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**COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE EVALUATION**

InvestEU interim evaluation

{SWD(2024) 228 final}

The InvestEU Programme is a flagship EU investment programme designed to support and mobilise investment across the EU through a policy-driven and market-based approach. It consists of the InvestEU Fund, the InvestEU Advisory Hub and the InvestEU Portal.

This umbrella Programme unifies 14 formerly independently managed EU financial instruments and advisory initiatives into a single, cohesive investment support programme characterised by open architecture. While the EIB Group remains the main partner (implementing 75% of the InvestEU guarantee), InvestEU's open architecture also welcomes National Promotional Banks and Institutions (NPBIs) and International Financial Institutions.

The evaluation covers data and results from the start of the Programme until 31 December 2023 and it is essentially based on an independent study carried out by an external contractor (ICF SA). Data that became available after 31 December 2023 reinforces the findings of the study.

The main evaluation findings are as follows.

Implementation of the InvestEU Fund is well advanced, with 90% of the EUR 28.79 billion available EU guarantee¹ allocated to 16 Implementing Partners (IPs) after only two years of implementation. Almost 80% of the allocated guarantee (i.e. EUR 20 billion) was already approved and 30% signed for operations by the IPs. By the end of 2023, six Member State compartments were set up to address specific national needs, while blending options were used in the form of top-ups from eight EU sectoral programmes.

InvestEU IPs offer a comprehensive range of financing solutions to adequately meet diverse market needs including traditional financial products and innovative solutions.

The InvestEU Fund provides clear added value and its guarantee features high additionality, enabling IPs to engage with higher risk counterparts, deploy riskier financial products or conditions, and finance activities with inherently higher risk. InvestEU also enables final recipients to undertake high policy priority investments that could not otherwise secure market financing on reasonable terms². Economic simulations suggest a remarkable impact of InvestEU on investment, growth and employment, compared to a no-intervention benchmark.

InvestEU is having a meaningful crowding-in effect. Based on the operations approved as of end-2023, the InvestEU Fund is estimated to mobilise around EUR 218 billion in additional investment, with EUR 141 billion (65%) expected from private sources. For the EU

¹ Including EU and Member State compartments as well as top-ups from other programmes and contributions from Norway and Iceland.

² Notably, 95% of project promoters reported that their projects would have either not proceeded at all or not as planned without InvestEU financing. The most important contributions of the InvestEU guaranteed financing, as perceived by the survey respondents, seem to be financial aspects such as the cost of financing, the amount of financing received and the maturity.

compartment alone, the Fund is estimated to mobilise EUR 204.81 billion against an expectation of EUR 372 billion by 2028, with an anticipated multiplier effect of 14.76.

Budgetary guarantee instruments like InvestEU are inherently efficient for the EU budget, offering advantages over grants through a higher multiplier effect and over financial instruments through their partial provisioning. The provisioning level is deemed adequate to cover future liabilities. Regarding the efficiency of governance, a structured information-sharing and collaboration framework between IPs and Advisory Partners (APs), supported by the Commission, is currently ensured through the two compositions (plenary and Member State composition) of the Advisory Board and the bilateral policy review dialogues between the Commission and the IPs and APs. Yet, the operational efficiency of InvestEU is affected by the burden associated with the reporting requirements, which the IPs consider excessive for pillar-assessed entities.

The InvestEU Programme has demonstrated adaptability and flexibility to respond to most emerging policy priorities and investment needs. The policy scope of its four windows is broad enough to allow for an effective orientation of support towards new and emerging priorities. For example, InvestEU has increased its support for wind power generator manufacturing and deployment in response to the European Wind Power Action Plan. In addition, eligibility criteria were extended to support the Net-Zero Industry Act related technologies and their manufacturing. Furthermore, an Export Credit Guarantee Facility was launched to support exports by European companies to Ukraine, and a new financial product was introduced to support exploration of Critical Raw Materials.

The market-based approach of the Programme, implemented in indirect management by IPs sharing risks and contributing to the Programme, **allowed addressing EU policy priorities while aligning interests and leveraging private sector finance.** In addition to the eligibility requirements set in the legal base and the Investment Guidelines, policy steer was effectively delivered by regular policy review dialogues. Nevertheless, it has proven more challenging to invest in and support certain policy areas, such as biodiversity and defence, due to the lack of market demand or the internal rules of the IPs.

