



European  
Investment  
Bank

*The EIB bank*



# The EIB and its evolving mission

Presentation by Sebastian Schich. Views are the authors' own and do not necessarily reflect those of the EIB.

# Structure

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- 1 What the EIB is and does
- 2 How the EIB knows it matters activities matter
- 3 Selected challenges

# 1 Introduction: What the EIB is and does

# The EIB Group

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The lending arm of the European Union  
since 1958



Specialist provider of risk finance to small and  
medium-sized enterprises

## At a glance

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### Largest multilateral lender and borrower in the world

- | We raise our funds on the international capital markets
- | We pass on favourable borrowing conditions to clients



### Since 1958, over €1.5 trillion invested

- | More than 14,000 projects in over 160 countries
- | Crowding-in bank: € 4.5 trillion overall investment supported



### Headquartered in Luxembourg

- | Around 3,500 staff: In addition to finance professionals, we have engineers, economists and socio-environmental experts
- | 51 offices around the world

# At a glance



## Shareholders

European Investment Bank (58.8%)

European Commission (29.7%)

38 public and private financial institutions (11.5%)



## Strong capital base (€4.5 billion)



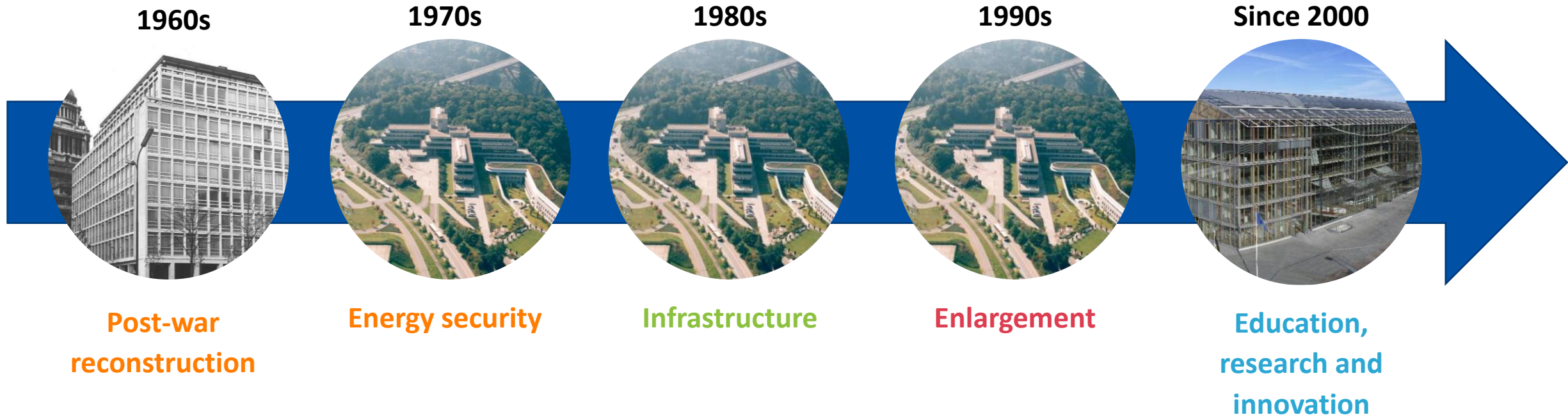
## 26 years

of market experience in SME financing



## Over 500 staff

# EIB Group priorities have evolved over time





# Our current priorities

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## INNOVATION



€14 billion

## ENVIRONMENT



€17 billion

## INFRASTRUCTURE



€16 billion

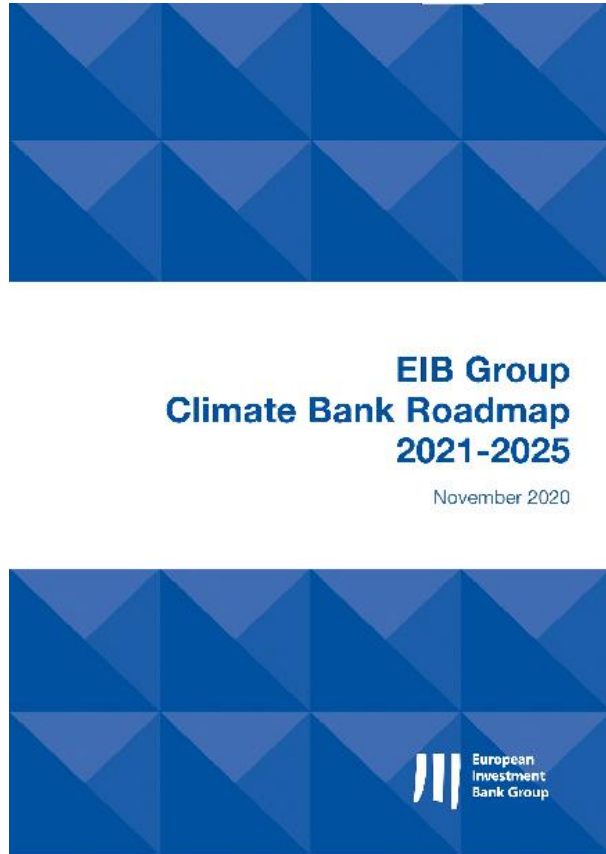
## SMALL AND MEDIUM-SIZED ENTERPRISES



€16 billion



# EIB Group new climate strategy



- ▶ EUR 1tn of investments in climate action and environmental sustainability from 2021 to 2030

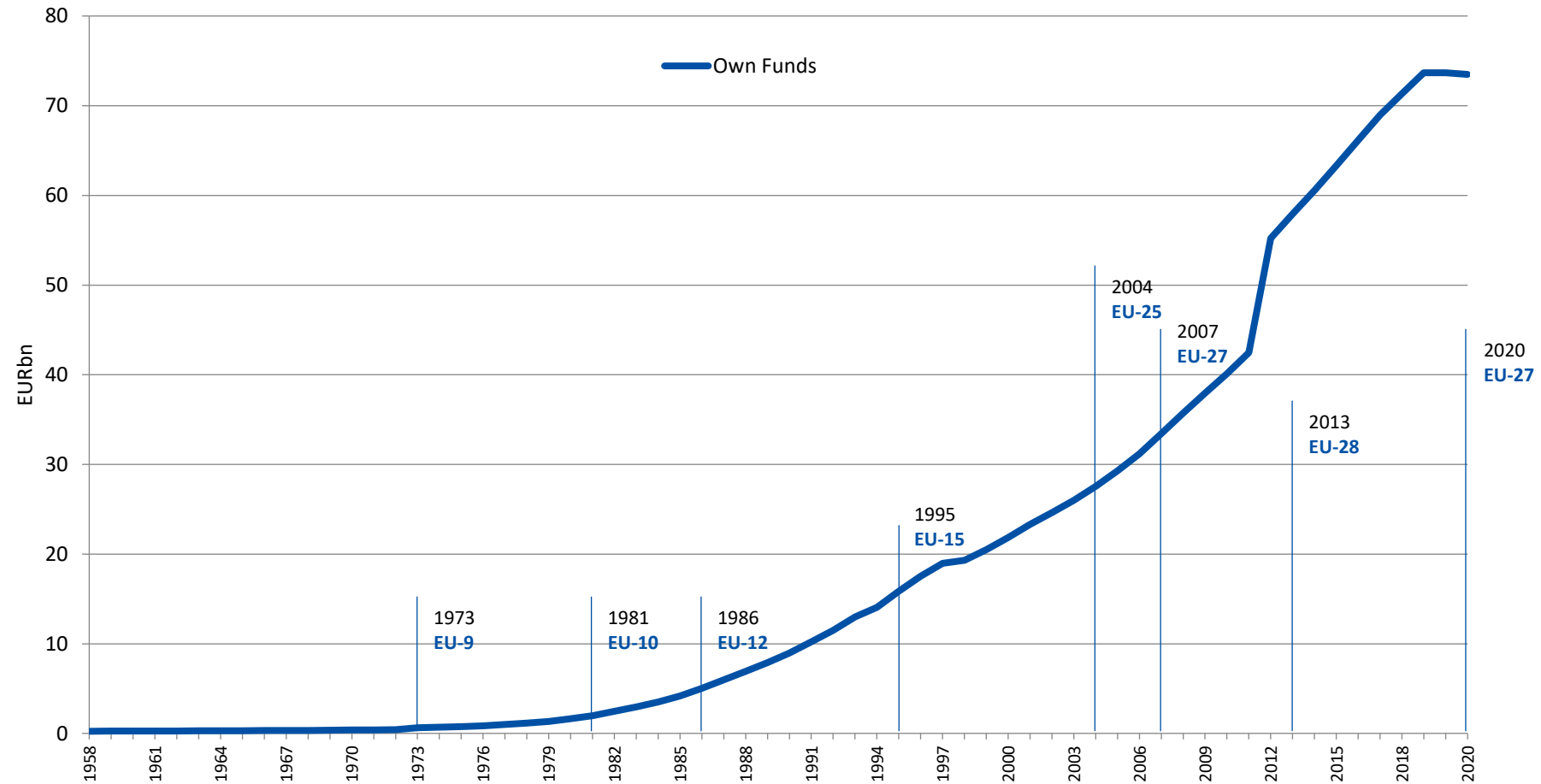


- ▶ Gradually increase share of climate action and environmental sustainability to 50% by 2025.

