



EIB GROUP EVALUATION

# Evaluation of EIB advisory activities in the European Union

November 2023



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## **Evaluation of EIB advisory activities in the European Union**

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# Abbreviations

<b>ASApp</b>	Advisory Services Application
<b>BPI</b>	French Public Investment Bank (Banque Publique d'Investissement)
<b>CDP</b>	Italian National Promotional Bank (Cassa Depositi e Prestiti)
<b>DG ECFIN</b>	Directorate-General for Economic and Financial Affairs of the European Commission
<b>DG REFORM</b>	Directorate-General for Structural Reform Support of the European Commission
<b>DG REGIO</b>	Directorate-General for Regional and Urban Policy of the European Commission
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>ECA</b>	European Court of Auditors
<b>EEEF</b>	European Energy Efficiency Fund
<b>EFSI</b>	European Fund for Strategic Investments
<b>EIAH</b>	European Investment Advisory Hub
<b>EIB</b>	European Investment Bank
<b>EIF</b>	European Investment Fund
<b>ELENA</b>	European Local Energy Assistance
<b>EPEC</b>	European PPP Expertise Centre
<b>ESIF</b>	European Structural and Investment Funds
<b>FAFA</b>	Financial and Administrative Framework Agreement
<b>FIA-BAS</b>	Financial Instruments Advisory–Bilateral Advisory Services
<b>FTE</b>	Full-Time Equivalent
<b>IFC</b>	International Finance Corporation
<b>IFI</b>	International Financial Institution
<b>JASPERS</b>	Joint Assistance to Support Projects in European Regions
<b>JTM</b>	Just Transition Mechanism
<b>KPI</b>	Key Performance Indicator
<b>MFF</b>	Multiannual Financial Framework
<b>NCFF</b>	Natural Capital Finance Facility
<b>NER 300</b>	New Entrants' Reserve 300
<b>NPB</b>	National Promotional Bank
<b>PAS</b>	Project Advisory Support
<b>PASSA</b>	Project Advisory Support Service Agreement
<b>PDA</b>	Project Development Advice
<b>PF4EE</b>	Private Finance for Energy Efficiency
<b>PISSA</b>	Project Implementation Support Service Agreement
<b>PPP</b>	Public–Private Partnership

<b>PSLF</b>	Public Sector Loan Facility
<b>RRF</b>	Recovery and Resilience Facility
<b>SMEs</b>	Small and Medium-sized Enterprises
<b>SMEFF</b>	Small and Medium-sized Enterprise Finance Facility
<b>SRSS</b>	Structural Reform Support Services
<b>TARGET</b>	Technical Assistance for a Green Energy Transition
<b>URBIS</b>	Urban Investment Support
<b>VIPA</b>	Lithuanian Public Investment Development Agency (Viešųjų Investicijų Plėtros Agentūra)

# Key terms

<b>Advisory platform</b>	<p>Central entry point for clients, being either:</p> <ul style="list-style-type: none"> <li>• A central information point for clients interested in being informed on the EIB Group's offer (usually a trade name for promoting a range of diverse services).</li> <li>• A central access point for clients interested in submitting a request for support (usually a web page).</li> </ul> <p>For example, Urban Investment Support (URBIS) was a central information point for urban authorities on the EIB's financing programmes and advisory activities on urban development; similarly, the Climate Adaptation Investment Advisory Platform (ADAPT) is a central information point for promoters interested in the financing of climate adaptation investments. To access services, the target groups of URBIS had to process their request through a central access point, the European Investment Advisory Hub (EIAH) website.</p>
<b>Framework</b>	<p>Formal programme based on financial support pledged exclusively by the EIB, by a third party (mandator) or by both. For the purposes of this evaluation, the Evaluation Division distinguishes between advisory frameworks (focused exclusively on providing technical assistance and advice) and other frameworks (which may combine financial investment with technical assistance and advice).</p>
<b>Initiative</b>	<p>Umbrella under which a set of services is grouped to form a coherent concept or approach managed at the Bank or Group level. An initiative can be financed under a dedicated framework or under a broader framework.</p>
<b>Mandate</b>	<p>Formal agreement entered into by the EIB with external partners for achieving common objectives, with financial support pledged by a third party (mandators).</p>
<b>Technical assistance</b>	<p>All expert advice and expertise-based tasks delivered by the EIB or by consultants managed by EIB staff with the aim of assisting other European Union (EU) institutions, national and local authorities, project promoters and financial intermediaries to develop and implement programmes and projects or improve their institutional or regulatory arrangement. For the purposes of the Financial and Administrative Framework Agreement (FAFA), technical assistance includes "technical assistance services" provided under grants/service contracts (direct management) and "additional tasks" provided under delegation agreements (indirect management). Technical assistance does not include asset management services or trusteeship and treasury activities carried out by the EIB on behalf of third parties.</p>
<b>Technical assistance programme</b>	<p>Any technical assistance initiative that includes most or all of the following elements:</p> <ul style="list-style-type: none"> <li>• Contains a number of individual technical assistance assignments.</li> <li>• Involves a number of individual beneficiaries.</li> <li>• Provides for an institutional arrangement, such as specific governance arrangements or predefined consultation mechanisms, as well as specific reporting obligations applying to the delivery of specific technical assistance assignments by the EIB.</li> <li>• Implies wide and sustained involvement by the EIB in setting up and managing the initiative on a continuous basis.</li> <li>• Runs for a pre-defined period.</li> </ul>
<b>Technical assistance assignment</b>	<p>The provision of technical assistance services to individual beneficiaries within a technical assistance programme.</p>
<b>Technical assistance project</b>	<p>The provision of technical assistance services to individual beneficiaries outside the scope of a technical assistance programme. Technical assistance projects can be approved as part of a mandate.</p>

Source: Operations Directorate/Advisory Services Department procedures manual.

# Executive Summary



## Context

**The European Investment Bank's (EIB's) advisory activities are intended to complement its lending activities.** Formally incorporated into the EIB statute in 2009, advisory is primarily co-funded by mandators, mainly the European Commission. The EIB has funded about 30% of the costs of all the advisory activities it has delivered since 2014.

**EIB advisory aims at strengthening and accelerating sound investment in the European Union.** It is designed to enhance the bankability, investment readiness and efficient implementation of projects. It does so by improving the technical and administrative capacity of partners and indirectly enhancing their financial capacity.

**Advisory is also intended to help the EIB deliver on its public policy goals.** It aims to accelerate EIB disbursements, provide more financing opportunities for the EIB Group in the area of its public policy goals and raise its visibility and reputation. Furthermore, EIB advisory supports the acceleration of the green and digital transition and the reduction of disparities between EU regions' development levels.

**The EIB advisory portfolio has expanded and diversified over time.** It covers a wide range of services: technical advisory, financial advisory, market development and institutional support. In the European Union, most EIB advisory focuses on direct project support, but EIB advisory also includes upstream support and capacity building. While EIB advisory is deployed by both in-house and external experts, it relies to a great extent on EIB's in-house expertise, notably for technical mandates. The EIB's organisational set-up for managing advisory has significantly evolved over the last decade and continues to do so.

**This corporate evaluation analyses advisory from an EIB perspective.** It covers the EIB's organisation, processes and business model. Its scope includes all advisory activities and technical advice provided by the EIB in the European Union since 2014, building on a variety of sources. It takes place within a context of ongoing discussions about the future of EIB advisory, its contribution to the Group's operational activities and its current organisational structure.



## Key Findings

**EIB advisory: an unparalleled range of services, but low visibility to internal and external audiences**

**Building on its mandates, the EIB has developed an advisory portfolio that is distinct from, and complementary to, those of other advisory providers.** The combination of skilled technical and financial expertise, extensively delivered by in-house specialists, gives the EIB a unique position relative to its peers. Mandators value this special expertise and have often granted the EIB a privileged position in order to access it (exclusivity or a significant share of mandates). The accumulation of mandates over time has enabled the EIB to develop a varied advisory offer that is largely complementary to those of its peers.

**Despite its many strengths, the EIB's overall advisory offer is not well known within or outside the Bank.** Mandators and target groups are typically unaware of all available EIB advisory activities. Flagship mandates such as JASPERS and ELENA are known for their own brands, but awareness about the EIB's entire advisory offer is lacking externally and internally. Information on the EIB advisory offer is fragmented. While other advisory providers communicate about their products targeted to clients, the EIB communicates mainly about its

mandates and funding sources. Some attempts have been made to communicate in a targeted way to specific client types, but these efforts have not always been successful. This lack of visibility affects the brand recognition of EIB advisory, and it hampers the EIB's interactions with target groups. Internally, EIB loan officers often lack awareness about EIB advisory products.

#### **EIB advisory's business model involves a complex balance between known costs and less measurable benefits**

**During the 2014–2022 period, the EIB decided to contribute financially to almost all its advisory mandates, expecting advisory to bring direct and indirect benefits to the Group.** Specifically, advisory was expected to raise the EIB's profile in the domains covered by these mandates, to increase business opportunities and to enhance lending operations. These benefits are expected ultimately to outweigh the cost of the EIB's financial contribution to its advisory mandates.

**Advisory mandates have supported a substantial volume of EIB operations, albeit with varied intensity.** Since 2014, JASPERS, EIAH and PAS have supported the largest volume of EIB operations. Project development and capacity building advice has directly or indirectly facilitated EIB disbursements, generating lending revenues over time. In addition to supporting lending operations, advisory activities have enhanced the EIB Group's visibility, reputation and ability to engage in new fields.

**It is challenging to assess to what extent the benefits of advisory activities outweigh the cost of the EIB's financial contribution to these mandates.** While the costs can be readily computed, the benefits, although substantial, are difficult to quantify and to attribute outright to advisory activities.

#### **The organisation of EIB advisory: after years of evolution, objectives only partly achieved**

**The EIB's organisational arrangement for managing advisory has evolved considerably over the last decade and is still evolving.** After 2020, the EIB's organisation moved from a central department overseeing all EIB advisory, including strategic directions, implementation and reporting, to a split between the Operations Directorate<sup>1</sup> (in charge of managing and delivering non-technical advice) and the Projects Directorate<sup>2</sup> (in charge of delivering technical advice and managing technical advisory mandates). The Operations Directorate is in an ongoing reorganisation of its Advisory Services Department by client segments (public sector, PPPs, banks, corporates) as an alternative to its existing structure, specialised by mandate and funding source. Within the Projects Directorate, the management of mandates is ensured by dedicated divisions or units, whereas the technical experts assigned to these mandates are usually embedded within sectoral units or divisions, for the sake of mutual learning and coherence of the advice provided.

**As of 2023, the objectives of these various reorganisations have been only partly achieved.** These reorganisations were aimed at ensuring efficiency, coordination and consistency, offering a holistic response to clients' needs and facilitating advisory's contribution to lending. Some areas have moved successfully towards the intended goals, while some others remain challenging. The coordination and consistency of technical advisory have improved within the Projects Directorate, leading to efficiency gains and reducing the risk of providing conflicting advice. Coordination within the Advisory Services Department has also improved greatly since a new Assignments Review Committee was put in place to screen requests it receives and allocate its assignments. But coordination and synergies are still limited between the assignments managed by the Advisory Services Department and those managed by the Projects Directorate.

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<sup>1</sup> The Operations Directorate carries out its advisory activities through a dedicated department (Advisory Services) with specialised advisory teams. Advisory Services manages the following advisory mandates: InvestEU Advisory Hub, fi-compass, InnovFin, EIAH, Innovation Fund PDA, Assistance to DG Reform, as well as EPEC and Bilateral Advisory Services (BAS). Advisory Services is also in charge of transversal tasks, such as strategic coordination, monitoring and external procurement.

<sup>2</sup> The Projects Directorate mobilises its in-house technical experts. These are either fully dedicated to specific mandates or working both on EIB lending activities and on advisory assignments. The Projects Directorate manages the following advisory mandates: JASPERS, ELENA, Innovation Fund PDA, PAS and TARGET. Under the Modernisation Fund, it also undertakes EIB's task of confirming whether a proposed investment falls into a priority area, along with other specific tasks set out in the relevant legislation undertaken by the EIB's Finance Directorate and the Secretariat General.

Three main reasons explain why the reorganisation plans affecting EIB advisory have been only partly successful. Specifically:

- ***The management of advisory activities is still focused on mandates, not clients.*** Each mandate is managed by a dedicated unit or division. While this mandate-oriented structure facilitates direct dialogue with and reporting to each mandator, it implies that several divisions or units deal with the same type of client, theme or sector. This organisation has created parallel rather than joint procedures and monitoring systems for advisory initiatives working on similar topics for similar clients. The absence of strong operational oversight across EIB advisory mandates creates silos. It limits communication with and visibility to target groups; it results in a risk of duplication and competition among advisory initiatives; and it fragments delivery models, governance arrangements, monitoring and reporting systems. Efforts are being made in the Advisory Services Department to end fragmentation by adopting a more client-oriented approach. However, processes and mechanisms are not yet fully adapted to this new perspective.
- ***Coordination of requests across directorates is insufficient.*** To date, there has been no formal coordination of advisory requests between the Advisory Services Department and the Projects Directorate. The point at which requests are received and discussed is the point where potential synergies, overlaps or duplications can be identified and dealt with. After assignments are launched, it is too late for such coordination. The lack of coordination on advisory requests between the Projects Directorate and the Advisory Services Department impedes the more systematic linking of technical and non-technical advisory. Furthermore, coordination of the client relationship across directorates is very limited. Lastly, interaction between the advisory and lending teams remains informal, and is constrained by a lack of awareness among EIB loan officers about EIB advisory products, several loan officers not yet being convinced that advisory activities bring value to their lending activities, and some loan officers believing that advisors do not understand their business environment or their needs.
- ***EIB technical experts with responsibility for both advisory and lending operations sometimes have difficulty dedicating time to advisory assignments.*** They have to decide between core business priorities (new project appraisal, existing project monitoring) and support to advisory assignments. And because requests for advisory support are irregular and sometimes unpredictable – making planning for such activities difficult – external expertise is in certain cases used to compensate for a lack of internal resources (rather than being used, as it should be, to leverage and complement internal expertise). Furthermore, the EIB Strategic Orientations for advisory promote its increasing integration into the core business of the Group, including its support to lending activities. Yet, incentives for using advisory to support EIB operations vary among services: they are high within the Advisory Services Department (where the contribution of advisory to lending is an explicit objective), but low for loan officers (no formal objective to mobilise advisory for their lending operations) and equally low within the Projects Directorate (no target or tool is in place to encourage a contribution by Projects Directorate-managed advisory assignments to lending, in either the short or the longer term).



## The Way Forward

### Completing the ongoing shift towards a client-oriented management of advisory activities

Until now the management of most advisory activities has mirrored the sources of financing, each mandate being managed by a dedicated unit or division. This structure has created parallel, rather than joint, procedures and monitoring systems for advisory initiatives working on similar topics for similar clients.

The current organisation of advisory within the Projects Directorate, by sector, allows for consistency and synergies in technical work. Within the Operations Directorate, the ongoing reorganisation of the Advisory Services Department by client segment, neutral to the source of financing, is expected to address some of the current limitations. At the Bank level, however, processes and tools are not yet fully adapted to accompany such

a transition. Furthermore, coordination of requests across directorates is insufficient, hampering a more holistic advisory response to clients' needs.

- **Recommendation 1: Ensure that processes and tools are fit for client-oriented management of advisory activities.** To this end, consider: developing a client relationship management system for large advisory clients; ensuring that the various advisory assignments received by a client across EIB mandates can be tracked efficiently; defining a professional communication strategy and approach by client segment; and intensifying the coordination of advisory requests across directorates, between the mandates managed by the Advisory Services Department and those managed by the Projects Directorate. This does not imply that the Projects Directorate should change its internal organisation or way of interacting with clients; what is needed is enhanced coordination of client-related information between directorates.

#### Stimulating the engagement of in-house technical advisors

Mandators value the EIB's unique in-house expertise, but in some instances they perceive that the EIB is not mobilising such expertise to the expected level. This is partly because the EIB has sometimes deployed external consultants to compensate for the lack of available in-house technical expertise rather than to complement it. Mandators want to be reassured that, even when consultants are mobilised, the EIB consistently applies its quality stamp to every advisory assignment it manages.

Furthermore, there are fruitful examples of complementarity between JASPERS and other advisory initiatives managed by the Advisory Services Department, under the Hub in particular. Yet, this combination of mandates was often due to ad hoc or informal exchanges, not to systematic arrangements. Where JASPERS alone is not able to provide advice to its clients (e.g. on downstream support, or for a type of advice ineligible under JASPERS), there is room to explore more systematically the potential for other initiatives to jump in and complement its interventions.

- **Recommendation 2: Mobilise in-house technical advisors strategically.** In particular:
  - Ensure that Projects Directorate's in-house technical advisors requested for procurement support and for advisory assignments have the incentives and time to provide their inputs.
  - Explore a formal quality assurance system to guarantee that the EIB consistently applies its quality stamp to mandators and beneficiaries across assignments.
  - Explore ways to enhance the contribution of JASPERS' advisory work to other EIB advisory activities.

#### Enhancing the direct and indirect contribution of advisory to EIB Group activities

The EIB promotes an increasing integration between its advisory and lending activities, in order to accelerate EIB disbursements, provide more financing opportunities in the area of its public policy goals and raise its visibility and reputation. However, this objective has not always been mentioned in its mandate agreements, and the advisory activities falling under these mandates are not formally expected to support EIB lending. Furthermore, the EIB has not yet clearly defined its operational interest in the medium term (two to five years), so the prioritisation of advisory activities remains opportunistic. For example, no guidance exists on how to use upstream studies to explore emerging demands, niche markets or new and innovative support fields. As a result, upstream studies are generally not used strategically and are not always valued within EIB services. By contrast, the EIF makes more proactive use of upstream studies to identify emerging needs, explore opportunities and design innovative products.

The EIB should also acknowledge the longer-term contribution made by technical advisory mandates to its lending activities. In some cases, important technical advisory mandates focus on developing capacities and the feasibility of projects. Assignments falling under these mandates should be expected to bring an operational interest to the Bank, not in the short term, but rather in the longer term.

- **Recommendation 3: Define the value proposition of EIB advisory, including its fields of interest for the next three years.** Clarity on a three-year horizon would enable the EIB to better define its position and

interests as a partner in the negotiation of future advisory mandates; to define which assignments have an indirect or strategic interest; to acknowledge the longer-term contribution made by technical advisory mandates to its lending activities; and to give direction for how and where the EIB could invest selectively to explore emerging demands, niche markets and new and innovative support fields.

At present, some staff have greater incentives than others to explore the use of advisory in combination with lending. Within the Projects Directorate, the JASPERS and PAS teams have progressively reinforced their interaction with transaction teams. The integration of Advisory Services within the Operations Directorate has also built bridges between advisors and loan officers; yet additional actions are needed. Indeed, EIB loan officers show a lack of awareness – and sometimes of interest – about the potential benefits of EIB advisory to their lending activities. This lack of awareness poses a clear risk to the EIB's objective of enhancing the contribution of advisory to lending. Furthermore, heads of EIB offices are in some instances underused in relaying advisory needs.

- **Recommendation 4: Enhance staff awareness of EIB advisory and provide more consistent incentives for collaboration between advisory and transaction teams.** This may include investing in guidance, information tools and dialogue among advisors, loan officers, and investment mandate officers (where relevant). It could also include enhancing the mobilisation of heads of EIB offices to relay needs for EIB's advice.

#### Enhancing advisory portfolio monitoring

The current monitoring system, which comprises parallel mandate-specific monitoring and reporting procedures derived from individual agreements with mandators, does not provide useful information to the EIB as a partner and co-financier of its advisory mandates. The Bank has an interest in monitoring the use of its overall FTE resources and budget for advisory, but these aspects are not followed across mandates.

Furthermore, although the AIM framework estimates the type of contribution made by advisory to the origination, preparation, implementation or monitoring of EIB operations, these estimates are insufficiently shown and known internally. The result is a missed opportunity for advisory to demonstrate systematically its contribution to EIB lending.

- **Recommendation 5: Consider revising the internal monitoring of advisory to make it useful for the Bank.** This may include replacing the existing set of three EIB KPIs used for internal monitoring with information on, first, the distribution of assignments with an immediate or an indirect/strategic interest for the Group; second, the significance of the advisory's contribution to operations (using the AIM framework); and, third, the utilisation of available resources across advisory mandates (FTEs and budget). This may also include consolidating and enhancing the ASApp platform.

# Recommendations and Management Response

## Management Response to the Evaluation of EIB Advisory Activities in the European Union

The Management Committee welcomes the recognition of the EIB advisory unparalleled range of services that gives the EIB a unique position relative to its peers. Our Mandators value this special expertise and have often granted the EIB a privileged position in order to access it (giving the EIB exclusivity or a significant share of mandates). Mandators also value the combination of skilled technical and financial expertise, extensively delivered by in-house specialists.

The Management Committee acknowledges that despite its many strengths, the EIB's overall advisory offer is not well known within or outside the Bank. While flagship mandates such as JASPERS and ELENA are known for their own brands, awareness about the EIB's entire advisory offer is lacking both externally and internally. This lack of visibility affects the brand recognition of EIB advisory, and it hampers the EIB's interactions with target groups and clients.

The Management Committee welcomes the conclusion that advisory mandates have supported a substantial volume of EIB operations, albeit with varied intensity. This is particular the case of JASPERS, EIAH and PAS, that since 2014, have supported a large volume of EIB operations. The Management Committee also welcomes the conclusion that project development and capacity building advice has directly or indirectly facilitated EIB disbursements, generating lending revenues over time. In addition to supporting lending operations, advisory activities have enhanced the EIB Group's visibility, reputation and ability to engage in new fields.

The Management Committee acknowledges that it is sometimes challenging to assess to what extent the benefits of advisory activities outweigh the cost of the EIB's financial contribution to these mandates. The reason being that while costs are easy to compute, the benefits, although substantial, are more difficult to quantify and to attribute outright to specific advisory activities.