The implementation of the InvestEU Advisory Hub is well underway. By the end of 2023, Advisory Agreements had been signed with six APs and a Memorandum of Understanding with CINEA, for a total of EUR 374.4 million EU budget contribution in support of a diverse range of advisory initiatives (27 initiatives) providing advisory support to 844 assignments.

The support provided by the InvestEU Advisory Hub is comprehensive in type, eligible area, and reach. Project advisory constitutes the majority of assignments, the rest being allocated to capacity building and market development activities. All eligible areas are covered, albeit to varying extents. Beneficiaries of advisory support include SMEs, corporates, and public authorities across all 27 Member States, although to different degrees of coverage. EIB, CEB and EBRD have a wider geographical reach whereas involvement of NPBI increases local presence, facilitates client proximity, and leverages local knowledge.

It is too early to fully assess the impact of the InvestEU Advisory Hub, with many assignments (77% of the allocated budget) still in progress or in the pipeline. However, the sample of beneficiaries interviewed have expressed satisfaction with the quality of services. Advisory support is crucial for generating project pipelines, including for innovative projects for the green and digital transition, building client capacity, and developing nascent markets, with clear targets for projects that align with EU policy objectives.

The InvestEU Portal shows initial engagement, but it is yet to demonstrate EU added value apart from matchmaking events. As of end-2023, more than 1,500 projects were published and the Portal co-organised 48 matchmaking and pitching events. The Commission keeps expanding its collaboration with partners and stakeholders to leverage the potential and outreach of the InvestEU Portal. Events and ‘other’ channels, which may include word of mouth, are increasingly significant communication channels for potential investors. Hence there is scope for further promotion strategies and wider engagement in the investors’ community, as well as building synergies with similar platforms. This would require additional human and financial resources.

The InvestEU Programme has achieved notable successes and has the potential to be even more impactful as a powerful means to effectively leverage public and private resources, supporting key Union policy priorities and emerging priorities. Moreover, the strong demand for the InvestEU Fund (repayable) products highlights their necessity and relevance in today's economic landscape. For example, the demand for EIB’s innovation and green transition thematic products (venture debt/ quasi-equity) significantly exceeds the available resources and demonstrates the need to de-risk these crucial projects to continue to crowd in private finance.

However, **the budget is inadequate relative to the high demand and significant investment needs.** Without budgetary reinforcements, new approvals for some policy priority products will cease post-2025. In light of the above, the Commission should consider ways to enhance the financial capacity of InvestEU in the remaining programming period and build on these lessons learnt in the longer term.

The umbrella framework facilitates a coherent approach and allows the Commission to provide policy direction and synergies across IPs and financial intermediaries.

The Commission and IPs have deployed considerable resources in setting up jointly a well-functioning programme. The ambition to participate in an EU programme encouraged the IPs to develop their business models and align with EU standards, become more competitive, offer more diversified products, resulted in higher number of projects and final recipients. A key takeaway from the independent study for the future is that building on existing legal and contractual arrangements, as well as leveraging established monitoring and reporting infrastructure, could ensure a certain continuity and facilitate the deployment of financial products in the market. The Commission could also further simplify and promote standardisation to reduce the complexity of certain approval and reporting arrangements, while ensuring sound financial management and control. Moreover, the administrative

framework may be simplified to be more conducive to an EU repayable support implemented by pillar assessed institutions under indirect management.

The Advisory Hub has been effective in targeting sectors and policy areas aligned with the InvestEU eligibility requirements and EU priorities. Short-term improvements could include enhancing visibility and awareness of the Advisory Hub offer and revamping the central entry point, and continuous alignment with evolving EU policy priorities.

The Portal has the potential to add value to the wider investment ecosystem but increasing financial and technological support are crucial to enhance the Portal's functionality.

Further promoting structured information sharing and collaboration between IPs and APs through **the InvestEU governance structures**, while respecting confidentiality, could also offer short term improvements.