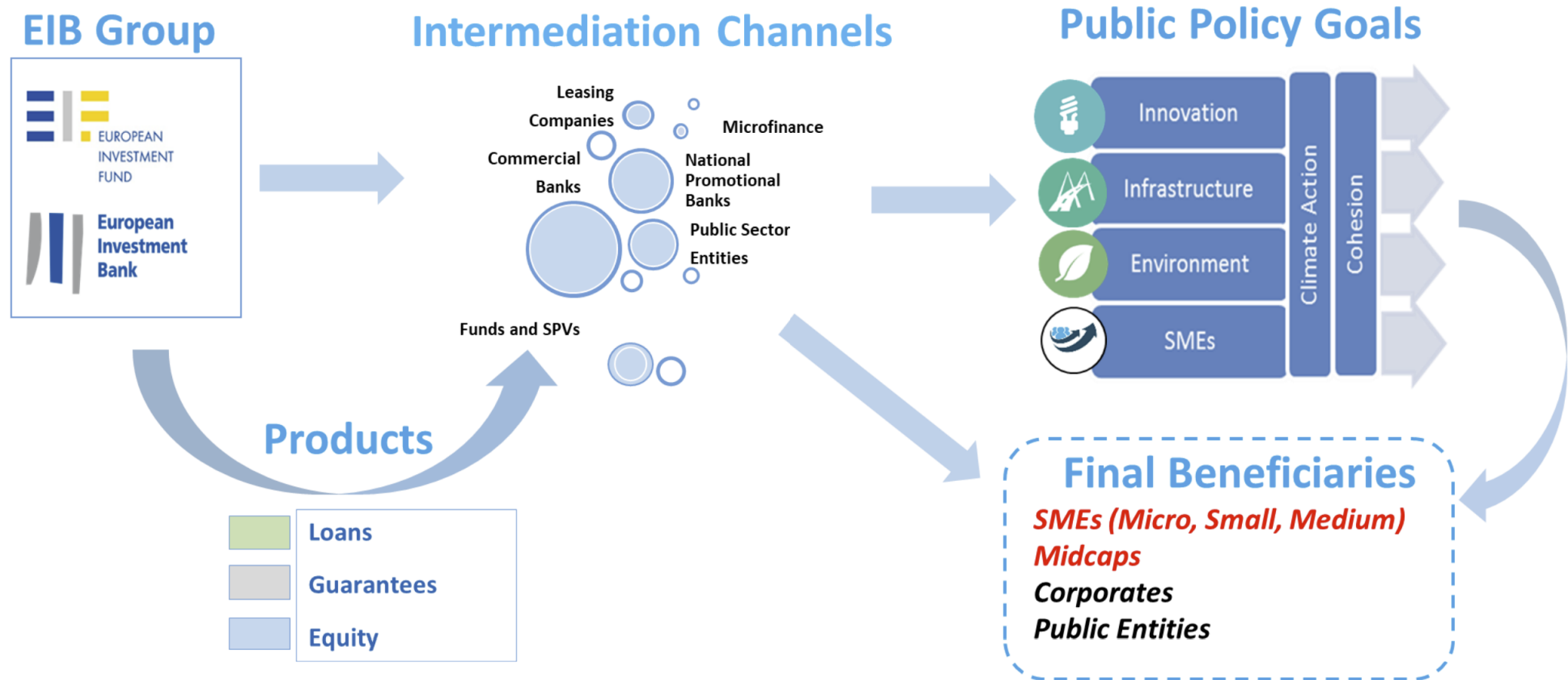


- ▶ Align all activities with Paris agreement principles by end-2020.