The Management Committee welcomes the insightful feedback provided through the Evaluation, which identifies key challenges in our current mandate-oriented approach to advisory activities. We concur that the fragmentation of operations, stemming from parallel procedures and the absence of robust operational oversight, has caused some operational inefficiencies that could be improved.

With regards to a transition to Client-oriented Structure, we understand the importance of this transitioning and appreciate the recognition of our efforts in this direction within the Advisory Services Department. We acknowledge that there is a significant work ahead to complete this transition and we are confident that greater focus on client segments will indeed bridge existing gaps and contribute to the creation of a more coherent offering that is better aligned with other areas of the Bank.

The Management Committee acknowledges that the absence of a comprehensive client relationship management system and the inadequacies in the advisory client monitoring system are current constraints that need to be addressed. We are exploring opportunities to adapt the 'sector/country' and 'global relationship' models for our advisory clients, drawing inspiration from our lending activities. Furthermore, we are expediting the integration of JASPERS into ASApp to ensure comprehensive client tracking.

In light of the evaluation recommendations, we will engage in a comprehensive review of our operational framework, focusing on the highlighted points. Our primary aim is to serve our clients better, ensure a seamless integration of services, and achieve operational excellence. We value the recommendations provided and commit to implementing relevant solutions to address the challenges identified.

The Management Committee would like to thank the Evaluation Division for the evaluation and its actionable recommendations. The conclusions of the Evaluation of EIB Advisory Activities in the European Union will be duly taken into account in the new reorganization of the EIB Advisory activities.

Table 1: Recommendations and management responses

## Recommendation 1

**Ensure that processes and tools are fit for client-oriented management of advisory activities. To this end, consider:**

- 1.1 Developing a client relationship management system for coordinating and overseeing the relationship with large advisory clients across directorates.**
- 1.2 Ensuring that the ASApp platform efficiently tracks all the advisory activities received by a client across EIB mandates, including those delivered by JASPERS.**
- 1.3 Defining a professional communication strategy and approach by client segment, which enables clients to identify the advisory products available to them across the EIB.**
- 1.4 Intensifying the coordination of advisory requests across directorates (between the mandates managed by the Advisory Services Department and the Projects Directorate) in order to stimulate synergies, efficiency and consistency between technical and non-technical advice.**

Rationale: The management of advisory activities is still mandate-oriented, each mandate being managed by a dedicated unit or division. This approach creates silos. A new client-oriented organisation of the Advisory Services Department, neutral to the source of financing, would improve the understanding of market needs, enhance synergies, increase visibility and clarity for clients, and overall, create a more holistic and coherent offer.

Several processes and tools need to be adjusted to allow for such organisation of activities. First, a client relationship management structure would help coordinate the relationship with clients across mandates and directorates. This does not imply that the Projects Directorate should change its internal organisation or way of interacting with clients; what is needed is enhanced coordination of client-related information between directorates. Second, all while fulfilling contractual obligations with mandators, data platforms should allow for the tracking and steering of all advisory activities received by each client across EIB mandates, including the activities delivered by JASPERS. Third, communication to clients on the overall advisory offer – currently scattered across various websites and communication tools with different entry points – should be integrated, made more accessible and more visible.

Lastly, the Assignments Review Committee has improved management of advisory requests across mandates within the Advisory Services Department. But coordination of requests between the Advisory Services Department and the Projects Directorate is insufficient. A joint coordination can be envisaged between the two. This would facilitate more systematic linking of technical and non-technical expertise. An option could be to scale up the Assignments Review Committee's oversight also to mandates managed by the Projects Directorate; this would require a revision of its composition, operating model (to cater for an increasing number of requests) and governance, while ensuring that its criteria for approving requests are compatible with those applicable to these newly embedded mandates.

## Management Response: Agreed

The Management Committee acknowledges that a client-oriented management of advisory activities would clarify the Bank's offer and improve coordination across directorates. The evolution of financial advisory organisation from a mandate-centric to a client-centric organization aligned with the Bank's main client groups – corporates, financial institutions, public sector, and project finance launched on 1st October 2023 is in line with the actions suggested by these recommendations. The full integration of Operations Directorate/Advisory Services Department client-facing advisory activity within the Bank's front line aims to improve coordination of advisory and lending activities, simplify the branding of its client-facing activities as EIB Advisory and ultimately improve the overall client offer.

The Management Committee considers that the technical part of advisory activities should remain focused on sector expertise. In this perspective, the Management Committee agrees that improved coordination to enhance medium- and long-term planning of the advisory activities across different services, such as at sectorial/country level, needs to be established. The Management Committee expects the Advisory Services Steering Committee to explore possibilities to better coordinate, leveraging existing structures where possible and carefully assessing the most appropriate modalities for a balanced and efficient internal governance of the advisory business line.

In terms of tooling, the ASApp Steering Committee approved the project for the integration of JASPERS within ASApp on the 6th of July 2023, which should be prioritized in line with this recommendation. After the finalisation of this project, all advisory activities of the Bank will be hosted in the same platform, thereby allowing to track the advisory support received by clients more efficiently.

## Recommendation 2

**Mobilise in-house technical advisors strategically. In particular:**

**2.1 Ensure that Projects Directorate's in-house technical advisors requested for procurement support and for advisory assignments have the incentives and time to provide their inputs.**

**2.2 Explore a formal quality assurance system to guarantee that the EIB consistently applies its quality stamp to mandators and beneficiaries across assignments.**

**2.3 Explore ways to enhance the contribution of JASPERS' advisory work to other EIB advisory activities.**

Rationale: The EIB's in-house expertise is the most appreciated element of the EIB's value proposition in advisory. Due to irregular requests and sometimes conflicting priorities, in-house technical experts are not always mobilised to the anticipated extent, and external consultants are in some instances mobilised to compensate for the lack of available in-house technical expertise, rather than to complement it. Mandators want to be reassured that the EIB consistently applies its quality stamp to every advisory assignment it manages, regardless of whether in-house or external expertise is provided.

Against this backdrop, the EIB needs to ensure that in-house technical staff are mobilised for advisory assignments in which their expertise is required. Furthermore, a formal quality assurance system for advisory would demonstrate to mandators that the EIB consistently applies its quality stamp to advisory support, whether provided fully in-house or as a combination of in-house experts and consultants. Such quality assurance would reassure mandators, in addition to bringing other benefits.

Lastly, there is room to enhance interactions between JASPERS and other initiatives managed by the Advisory Services Department, for a more systematic combination of technical and non-technical expertise.

## Management Response: Agreed

[2.1] The Management Committee agrees to the need of deploying the Bank's resources in a flexible and efficient way to continue to enable the Bank to respond to its clients' needs and demands timely and in the best quality.

In order to reflect on this recommendation and to explore possible efficiency gains, the Services will work towards enhancing the planning of advisory work, so as to allow to have a joint forward-looking visibility over the activities in advisory and resource planning. The dashboard currently being developed in ASApp will also contribute to this purpose, as it is expected to improve the overview of advisory assignments under management in a certain division or department. More systematic exchanges between relevant Services on advisory pipeline will be further explored as these should also contribute to this purpose.

[2.2] The Management Committee acknowledges the potential benefits of a formal quality assurance system. The Services will investigate options to implement a formal internal quality assurance system in advisory deliverables and will provide a workable proposal for Advisory Services Steering Committee decision. In this proposal, the Services will balance time-to-market and efficiency aspects, leveraging on existing processes in place where suitable.

[2.3] The Management Committee would like to underline that there has been an increasing collaboration between JASPERS mandate and the rest of advisory services provided by the Bank, as recognised in this evaluation. The Services will explore how to further enhance such collaboration between the different advisory mandates so as to optimise the support provided to the beneficiaries and the complementarity of the Bank's advisory business.

## Recommendation 3

### **Define the value proposition of EIB advisory, including its fields of interest for the next three years.**

Rationale: The prioritisation of advisory activities remains opportunistic. Clarity on the directions for advisory on a three-year horizon would enable the EIB to:

- Better define the EIB's position and interests as a partner, in the negotiation of future advisory mandates.
- Acknowledge the longer-term contribution made by technical advisory mandates to its lending activities.
- Define which assignments have an indirect or medium-term operational interest for the EIB Group.
- Give direction for how and where the EIB could invest selectively in external partnerships and internal incubation teams, to explore emerging demands, niche markets and new and innovative support fields.

## Management Response: Agreed

The Management Committee agrees to this recommendation that aims to provide a more strategic planning of the Bank's advisory offer, including better recognition of its indirect and medium to long term benefits.

The Advisory Services Steering Committee will be delegated to define working programmes according to sectors and client types. The working programmes will have a 3-year horizon and shall be flexible to accommodate the changes in the Bank's lending strategy. The Services will include such working programmes in the update of the "Advisory Services Strategic Orientations" by mid-2024 and will update them at pre-determined intervals.

In addition, in order to better acknowledge and define the advisory mandates and assignments' indirect and medium to long term benefits the Advisory Services Steering Committee will be asked to analyse the different options for the selection and acknowledgement of such contributions at mandate, as well as assignment level.

This analysis should take into consideration and leverage on the current AIM framework mentioned in the recommendation 5.

## Recommendation 4

**Enhance staff awareness of EIB advisory and provide more consistent incentives for collaboration between advisory and transaction teams. For this, consider:**

**4.1 Developing information tools on products readily usable by EIB loan officers, providing them with guidance on how to channel requests, and consulting them on assignments for capitalising on their knowledge and network.**

**4.2 Investing in building better knowledge of the EIB advisory offer among loan officers and promoting a better understanding of how advisory can contribute to lending.**

**4.3 Exploring enhanced mobilisation of heads of EIB offices for relaying needs for EIB's advice.**

Rationale: Within the Projects Directorate, the JASPERS and PAS teams have progressively reinforced their interaction with transaction teams. The integration of Advisory Services in the Operations Department has also built bridges between advisors and loan officers; yet additional actions are needed. Lack of awareness and interest among EIB loan officers about the EIB advisory offer may jeopardise the EIB's objective of enhancing the contribution of advisory to lending. Recent examples show that the development of initiatives by joint teams involving loan officers favours their recognition of the value of advisory.

The potential contribution of heads of EIB offices to expanding the outreach of advisory is also underexploited, due partly to a lack of awareness of the advisory offer, and partly to the undefined role of office heads in the life cycle of advisory assignments.

EIB loan officers, investment mandate officers (where relevant) and office heads need to be better informed about the advisory offer and the kinds of support provided by advisors. IG/EV supports the ongoing effort by the Advisory Services Department to build bridges between their advisors and frontline officers (including with job shadowing opportunities).

## Management Response: Agreed

The Management Committee recognises that further efforts are required for the lending side to fully benefit from the added value of the advisory activities.

Organisational changes within Operations Directorate are expected to facilitate interactions between the Operations Directorate departments, and regular updates will be scheduled between all relevant Bank services to improve the dissemination of information and knowledge. Development of standardized advisory products addressing pre-determined client and/or business needs should be prioritized and accounted for in the Bank's project evaluation and communication strategy.

## Recommendation 5

**Consider revising the internal monitoring of advisory to make it useful for the EIB. This may include:**

**5.1 Replacing the existing set of three EIB KPIs used for internal monitoring with information on, first the distribution of assignments with an immediate or an indirect/strategic interest for the Group; second, the significance of the advisory's contribution to operations (using the AIM framework); and, third, the utilisation of available resources across advisory mandates (FTEs and budget).**

**5.2 Consolidating and enhancing the ASApp platform.**

Rationale: While the EIB is monitoring a wealth of indicators under the reporting obligations of its mandators, it monitors only a few indicators for its own information needs. The KPIs currently reported in the EIB Operational Plan are not useful to demonstrate in-house how advisory performs. The type of contribution made by advisory to operations is measured under the EIB's AIM framework (Pillar 3), but this information is not aggregated at a portfolio level. Internally, this affects the recognition of advisory as a valuable activity for the Bank.

Furthermore, as a partner and co-financier of its advisory mandates, the EIB has an interest in monitoring the optimal use of its resources for advisory; however, this aspect is not followed at EIB level.

The ASApp system was developed as a single-entry point and monitoring platform for all EIB advisory activities. ASApp has the potential to automate the support to reporting and efficient monitoring of KPIs, increasing the efficiency of reporting and improving data quality. However, as it stands now, the system has several shortcomings. In addition to recommendation 1.2 on the tracking of activities received per client, ASApp needs to be able to monitor the lifecycle of individual assignments more rigorously for business coordination. Furthermore, the application of parallel, specific procedures by different mandate owners under ASApp creates inefficiencies and risks of inconsistency and limits the aggregation of data across mandates.

## Management Response: Agreed

The Management Committee welcomes the recommendation to improve the internal monitoring of advisory. The relevant responsible directorate has launched a project to complement existing and develop new KPIs to measure performance as well as the impact that advisory services have on the EIB Group, its mandators and its clients. Services will provide inputs to this study. The Advisory Services Steering Committee has the responsibility to propose new KPIs and indicators to provide a robust monitoring system for the advisory business line and improve the recognition of advisory as a valuable activity for the Bank.

The Advisory Services Steering Committee will setup a sub-committee responsible for the coordination of the ASApp platform from a business perspective. Members will be appointed and terms of reference will be jointly agreed by all services involved. The primary focus of such sub-committee will be to ensure a coherent development of the platform across the entire advisory business line (European Union and outside the European Union), by prioritising the enhancements proposed by the different stakeholders and ensuring that all advisory activities leverage one common process and data model.

# 1. Introduction

The European Investment Bank conducts advisory activities as a complement to its lending. Advisory contributes to more rapid EIB disbursements, more financing opportunities and elevated visibility and reputation for the EIB Group. In most cases, advisory is co-funded by mandators and deployed by both in-house experts and consultants. The accumulation of mandates over time has enabled the EIB to cover a wide range of services. At an operational level, the organisational arrangement of the EIB's advisory activities has evolved considerably over the last decade and continues to evolve. Within this context, this corporate evaluation aims to support ongoing EIB discussions on the scope, scale, financing and organisation of its advisory activities.

## 1.1 The EIB complements its EU lending with advisory activities, most of which are co-funded by mandators

**The EIB's advisory activities are intended to complement its lending activities.** Formally incorporated into the EIB statute in 2009, advisory activities are offered "as a complement to its lending activity" (Article 18.7) in all sectors where the EIB Group is permitted to invest or to provide finance, at any stage of the project cycle and across its regions of operations.

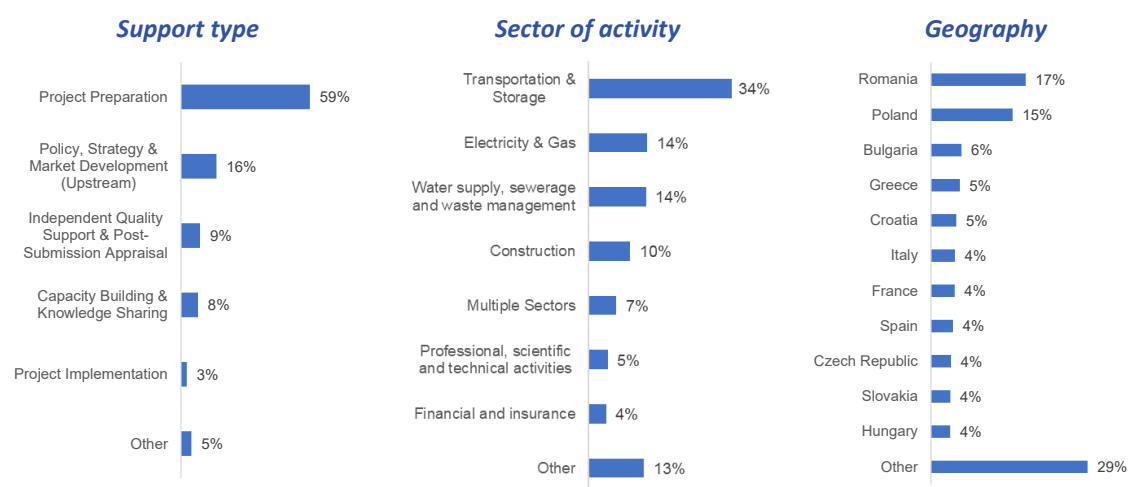
**EIB advisory aims at strengthening and accelerating sound investment in the European Union, and therefore supports EU policy objectives as well as EIB public policy goals.** Advisory is expected to directly improve the technical and administrative capacity of partners and to indirectly enhance their financial capacity. It does so by enhancing the bankability, investment readiness and/or efficient implementation of projects, which is also beneficial to the pipeline of EIB operations supported. Furthermore, advisory plays a key role in supporting the acceleration of the green and digital transition and the reduction of disparities between EU regions' development levels. Finally, the EIB also envisions advisory as contributing to its visibility and reputation, by raising its profile as a partner of choice.

**EIB advisory activities cover a wide range of services: technical advisory, financial advisory, market development and institutional support.** Advisory includes all expert advice and expertise-based tasks delivered by EIB staff, or by consultants managed by EIB staff, to other EU institutions, national and local authorities, project promoters or financial intermediaries.

- *Technical advisory* includes the development and implementation of programmes and projects;
- *Financial advisory* focuses on the design, structure and implementation of financial instruments and other financing mechanisms, and provides advice on the financial structure of projects;
- *Market development advice* assesses investment gaps and barriers, and identifies solutions to unlock investments for new or innovative sectors;
- *Institutional support* works to improve institutional or regulatory arrangements.

**In the European Union the majority of EIB advisory activities focus on direct project support.** Two-thirds of EIB advisory assignments have been in this area during the 2014-2022 period. The other third is split between upstream support and capacity building. By sectors, two-thirds of advisory assignments have supported transport, water and energy (Figure 1).

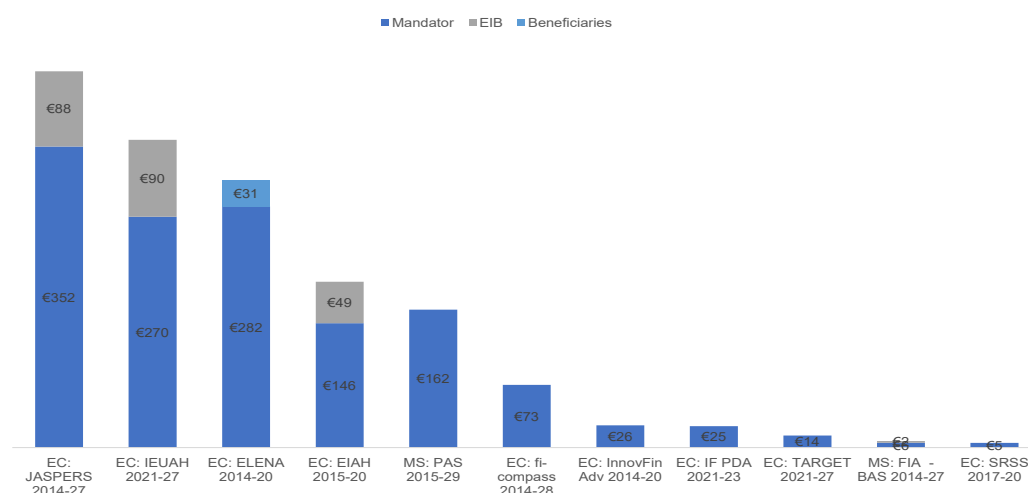
**Figure 1: Distribution of EIB advisory assignments in the European Union, 2014-2022**



Source: Evaluation Division, based on ASApp and JADE's closed and active advisory assignments. Geography: category "other" contains 16 countries and multicountry assignments.

**Most EIB advisory activities have been co-funded by mandators.** Mandators fund advisory either under advisory frameworks fully dedicated to the provision of advisory activities or under investment frameworks combining lending products and advice. The European Commission has been the largest financial contributor by far to EIB's advisory activity in the European Union (€1.193 million since 2014). The EIB has also entered into bilateral agreements with national and regional entities in Member States (€167 million since 2014; Figure 2). For some of its advisory mandates, the EIB contributes financially to a portion of the costs.

**Figure 2: Contributors to EIB advisory mandates (€m), from 2014 onwards**



Commitments as per Mandates' agreements. N.B.: the EIB's notional contribution is derived from cost-sharing arrangements with mandators.

Source: Evaluation Division, based on Mandate Management System (MMS) database. Abbreviations: EC = European Commission; MS = Member State(s).

**Advisory mandates assigned to the EIB have expanded organically and have diversified over time.** This has resulted in a growing challenge of managing similar or complementary activities sourced by different mechanisms. But it has also created opportunities to provide a holistic, comprehensive set of advisory products in response to clients' needs. Under the 2021-2027 Multiannual Financial Framework (MFF), several previously separate advisory mandates and initiatives were brought under the umbrella of the InvestEU Advisory Hub (see Annex 3). They are not all equally integrated, however, and follow the governance, monitoring and reporting procedures of the Hub to different extents.

