexts for the period 2022-2027. The evaluation could be a mid-term assessment of this new strategy.

EIB Group Environmental and Social Sustainability Framework (ESSF): In 2022, the EIB's Board of Directors approved the revised ESSF following an extensive public consultation. This includes a new EIB Group Environmental and Social Policy and 11 Environmental and Social Standards. The evaluation would assess whether the new framework is fit for purpose to achieve the EIB's objectives.

Climate Bank Roadmap — Accelerating the transition through green finance: The Bank is tailoring its product offer to meet the ambitions stated in the EIB Group's CBR. These developments include green-labelled loans and a Green Debt Advisory Platform, to facilitate Green Bond issuance by the private sector. The evaluation would look at this tailored product offer and assess its relevance and performance.

Support for the blue economy: The EIB is supporting the blue economy under the Clean and Sustainable Ocean Programme via two main components: (i) the Clean Oceans Initiative, and (ii) the Blue Sustainable Ocean Strategy. From 2016 to 2021, total support amounted to €3.5 billion. The evaluation would assess the relevance and performance of the EIB's support for the blue economy.

EIB Global strategy: Through EIB Global, approved by the EIB Board of Directors in September 2021, the EIB reorganised its activities outside the European Union. By the time of this evaluation, this new EIB arm will be fully set up and the evaluation could review its overall strategy.

Project Completion Report (PCR) tool: Project Completion Reports (PCRs) present the final assessment of an operation, based on the information provided by the promoter. The evaluation will assess whether the PCRs are fit for purpose, their usefulness and the quality of reporting.

European Security Initiative: The Board of Directors approved the Strategic European Security Initiative (SESI) in March 2022. The new EIB initiative aims to mobilise investment in support of Europe's dual-use security and defence systems by backing Europe's technology industry and civilian security infrastructure. SESI will make available financing of up to €6 billion for eligible projects. The evaluation may look at the relevance and outcome of operations under the initiative.

REPowerEU: In response to the hardships and global energy market disruption caused by Russia's invasion of Ukraine, the European Commission presented the REPowerEU Plan, a plan to make Europe independent from Russian fossil fuels well before 2030. The evaluation would analyse the EIB contributions to REPowerEU.

As indicated in the EIB Group Evaluation Policy, IG/EV evaluations must also adequately cover EIF activities. This can be done as part of Group-wide evaluations or through separate evaluations focussing on EIF-specific activities. The 2023-2025 programme already includes several Group-wide evaluations. In terms of EIF-specific topics that might be ripe for evaluation by 2025, three stand out, as outlined below.

Opening up to the private sector for financing EIF mandates: The EIF, as a mandate manager, is increasingly turning to the private sector to support its objectives. It is also responding to the increasing demand for access to European private equity markets. New umbrella funds provide cost-efficient access to Europe's best-performing private equity and venture capital managers and allow investors to tailor their allocations to the different compartments. The evaluation would analyse the performance of these new mandates.

Microfinance: The EIF has been providing funding, portfolio guarantees and technical assistance under several EU initiatives in support of microfinance. Microfinance consists of microloans tailored to the needs of microenterprises and people facing difficulties in accessing traditional banking services. The evaluation would assess the relevance, effectiveness, efficiency, sustainability and impact of these activities.

ERASMUS+: With the Erasmus+ Master Loan Guarantee Facility, the EIF provides guarantees to participating banks and student loan agencies. The facility aims to increase access to finance to enable students, regardless of their social background, to pursue a master's degree in another Erasmus+ programme country to help tackle skills gaps in Europe. The evaluation would assess the mandate's level of success.

ABOUT 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: www.eib.org/evaluation

EIB GROUP EVALUATION

Activity Report 2022

and Work Programme 2023-2025



**European
Investment Bank**



EVALUATION

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