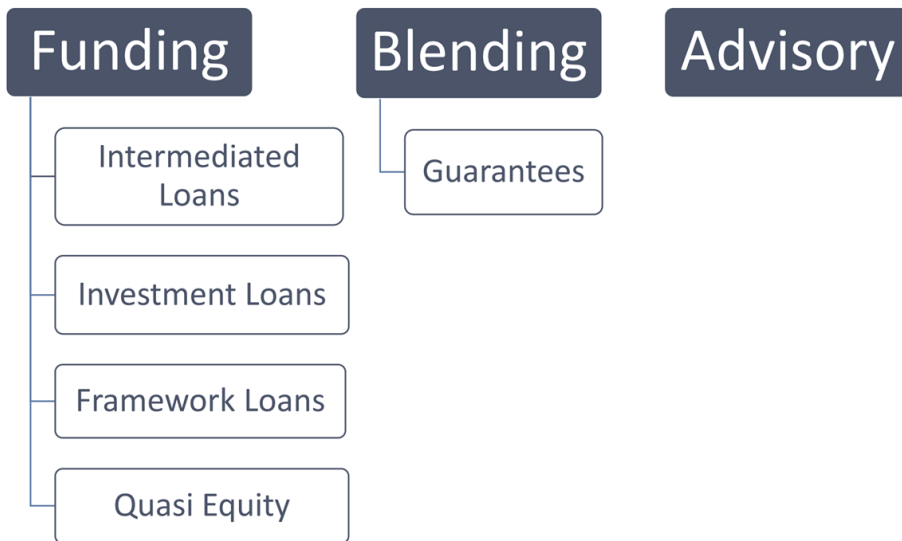
# EIB own funds since its foundation



# Stylised representation of EIB activities



# Stylised categorization of EIB activities



Each transaction is tailored to the needs of the project



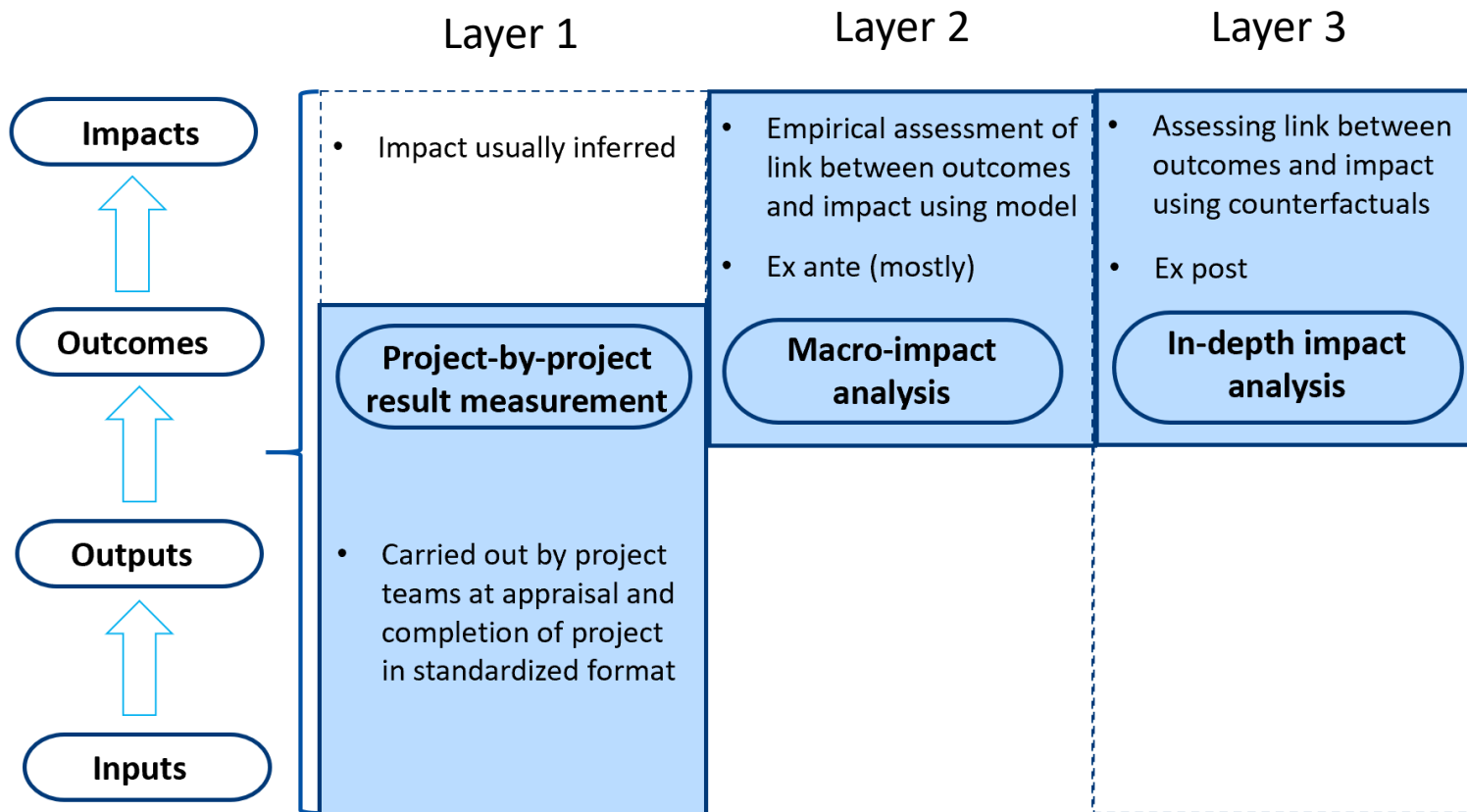
Our products are generally classified into loans, guarantees, equity investments, and advisory services