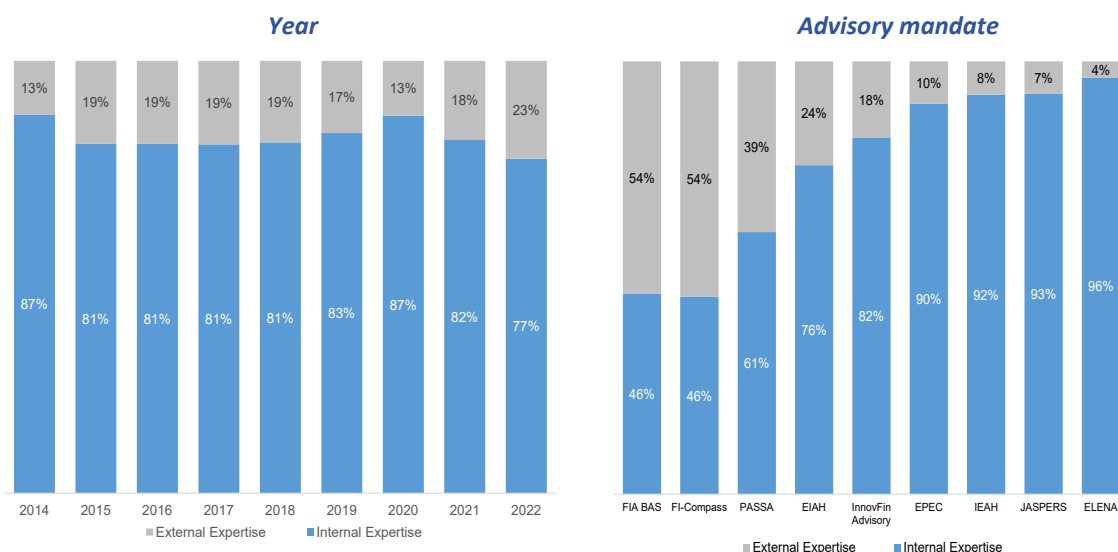
**The EIB's advisory delivery model builds on a combination of internal and external expertise, and of headquarters- and local-based presence.** The EIB provides advisory activities directly through its in-house technical and financial experts, complemented by external consultants. On average, over the past six years, some 250 in-house FTEs were mobilised to support advisory work throughout the EIB. In addition to in-house FTEs, consultants are mobilised to bring specialised skills and experience for ad hoc assignments; they work under the supervision of in-house experts. In support of large and complex programmes, advisory teams are sometimes deployed in countries of operation.

**Delivery of EIB advisory activities relies to a great extent on the EIB's internal expertise, notably for technical mandates.** Since 2014, internal expertise has accounted on average for 80% of staff costs and external expertise for 20% (Figure 3, left panel). While this split between internal and external expertise has been relatively consistent for a number of years, external expertise reached a high in 2022 (23% of advisory staff costs). Each mandate has its own business model, with technical mandates relying more extensively on internal experts; for example, 96% for European Local Energy Assistance (ELENA<sup>3</sup>) and 93% for Joint Assistance to Support Projects in European Regions (JASPERS; Figure 3, right panel).

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<sup>3</sup> EIB staff provide all ELENA related technical assistance and does not procure any external consultants for this purpose.

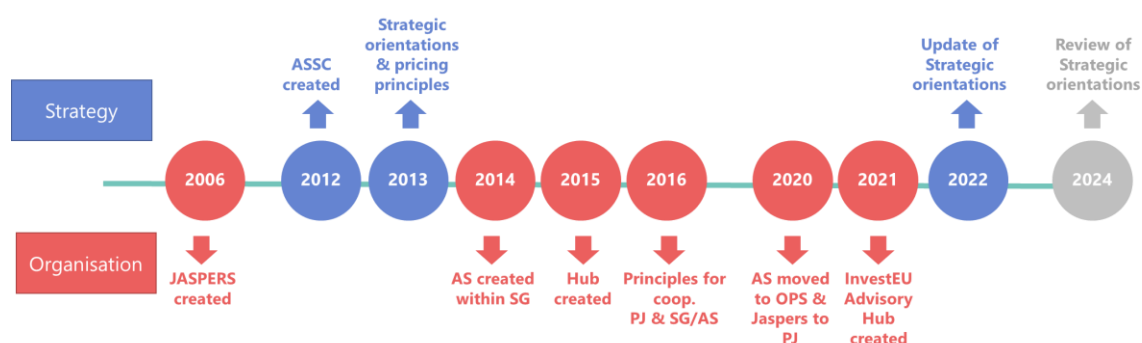
**Figure 3: Share of EU advisory activities costs from internal and external expertise by year and advisory mandate (2014-2022; per cent)**



Source: Evaluation Division, based on EIB data.

The EIB's organisational arrangement for managing advisory has evolved considerably over the last decade and continues to evolve. After 2020, the EIB's organisation moved from a central department overseeing all EIB advisory, including strategic directions, implementation and reporting, to a split between the Operations Directorate<sup>4</sup> (in charge of coordinating and delivering non-technical advice) and the Projects Directorate<sup>5</sup> (in charge of delivering technical advice and managing technical advisory mandates). Currently, the Operations Directorate is in an ongoing reorganisation of its Advisory Services Department by client segments (public sector, PPPs, banks, corporates) as an alternative to its existing structure, which is organised by mandate and funding source.

**Figure 4: Advisory at the EIB: main events**



Source: Evaluation Division, based on documentation review.

<sup>4</sup> The Operations Directorate carries out its advisory activities through a dedicated department (Advisory Services) with specialised advisory teams. Advisory Services manages the following advisory mandates: InvestEU Advisory Hub, fi-compass, InnovFin, EIAH, Innovation Fund PDA, Bilateral Advisory services and Assistance to DG Reform. It also manages EPEC, which, since 2013, is not a mandate any longer but a centre of expertise formed under a membership-based framework. Advisory Services is also in charge of transversal tasks, such as strategic coordination, monitoring and external procurement.

<sup>5</sup> The Projects Directorate mobilises its in-house technical experts. These are either fully dedicated to specific mandates or working both on EIB lending activities and on advisory assignments. The Projects Directorate manages the following advisory mandates: JASPERS, ELENA, PAS and TARGET. Under the Modernisation Fund, it also undertakes EIB's task of confirming whether a proposed investment falls into a priority area, along with other specific tasks set out in the relevant legislation undertaken by the EIB's Finance Directorate and the Secretariat General.

## 1.2 This evaluation aims to support ongoing EIB strategic discussions on the scope, scale, financing and organisation of advisory activities

**This is a corporate evaluation which analyses advisory from an EIB perspective, exploring its organisation, processes and business model.** The evaluation analyses how the EIB's various advisory activities work together, how they complement and have a comparative advantage over other advisory offers, and how advisory interacts with and contributes to the EIB Group's financing activities. This evaluation does not assess the relevance or results of EIB advisory activities, which has been done by other evaluations covering specific mandates.

**Several factors motivated this evaluation.** These include the strategic importance of advisory activities for the EIB Group, the ongoing strategic discussions on the future of EIB advisory, and the intention to inform the integration of advisory and lending, which is in the early stages.

**Advisory activities have a strategic importance for the EIB Group.** The EIB defined its Strategic Orientations for advisory activities in 2013. In this document, the EIB underlined the importance of technical and financial advisory for "more and better" lending. Advisory support may directly feed the EIB pipeline with good quality bankable investment projects and facilitate their efficient implementation. Indirectly, upstream advisory work contributes to an enabling environment for sustainable investments that are eligible for financing by the EIB Group and to more effective delivery. This evaluation explores how advisory supports the achievement of the EIB's Public Policy Goals and the European Investment Fund's products and mandates.






**Strategic discussions on the future of EIB advisory are under way.** Since the 2013 Strategic Orientations, the demand for EIB advisory has increased, needs have evolved, and advisory has become a key component of the EIB's core value proposition against the recent backdrop of low interest rates (until mid-2021). Management updated the EIB's Strategic Orientations in mid-2022 and will review them again in 2024. This evaluation intends to provide timely input to this review.

**The integration of advisory and lending activities is in the early stages.** Past advisory activities are thought to have contributed to the development of new mandates for the EIB Group and to have fed into its Group operational pipelines, helping to generate quality projects and net lending revenues. The recent integration of Advisory Services in the Operations Directorate — the EIB's frontline service — signals the EIB's expectation of further enhancing the contribution of advisory to lending. The integration is not yet complete and this evaluation explores how conducive the organisational arrangement is to collaboration between advisory and transaction teams.

**This evaluation covers advisory activities and technical advice provided by the EIB in the European Union under the 2014-2020 and 2021-2027 MFFs; therefore, it is not an EIB Group-wide evaluation.** EIF advisory activities (either undertaken by the EIF or by the EIB on behalf of the EIF) are not evaluated as the Fund applies a specific setup and addresses specific needs, which would require a dedicated evaluation. However, the evaluation does assess how EIB advisory activities may support the EIF's products and mandates and the ecosystems associated with EIF initiatives. The questions used to frame this evaluation are in Annex 1.

**The evaluation uses a combination of data collection and analytical methods.** It includes document reviews; analysis of systems and data on advisory; interviews and focus groups with EIB staff, mandators, partners and beneficiaries; and an analysis of the approach of peer international financial institutions (IFIs; Figure 5).

**Figure 5: Evaluation methods**

Document review	
	<ul style="list-style-type: none"> <li>○ EIB documentation on advisory in the European Union</li> <li>○ Synthesis of existing evaluations</li> <li>○ Mapping of mandates</li> </ul>
Analysis of systems and data on advisory	
	<ul style="list-style-type: none"> <li>○ Mapping of EIB's current reporting requirements for advisory</li> <li>○ Mapping of the organisational arrangement for advisory and its evolution over time</li> <li>○ Portfolio analysis of EIB advisory activities covering the European Union</li> </ul>
Interviews/focus groups with +50 EIB staff	
	<ul style="list-style-type: none"> <li>○ Strategic interviews with senior management</li> <li>○ Interviews with staff from Advisory Services in the Operations Directorate, Projects Directorate, European Investment Fund (EIF)</li> <li>○ Focus groups with Operations Directorate colleagues (5)</li> <li>○ Interviews with Heads of selected EIB offices (4)</li> </ul>
Interview with mandators, partners and beneficiaries	
	<ul style="list-style-type: none"> <li>○ Interviews with European Commission: Directorate-General for Economic and Financial Affairs (DG ECFIN), Directorate-General for Regional and Urban Policy (DG REGIO), Directorate-General for Structural Reform Support (DG REFORM), Directorate-General for Climate Action (DG CLIMA)</li> <li>○ Interviews with selected national promotional banks: French Public Investment Bank (BPI), Croatian Bank for Reconstruction and Development (HBOR), Lithuanian Public Investment Development Agency (VIPA), Thüringen Aufbaubank, Italian National Promotional Bank (Cassa Depositi e Prestiti, CDP)</li> <li>○ Interviews with beneficiary representatives: Association of Small and Medium Enterprises, European Banking Federation</li> </ul>
Comparison with peer IFIs	
	<ul style="list-style-type: none"> <li>○ Review of documentation on advisory for European Bank for Reconstruction and Development (EBRD), World Bank, International Finance Corporation (IFC)</li> <li>○ Interviews with EBRD, World Bank, IFC staff</li> </ul>

Source: Evaluation Division.

**This report presents the key findings of the evaluation.** Chapter 2 analyses the specificities of the EIB's advisory activities and their complementarity with the advisory activities of other providers. Chapter 3 looks at the balance between the costs and benefits of EIB advisory activities. Chapter 4 considers how well the different reorganisations of EIB's advisory have achieved their objectives. Chapter 5 presents conclusions and outlines the way forward.

## 2. EIB advisory: unparalleled range of services, but low visibility to internal and external audiences

The combination of skilled technical and financial expertise, extensively delivered by in-house specialists, gives the EIB a unique position relative to its peers. Mandators value this special expertise and have often granted the EIB a privileged position in order to access it. The accumulation of mandates over time has allowed the EIB to develop a varied advisory offer, that is largely complementary to those of its peers. Yet, despite its many strengths, the overall EIB advisory offer is not well known to mandators and target groups. A more client-oriented communication strategy has so far remained incomplete.

### 2.1. The EIB offer is distinct yet complementary to those of other providers

**The EIB believes that its unique advisory offer in the European Union explains its privileged position in the implementation of advisory mandates.** The EIB offers advice to beneficiaries who may also be offered advice from the private sector, NPBs or other IFIs (for example, the World Bank and the European Bank for Reconstruction in Eastern Europe). Its updated Strategic Orientations of 2022 note its “unique value proposition”, “unique expertise” and the “unique position” of the EIB advisory offer.

**The European Commission has consistently granted the EIB a privileged position (exclusivity or a significant share of advisory mandates) to gain access to the EIB’s unique expertise.** Constituencies interviewed at the European Commission emphasise the EIB’s combination of highly-skilled technical and financial expertise to support the development of sound investment and bankable projects. They also value the EIB’s in-depth knowledge of the EU regulatory framework and, more generally, its unique positioning at the interface between EU policy frameworks and market needs and between policy goals and lending opportunities. More specifically, they underlined the congruence of the EIB advisory process and the EU policy process, as well as the extensive coverage of sectors and Member States; they were very positive about the quality and professionalism of EIB advisory and likewise valued its broad geographic coverage; they attested to the EIB’s in-depth and unique understanding of the Commission’s approach to financial instruments; and highlighted the continuity of the EIB advisory offer and its capacity to intervene in politically sensitive contexts, imposing an authoritative standpoint when needed.

**Mandators particularly value the EIB’s in-house expertise, unique among its peers.** In the European Union, peer organisations (EBRD, World Bank, NPBs) generally mobilise external consultants to deliver advice. The EIB builds on a combination of in-house expertise and external consultants. The 2013 Strategic Orientations for advisory activities explain the rationale: *“own staff resources provide continuity and longer-term vision, while consultants can bring specialised skills and experience for well defined, ad hoc assignments, but require competent in-house resources for contract management, supervision and quality control. These trade-offs imply that there are limits to outsourcing”*.

**Other evaluations of EIB advisory mandates generally confirm the quality of the EIB’s advisory expertise.** Evaluation of JASPERS, ELENA, PAS and the EIAH indicate that beneficiaries generally view the EIB as having the right blend of expertise (including technical skills, methodological expertise, knowledge on legal framework, local language knowledge, interdisciplinary composition of the team, diplomatic skills and reactivity). The EIAH evaluation found that EIB experts are particularly valued for their ability to provide guidance on EU regulatory requirements (such as cost-benefit analysis, environmental impact assessments, climate-proofing requirements, compliance with the EU taxonomy), and to link the EU dimension to local regulatory constraints and market

aspects. In addition, the potential for knowledge transfer among Member States is also highly valued (JASPERS, European PPP Expertise Centre [EPEC], EIAH).

**The EIB and the other main IFIs are largely complementary in the European Union and rarely in competition** (Box 1). In the European Union, peer organisations (EBRD and World Bank) have a geographic focus on Eastern cohesion regions, where they intervene preferably at the policy level. In these regions and elsewhere in the EU, the EIB's primary focus is on project-related support. Parts of EIB advisory are also connected to investment frameworks that the EIB manages itself. Furthermore, advisory needs in certain areas are broad, which allows for a distribution of tasks rather than duplication of or competition between offers.

### **Box 1: Complementarity rather than competition between the EIB and other institutional advisory activities providers in the European Union**

**The European Bank for Reconstruction and Development (EBRD) focuses mainly on non-EU regions and on private sector clients, including small and medium enterprises.** The EBRD's advisory (referred to internally as "Technical Cooperation") is free of charge to clients, decentralised, and mostly connected to lending operations. The EBRD does not have a high-level strategy for its advisory activities. While advisory is an important element of its value proposition, its advisory portfolio is small compared to the EIB's.

Like the EIB, the EBRD focuses increasingly on green and climate interventions but has so far worked in complementarity with the EIB. For example, in public-private partnerships, the EIB's European PPP Expertise Centre (EPEC) operates upstream on institutional capacity while the EBRD's Sustainable Infrastructure Project Preparation for PPP (SI3P PPP) works downstream, helping the public sector prepare infrastructure projects. On the Advice for Small Businesses Programme, the EIB financed the EBRD under the European Investment Advisory Hub (EIAH) to assist smaller clients (small and medium enterprises), which the EIB would not otherwise have reached directly. The EBRD and EIB are now both advisory partners under the InvestEU Advisory Hub, the successor to the EIAH. However, the EBRD largely continues its existing advisory programmes and will likely not be competing with the EIB over specific assignments.

**The World Bank is a major advisory player worldwide, but in the European Union it is mainly active in less developed regions, and usually at an upstream level.** It operates three lines of advisory: upstream advisory and analytical work, reimbursable advisory activities, which have some similarities with the EIB's Project Advisory Support, and technical assistance under lending operations or trust funds. The World Bank is particularly active in policy advice, as part of its programmatic mandate. It funds advisory in its own right, and there is no expectation that advisory activities directly contribute to lending. The World Bank advisory model is decentralised, managed exclusively at the country level.

**At the International Finance Corporation (IFC), advisory is aimed at ensuring that investments can be secured in the long term.** The IFC engages in two types of advisory: advisory with a focus on public-private partnerships and upstream advisory support to help clients prepare bankable projects. Each IFC investment branch (such as manufacturing, infrastructure) has its own advisory team. Ultimately, its advisory support somewhat resembles the EIB's, but as the IFC does not focus on EU Member States, the potential for overlaps or competition is low and is limited to a few countries in Eastern Europe.

**Only a few national promotional banks (NPBs) have advisory offers, and those that exist are complementary to the EIB's.** There is considerable heterogeneity of NPBs across the European Union and in their advisory offers. The EIB had a mandate to develop the advisory offer of NPBs under the EIAH, with diverse results. The EIB has helped build the advisory activities of NPBs (French National Investment Bank [BPI] and the Italian National Promotional Bank [CDP]), which are now advisory partners under the InvestEU Advisory Hub. These NPBs cover a portion of the InvestEU Advisory Hub, which comprises mainly smaller clients less suited for EIB direct support. In that sense, they complement rather than compete with the EIB's advisory offer under the InvestEU Advisory Hub.

## 2.2. Building on advisory mandates, the EIB has deployed a large range of advisory activities

**Recognition as a special provider of advisory activities has enabled the EIB to accumulate a variety of advisory mandates and types of advisory activities.** EIB advisory is offered at all phases of the project and programme cycle, yet around 60% of all assignments (since 2014) have provided project development advice (PDA). By number of assignments, JASPERS and ELENA are the most active initiatives providing PDA. Overall, more than ten advisory frameworks deliver support at the project level. Upstream support providing policy and strategy advice and market development is less prominent in the EIB's advisory portfolio but dominant in some mandates, such as cooperation with Structural Reform Support Services (SRSS) DG REFORM, and in EPEC. Project implementation makes up 3% of EIB advisory assignments, with Project Advisory Support, the largest contributor (60% of PAS assignments provide project implementation support). EIB advice is delivered to multiple beneficiaries, most frequently public entities, but also financial intermediaries, private project promoters and innovative small and medium-sized enterprises (SMEs). The majority of counterparts are public entities (73% of advisory counterparts) while 23% are private<sup>6</sup>. JASPERS, PAS, the Modernisation Fund and cooperation with SRSS/DG REFORM operate exclusively with public counterparts. Innovation Fund PDA is the mandate with the highest share of private counterparts (100%). The Hub, via the EIF, and fi-compass provide advice to financial intermediaries and public authorities on financial instruments targeting SMEs.

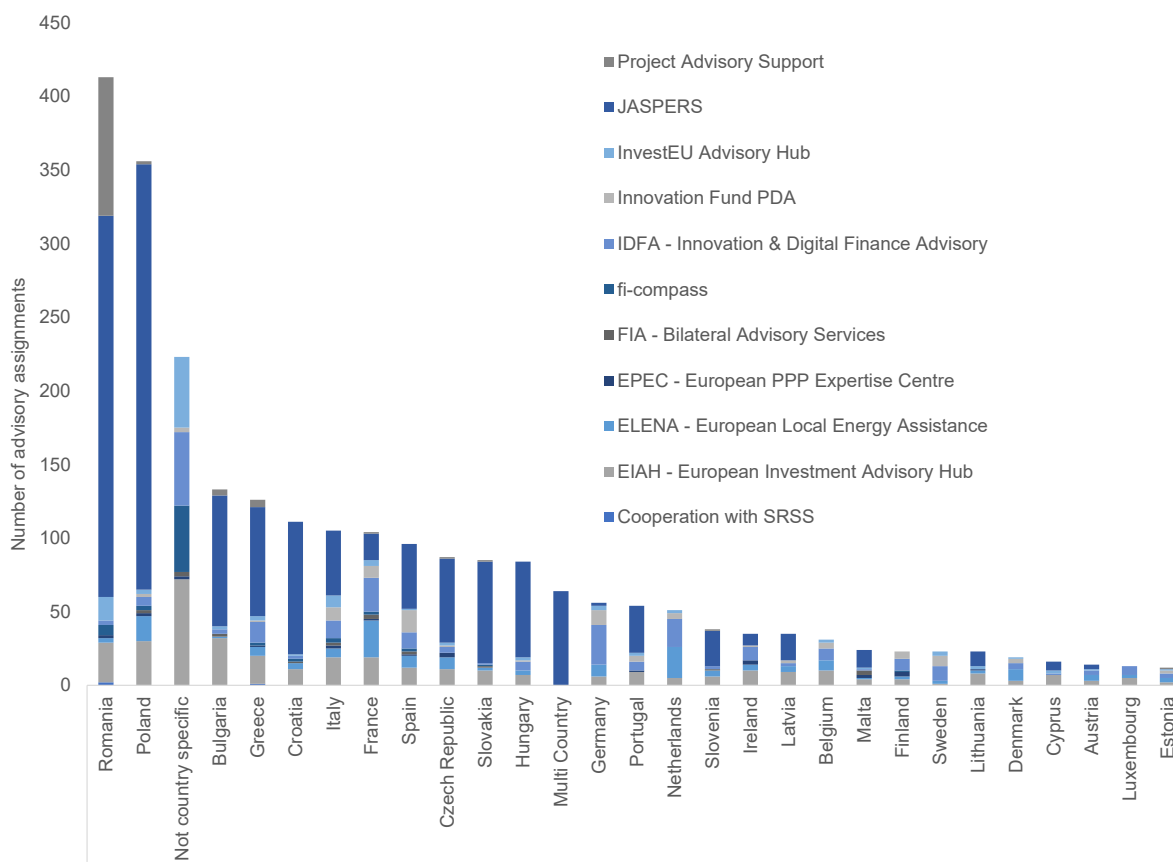
**By supporting NPBs under the EIAH in establishing their own advisory activities, the EIB has also been able to reach out to clients that it would not have reached on its own.** The EIB's support to NPBs has also had a cascading effect: through the EIAH support, several NPBs have consolidated their advisory capacity, multiplying what the EIB would have been able to achieve through direct support to beneficiaries. NPBs have a local outreach and business model that is conducive to smaller-scale interventions, and they can access smaller organisations (municipalities, small and medium businesses), which would be difficult for the EIB to serve efficiently. They are a local point of access to advisory activities for beneficiaries. A good example is German NPB Thüringer Aufbaubank, which supports small municipalities, initially with EIAH/EIB support. Similarly, the Italian NPB Cassa Depositi e Prestiti has developed advisory activities for local public authorities with EIB support and is now able to provide advice to these types of clients on its own.