The products can be combined or blended with other sources of public financing

### 3 How the EIB knows its activities matter

# Ensuring additionality through three layers of impact analysis



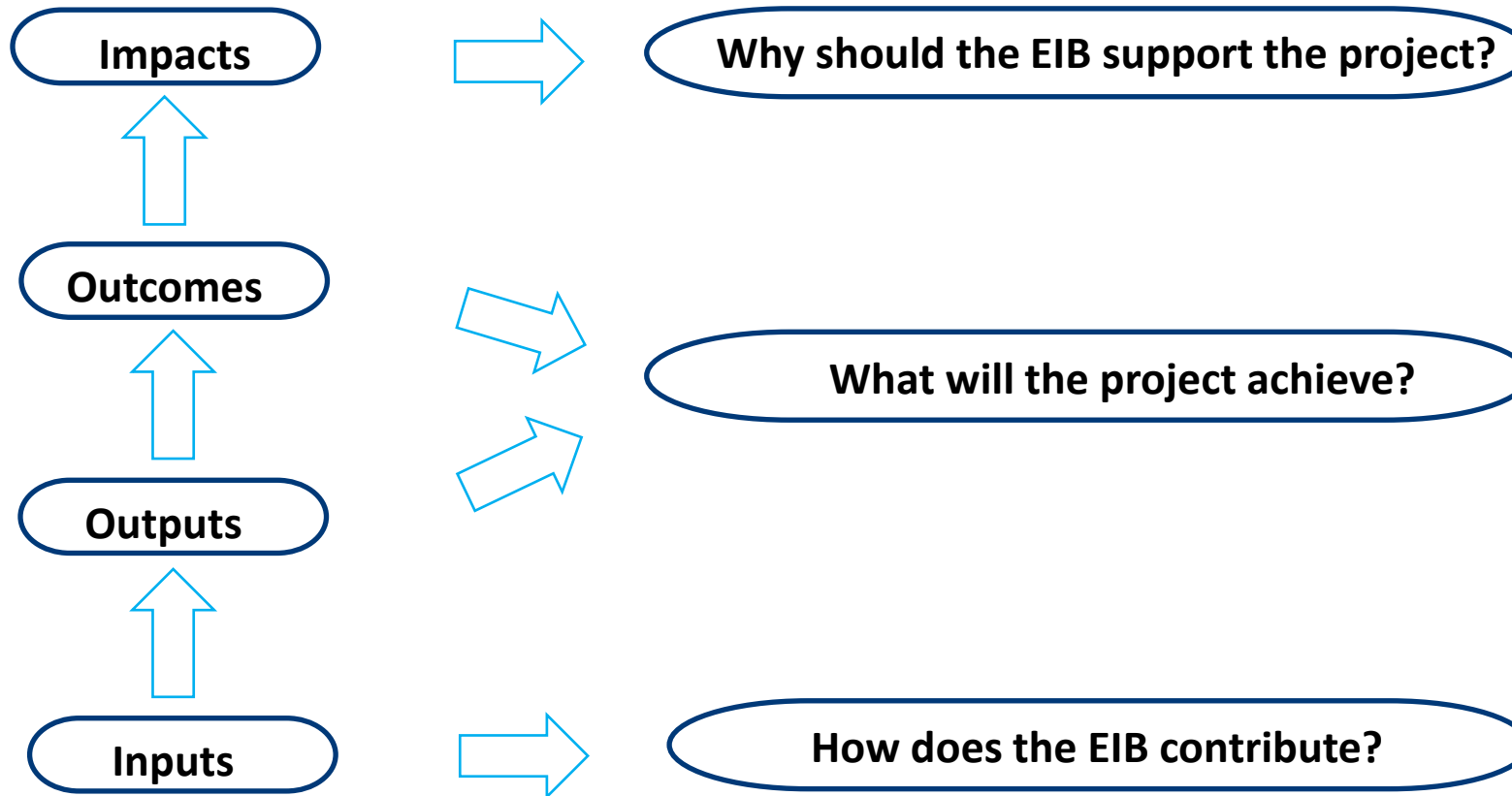
## Additionality aspects

- Passing on favourable credit conditions to clients
- Financing innovation
- Mobilise rather than crowd-out private investment



# Assessing project results and additionality

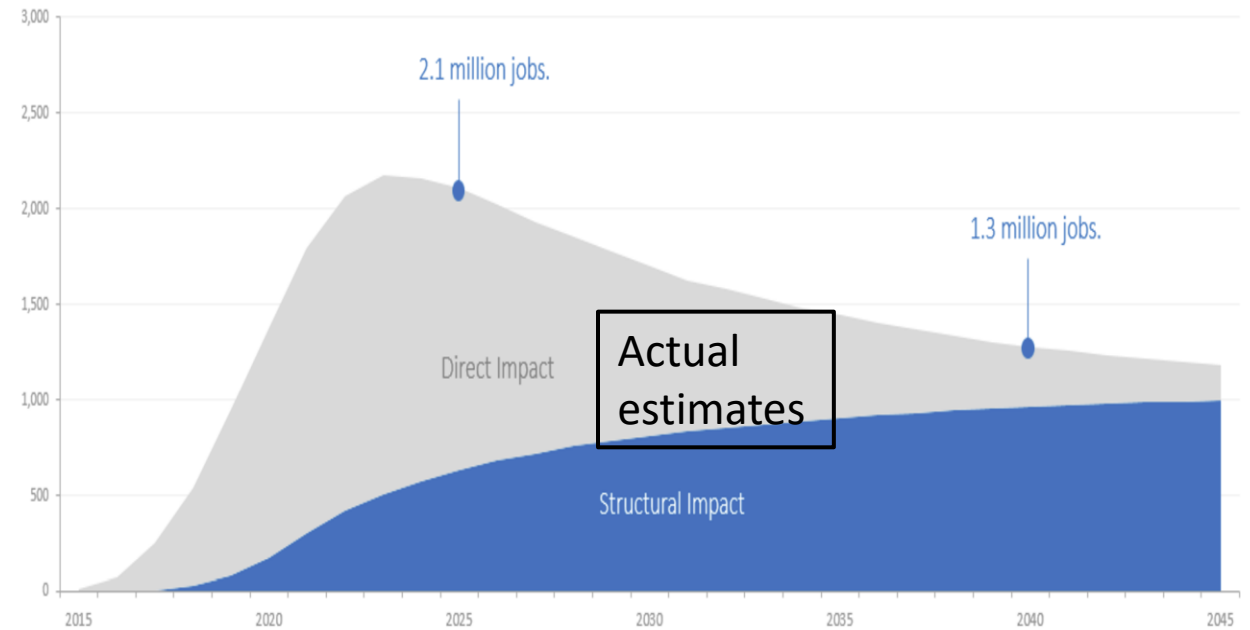
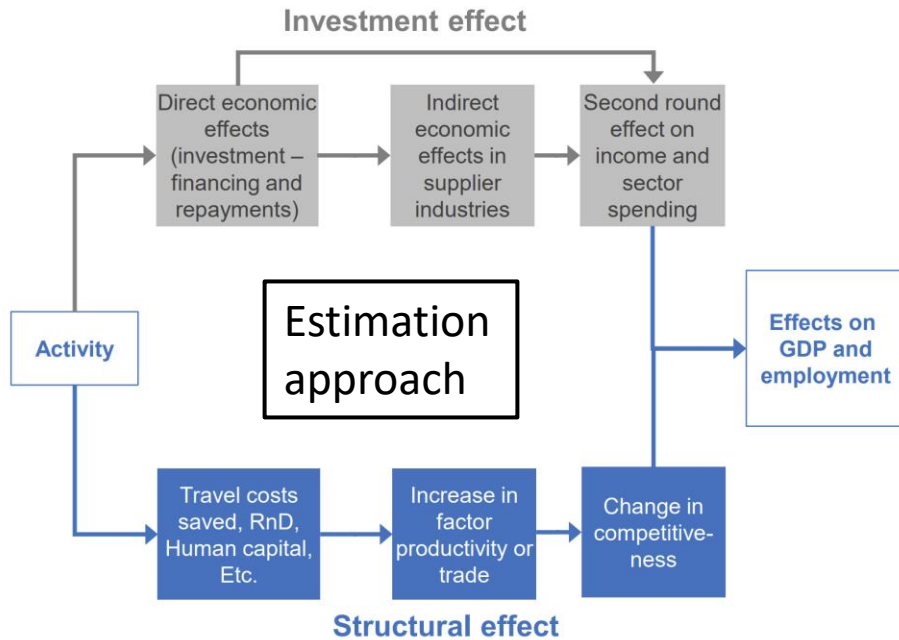
## EIB's Additionality and Impact Measurement (AIM) framework