**EIB advisory activities provide support in all EU27 Member States in core EIB sectors.** Eastern and Mediterranean Member States (Romania, Poland, Bulgaria, Greece, Croatia and Italy) are the top recipients of EIB advisory; they make up a large share of cohesion regions, which are traditionally the focus of some EIB advisory mandates (JASPERS, PAS, fi-compass). The main sectoral focuses of EIB advisory are transport (34% of assignments), electricity (14%) and water (14%), reflecting the traditional focus of EIB advisory in these areas, as well as the EIB's focus on cohesion and climate goals.

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<sup>6</sup> 4% are classified as "Other legal entity or not documented".

**Figure 6: Number of EIB advisory assignments per country and mandate 2014-2022**



Source: Evaluation Division, based on ASApp and JADE. Closed and active assignments.

**The EIB offers a diverse set of advisory products.** This is well illustrated in the area of climate and environment. Under the 2021-2027 MFF, the focus on climate and environment has increased, as has the number of mandates delivering advisory in this area<sup>7</sup>. Yet, the assignments under the various mandates differ and complement each other, either by field of expertise (for example, climate change adaptation, energy efficiency, SME support), or client type<sup>8</sup>. Past evaluations (see Annex 7) indicate that the different EIB mandates, even if engaging in similar types of activities, generally have their own positioning and slightly different focus, scope or coverage with only rare cases of overlaps<sup>9</sup>.

**This diversity of advisory activities has, however, also resulted in fragmentation.** It has been challenging for the EIB, with its fragmented offer, to communicate effectively to clients (see section 2.3) and creating synergies between its various initiatives has been largely ad hoc rather than systematic (see section 4.1).

<sup>7</sup> New initiatives (Green Gateway, Just Transition Mechanism Pillar 3, Innovation Fund PDA, TARGET) have been added to existing ones (ELENA, PF4EE, NER300, NCFF). JASPERS and PAS have also deployed, to a lesser extent, green assignments. Green Gateway, NCFF, PF4EE and (in the past) SMEFF have provided sector-specific knowledge on climate or environmental topics directed to financial intermediaries.

<sup>8</sup> ELENA and PF4EE both focus on energy efficiency investments, but while ELENA targets primarily the public sector, PF4EE targets the private sector and financial intermediaries.

<sup>9</sup> Identical upstream studies (on clean energy) have sometimes been undertaken in parallel under different EIB mandates, without any coordination taking place.

## 2.3. Despite many strengths, the EIB advisory offer lacks visibility

**Mandators and target groups are typically unaware of the entirety of available EIB advisory activities.** Flagship mandates such as JASPERS and ELENA are known for their own brands: JASPERS is well known in cohesion regions; ELENA is very visible on climate issues (for example, a government agency in the Netherlands promotes ELENA's services). But awareness about the EIB's entire advisory offer is lacking externally and internally. European Commission Directorates-General, as mandators, are aware of the EIB advisory mandates they manage, but they lack knowledge about other potentially relevant parts of the EIB's advisory offer. The evaluation of the EIAH, undertaken by the European Commission, also reported insufficient awareness among stakeholders about what the EIAH had to offer.

**Other advisory providers communicate about their products targeted to clients.** Consider the following examples of client-oriented communication by IFIs and NPBs (even if it takes place in different contexts):

- The EBRD has traditionally communicated its advisory based on a well-established menu of services, irrespective of funding source. Its advisory programmes target specific client types, with tailored selling points, as exemplified by its Advice for Small Businesses programme supporting SMEs. The advisory product, rather than the source of financing, is the central point of the communication strategy. The programme's website<sup>10</sup> has the clear goal of explaining the offer to a specific client type (SMEs, in this case) and also identifies the contacts that clients can reach out to, depending on the country in which they are located.
- BPI France adopts a similar approach. Its webpage dedicated to advisory<sup>11</sup> opens with a clear identification of the target groups (enterprises, in this case)<sup>12</sup>. The webpage focuses on services offered, not on their financing sources underlying them. Furthermore, the English website of BPI France<sup>13</sup> is client-oriented: its homepage guides the user to a service offer that varies depending on whether the user is an entrepreneur or an institution.

**By contrast, the EIB communicates mainly about its mandates and funding sources.** In principle, information platforms should present a holistic view of advisory activities relevant to potential clients. Yet the information on the EIB advisory offer is fragmented, reflecting internal organisation divisions and the structure of mandates rather than the needs of potential beneficiaries. The two main information websites on EIB's advisory do not present information tailored to target audiences. The EIB's general website<sup>14</sup> provides information, irrespective of client types, on possible options available to address a long list of potential needs that are partly overlapping and not clearly structured. The EIB's InvestEU Advisory Hub website<sup>15</sup>, which is meant as a central point of information for potential clients of advisory activities, is not client-oriented. Used as a tool to orient requests, it does not present advisory products tailored to specific target groups. For example, the page presenting the services offered by the EIB under the InvestEU Advisory Hub<sup>16</sup> largely mirrors the policy windows of InvestEU.

**The EIB has tested communication that is more client-oriented.** The two examples of the Climate Adaptation Platform (ADAPT, central information point for project promoters interested in financing climate adaptation investments) and Urban Investment Support (URBIS, a previous gateway that targeted urban authorities seeking advisory activities) are positive examples of platforms adopting a client-oriented approach. The interest that URBIS stirred among its target group (municipalities) before its termination argues for the great potential of this type of client-oriented communication.

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<sup>10</sup> <https://www.ebrd.com/support-for-small-businesses.html> (retrieved in May 2023).

<sup>11</sup> <https://www.bpifrance.fr/nos-solutions/accompagnement> (retrieved in May 2023).

<sup>12</sup> "L'Accompagnement de Bpifrance s'adresse aux startups, TPE, PME et ETI." (BPI France advisory targets start-ups, microenterprises, SMEs and mid-caps).

<sup>13</sup> <https://www.bpifrance.com/> (retrieved in May 2023).

<sup>14</sup> <https://www.eib.org/en/products/advisory-services/index.htm> (retrieved in May 2023).

<sup>15</sup> <https://advisory.eib.org/> (retrieved in May 2023).

<sup>16</sup> <https://advisory.eib.org/about/services.htm> (retrieved in May 2023).

**Yet, while the EIB is a financing partner of several mandates, it has experienced reluctance on the part of some co-financing mandators to communicate on their own offer.** EIB information platforms have been perceived, at least in the past, as competing with the own communication platforms of the mandator (this was, for instance, the case for URBIS). This difficulty also applies to initiatives where the EIB is perceived mainly as an implementing partner and the mandator wishes to have control over the flow of requests for support. Under the EIAH, the EIB was the sole implementing partner for the European Commission. Space for developing a more autonomous client-oriented approach was constrained, because the EIB was acting as the mandator's agent. The new open architecture of the InvestEU Advisory Hub represents an opportunity to balance this relationship since the EIB no longer plays the role of sole implementing partner.

**Partnerships with NPBs and IFIs have had various effects on the EIB's visibility.** Under the EIAH, the EIB contracted out to NPBs or the EBRD, but the effect on the EIB's visibility varied. Italy's NPB Cassa di Risparmio di Roma publicised EIB support in press releases, webpages and memoranda of understanding signed with local administrations. Similarly, the EIB's support to Germany's Thüringer Aufbaubank promoted the EIB's visibility among local stakeholders. In other cases, however, such as in the support given to BPI France, there is less evidence of visibility gains for the EIB. Also, the cooperation with the EBRD under the EIAH was not effective in gaining attention for the EIB, despite EIAH's financing of about 70% of the EBRD's Advice for Small Businesses Programme in Bulgaria, Greece and Romania.

**Such suboptimal visibility leads to missed opportunities for the EIB.** It reduces the referencing and brand recognition of the EIB's advisory business and limits interactions with target groups. The result may be a suboptimal outreach of the targeted audience.

# 3. The EIB advisory’s business model: a complex balance between known costs and less measurable benefits

During the 2014-2022 period, the EIB decided to contribute financially to almost all its advisory mandates. This decision generally built on the premise that advisory will bring direct and indirect benefits to the Bank (business opportunities, enhanced lending operations, raised profile). Data indicates that the actual EIB financial contribution to advisory mandates is generally in line with EIB’s expected net contribution. Furthermore, advisory activities have supported a substantial volume of EIB operations, albeit with varied intensity. It is however methodologically challenging to assess to what extent the benefits of advisory activities outweigh the cost of the EIB’s financial contribution to these mandates. These benefits, although substantial, can be difficult to quantify and to attribute outright to advisory activities. This leads to several challenges, notably the challenge for advisory activities to demonstrate in-house how they perform, which affects their recognition as a valuable business line internally.

## 3.1. The EIB generally contributes financially to its advisory mandates in anticipation of direct and indirect returns

In its Guiding Principles of 2010, the EIB Board of Governors indicated that advisory activities should recover their associated costs. It also foresaw a possible need and rationale for a financial contribution from the EIB, to cover the portion of associated costs not recovered through other means (contributions from mandators or fees paid directly by beneficiaries).

### Box 2: Associated costs of EIB advisory activities

**Associated costs =** All direct costs of advisory (salaries, social charges, specific support costs, etc.) + Part of corporate support costs (overhead) incurred by the EIB in providing advisory activities

**Associated costs are expected to be covered by:**  
A financial contribution by mandators  
In exceptional cases, fees paid directly by beneficiaries  
A residual financial contribution from the EIB

At the inception of each new mandate, EIB management determines whether a financial contribution from the Bank is needed and justified. The EIB’s decision generally builds on the premise that advisory will bring in additional business opportunities to the Bank and will improve lending operations, while also raising its profile.

### Box 3: Cost coverage of EIB advisory activities<sup>1</sup>

$$\text{Cost coverage ratio of advisory activities} = \frac{\text{Financial contribution by mandators and beneficiaries}}{\text{Associated costs}}$$

A cost coverage ratio < 100% means that the financial contribution by mandators and beneficiaries does not cover all costs. In such instance, **the EIB makes a financial contribution** to cover the remaining share of costs. The EIB's contribution can be explicit as a result of negotiations with the mandator or implicit when cost coverage falls below the expected cost coverage agreed by Management.

<sup>1</sup> The cost coverage definition presented here is a simplification of the official interpretation of art. 17 §1 of the Bank's statute on cost coverage requirements. Total operating revenues (defined as intermediation revenues + amortised appraisal and similar fees + administrative revenues) should at a minimum cover operating costs (defined as staff costs + other operating expenses + depreciation). Accordingly, the ratio of revenues to operating costs is referred to as the cost coverage ratio. Cost coverage excludes the net income from other sources, notably financial operations (treasury and borrowing) and the remuneration of own funds.

## 3.2 Advisory has made a contribution to the pipeline of EIB operations, to EIB lending revenues, and to the Group's reputation

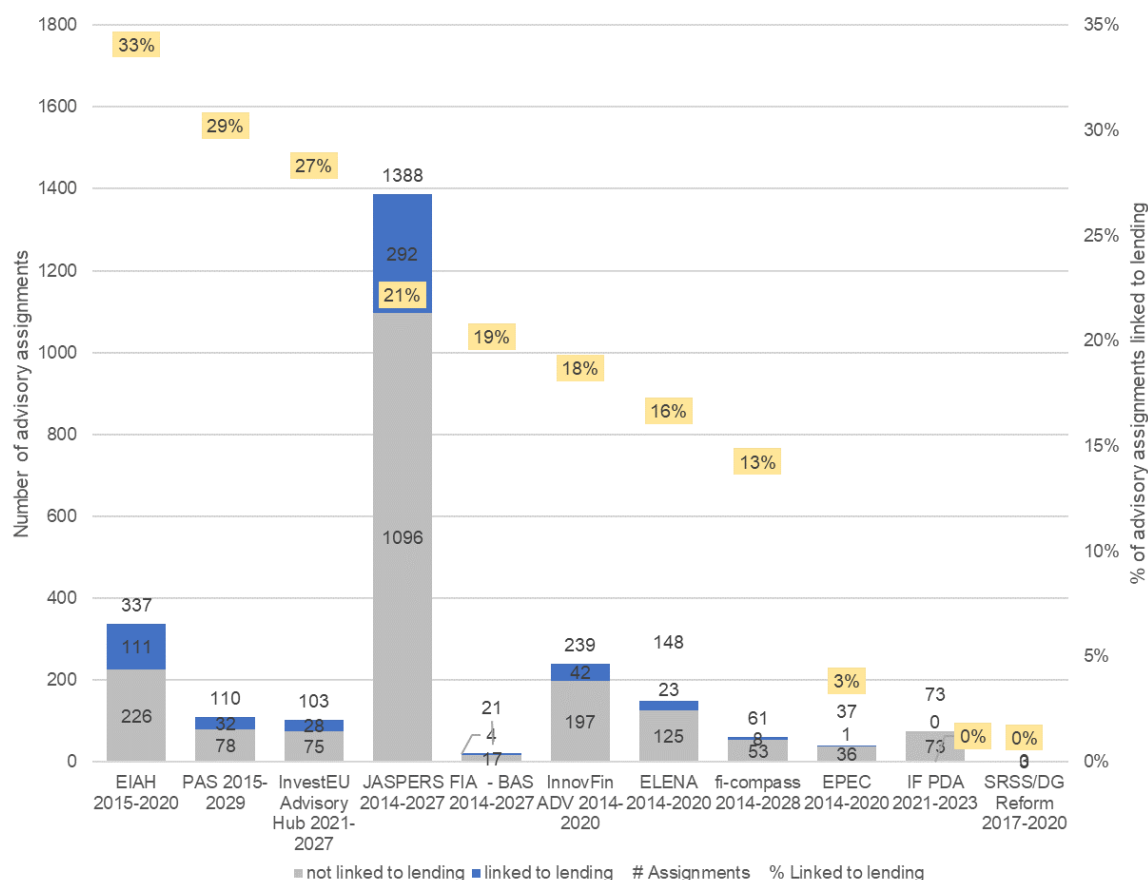
In recent years, the EIB Group has made the role that advisory activities can play in supporting financing activities for the EIB and the EIF more explicit. Beginning with the Operational Plan 2018, the EIB has been monitoring the number and volume of its operations that receive advisory support<sup>17</sup>. The most recent Operational Plan for 2022-2024 underlines the role of upstream advisory support in policy dialogue and sectoral reform in fostering an enabling environment for downstream investments. The EIB Group's updated Strategic Orientations of 2022 indicate that, in selecting advisory opportunities, the EIB will give priority to initiatives that "maximise contribution to the lending and/or mandate activities of the EIB Group, [...] by feeding the EIB Group pipeline over a mix of short, medium and long-term horizons".

Through the InvestEU Advisory Hub, the EIB is encouraged to direct part of its advice to projects eligible for financial support. Under the previous EIAH, the EIB was expected to provide advisory neutrally and independently from its own business interests. Throughout the implementation of the EIAH, however, this approach evolved since the European Commission needed the EIB to substantially participate in the financing of EIAH-advised projects in order to sustain a strong pipeline of projects. Under the current open architecture of the InvestEU Advisory Hub, it is now expected that at least 50% of advisory is expected to support projects eligible for subsequent financing, not only from InvestEU, but also potentially from EIB and EIF own resources.

In practice, the share of advisory assignments linked to an EIB lending operation has been heterogenous across mandates. The 2023-2025 Operational Plan expects 23% to 24% of advisory assignments to be linked to lending operations. EIAH (33%), PAS (29%), and the InvestEU Advisory Hub (27%) are above this target. JASPERS is below that figure with 21% but records nearly 300 assignments linked to operations, which is more than for all other mandates combined.

<sup>17</sup> Operational Plan monitoring indicators: total estimated investment cost of projects supported by advisory, and number of Group operations benefiting from advisory support.

**Figure 7: Advisory assignments linked to EIB lending operations (per mandate, number and percentage; 2014-2022)**

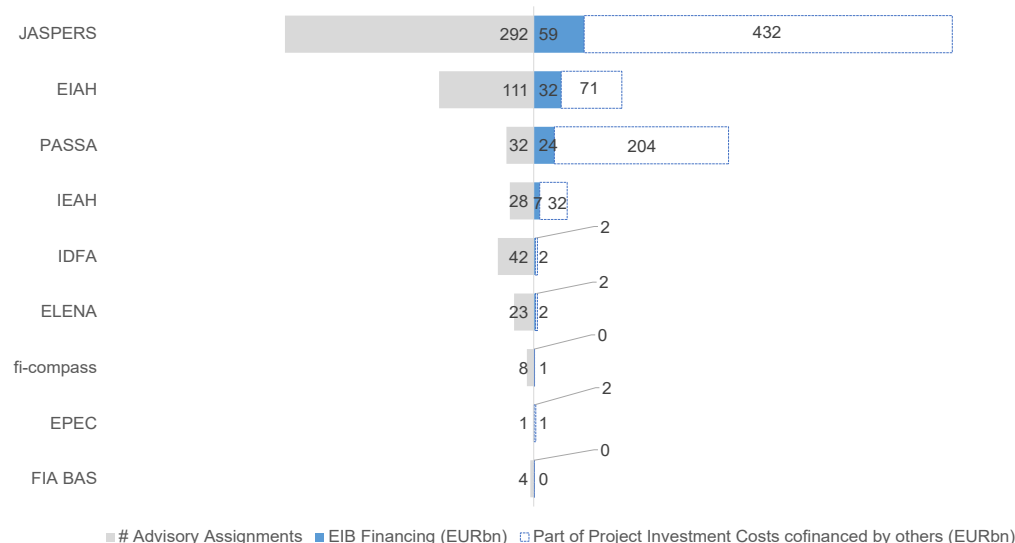


Source: Evaluation Division, based on ASApp and JADE.

**The assignments linked to EIB lending have overall supported a substantial volume of EIB operations.** In volume terms, since 2014, JASPERS, EIAH and PAS have supported the largest volume of EIB operations. These three mandates are linked to about a quarter of the Bank's new lending activity in the European Union during the evaluation period (€15 billion worth of lending operations supported annually<sup>18</sup> for an annual average of €60 billion of EIB signatures in the European Union). The new InvestEU Advisory Hub, which only began implementation in 2022, is already the fourth largest by volume over the 2014-2022 period with €7 billion, whereas InnovFin Advisory is the third largest by number of assignments linked to EIB financing operations (42), albeit with smaller average ticket sizes. When project investment costs are taken into consideration, JASPERS and PAS stand out, because their operations concern large infrastructure projects.

<sup>18</sup> **JASPERS:** €59.1 billion/9 years=€6.6 billion/year; **EIAH:** €32.3 billion/7 years=€4.6 billion/year; **PAS:** €24.3 billion/9 years=€2.7 billion/year; **Jaspers, EIAH and PAS combined=€13.9 billion/year.**

**Figure 8: Advisory assignments linked to EIB lending volumes (in €bn; 2014-2022)**



Source: Evaluation Division, based on ASApp, JADE and Serapis.

**These figures do not imply, however, that the signing of the underlying lending operations can be attributed to advisory alone.** The figures capture neither the intensity nor the quality of the advisory inputs received by an operation. The EIB's AIM (Additionality and Impact Measurement Framework)<sup>19</sup> measures the type of contribution made by advisory to individual operations; however, this information which is available for each operation is not used to demonstrate the contribution made by the overall advisory portfolio to the overall portfolio of operations. For example, it is not included in the advisory services activity reports (only selected success stories are reported). Furthermore, until March 2023, the link of advisory assignments with lending operations were accepted as reported unilaterally by EIB advisors, without confirmation by loan officers. Since these contributions are an EIB key performance indicator (KPI), there are incentives for advisors to report optimistically on such contributions, thus creating a risk of overstatement. Since March 2023, loan officers, as "sponsors" of the advisory assignments, validate the link. This approach should bring greater rigour in establishing the link. The International Finance Corporation (IFC), as a peer organisation of the EIB, faces similar challenges. The IFC reviews the reported link to lending as part of its regular project review, where operational teams discuss the progress made on different indicators.

**Project development advice and capacity building have directly or indirectly facilitated EIB disbursements, generating lending revenues over time.** Past evaluations found that support to project preparation (JASPERS, PAS) or project implementation (PAS) has directly contributed to the disbursement of EIB operations, by ensuring that beneficiaries meet EU or EIB disbursement conditions. Such support has also had indirect effects by increasing the capacity of promoters<sup>20</sup>.

**In addition to supporting lending operations, advisory activities have enhanced the EIB Group's visibility, reputation and ability to engage in new fields.** These expected objectives were first formulated in the 2013 Strategic Orientations for advisory activities and reiterated in the 2022 update. Evidence from evaluations by mandators confirms that EIB advisory is highly appreciated by clients and beneficiaries for its unique know-how

<sup>19</sup> The AIM applies a four-scale rating grid to estimate the role played by technical contribution and advice in the project origination, preparation, implementation and/or monitoring (rating scale: fair/low, good, very good, excellent).

<sup>20</sup> The PAS evaluation did not compare the disbursement patterns of EIB operations benefiting from advice with those not benefiting: promoters are by nature characterised by different capacity levels, which makes it impossible to rigorously disentangle the effect of advice received from the effect of their inherent capacity on disbursements.

and professionalism. A recent client satisfaction survey<sup>21</sup> found that advisory activities are also an important tool for client relationship management and business development. Furthermore, advisory is a useful instrument for external offices in their relationship with strategic stakeholders. For lending operations with public entities, advisory can serve as an appealing and free add-on to EIB loans, contributing to the EIB's additionality and attractiveness.