- Additionality assessed systematically and throughout project lifespan
- An organisation-wide framework is used for such assessment and the reporting on the EIB contribution to its policy goals

# Macroeconomic modelling

Example: Estimates using RHOMOLO-EIB model to assess EFSI functioning  
(part of third comprehensive report for period from 2018 to 2020 completed in April 2021)

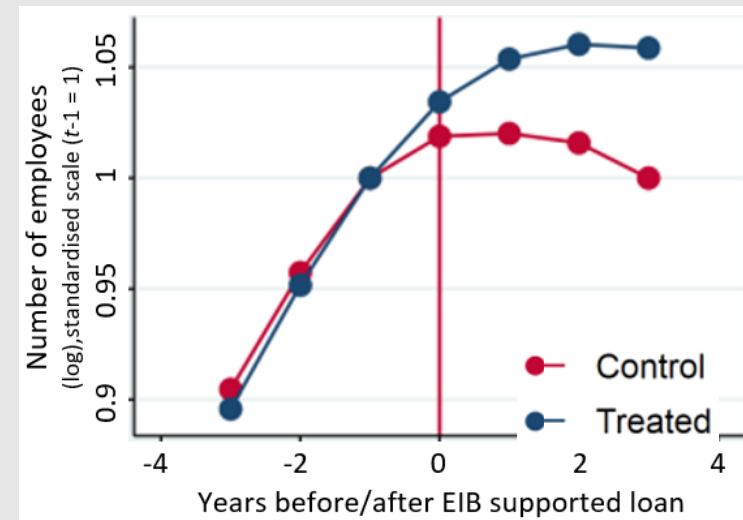


# In-depth impact studies: Conceptual approach

- Analysing selected projects or product types in greater depth
- Allows one to verify validity of interpretation of how project outputs and outcomes lead to impacts
- Counterfactual analysis and mostly ex post

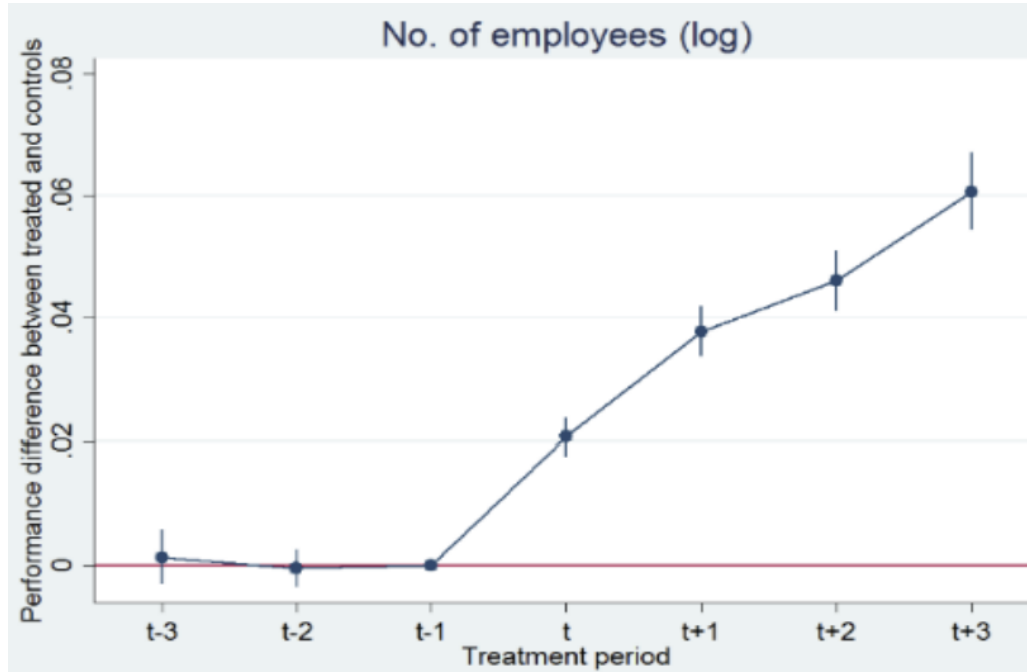
## Example of microeconomic impact assessment of EIB support to SMEs in the EU