### 3.3 However, the EIB has incomplete systems to measure and demonstrate how it benefits from advisory

**It is challenging to assess to what extent the benefits of advisory activities outweigh the cost of the EIB's financial contribution to these mandates.** While the lending revenues that result from the operations advised can be quantified, other benefits – such as reputation, improvement of lending operations or enhancement of EIB profile – are difficult to quantify in monetary terms.

**The current EIB KPIs are unable to demonstrate in-house how advisory activities perform, which affects their recognition as a valuable activity internally.** Under its Operational Plan, the EIB follows three corporate KPIs for advisory. These KPIs do not provide useful information to the EIB, neither on the usage of its advisory resources nor on their effects.

- *The KPI on total number of new advisory assignments* is measured against targets corresponding to the volumes delivered the years before; it follows a stock of assignments, while most of the EIB's advisory activity consists of managing a flow of requests.
- *The KPI on number of Group operations benefiting from advisory support* gives equal importance to light involvement of advisory as it does to intensive involvement; it does not take into account the intensity levels or influence that advisory activities have on the supported projects. Such information is captured for each operation under the EIB's AIM (Additionality and Impact Measurement Framework)<sup>22</sup>; it is, however, not used to enrich this KPI with information on the type of contribution made by advisory.
- *The KPI on total estimated investment cost of projects supported by advisory* assumes that the value of an advisory assignment is correlated with the size of the supported operation. This assumption is not explained or verified, and it could be questioned.
- Finally, as a partner and co-financier of its advisory mandates, the EIB has an interest in monitoring the optimal usage of its FTE resources and budget for advisory; these aspects are, however, not followed at EIB level.

**The monitoring platform for EIB advisory activities has several shortcomings.** The Advisory Services application (ASApp) was developed to be a single-entry point for all EIB advisory activities and to enable a reliable overview of advisory activities and efficient monitoring. ASApp has the potential of automating support for the reporting and monitoring of KPIs (thus increasing the efficiency of monitoring and reporting and improving data quality). However, as it stands now, the system has several shortcomings. At the time of this evaluation, the main EIB advisory mandate in budget terms and FTEs (JASPERS) had no interface with ASApp. Furthermore, the ambition of reflecting the specificities of each advisory mandate has led to parallel, specific procedures by different mandate owners using ASApp. This creates inefficiencies, introduces the risk of inconsistent procedures and limits the aggregation of data across mandates. Additionally, ASApp has limited functionalities for monitoring the lifecycle of individual assignments.

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<sup>21</sup> The 2022 EIB client satisfaction survey found that “additionality is particularly high among clients that benefited from EIB technical assistance/advisory support” and recommended to integrate the advisory offer within the EIB cross-selling framework (that is, in the lending offer) to enhance EIB additionality.

<sup>22</sup> The AIM applies a four-scale rating grid to estimate the role played by technical contribution and advice in the project origination, preparation, implementation and/or monitoring (rating scale: fair/low, good, very good, excellent).

## 4. The organisation of EIB Advisory: after years of evolution, objectives only partly achieved

The EIB's organisational arrangement of advisory has evolved since 2014. The objectives of these various reorganisations have been to ensure efficiency, coordination and consistency, offer a holistic response to clients' needs, and facilitate advisory's contribution to lending. Some areas have moved successfully towards the intended goals: the coordination and consistency of technical advisory have improved within the Projects Directorate, leading to efficiency gains and reducing the risk of providing conflicting advice. Coordination within the Advisory Services Department has also improved greatly since a new Assignments Review Committee was put in place to screen requests it receives and allocate its assignments. Yet, some others objectives have been only partly achieved because of an incomplete shift from a mandate-oriented organisation, insufficient coordination across directorates, and low incentives for some EIB technical experts to allocate time for advisory work. The EIB is in transition towards a more client-oriented organisation for delivering its advisory activities, but processes and mechanisms are not yet fully adapted to this new focus.

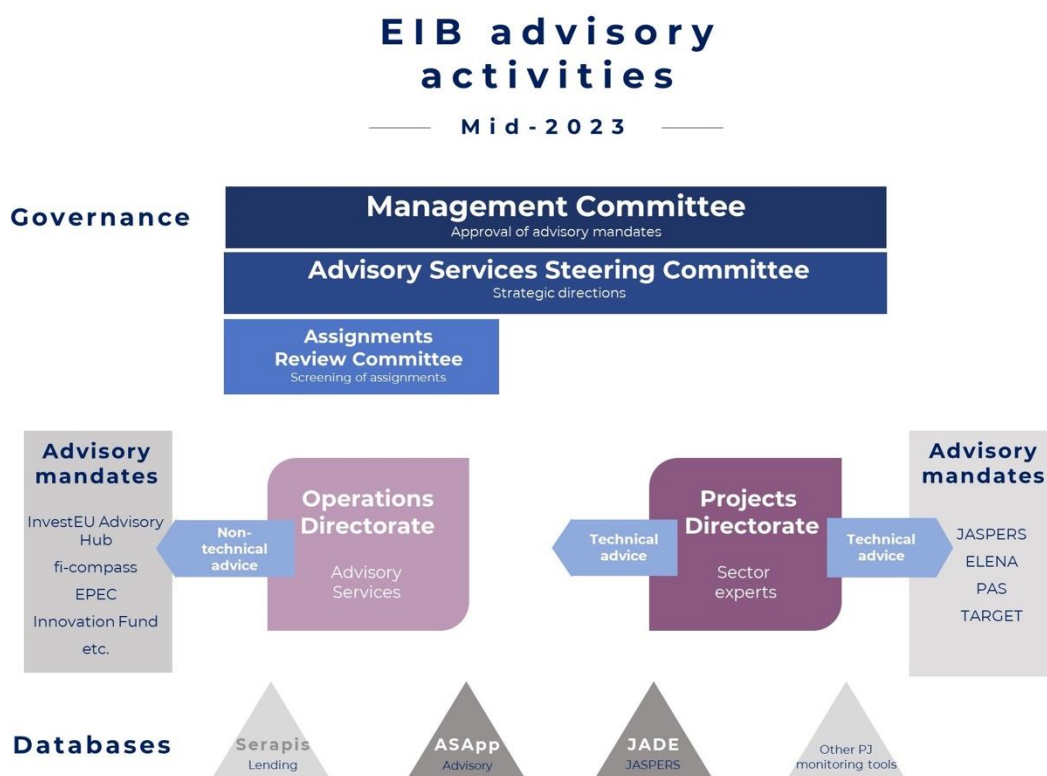
### 4.1 The objectives of the EIB advisory reorganisations have been only partly achieved

**The EIB's organisational arrangement for managing advisory has evolved considerably over the last decade and is still evolving.** In 2014, the EIB created a central department within its Secretariat General (the Advisory Services Department) to oversee all EIB advisory activities, including strategic directions, implementation and reporting. From 2015 onwards, the need for enhanced coordination between the services became critical, ensuring the interface with mandators and clients and those delivering technical and non-technical advice. In 2017, Management defined the respective roles of the Advisory Services Department (frontline service in charge of coordinating and delivering non-technical and financial advice) and of the Projects Directorate (in charge of managing technical advisory mandates and delivering technical and sector-related policy advice). In 2020, JASPERS was integrated into the Projects Directorate (hence completing the full transfer of technical advice to this directorate, including its client-facing functions) while the rest of the Advisory Services Department moved to the Operations Directorate, in order to seek out more operational and organisational synergies with other frontline services of the Bank.

**The reorganisations of EIB advisory activities had several objectives:**

- *Ensuring organisational efficiency, coordination and consistency across advisory mandates.* In particular, the division of technical and non-technical advice between two directorates in 2020 aimed at improving the coordination of requests and assignments within each of the types of advice, to avoid competition and duplication and to ensure timely use of internal resources.
- *Offering more holistic advice to clients.* The intention was to move towards advisory offers better able to respond to clients' needs with a full menu of advisory activities. In its Updated Strategic Orientations for Advisory (2022), the EIB announced that it would "continue strengthening the holistic approach to advisory, drawing expertise from a wider, coordinated pool". To develop a holistic offer of advisory activities, it was deemed necessary to develop synergies between technical and non-technical mandates, which would in turn result in a more efficient use of EIB staff resources.
- *Supporting the contribution of advisory to lending.* The integration of the Advisory Services Department within Operations Directorate clearly signalled the expectation to enhance the contribution of advisory to lending.

## Box 4: Current organisational setup of EIB advisory activities



The Advisory Services Steering Committee discusses issues related to the programming and implementation of the Bank's advisory services, and screens proposals for new advisory mandates before they are validated by the Management Committee.

At an operational level, advisory activities are split between:

*The Advisory Services Department within the Operations Directorate:*

Role: frontline service in charge of coordinating and delivering non-technical and financial advice.

Organisational set-up: largely mirrors the portfolio of advisory mandates — each mandate is managed by a dedicated unit or division.

Coordination of advisory request: by an Assignments Review Committee.

*The Projects Directorate:*

Role: in charge of upstream policy work (technical assistance, position papers, strategies, etc.), managing technical advisory mandates and delivering technical and sector-related policy advice.

Organisational set-up: both a mandate-oriented structure (PAS Unit; JASPERS Coordination Unit), and a sector-oriented structure (technical experts assigned to the JASPERS, ELENA and TARGET mandates are embedded within sectoral units or divisions, for the sake of mutual learning and coherence of the advice provided).

Coordination of advisory request: within sectoral divisions. Specific set-up for JASPERS.

**As of 2023, the benefits expected from the reorganisations have been only partly achieved.** Some areas moved successfully towards the intended goals, while some other areas remain challenging:

- **The coordination and consistency of technical advisory mandates within Projects Directorate have improved.** The integration of JASPERS into the Projects Directorate has reduced the risk of providing conflicting advice, since advice is now being managed within the sector or thematic divisions in charge.

Furthermore, the more systematic use of upstream analysis undertaken by JASPERS during Projects Directorate's appraisal of projects leads to efficiency gains.

- **Coordination within the Advisory Services Department has improved greatly since March 2023.** A new Assignments Review Committee was set up in March 2023. Its creation has improved coordination, consistency, and rigour in screening requests and allocating the assignments for which the Advisory Services Department is the mandate owner. The Assignments Review Committee is an appropriate response to the need for managing advisory requests across mandates. The creation of the Assignments Review Committee was timely, because the consolidation under the InvestEU Advisory Hub of previously separate mandates had increased — rather than reduced — the risk of competition among initiatives, which were in some cases tapping into the same budget (under the cross-sectoral windows of the InvestEU Advisory Hub).
- **However, coordination and synergies are still limited between the assignments managed by the Advisory Services Department and those managed by the Projects Directorate.** Other evaluations of EIB advisory mandates have found that the potential for synergies between EIB advisory mandates has not yet been realised. The EIB announced in its Updated Strategic Orientations for Advisory (2022), that it would “continue strengthening the holistic approach to advisory, drawing expertise from a wider, coordinated pool.” Nevertheless, in practice, coordination of requests across directorates is insufficient. The Projects Directorate continues to have a leading role in the “generation of demand” for technical advisory activities, but requests received by the Projects Directorate are not systematically shared or discussed with the Advisory Services Department.

**Table 2: Distribution of mandates between Operations Directorate/Advisory Services Department and Projects Directorate**

	Operations Directorate/ Advisory Services Department	Projects Directorate
Mandates embedded in the InvestEU Advisory Hub <sup>1</sup>	<ul style="list-style-type: none"> <li>InvestEU Advisory Hub</li> <li>Just Transition Mechanism Pillar 3 (InvestEU Just Transition scheme)</li> </ul>	<ul style="list-style-type: none"> <li>ELENA</li> <li>JASPERS (information sharing only)</li> </ul>
Mandates not embedded in the InvestEU Advisory Hub	<ul style="list-style-type: none"> <li>fi-compass</li> <li>EPEC (European Commission until 2012, since then EIB own resources)</li> <li>Assistance to DG REFORM</li> <li>European Innovation Council Fund</li> <li>Natural Capital Finance Facility (NCFF)</li> <li>Financial Instruments Advisory-Bilateral Advisory Services (FIA-BAS)</li> </ul>	<ul style="list-style-type: none"> <li>TARGET</li> <li>PAS</li> <li>Innovation Fund PDA</li> </ul>
Others and past mandates	<ul style="list-style-type: none"> <li>EIAH (past)</li> <li>InnovFin Advisory (past)</li> </ul>	<ul style="list-style-type: none"> <li>NER300</li> </ul>
Coordination structure	Advisory Services Steering Committee (strategic level)	
	Assignments Review Committee	Projects Directorate Divisions and Directorates
Information platforms	ASApp	ASApp (PAS, ELENA) JADE (JASPERS)

Mandates embedded in the InvestEU Advisory Hub: Common procedures and coordination of requests.

Source: Evaluation Division.

**This lack of coordination across directorates impedes the systematic combination of advisory products offered under different mandates managed by the Advisory Services Department and those managed by the Projects Directorate.** Synergies between technical and non-technical advisory products offered under different mandates by the Advisory Services Department and the Projects Directorate have so far materialised only on an ad hoc basis, not as the result of institutional exchanges. In addition, cross-directorate assignments often experience delays, due in part to the lack of availability of in-house technical experts that slows finalisation of the terms of reference for the procurement processes and the quality control of deliverables.

**Three main reasons explain why the reorganisation plans affecting EIB advisory have been only partly successful.** Specifically, the incomplete shift from mandate-oriented organisation of advisory activities towards a client-oriented organisation; insufficient coordination across directorates; and low staff incentives. These aspects are explored in the next sections.

## 4.2 Incomplete shift from a mandate-oriented organisation

**Until now, the management of advisory activities has been mandate-oriented, with each mandate managed by a dedicated unit or division.** Historically, the portfolio of EIB advisory activities has developed organically, through the accumulation of mandates overtime. The organisational set-up largely mirrors the portfolio of advisory mandates: each mandate is generally managed by a dedicated unit or division within the Projects Directorate<sup>23</sup> and the Advisory Services Department<sup>24</sup> respectively. While this mandate-oriented structure facilitates direct dialogue with and reporting to each mandator, it implies that several divisions or units deal with the same type of client, theme or sector. For example, a number of initiatives have a strong focus on climate and environment: ELENA, Private Finance for Energy Efficiency (PF4EE), Green Gateway, the Just Transition Mechanism Pillar 3, NER 300, Innovation Fund PDA, TARGET and the Natural Capital Finance Facility (NCFF).

**Table 3: Characteristics of mandate-oriented vs. client-oriented organisation**

Mandate-oriented organisation	Client-oriented organisation
<ul style="list-style-type: none"> <li>Structured by type of mandate and source of financing</li> <li>Multiple entry points for beneficiaries/clients of advisory activities</li> <li>Several mandates may target the same clients and/or similar themes, hence the risk of silos, duplication, competition between mandates</li> <li>Parallel, specific procedures applied to each mandate; scattered monitoring systems</li> <li>Smooth traceability of resources and of reporting by mandate</li> </ul>	<ul style="list-style-type: none"> <li>Structured by type of clients and their needs</li> <li>One-stop-shop entry point for beneficiaries of advisory activities</li> <li>Allows for a holistic, integrated package of services directed to specific clients' groups</li> <li>Unified communication and monitoring mechanisms, provided resources from various mandates are coordinated</li> <li>Blends several financing sources together, which may affect traceability of resources and reporting by mandate</li> </ul>

*Source: Evaluation Division.*

**The mandate-oriented structure limits communication with and visibility to target groups.** As indicated in section 2.3, target groups are typically unaware of the entirety of the EIB advisory offer. The information provided by the EIB on its advisory offer is often fragmented, reflecting the structure of mandates rather than potential

<sup>23</sup> The management of the JASPERS, ELENA and TARGET mandates is ensured by dedicated divisions or units, whereas the technical experts assigned to these mandates are embedded within sectoral units or divisions, for the sake of mutual learning and coherence of the advice provided. As for the PAS mandate, a dedicated unit ensures both the management and delivery of technical advice.

<sup>24</sup> Under the current MFF, several pre-existing mandates now fall under the InvestEU Advisory Hub. This new framework has not fundamentally changed the organisational setup; the Hub has essentially enabled funding sources and reporting obligations to be channelled within one single framework, but specific units or divisions remain in charge of specific windows or initiatives within this framework.

beneficiaries' needs. It is therefore difficult for clients to obtain a full overview of the advisory offer and even more so to comprehend the potential to combine the different services throughout the project cycle.

**This mandate-oriented structure also results in a risk of duplication and competition among advisory initiatives.** In the past, there has been a specific case of identical upstream studies (on clean energy) undertaken in parallel under different EIB mandates, without any coordination taking place. The risk of duplication or competition is more significant under the InvestEU Advisory Hub, as several initiatives are eligible under the same budget line (under a cross-sectoral budget window), which results in competition for servicing the same theme and/or client type.

**This mandate-oriented structure also fragments delivery models, governance arrangements, monitoring and reporting systems.** In general, procedures and reporting systems remain mandate-specific and fragmented. Recently, under the InvestEU Advisory Hub, efforts were made to consolidate and integrate some of these procedures. However, not all Operations Directorate/Advisory Services Department mandates fall under the Hub. And the Hub comprises activities so diverse in nature that they require a specific set of indicators, in addition to the generic indicators collected for the entire mandate. Furthermore, a separate, specific arrangement still exists for JASPERS at the request of the European Commission. These parallel reporting frameworks result in a "patchwork of indicators" reported by different services to different mandators, as illustrated in Table 4. In 2023, the EIB has to report on 69 indicators to its mandators under various reporting obligations (column A), only 19 of which were common to several mandates (column B). (See Annex 6 for mapping of reporting requirements.)

**Table 4: A patchwork of indicators on EIB advisory activities**

Indicator type	(A) Number of indicators reported to mandators <sup>25</sup>	Of which...	
		(B) Indicators common to several mandates	(C) Indicators used by the EIB for its annual reporting
Input indicators	13	7	7
Resource indicators	5	0	1
Process indicators	2	0	3
Output indicators	21	8	2
Result indicators	22	1	0
Impact indicators	6	3	0
<b>TOTAL</b>	<b>69</b>	<b>19</b>	<b>13</b>

Source: Evaluation Division, based on documentation review. Full table in Annex 6.

**Furthermore, the current monitoring and reporting system is designed to meet the information needs of the mandators, not the EIB as a co-financier of most mandates.** Reporting focuses mainly on accountability (mobilisation of resources and delivery of outputs), with increasing attention to results and client satisfaction under JASPERS and the InvestEU Advisory Hub. While for the EIB the cost of producing such data is not negligible, the EIB makes only limited use of these data for its own monitoring and learning: only 13 of the 69 indicators reported to mandators are used for EIB advisory's annual reports (column C in Table 4). In addition, it is currently very difficult to make a simple inventory of all advice received by a specific client, across EIB mandates. The ASApp platform does not allow for tracking advisory assignments by client, and it has only partial coverage of the advisory received by clients, due to the absence of an interface between ASApp and JADE (JASPERS' database). Currently, only information on JASPERS' externally produced expertise (less than 10% of its activities) is included in ASApp. The progressive integration of JASPERS into ASApp has kick-started in July 2023 and is due to be completed by the end of 2025.

**Efforts are being made in the Advisory Services Department to end fragmentation by adopting a more client-oriented approach.** However, processes and mechanisms are not yet fully adapted to this new perspective. Successful examples exist of EIB initiatives dedicated to specific client segments (for example, public sector,

<sup>25</sup> Reporting obligations under: InvestEU Advisory Hub, JASPERS, ELENA, InnovFin Advisory, fi-compass, EPEC, PAS (as of mid-2023).

public-private partnerships, banks, corporate), such as the Green Eligibility Checker developed jointly by the EIB's loan officers, sector experts and advisors for financial intermediaries. Going forward, the Advisory Services Department envisages a more systematic client-oriented approach. Such approach would enable a better understanding of and response to market needs and would allow for responses that combine resources available through various mandates. But at an operational level, this transition is still constrained by several factors, including: the absence of systems to coordinate and monitor the various advisory services received by individual clients; data systems that are unsuited to managing clients across assignments; and insufficient tailoring of communication on products to client type.

### 4.3 Insufficient coordination across directorates

**Coordination of requests across directorates is not sufficiently advanced.** The point at which requests are received and discussed is the point where potential synergies, overlaps or duplications can be identified and dealt with. After assignments are launched, it is too late for such coordination. However, to date, there has been no formal coordination of advisory requests between the Advisory Services Department and the Projects Directorate. The Advisory Services Steering Committee<sup>26</sup> cannot ensure operational coordination between directorates because of its high-level composition and the infrequency of its meetings. Coordination of advisory requests across directorates has begun within the Hub (EIAH and its successor the InvestEU Advisory Hub). But the Hub only has a mandate to coordinate initiatives within its remits and has no oversight for initiatives that are not in its scope.

**The Assignments Review Committee facilitates coordination of advisory requests, but only for non-technical advice.** The Assignments Review Committee oversees coordination within the Advisory Services Department, beyond the remits of the InvestEU Advisory Hub. It applies rigour, transparency and consistency in screening requests<sup>27</sup>. However, requests for mandates managed by Projects Directorate under JASPERS and PAS are not shared with the Advisory Services Department. For example, JASPERS shares its advisory requests not when they are received, but only once they start being implemented. Similarly, the Advisory Services Department has no access to JASPERS' project database (JADE) nor to the list of JASPERS' clients.

**There were fruitful, but irregular interactions between JASPERS – the EIB's flagship technical advisory mandate – and other advisory mandates managed by the Advisory Services Department.** JASPERS is the EIB's largest advisory mandate in terms of budget and full-time equivalents (FTEs). The EIB benefits from the advisory work produced by JASPERS for its own technical appraisal of projects, and a significant number of projects advised by JASPERS were subsequently financed by the EIB<sup>28</sup>. JASPERS traditionally intervenes at upstream level, by providing expert opinion in the verification of project applications and their compliance with EU requirements. It brings expertise focussing on checking the maturity of the project design and providing technical advice. Fruitful examples of synergies exist between JASPERS and the Hub in particular<sup>29</sup>. Yet this combination of mandates was often due to contacts between individual staff members, not to systematic arrangements. Where JASPERS alone is not able to provide advice to its clients (e.g. on downstream support, or for a type of advice that is not eligible under JASPERS), there is room to explore more systematically the potential for other initiatives to

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<sup>26</sup> The Advisory Services Steering Committee was established in 2012 to ensure consistent application of the Strategic Orientations. It screens the proposals for new advisory initiatives before submission to the Management Committee and discusses issues related to the programming and implementation of the Bank's advisory services. The Advisory Services Steering Committee is chaired by the vice-president in charge of Advisory Services with the Head of Operations Directorate and Director General of Projects Directorate acting as vice-chairs. Participation of the Secretary General and of the EIF's CEO and the support of the relevant DGs is also provided for. The Advisory Services Steering Committee meets twice a year, or according to need, and the Advisory Services Steering Committee also has joint meetings with Mandate Management (twice a year) in the presence of the relevant Vice Presidents.

<sup>27</sup> The Assignments Review Committee makes use of rigorous templates to analyse the credibility of requests, the value added brought by EIB advisory, potential contribution to EIB business, and allocation of responsibilities for delivery.

<sup>28</sup> See Figure 7.

<sup>29</sup> The EIB's support to regional hospitals in Romania is a flagship example of synergies between advisory initiatives. The EIAH financed a feasibility study for regional hospitals that helped formulate the PAS team's subsequent technical advice, which focused on preparing and implementing the projects. JASPERS experts were also involved in analysing the technical features of the investments. Other examples of collaboration between JASPERS and the Hub exist.

jump in and complement its interventions. This would require a structured process to identify joint opportunities, thus allowing a more systematic combination of technical and non-technical expertise.

**Coordination of the client relationship across directorates is very limited.** The EIB's advisory platform ASApp currently does not enable all advisory assignments received by an individual client across initiatives to be tracked. On the lending side, the Global Relationship Manager (GRM) function enables the relationship with major clients to be managed and commercial opportunities to be identified, but the same function does not exist in advisory.

**Interaction between the advisory and lending teams remains informal.** Within the Projects Directorate, the JASPERS and PAS teams have progressively reinforced their interaction with transaction teams (exchanges on ongoing interventions and distribution of the assignment pipeline, nomination of country coordinators for JASPERS experts to interact with relevant counterparts in Operations Directorate). The integration of the Advisory Services Department in the Operations Directorate was also intended to increase synergies between advisory and lending activities. There are cases of advisory initiatives that liaise on a regular basis with lending teams (such as Innovation Fund PDA or NER 300). However, such interaction remains constrained by several factors:

- *EIB loan officers often lack awareness about EIB advisory products.* Loan officers are often unaware of the full set of advisory products available or of the "product fiches" produced for them by Operations Directorate/Advisory Services Department. They are also unfamiliar with Operations Directorate/Advisory Services Department organisational structure (who does what, who is the relevant contact or channel to relay a request for support).
- *Several loan officers interviewed are not yet convinced that advisory activities bring value to their lending activities.* This poses a clear risk to the EIB's objective of enhancing the contribution of advisory to lending. In particular, loan officers working with corporate clients tend to believe that their clients are sufficiently strong in their domain and do not need EIB advice, or that EIB advice, for which corporate clients have to pay, is not competitive<sup>30</sup>. Loan officers dealing with public clients, especially in cohesion regions, are more familiar with advisory activities and the benefits to their activities and clients. Many of them have already used advisory services for their operations (advisory is free for public sector clients).
- *Some loan officers perceive that EIB advisors do not always understand their business environment or their needs.* This misperception prevails even though loan officers and advisors often interact with the same types of clients (albeit on different aspects). There are, however, examples of loan officers and advisory staff who have worked together (for example, in cohesion countries).

## 4.4 Insufficient staff incentives

**EIB technical experts with responsibility for both advisory and lending operations sometimes have difficulty dedicating time to advisory assignments.** The large majority of EIB technical experts (within the Projects Directorate) are not exclusively assigned to advisory support; their core activities are the appraisal of new projects and the monitoring of existing ones. They need to arbitrate between these core business priorities and support to advisory assignments. The irregular and sometimes unpredictable requests for advisory support also make it difficult for them to plan such activities.

**Consequently, external expertise is in certain cases used to compensate for a lack of internal resources (rather than being used, as it should be, to leverage and complement internal expertise).** Mandators particularly value the EIB's in-house expertise, and there is a perception among some of the interviewed mandators that the EIB is not mobilising the expected level of in-house expertise. This could generate concern among mandators that the level of quality and expertise they signed up for is not being fulfilled.

**Incentives of in-house advisors for using advisory to support lending are high within Operations Directorate/Advisory Services Department but low within Projects Directorate advisory and among Operations**

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<sup>30</sup> Corporate clients do not have to pay for all type of advisory services. For example, under InvestEU Advisory Hub, assignments with a total budget of less than €250 000 are free of charge.

**Directorate loan officers.** Operations Directorate loan officers have no formal incentive to mobilise advisory for their lending operations. Similarly, for the advisory mandates managed by the Projects Directorate, staff have no target or tool in place to encourage a link between advisory assignments and lending operations, in neither the short nor the longer term. A recent evaluation by the Evaluation Division pointed out the need for PAS to signal clearer priority to assignments that also support the EIB's lending activities.

**Finally, advisors and loan officers have limited incentives to explore innovative advisory products.** The incubation of new EIB advisory products requires creative space and time as well as a connection and exchange between advisors and lending teams. Advisory assignments, however, are request- and mandator-oriented, and the work of advisors is allocated to the assignment's objective. To date, no dedicated platform, budget or staff are allocated to develop internal incubation teams for innovative advisory products. Another limitation is the lack of strategic medium-term directions for advisory: staff do not receive guidance on which areas the EIB should invest in in the medium term and which advisory assignment might be of interest in the medium rather than the short term.

# 5. Conclusions and way forward

## 5.1 Completing the ongoing shift towards a client-oriented management of advisory activities

**The management of advisory activities has historically been mandate-oriented, which leads to challenges.** Until now the management of most advisory activities has mirrored the sources of financing, each mandate being managed by a dedicated unit or division within the Projects Directorate<sup>31</sup> and the Advisory Services Department<sup>32</sup> respectively. This organisation facilitates direct dialogue with and reporting to each mandator, but it also implies that several divisions or units deal with the same type of client, theme or sector. At the Projects Directorate level, the current organisation by sector allows for consistency and synergies in technical work. But the absence of strong operational oversight across EIB advisory mandates creates silos, with parallel, rather than joint procedures and monitoring systems for advisory initiatives working on similar topics for similar clients.

**Within the Advisory Services Department, a new client-oriented structure, neutral to the source of financing, is expected to address some of the current limitations.** The Advisory Services Department is moving to reorganise itself by client segment (public sector, public-private partnerships, banks, corporates). That is expected to improve understanding of market needs, enhance synergies, increase visibility and clarity for clients, and overall, result in a more holistic and coherent offer. The greater flexibility of such organisation is also expected to enable the better integration of future mandates: new opportunities arising from new mandates will be more effectively embedded within a broader client offer.

**But processes and tools are not yet fully adapted to enable such a transition.** Currently, there are operational constraints to ensuring an optimal client relationship at Bank level:

- *The absence of client relationship management system for advisory clients (beyond specific assignments and across Operations Directorate and Projects Directorate).* Advisory clients may receive support from different initiatives and different EIB directorates, but management tools are not designed for coordinating and monitoring the various advisory services received by individual clients. For its lending activities, the EIB deploys 'country' and 'global relationship' managers<sup>33</sup> who coordinate the relationship with large clients. This model, which would allow for coordination and oversight of the advisory client relationship across directorates and mandates, could be considered for large advisory clients.
- *An inadequate system for monitoring advisory clients.* It is currently very difficult even to take an inventory across mandates of all advisory activities received by a specific client. The ASApp platform does not enable tracking of advisory assignments by client. Furthermore, ASApp only has partial coverage of the advisory received by clients, due to the absence of an interface with JADE (JASPERS' database). The progressive integration of JASPERS into ASApp has kick-started in July 2023 and is due to be completed by the end of 2025.
- *Inadequate external communication about the advisory offer.* The EIB's communication about its advisory offer is not sufficiently tailored to clients' needs, which reduces its visibility and outreach.

**Within the Advisory Services Department, the new Assignments Review Committee has improved coordination, consistency and rigour in screening requests and allocating assignments.** Created in March 2023, the Assignments Review Committee makes it possible to identify potential synergies, overlaps or duplications

<sup>31</sup> The JASPERS, ELENA and TARGET mandates are managed by dedicated divisions or units, whereas the technical experts assigned to these mandates are embedded within sectoral units or divisions, for the sake of mutual learning and coherence of the advice provided. As for the PAS mandate, a dedicated unit ensures both the management and delivery of technical advice.

<sup>32</sup> Under the current MFF, several pre-existing mandates now fall under the InvestEU Advisory Hub. This new framework has not fundamentally changed the organisational set-up; the Hub has essentially allowed funding sources and reporting obligations to be channelled within one single framework, but specific units or divisions remain in charge of specific windows or initiatives within this framework.

<sup>33</sup> GRM: manager responsible and accountable for the EIB Group's relationship with an existing or a targeted client.

across the mandates managed by the Advisory Services Department, at the time when action can still be taken. The Assignments Review Committee fills a gap: the Advisory Services Steering Committee cannot ensure such coordination because of its high-level composition and infrequent meetings. Nor can the InvestEU Advisory Hub ensure this coordination because it only brings together some of the EIB's advisory mandates and has no formal authority or institutional oversight over other advisory mandates.

**However, coordination of requests across directorates is insufficient.** The Assignments Review Committee is currently empowered to only coordinate the requests for which the Advisory Services Department is the mandate owner. Requests for mandates managed by the Projects Directorate are operated under mandate-specific procedures, which do not involve the Advisory Services Department. The lack of joint coordination of advisory requests impedes a more holistic response to clients' needs, and a more systematic linking of the technical and non-technical expertise available respectively within the Projects Directorate and the Advisory Services Department.

## Recommendation 1

**Ensure that processes and tools are fit for client-oriented management of advisory activities. To this end, consider:**

- 1.1 Developing a client relationship management system for coordinating and overseeing the relationship with large advisory clients across directorates.**
- 1.2 Ensuring that the ASApp platform efficiently tracks all the advisory activities received by a client across EIB mandates, including those delivered by JASPERS.**
- 1.3 Defining a professional communication strategy and approach by client segment, which enables clients to identify the advisory products available to them across the EIB.**
- 1.4 Intensifying the coordination of advisory requests across directorates (between the mandates managed by the Advisory Services Department and the Projects Directorate) in order to stimulate synergies, efficiency and consistency between technical and non-technical advice.**

Rationale: The management of advisory activities is still mandate-oriented, each mandate being managed by a dedicated unit or division. This approach creates silos. A new client-oriented organisation of the Advisory Services Department, neutral to the source of financing, would improve the understanding of market needs, enhance synergies, increase visibility and clarity for clients, and overall, create a more holistic and coherent offer.

Several processes and tools need to be adjusted to allow for such organisation of activities. First, a client relationship management structure would help coordinate the relationship with clients across mandates and directorates. This does not imply that the Projects Directorate should change its internal organisation or way of interacting with clients; what is needed is enhanced coordination of client-related information between directorates. Second, all while fulfilling contractual obligations with mandators, data platforms should allow for the tracking and steering of all advisory activities received by each client across EIB mandates, including the activities delivered by JASPERS. Third, communication to clients on the overall advisory offer – currently scattered across various websites and communication tools with different entry points – should be integrated, made more accessible and more visible.

Lastly, the Assignments Review Committee has improved management of advisory requests across mandates within the Advisory Services Department. But coordination of requests between the Advisory Services Department and the Projects Directorate is insufficient. A joint coordination can be envisaged between the two. This would facilitate more systematic linking of technical and non-technical expertise. An option could be to scale up the Assignments Review Committee's oversight also to mandates managed by the Projects

Directorate; this would require a revision of its composition, operating model (to cater for an increasing number of requests) and governance, while ensuring that its criteria for approving requests are compatible with those applicable to these newly embedded mandates.

## 5.2 Stimulating the engagement of in-house technical advisors

**Mandators value the EIB's unique in-house expertise and have given the EIB a privileged position in terms of exclusivity or significant share of advisory mandates in order to get access to its expertise.** In this context, mandators expect the EIB to guarantee the quality of its support by applying its quality stamp to every advisory assignment it manages. They recognise that the EIB's model also builds on externally procured expertise to leverage and complement in-house expertise.

**However, there is a perception among some of the mandators interviewed that the EIB is not mobilising the expected level of in-house expertise.** Data correlates with this perception: while the split between internal and external expertise was relatively stable for several years, external expertise has reached a peak in 2022 (23% of advisory staff costs). This is partly because, in some instances, the EIB had to procure external consultants to compensate for the lack of available in-house technical expertise, rather than complementing it. Indeed, the EIB technical experts working on both advisory and lending operations, in particular, have to arbitrate between business priorities and advisory assignments in allocating their time. The irregular and sometimes unpredictable requests for advisory support also make it difficult for them to plan such activities. Insufficient time for these in-house technical experts to prepare for and engage in assignments not only results in more reliance on external expertise as compensation, but also delays procurement and supervision, which is perceived as a lack of engagement. Some of the mandators interviewed complained about the inefficiency of this process (double layer of procurement — from the European Commission to the EIB and from the EIB to consultants). They also identified a risk that the EIB does not fully control the quality of its advisory activities and that it struggles to demonstrate their performance. Mandators want to be reassured that the EIB consistently applies its quality stamp to every advisory assignment it manages. At the same time, both mandators and beneficiaries generally remain satisfied with the quality of the expertise received.

**Furthermore, there is room to enhance interactions between JASPERS and other initiatives managed by the Advisory Services Department, for a more systematic combination of technical and non-technical expertise.** JASPERS is the EIB's largest advisory mandate in terms of budget and full-time equivalents (FTEs). The EIB benefits from the advisory work produced by JASPERS for its own technical appraisal of projects, and a significant number of projects advised by JASPERS were subsequently financed by the EIB<sup>34</sup>. But even as a co-financier of JASPERS, the EIB has not exploited this partnership to its full potential. Indeed, the evaluation identified examples of fruitful complementarity between JASPERS and other advisory initiatives, under the Hub in particular. Yet, this combination of mandates was often due to ad hoc or informal exchanges, not to a structured process to identify joint opportunities. Where JASPERS alone is not able to provide advice to its clients (e.g. on downstream support, or for a type of advice that is not eligible under JASPERS), there is room to explore more systematically the potential for other initiatives to jump in and complement its interventions.

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<sup>34</sup> See Figure 7.

## Recommendation 2

**Mobilise in-house technical advisors strategically. In particular:**

**2.1 Ensure that Projects Directorate's in-house technical advisors requested for procurement support and for advisory assignments have the incentives and time to provide their inputs.**

**2.2 Explore a formal quality assurance system to guarantee that the EIB consistently applies its quality stamp to mandators and beneficiaries across assignments.**

**2.3 Explore ways to enhance the contribution of JASPERS' advisory work to other EIB advisory activities.**

Rationale: The EIB's in-house expertise is the most appreciated element of the EIB's value proposition in advisory. Due to irregular requests and sometimes conflicting priorities, in-house technical experts are not always mobilised to the anticipated extent, and external consultants are in some instances mobilised to compensate for the lack of available in-house technical expertise, rather than to complement it. Mandators want to be reassured that the EIB consistently applies its quality stamp to every advisory assignment it manages, regardless of whether in-house or external expertise is provided.

Against this backdrop, the EIB needs to ensure that in-house technical staff are mobilised for advisory assignments in which their expertise is required. Furthermore, a formal quality assurance system for advisory would demonstrate to mandators that the EIB consistently applies its quality stamp to advisory support, whether provided fully in-house or as a combination of in-house experts and consultants. Such quality assurance would reassure mandators, in addition to bringing other benefits.

Lastly, there is room to enhance interactions between JASPERS and other initiatives managed by the Advisory Services Department, for a more systematic combination of technical and non-technical expertise.

## 5.3 Enhancing the direct and indirect contribution of advisory to EIB Group activities

**The EIB has not clearly defined its operational interest in the medium term (two to five years) meaning that the prioritisation of advisory activities remains opportunistic.** The EIB Strategic Orientations for advisory – launched in 2013 and updated in 2022 – promote its increasing integration into the core business of the Group, including its support to lending activities in the short, medium or longer term. However, in the absence of medium term directions, no guidance exists to define whether an advisory request has an operational interest in the longer term. Furthermore, upstream studies are generally not used strategically – to explore emerging demands, niche markets or new and innovative support fields. As a result, upstream studies are not always considered of value within EIB services. The EIF makes more proactive use of upstream studies to identify emerging needs, explore opportunities and design new and innovative products.

**Furthermore, in the advisory mandates it supports, the EIB has not always defined its own objectives as a partner and co-financier.** The EIB Strategic Orientations for advisory services of 2013 and 2022 expect *all* EIB advisory activities to support EIB lending activities in either the short or the longer term. But this objective has not always been mentioned in its mandate agreements, and the advisory activities falling under these mandates are not formally expected to support EIB lending.

**The EIB should also acknowledge the longer-term contribution made by technical advisory mandates to its lending activities.** Important advisory mandates managed by the Projects Directorate (JASPERS, PAS, TARGET) focus on developing capacities and the feasibility of projects. Therefore, they facilitate EIB lending in the medium to longer term, rather than in the short term. The Bank should recognise that assignments falling under these

mandates are usually expected to bring an “operational interest” to the Bank in the long term, rather than in the short term.

### Recommendation 3

**Define the value proposition of EIB advisory, including its fields of interest for the next three years.**

Rationale: The prioritisation of advisory activities remains opportunistic. Clarity on the directions for advisory on a three-year horizon would enable the EIB to:

- Better define the EIB’s position and interests as a partner, in the negotiation of future advisory mandates.
- Acknowledge the longer-term contribution made by technical advisory mandates to its lending activities.
- Define which assignments have an indirect or medium-term operational interest for the EIB Group.
- Give direction for how and where the EIB could invest selectively in external partnerships and internal incubation teams, to explore emerging demands, niche markets and new and innovative support fields.

**There is a lack of awareness among EIB loan officers of the benefits of EIB advisory for their lending activities.**

This constitutes a clear risk to achieving the EIB’s objective of enhancing the contribution of advisory to the Group’s financing activities. Several loan officers interviewed, particularly those who work with corporate clients, have yet to be convinced that advisory can be valuable to their lending activities. They tend to view their corporate clients as experts in their field with no need for EIB advice. Several loan officers also believe that advisors do not always understand their business environment, hence do not understand their needs. The development of new initiatives by joint teams combining advisors, loan officers and sector experts – Green Gateway and advisory under the PATH framework – has enhanced the recognition by frontline officers of the value of advisory.

**At present, some staff have greater incentives than others to explore the use of advisory in combination with lending.** In general, in markets where demand for EIB lending is high, the incentive for loan officers to use advisory to explore new opportunities is low. In markets that are more competitive for the EIB as a financier, advisory is more welcomed as a business development tool or as an add-on to increase the attractiveness of EIB lending solutions.

**Furthermore, heads of EIB offices are in some instances underused in relaying needs for EIB’s advice.** Presence of EIB advisory teams in local offices (such as in Warsaw or Bucharest) is a channel for relaying needs to Luxembourg. Yet in offices where there is no such presence of advisors, heads of EIB offices are underused. They are not equipped with adequate information about the advisory offer available to their counterparts and are not guided on how to channel requests for support to the EIB’s Advisory Services.

### Recommendation 4

**Enhance staff awareness of EIB advisory and provide more consistent incentives for collaboration between advisory and transaction teams. For this, consider:**

**4.1 Developing information tools on products readily usable by EIB loan officers, providing them with guidance on how to channel requests, and consulting them on assignments for capitalising on their knowledge and network.**

**4.2 Investing in building better knowledge of the EIB advisory offer among loan officers and promoting a better understanding of how advisory can contribute to lending.**

**4.3 Exploring enhanced mobilisation of heads of EIB offices for relaying needs for EIB's advice.**

Rationale: Within the Projects Directorate, the JASPERS and PAS teams have progressively reinforced their interaction with transaction teams. The integration of Advisory Services in the Operations Directorate has also built bridges between advisors and loan officers; yet additional actions are needed. Lack of awareness and interest among EIB loan officers about the EIB advisory offer may jeopardise the EIB's objective of enhancing the contribution of advisory to lending. Recent examples show that the development of initiatives by joint teams involving loan officers favours their recognition of the value of advisory.

The potential contribution of heads of EIB offices to expanding the outreach of advisory is also underexploited, due partly to a lack of awareness of the advisory offer, and partly to the undefined role of office heads in the life cycle of advisory assignments.

EIB loan officers, investment mandate officers (where relevant) and office heads need to be better informed about the advisory offer and the kinds of support provided by advisors. IG/EV supports the ongoing effort by the Advisory Services Department to build bridges between their advisors and frontline officers (including with job shadowing opportunities).

## 5.4 Enhancing advisory portfolio monitoring

**The current system for monitoring advisory activities is designed to meet the information needs of the mandators rather than the EIB.** It comprises parallel mandate-specific monitoring and reporting procedures derived from individual agreements with mandators. This results in reporting on a "patchwork of indicators" by different services to different mandators. While the cost to the EIB of producing such data is not negligible, the EIB makes very limited use of the data for its own monitoring and learning.

**The current system does not provide useful information to the EIB as a partner and implementing agent of assignments.** The KPIs reported in the EIB Operational Plan are not informative and do not provide a clear direction to advisory staff (see section 3.3). The EIB, as a partner and co-financier of its advisory mandates has an interest in monitoring the use of its overall FTE resources and budget for advisory, but these aspects are not followed across mandates.