- Quasi-experimental methodology
- EIB-supported SMEs paired with non-supported firms with similar financial data at the time of EIB support
- Results suggest positive impact on employment and investment for treated versus untreated sample firm

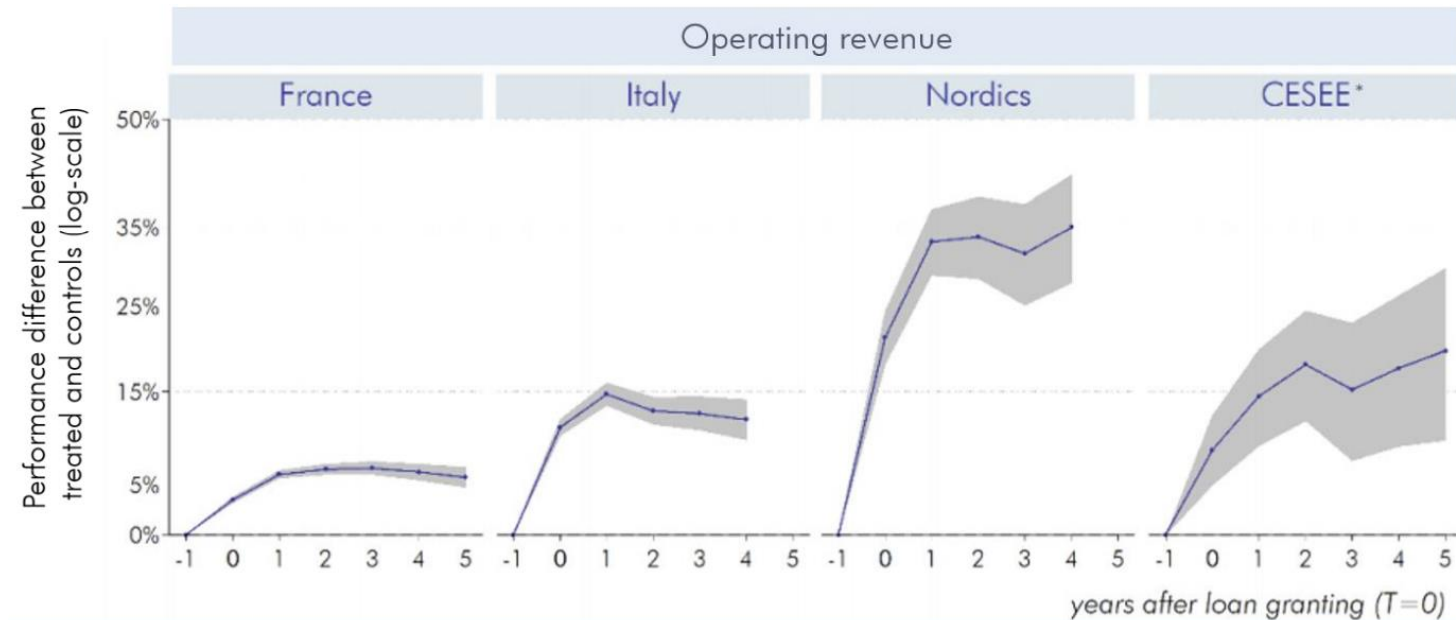


# In-depth impact studies: Some specific examples

Employment effects of EIB support through multiple beneficiary intermediated loans to SMEs



Operating revenue effects of EIF credit guarantee support to SMEs



Source: Amamou, R., Gereben, A., and Wolski, M. (2020), “Making a difference: Assessing the impact of the EIB's funding to SMEs”; Brault, J., and Signore, S. (2019), “The real effects of EU loan guarantee schemes for SMEs: A pan-European assessment”. Notes: SMEs in the EU.

## 3 Selected challenges

# Selected challenges

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- ▶ Staying the course when a large shock such as the recent pandemics hits.
- ▶ Public financial institutions are called upon more and more to provide in-depth impact assessment, while policy priorities continue to evolve.
- ▶ As the recovery solidifies, the appropriate financing mix provided by public financial institutions to corporates is likely to need some rebalancing, raising additional impact assessment challenges.





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More information at: [www.eib.org](http://www.eib.org)  
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**Thank you**

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