**Furthermore, the type of contribution made by advisory to the origination, preparation, implementation or monitoring of EIB operations is insufficiently shown and known internally.** This contribution is estimated for each individual operation (under the EIB's AIM-Additionality and Impact Measurement Framework). But this information is not used to demonstrate the type of contribution made by the overall advisory portfolio to the overall operations portfolio. The result is a missed opportunity for advisory to demonstrate systematically its contribution to EIB lending.

**The ASApp platform is limited as it does not capture all advisory activities of the EIB.** At the time of this evaluation, JASPERS, the main EIB advisory mandate in budget costs and FTEs has no interface with ASApp. In addition, for some other advisory mandates, the information available in ASApp reflects only part of the activities undertaken. A large part of the data is reported manually, which increases the risk of errors and distorted results. Furthermore, the ambition of reflecting the specificities of each advisory mandate has led to parallel, specific

procedures by different mandate owners using ASApp. This creates inefficiencies, risks of inconsistency, and limits the ability to aggregate data across mandates.

## Recommendation 5

**Consider revising the internal monitoring of advisory to make it useful for the EIB. This may include:**

**5.1 Replacing the existing set of three EIB KPIs used for internal monitoring with information on, first the distribution of assignments with an immediate or an indirect/strategic interest for the Group; second, the significance of the advisory's contribution to operations (using the AIM framework); and, third, the utilisation of available resources across advisory mandates (FTEs and budget).**

**5.2 Consolidating and enhancing the ASApp platform.**

Rationale: While the EIB is monitoring a wealth of indicators under the reporting obligations of its mandators, it monitors only a few indicators for its own information needs. The KPIs currently reported in the EIB Operational Plan are not useful to demonstrate in-house how advisory performs. The type of contribution made by advisory to operations is measured under the EIB's AIM framework (Pillar 3), but this information is not aggregated at a portfolio level. Internally, this affects the recognition of advisory as a valuable activity for the Bank.

Furthermore, as a partner and co-financier of its advisory mandates, the EIB has an interest in monitoring the optimal use of its resources for advisory; however, this aspect is not followed at EIB level.

The ASApp system was developed as a single-entry point and monitoring platform for all EIB advisory activities. ASApp has the potential to automate the support to reporting and efficient monitoring of KPIs, increasing the efficiency of reporting and improving data quality. However, as it stands now, the system has several shortcomings. In addition to recommendation 1.2 on the tracking of activities received per client, ASApp needs to be able to monitor the lifecycle of individual assignments more rigorously for business coordination. Furthermore, the application of parallel, specific procedures by different mandate owners under ASApp creates inefficiencies and risks of inconsistency and limits the aggregation of data across mandates.

# Annex 1 — Evaluation questions

Table 5: Evaluation questions

Coordination of EIB advisory initiatives in the European Union	
1	<b>To what extent are the various EIB advisory initiatives supporting each other?</b>
	The evaluation question assesses whether in the EIB's fields of intervention, the EIB advisory offer covers the demands and whether there are synergies (no overlaps) between the EIB's various advisory initiatives.
2	<b>To what extent do EIB advisory initiatives complement and differentiate from alternative advisory services available in the European Union?</b>
	<p>The evaluation question assesses whether the EIB communicates clearly about its advisory offer to its target groups. It investigates the visibility and accessibility of the EIB's advisory offer, from the viewpoint of its target beneficiaries.</p> <p>It also assesses whether the EIB offer presents a comparative advantage (unique value proposition, unique expertise) vis-à-vis alternative advisory services available in the European Union in terms of both its breadth (comprehensive coverage of needs) and depth (intensity of support targeting specific needs).</p> <p>Finally, the question analyses how the EIB works together with other providers of advisory activities (European Commission and NPBs in particular) as a way to enhance the scale, geographic outreach and efficient delivery on the ground.</p>
3	<b>To what extent could EIB advisory activities enhance their contribution to EIB Group activities?</b>
	<p>The evaluation question investigates whether the expected contribution of advisory to EIB Group activities is clearly formulated and measured and is rigorously monitored.</p> <p>This question also analyses whether the organisational set-up is conducive to collaborations between advisory and transaction teams, contributing to the EIB pipeline of bankable investment projects, by facilitating the identification of new lending opportunities, by smoothing the appraisal process and signature of future operations and/or by unlocking EIB disbursements.</p>
EIB organisational efficiency	
4	<b>Is the current EIB organisational set-up conducive to ensuring rapid and quality responses to requests, and to make an efficient use of the resources available under its various advisory initiatives?</b>
	The question assesses whether the organisation and delivery model of the Bank help ensure efficient and timely mobilisation of expertise, and whether the advice provided is found to be of quality by its target groups and mandators.
5	<b>Does the EIB rely on an adequate monitoring system to track performance and learn from its advisory activities?</b>
	The evaluation analyses the extent to which the EIB builds on a reliable, useful and efficient monitoring system to track performance, report on the effects of its advisory activities to various stakeholders and learn from the data produced.

	<p>This question also looks at how, through its monitoring and key performance indicators (KPIs), the EIB ensures a balance between on the one hand, contributing to the EIB Group’s objectives, and on the other, serving the mandators’ objectives.</p>
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*Source: Evaluation Division.*

# Annex 2 — Typology of EIB advisory activities

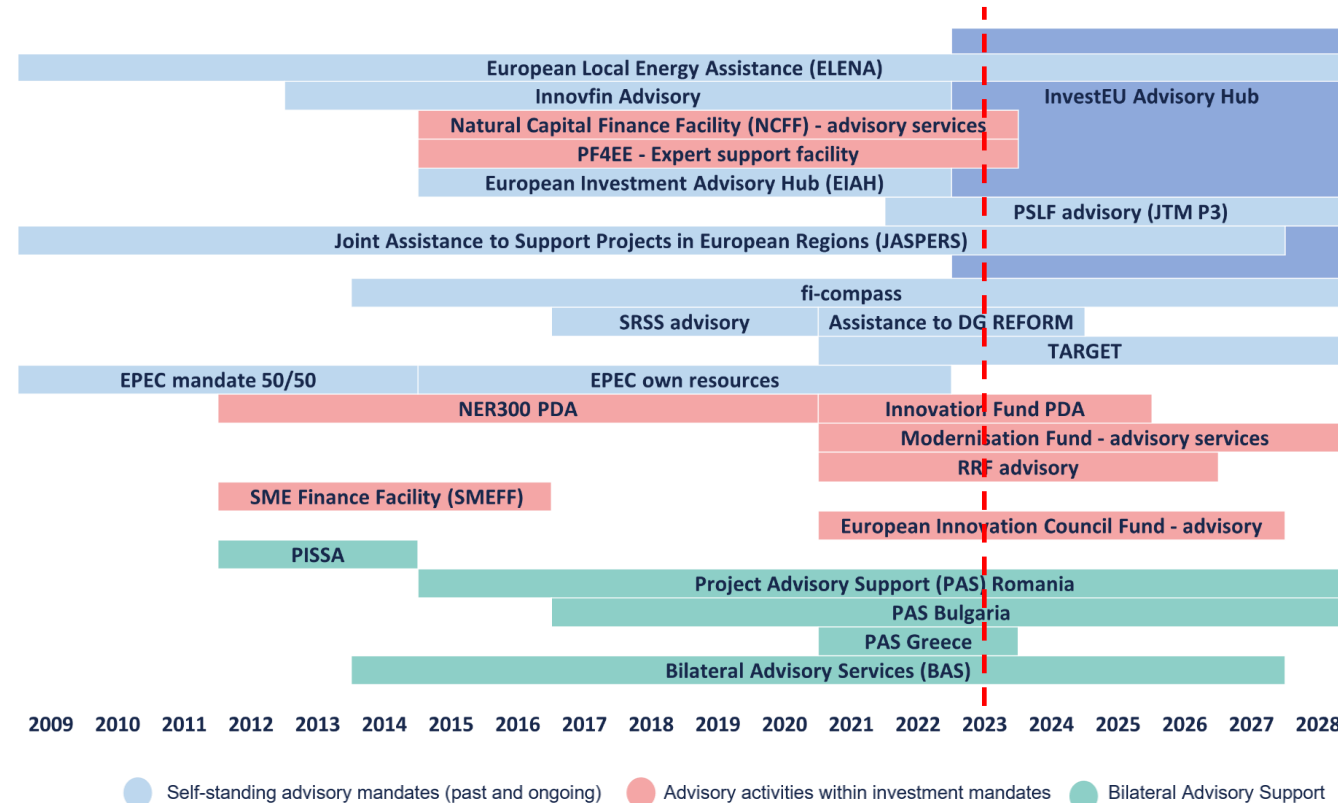
Table 6: Typology of EIB advisory activities

Advisory level and activity	Coverage
<b>Micro Level</b> <i>Project development and implementation</i>	<p>Includes technical and financial preparation, structuring and implementation support for investment projects that are then funded by the EIB or by other financiers. This support increases the soundness and viability of projects and improves the promoter's know-how and implementation capacity. It includes:</p> <ul style="list-style-type: none"> <li>• Technical project preparation and development support, as well as support for EU grant application.</li> <li>• Project preparation support to improve bankability and investment readiness.</li> <li>• Project implementation support including monitoring of implementation.</li> </ul> <p>The rationale for advisory services targeting at the micro level relates to the need to address the technical or administrative capacity gaps of project promoters, public entities (including managing authorities) or local authorities in the design and implementation of projects.</p>
<b>Meso Level</b> <i>Market development and institutional support</i>	<p>Covers support to organisations beyond specific projects or investment pipelines. Support may be directed towards regulatory compliance; the adaptation of systems, tools, processes and procedures; and the set-up or reform of institutions. Support is intended to help with the development of new instruments (such as decentralised financial instruments), financing frameworks (such as public-private partnerships), markets, or the mobilisation of funding (such as Shared Management Funds).</p> <p>Support is provided through sector studies and market analysis, financial instruments and advisory platforms support, and advisory support to institutions.</p> <p>The underlying rationale for the delivery of such advisory services relates to institutions lacking information or capacity to effectively mobilise available resources and innovative products, such as financial instruments.</p>
<b>Macro Level</b> <i>Strategic development at policy / regulatory level</i>	<p>These activities assist the public sector in identifying financing needs/gaps and developing strategic frameworks, particularly in new emerging sectors/themes, and help public authorities create an enabling environment for investment.</p> <p>The underlying rationale for the delivery of such advisory services relates to the need to support a regulatory and policy environment conducive to investments and, more specifically, to the development and implementation of good quality and bankable projects.</p>
<b>Transversal Level</b> <i>Knowledge sharing</i>	<p>This level addresses the need to deal with a lack of awareness of specific investment products, methods and approaches (including innovative ones) and to facilitate the take-up of such innovations.</p> <p>These activities are provided through awareness raising, networking and dissemination of best practices; coaching and training; and general studies. The Evaluation Division considers these activities transversal because they may be provided at the micro, meso or macro level.</p>

Source: Evaluation Division, inspired by the "Assessment of advisory services for possible inclusion in the EIB's Anti-Money Laundering and Combating Financing of Terrorism Framework (AML-CFT) framework" performed by the Office of the Chief Compliance Officer (OCCO) (2021).

# Annex 3 — Funding sources of EIB advisory assignments in the European Union

Figure 9: Funding sources of EIB advisory assignments in the European Union



Source: Evaluation Division, based on documentation review. Abbreviations: PF4EE — Private Finance for Energy Efficiency; PSLF (JTM P3) — Public Sector Loan Facility (Just Transition Mechanism pillar 3); SRSS — Structural Reform Support Services; TARGET — Technical Assistance for a Green Energy Transition; EPEC — European PPP Expertise Centre; NER 300 — New Entrants' Reserve 300; RRF — Recovery and Resilience Facility; PISSA — Project Implementation Support Service Agreement; Notes: The mandate InvestEU Advisory Hub is the funding source for EIB assignments, but the mandate itself is funded by seven different funding sources; PAS Greece will likely be extended until the end of 2029.

# Annex 4 — Main EIB Advisory Mandates in the European Union Since 2004

Table 7: Main EIB advisory mandates in the European Union since 2004

Mandate	Core activities	Sources of funds	Programme launch date	Geographical scope	Beneficiaries
InvestEU Advisory Hub	<ul style="list-style-type: none"> <li>• Successor to European Investment Advisory Hub (EIAH).</li> <li>• Created as a single entry point to EU advisory following the objectives of the 2021-2027 Multiannual Finance Framework (MFF) to reduce fragmentation of EU instruments.</li> <li>• Supports the development of a robust pipeline of investment projects in each policy window under the InvestEU Programme.</li> <li>• Open to other advisory partners; however, the EIB has been allocated 75% of the Hub's advisory activity budget.</li> <li>• Consolidates several previously separate advisory mandates on the EIB side.</li> </ul>	EU Budget  Member States  EIB own resources  Beneficiaries (private sector in receipt of support >€250k)	2021	Member States	Public and private project promoters  Financial intermediaries  NPBs
Joint Assistance to Support Projects in European Regions (JASPERS)	<ul style="list-style-type: none"> <li>• Originally set up to support the development of projects in new Member States to facilitate the absorption of EU funds.</li> <li>• Now continues to provide advice about the structuring of individual projects across all Member States but also provides:               <ul style="list-style-type: none"> <li>○ Networking, training and horizontally organised activities.</li> <li>○ Strategy support services.</li> <li>○ Review services.</li> </ul> </li> </ul> <p>While JASPERS has its own agreement, operationally it is part of the InvestEU Advisory Hub Cross-sectoral window.</p>	EU Budget  EIB own resources	2006	Member States (and pre-accession countries for IPA mandate)	Public authorities  Project promoters
European Investment Advisory Hub (EIAH)	<ul style="list-style-type: none"> <li>• Meant as a single point of entry for financial and technical assistance requests involving policy priority areas within the European Union.</li> <li>• EIB single entry-point (as opposed to InvestEU Advisory Hub).</li> <li>• Supports the identification, preparation and implementation of sustainable investment projects.</li> </ul>	EU Budget  EIB own resources	2015	Member States	Public and private project promoters  National/ regional authorities

Mandate	Core activities	Sources of funds	Programme launch date	Geographical scope	Beneficiaries
	<ul style="list-style-type: none"> <li>Supports the development of public-private partnerships (PPPs), use of innovative financial instruments, development of investment platforms and provides capacity building for the public sector in these areas.</li> <li>Enables peer-to-peer exchanges through the cooperation platform of national promotional banks and institutions (NPBIs), as well as know-how sharing on project development.</li> </ul>				Financial intermediaries NPBs Other (European Commission)
European Local Energy Assistance (ELENA)	<ul style="list-style-type: none"> <li>Supports the preparation and launch of bankable sustainable energy/transport projects or investment programmes by providing expertise and grants for financing feasibility and market studies, structuring programmes, business plans, energy audits, preparation for tendering procedures.</li> <li>A condition for the grant is that the supported investment be 15 to 20 times larger than the grant and be fully realised within three to four years.</li> </ul>	EU Budget Member States European Commission Donors	2009	H2020 countries but focus on EU Member States	Public and private project promoters National/ regional authorities Financial intermediaries NPBs Other
fi-compass	<ul style="list-style-type: none"> <li>Supports Member States in understanding and making better use of financial instruments that utilise Shared Management Funds. Services include exchange of best practice and networking across Member States, as well as training sessions and resources on common themes such as ex-ante assessments, public procurement, regulatory aspects of cohesion policy and state aid.</li> </ul>	EU Budget / European Commission	2015	Member States	National/ regional authorities Financial intermediaries NPBs Other
InnovFin Advisory	<ul style="list-style-type: none"> <li>Provides advice to potential InnovFin project promoters on how to improve the bankability of their projects and how to access finance.</li> <li>Provides research, awareness-raising, and capacity-building services (such as guidance to financial institutions acting as InnovFin intermediaries).</li> </ul>	EU Budget	2014	Member States and beyond	Public and private project promoters National/ regional authorities Financial intermediaries

Mandate	Core activities	Sources of funds	Programme launch date	Geographical scope	Beneficiaries
					NPBs Other
European PPP Expertise Centre (EPEC)	<ul style="list-style-type: none"> <li>Supports the public sector across Europe in delivering better public-private partnerships (PPPs).</li> <li>Includes the following activities: <ul style="list-style-type: none"> <li>Sharing good practices.</li> <li>Assisting policy development (such as PPP legal and regulatory frameworks).</li> <li>Supporting PPP project preparation.</li> </ul> </li> </ul>	European Commission until 2012  EIB own resources	2008	Member States and beyond	Public and private project promoters  National/ regional authorities
Project Advisory Support Romania, Bulgaria and Greece (PAS)	<ul style="list-style-type: none"> <li>Provides technical assistance to state administrations responsible for key public sector investments with the objective of accelerating project execution and absorption of EU Cohesion Policy Funds and EIB loan disbursement.</li> <li>Focuses on project implementation and capacity building.</li> </ul>	Member States  European Commission	2012	Romania, Bulgaria, Greece	Public and private project promoters  National/ regional authorities
Structural Reform Support Service (SRSS) advisory	<ul style="list-style-type: none"> <li>Supports the preparation of sectoral master plans.</li> <li>Strengthens the public sector's capacity in project pipeline development.</li> <li>Supports assignments managed under the EIAH.</li> </ul>	EU Budget  Member States  European Commission  Donors	2015	Member States (Greece, Romania)	National/ regional authorities
Assistance to DG REFORM (successor of SRSS)	<ul style="list-style-type: none"> <li>Supports the design, development and implementation of reforms to improve the conditions for financing and investments in the green transition, including building renovation and sustainable mobility.</li> <li>Supports assignments managed under the EIAH.</li> </ul>	EU Budget	2020	Bulgaria, Cyprus	National authorities

Mandate	Core activities	Sources of funds	Programme launch date	Geographical scope	Beneficiaries
Technical Assistance for a Green Energy Transition (TARGET)	<ul style="list-style-type: none"> <li>Assists EU coal, peat and oil shale regions to identify and prepare clean energy and energy efficiency projects to support a just transition.</li> <li>Provides project development support.</li> <li>Offers guidance on potential sources of funding.</li> <li>Supports capacity building.</li> <li>Supports public authorities in project pipeline development.</li> </ul>	EU Budget	2021	Member States	public and private entities based in an EU coal, peat and oil shale region
Advisory services under Modernisation Fund	<ul style="list-style-type: none"> <li>Provides advisory services in the framework of a funding programme to support ten lower-income EU Member States in their transition to climate neutrality.</li> </ul>	EU Budget	2021	Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia	public and private project promoters
Advisory services under the Natural Capital Finance Facility (NCFF)'s mandate	Provides: <ul style="list-style-type: none"> <li>Baseline studies, biodiversity and ecosystem monitoring.</li> <li>Climate vulnerability assessments, analysis.</li> <li>Training and capacity building.</li> <li>Feasibility studies.</li> <li>Project/business plan.</li> <li>Financial analysis, business case.</li> <li>Advice on legal structure of the project.</li> </ul>	EU Budget	2014	Member States	Financial intermediaries and final recipients of the NCFF Investment Facility
Advisory services under the European Innovation Council (EIC) Fund's mandate (financed under InnovFin)	<ul style="list-style-type: none"> <li>Provides equity, quasi-equity or other similar forms of investments to innovation companies selected for EIC Accelerator blended finance support.</li> <li>Supports the design and implementation of the EIC and new Framework Programme 9 for Research and Innovation (FP9) using financial instruments.</li> </ul>	EU Budget	2018	EU Member States	Private SMEs
NER 300 PDA	<ul style="list-style-type: none"> <li>Provides financial advice to innovative low-carbon energy demonstration projects within the European Union, to help the projects become bankable.</li> </ul>	Sale of emission allowances from the NER	2012	Member States	Innovative low-carbon energy demonstration projects

Mandate	Core activities	Sources of funds	Programme launch date	Geographical scope	Beneficiaries
Innovation Fund PDA	<ul style="list-style-type: none"> <li>In addition to grants, the Innovation Fund includes a dedicated PDA component to accelerate the structuring and financing of prospective projects that do not meet the minimum criteria.</li> <li>Seeks to improve projects' maturity for subsequent Innovation Fund requests for proposals.</li> </ul>	Auctioning of allowances under the greenhouse gas emission allowance trading system within the European Union and non-disbursed revenues of NER 300	2021	Member States	Applicants to Innovation Fund
Financial instrument Advisory– Bilateral Advisory Services (FIA-BAS)	<ul style="list-style-type: none"> <li>Ex-ante studies, market assessments, strategic advice and business plans in support of managing authorities for designing financial instruments to be used under EU Cohesion Policy Funds.</li> </ul>	Member States' own budget under BAS requests	2014	EU Member States, recipients of Cohesion Policy Funds	Member States managing authorities

Source: Evaluation Division, based on documentation review.

# Annex 5 — Organisational arrangement of EIB advisory activities

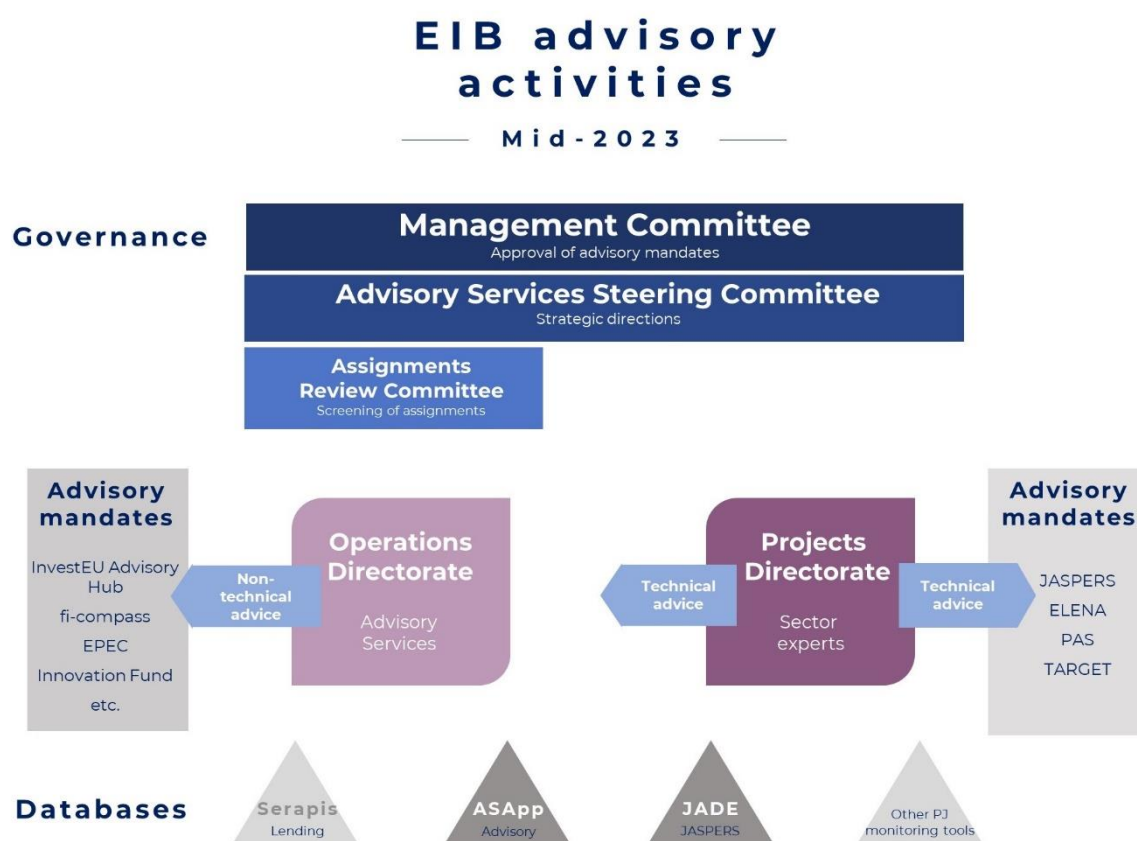
## Milestones in the reorganisations of EIB advisory:

**In 2014, the Management Committee approved the creation of an integrated Advisory Services Department within the EIB's Secretariat General.** It became operational on 1 January 2015 and integrated the main advisory programmes previously managed in Operations Directorate and Projects Directorate, together with the staff that were fully dedicated to such programmes. The creation of Secretariat General/Advisory Services Department was intended to enable the EIB to market and develop its advisory activities in a more structured and coherent manner, with increased visibility and better brand recognition.

**From 2015 onwards, the need for enhanced coordination between Projects Directorate and Secretariat General/Advisory Services Department became critical.** Under the European Investment Advisory Hub (EIAH), which was meant to be a single entry point for advisory support under the Investment Plan for Europe, Secretariat General/Advisory Services Department increasingly played a coordination role in mobilising the requested expertise wherever it was located in the EIB, including from Projects Directorate. Projects Directorate and Secretariat General/Advisory Services Department thus reviewed their way of working together in 2016 and agreed on the following principles for cooperation: Secretariat General/Advisory Services Department would continue to ensure the frontline role with the stakeholder and client relationship services, while actual delivery and management of technical-related assistance and technical advisory would be carried out by Projects Directorate (with the exception of JASPERS, at the time falling under Secretariat General/Advisory Services Department). Projects Directorate, therefore, remained the reference point for technical and sector-related policy advice within the EIB, while advisory frameworks in Secretariat General/Advisory Services Department would continue to deliver non-technical and financial advisory activities.

**In mid-2020, JASPERS was integrated into Projects Directorate, while the rest of the Advisory Services Department moved to Operations Directorate.** Advisory Services was moved closer to Operations Directorate to reflect its increasing importance as a core element of the EIB Group's value proposition and link to business. Since Advisory Services was a frontline activity, the Management Committee deemed it important to seek more operational and organisational synergies with other frontline services. Following this reorganisation, technical advisory (JASPERS) is now fully consolidated in Projects Directorate, while the Operations Directorate/Advisory Services Department is tasked with delivery of financial and structuring advice, advisory packages combining technical and financial expertise, client and institutional relationships, strategic planning, and monitoring of the EIB's advisory activities. This means, however, that both the Operations Directorate/Advisory Services Department and Projects Directorate perform client-facing functions in advisory.

Figure 10: Current organisational setup of EIB advisory activities



Source: Evaluation Division. Abbreviations: EPEC — European PPP Expertise Centre; ASApp — Advisory Services Application; PJ — Projects Directorate; JASPERS — Joint Assistance to Support Projects in European Regions; ELENA — European Local Energy Assistance; PAS — Project Advisory Support; TARGET — Technical Assistance for a Green Energy Transition.

# Annex 6 — Mapping of reporting requirements

Table 8: Mapping of reporting requirements

Indicator type	Indicator	EIB advisory services activity reports	Invest EU Advisory Hub	JASPERS	ELENA	InnovFin Advisory	fi-compass	EPEC	PASSA	# mandates collecting the indicator
Input indicators	Total budget available/total budget committed		1	1	1		1			4
	EIB internal cost	1				1				1
	External consultancy cost	1		1		1				2
	Distribution by type	1	1	1						2
	Distribution by sector	1	1	1	1				1	4
	Distribution by geography	1	1	1	1			1	1	5
	Distribution per specific EU objective		1							1
	Number of requests for general information/ helpdesk							1		1
	Number of assignments approved	1	1	1	1	1		1	1	6
	Number of assignments completed	1	1	1	1	1		1		5
	Percentage of applications approved				1					1
	Expected link to InvestEU programme		1							1
	Expected potential to be supported by other EU programmes		1							1
TOTAL		7	9	7	6	4	1	4	3	
Resource indicators	Number of approved EIB operations having benefited from advisory support at some stage	1							1	1
	Number of projects that needed extension				1					1
	Volume expected at signing/volume contracted and expected				1					1
	Percentage of projects with climate action					1				1
	Efficiency per unit of staff: staff costs, number of staff, staff turnover, time allocation per activity code, assignments per expert, completions per expert, average size of teams per assignment			1						1
TOTAL		1	0	1	2	1	0	0	1	
Process indicators	Independent Quality Review/Post-Submission Appraisal: production reports within x months			1						1
	Number of purchase orders	1								
	Number of change orders	1								
	Number of disbursements	1								
	Progress achieved on completed assignments		1							1
TOTAL		3	1	1	0	0	0	0	0	
Output indicators	Number of Independent Quality Review/Post-Submission Appraisals			1						1
	Number of helpdesk requests							1		1
	Number of guidance documents								1	1
	Number of workshops		1	1	1	1	1	1	1	7
	Number of events	1		1	1	1	1	1	1	6
	Number of training sessions		1				1	1	1	4
	Number of publications issued	1			1		1		1	3
	Number of case studies finalised						1			1
	Number of brochures and factsheets finalised						1			1
	Number of manuals and handbooks finalised						1			1
	Number of capacity building services		1				1			2
	Number of newsletters published						1			1
	Number of videos published						1			1
	Number of podcast episodes published						1			1
	Number of website visits			1	1		1	1		4
	Number of web page views				1		1	1		3
	Number of participants for events/training		1				1			2
	Number of followers on social media						1			1
	Number of Hub profiles created						1			1
	Number of total podcast listeners						1			1
	Number of cases of support provided on the establishment of investment platforms		1							1
TOTAL		2	5	4	5	2	17	6	5	

Indicator type	Indicator	EIB advisory services activity reports	Invest EU Advisory Hub	JASPERS	ELENA	InnovFin Advisory	fi-compass	EPEC	PASSA	# mandates collecting the indicator
Result indicators	Estimated investments related to the service		1							1
	Follow-up on investments/financing status		1							1
	Participants' satisfaction with capacity-building activities		1							1
	Beneficiary's overall satisfaction with the advisory support received		1							1
	Increase the leverage potential of financial intermediaries (additional public or private sector contributions)						1			1
	Increase awareness on the role of financial intermediaries and generate buy-in across all stakeholders						1			1
	Number of awareness-raising events		1							1
	Build ESI Fund stakeholder capacity to understand and guide/facilitate the financial intermediary life cycle						1			1
	Facilitate compliance with relevant EU Regulations for financial intermediaries across all 11 Thematic Objectives						1			1
	Streamline the establishment and management of financial intermediaries in Member States						1			1
	Facilitate investment of ESIF Programme contributions to financial intermediaries and at final recipient level						1			1
	Ensure availability of basic technical assistance support for financial intermediaries to relevant implementation partners during all phases of the financial intermediary life cycle						1			1
	Knowledge transfer								1	1
	Unlocking absorption								1	1
	Increasing absorption								1	1
	Achieved leverage factor				1					1
	Use human, financial and other resources efficiently/effectively			1						1
	Increased capacity of national authorities			1						1
	Independent Quality Review/Post-Submission Appraisal: Contribution to an efficient approval process by the European Commission and to the quality of applications to the European Commission			1						1
	Ensure stakeholder satisfaction		1	1						2
Descriptive result indicators	Improved bankability of innovative projects					1				1
	Improved the overall investment conditions in key strategic EU sectors					1				1
TOTAL		0	6	4	1	2	7	0	3	
Impact indicators	Cumulated energy savings		1		1					2
	Renewable energy production		1		1					2
	Greenhouse gas reduction		1		1					2
	Nitrogen oxide emission reduction		1							1
	Expected job creation				1					1
	Overall perception of impact (quantitative measure)			1						1
TOTAL		0	4	1	4	0	0	0	0	
TOTAL INDICATORS		13	25	18	18	9	25	10	12	

Source: Evaluation Division, based on documentation review.

# Annex 7 — Synthesis of past evaluations

Based on a synthesis of past evaluations and reviews and audits of EU advisory activities since 2007, this Annex draws evidence, insights and lessons on what works in delivering successful advisory activities in the European Union.

The synthesis was driven by a robust conceptual framework consisting of a theory of change for advisory activities, a mapping of existing advisory programmes and a list of evaluation questions to be addressed by the synthesis.

The evidence base was built by compiling evaluations and relevant reports on EU advisory programmes (retrieved online or forwarded by relevant services)<sup>35</sup>. Any advisory activity was considered in scope, with a focus on cohesion regions (EU regions labelled as “EIB cohesion regions” as defined under either the 2014–2020 or the 2021–2027 programming period) and on three themes: financial advisory, green and climate-related advisory, and digitalisation. The search was conducted primarily in English with additional targeted searches in other languages, notably Romanian and Bulgarian.

A total of 39 reports containing evaluative evidence were reviewed in depth, 21 of them concerning the European Investment Advisory Hub (EIAH) and Joint Assistance to Support Projects in European Regions (JASPERS).

**Table 9: Advisory initiatives evaluated**

Advisory initiative evaluated	Number of reports
European Investment Advisory Hub (EIAH)	11
Joint Assistance to Support Projects in European Regions (JASPERS)	10
European Local Energy Assistance (ELENA)	4
Major projects	3
fi-compass	2
InnovFin Advisory	2
Connecting Europe Facility (CEF)	1
European PPP Expertise Centre (EPEC)	1
European Structural and Investment Funds (ESIF)-related Member States evaluations	1
Horizon 2020 Project Development Advice (PDA); European Local Energy Assistance (ELENA); European Energy Efficiency Fund (EEEF)	1
Multiple programmes	1
Project Advisory Support (PAS)	1
Technical assistance outside the European Union	1

*Source: Evaluation Division, based on documentation review.*

The team used NVivo to categorise relevant sections of the reports alongside the relevant evaluation questions and themes. Most of the relevant findings supported by solid evidence are reported here.

The main limitation of the exercise is that it only captures *existing* evidence, with the understanding that:

- Evidence was concentrated on a few advisory programmes.
- There was a lack of cohesion/thematic focus within existing evaluations.

<sup>35</sup> There was one exception to the EU geographic coverage. The following publication concerning technical assistance outside the European Union was included: European Investment Bank, 'EIB Technical Assistance Outside the EU, 2003-2013', Synthesis report, (2014)

- Not all findings are future-proof (although outdated findings were filtered out, some findings on organisational efficiency, governance and synergies between mandates may become outdated in the context of the new MFF period). To the extent possible, references to planned changes under the InvestEU Advisory Hub were added in footnotes to guide the reader.

## Role of advisory services in improving project quality and implementation

**Existing evidence confirms that the EIB advisory support contributed to improving the quality of project documentation and design.** For example, JASPERS advisory support had a major impact on improving compliance with EU requirements, particularly in relation to benefit-cost analyses, feasibility studies and technical documentation. Moreover, JASPERS advisory support is estimated to have led to frequent and substantial cost savings by improving projects' technical specifications for procurement procedures (for example, COWI et al., 2020, ECA, 2018). Box 5 describes some of the factors that evaluations indicate seem to improve project development.

**Projects supported by advisory activities were better aligned with EU policy priorities and embedded into wider sectoral or spatial development strategies (while still being locally relevant).** For example, JASPERS support was found to be crucial for better aligning projects with strategic objectives (COWI et al., 2020) and for embedding urban public transport projects into wider urban strategies (EIB Evaluation Division, 2021). Besides, there was evidence of EIAH experts being able to link the EU dimension to the local regulatory constraints and market aspects (ICF, 2022).

**Advisory support also accelerated approval of major projects and contributed to smoother implementation.** JASPER-assisted European Structural and Investment Funds (ESIF) projects had a faster appraisal and approval time than similar non-assisted ESIF projects. Timely development of high-quality projects in turn supported the absorption of EU funds (COWI et al., 2020). And although there is no evidence to suggest that advisory support accelerated implementation or avoided implementation delays, there is evidence that it facilitated smoother implementation. JASPERS-supported projects seemed to be less frequently affected by legal and regularity errors and more likely to achieve the target values for their outputs and results indicators than non-assisted projects (ECA, 2018). A similar example comes from the preparation of adequate tender documentation with EIAH support, which is thought to have prevented disruptions in the tendering process and to have contributed to the selection of high-quality intermediaries for the implementation phase (ICF, 2022).

### Box 5: What works for project development?

- One key success factor is the **use of advisory support at an early stage in project development**. As such, advisory support can contribute to improving the substance of assisted projects (beyond improving project documentation).
- **Skills and expertise of EIB staff and consultants working on advisory support** are also important. Although the specific skills requirements vary across mandates, they generally include technical skills, methodological expertise, legal expertise, strong soft skills, local language knowledge and local expertise (or the capacity to mobilise it when needed).
- The mixed use of EIB internal experts and consultants can add a useful **quality assurance/peer review** aspect to the work and help reinforce the capacities of service providers and final beneficiaries (ICF, 2022).
- **Proximity/easy access of the EIB to the European Commission** services is considered useful (for example, to clarify issues linked to project application, such as eligibility for EU financing for a typical project).

Other success factors include:

- **Local presence** in the regions and continuous contact and communication with the stakeholders (in local language).
- **Cross country experience and knowledge** sharing for replication of successful projects.

## Role of advisory services in improving project bankability and generating EIB lending

**Overall, the reviewed evaluations provide limited evidence on the downstream impacts of project-specific advisory support.** Beyond quality and timeline, project-specific advisory activities are increasingly expected to improve the bankability of assisted projects, eventually leading them to secure financing (thus generating a pipeline of investible projects and mobilising investment). Monitoring and evaluation systems for advisory activities are, however, not able to fully capture the impact of advisory support on securing investment. One challenge is the typical time lag between delivery of outputs and realisation of results. Moreover, there are conceptual issues in establishing attribution and causality. Internal information systems are, at best, able to track financing coming from the originating organisation (not from other financiers). Information from internal systems can be complemented by follow-up data collected directly from the project promoters<sup>36</sup>.

**For mandates with a strong focus on investment generation, partial information on their impact can be collected. Some evidence is available for JASPERS, ELENA and the EIAH.** It was easiest to gather key statistics illustrating the impact of JASPERS<sup>37</sup> advisory support on investment generation. The European Commission adopted 70% of advisory assignments related to major JASPER projects<sup>38</sup> completed by October 2019 (European Commission, 2021). In the case of ELENA, many of the assisted projects would not have been developed in the absence of EIB advisory support (PwC, 2016). This is to be expected, however, since ELENA is designed to get planned investment projects off the ground. Lastly, 60% of project-specific EIAH direct assignments (131 projects) were successful in obtaining either EFSI or EIB financing (classified as standard lending operations). This means

<sup>36</sup> As it is planned for the InvestEU Advisory Hub.

<sup>37</sup> The case of JASPERS mandate is unique because there is one central EU-level approval process for major projects, along with a large pool of supported and non-supported projects whose differences in characteristics can be accounted for.

<sup>38</sup> Under ESIF policy (2014–2020 period), major projects were defined as those whose total eligible costs exceed €50 million, except for the transport sector, where the threshold is €75 million — (see Article 100 of the Common Provisions Regulation).

that 8% of the approved or signed EFSI operations under the Infrastructure and Innovation Window were supported by the Hub (including through Light Project Advisory).

## Role of advisory services in institutional capacity building

**Beyond specific projects, advisory support contributed to organisational capacity building.** Evidence points to knowledge spillovers at the organisational level from project-level advisory support, while capacity-building activities delivered direct organisational benefits<sup>39</sup>. Evaluations report wide-ranging organisational effects such as improvements in procedures and practices (such as tendering procedures), increased ability to use financial instruments and to handle complex environmental and climate considerations, and partnership development. Box 6 describes some of the factors that seem to improve institutional capacity building according to evaluations.

**The reported benefits did not however, enable promoters to independently develop good quality projects.** Despite evidence on the effect of advisory support in improving organisational capacity, reliance on technical assistance did not diminish over time; beneficiaries continued to rely on EIB advisory support to prepare viable projects. Reliance on advisory support remains especially high for JASPERS, which was launched in 2006, (European Commission, 2021).

**Several factors impede the sustainability of organisational knowledge and capacity-building effects.** These include a lack of human or institutional capacity to adopt the results; low retention of gained skills (due to staff turnover, outsourcing of work to consultants); and low levels of ownership or lack of an organisational champion. The complex and fast-changing operating environment may play a role as well.

### Box 6: What works for institutional capacity building?

An important lesson from past evaluations is **to avoid an exclusive focus on outputs** (delivery of an end product such as a report or a strategy). To facilitate the uptake of advisory results, there should also be a focus on building capacity and having an exit strategy. Examples of best practices in building sustainable capacity include dissemination and discussion of project deliverables within the organisation and discussion with the parties involved, particularly at technical level, and training, coaching, help desks, etc.

**Ensuring ownership is key.** This can be achieved through the active involvement of the project promoter throughout the preparatory phase and the identification of champions to promote deliverables.

In the case of ELENA, a major success factor to ensure that operational skills remain embedded in the public administration bodies was the **presence of a project implementation unit** staffed by employees (PwC, 2016). Measures to facilitate staff retention were also found to contribute to the institutionalisation of advisory and capacity-building support.

Other success factors include:

- **Flexibility** and agility to adapt the scope and nature of advisory support to evolving needs.
- **Availability of follow-up support** to support the implementation of recommendations and facilitate institutionalisation of advisory results.
- **Local presence and cross country experience and knowledge** (as described above in Box 1).

<sup>39</sup> The 2021 JASPERS Technical Report KPIs show that 69% of the beneficiaries consider significant or very significant the increase of their capacity during JASPERS assignments.

## Institutional challenges of the EIB's advisory activities

Finally, existing evaluations and reviews flag several institutional challenges faced by the EIB that merit exploration. These are discussed below.

**Navigating trade-offs between a mandate-oriented activity and strategic autonomy.** Practically all EIB advisory activities are mandate-oriented. An evaluation of EIB mandates found that while mandates extend the EIB's ability to act, they do so only in certain regions and sectors, and to the possible detriment of the EIB's autonomy in setting up more upstream support and integrated client-based approaches (EIB Evaluation Division, 2019).

**Addressing geographic imbalances through a demand-driven approach.** EIB advisory services are primarily demand-driven. They are also expected to contribute directly and indirectly to project pipeline development and absorption of funding and financing in certain areas, such as cohesion regions. These dual requirements are not always fully compatible. The demand-driven nature of advisory activities can reinforce existing geographic patterns of uptake of support unless proactive efforts are made to widen geographic outreach, for example through awareness raising and use of local experts. In the case of ELENA, for example, countries with an already strong political commitment to energy efficiency and renewable energy benefited most (PwC, 2016). Efforts increasingly focus on identification of needs for intervention, origination work, support to the development of good proposals and stimulation of demand from those most in need. The EIAH was notably found to have made a positive contribution to widening the geographic coverage of EFSI (ICF, 2018; EIB Evaluation Division and European Commission, 2019; EIB Evaluation Division, 2021 and ICF, 2022). Projects from cohesion region countries had a greater presence (44%) in EFSI projects supported by the Hub than did other countries (23%).

**Ensuring local presence under a centralised delivery model.** The EIB's delivery model builds on a balance between headquarters-based expertise and local presence. Evaluations found that local presence, through local offices or partnerships with local partners, is a key element of the added value of EIB support. From a client perspective, regular face-to-face interactions with EIB services facilitate relationship building and more effective exchanges. From the EIB's perspective, local presence facilitates client proximity and enables the EIB to leverage local knowledge and develop local partnerships (for example, with national promotional banks). The EIAH, for example, offers decentralised delivery through its funding of NPBI and pass-through grant funding of the EBRD's small business advisory<sup>40</sup>.

**Fulfilling the expectation that advisory assignments will lead to financing operations.** On the one hand, the EIB is increasingly taking a more integrated approach to its advisory—lending-blending offer, both at its own initiative and in response to calls from mandators (as made, for instance, in the EFSI 2.0 Regulation<sup>41</sup>). The EIB seeks to remedy the lack of synergies between advisory activities and lending, which has been characteristic of the mandate-oriented nature of advisory activities (EIB Evaluation Division, 2021). On the other hand, evaluations and European Court of Auditors (ECA) audits have flagged the importance of the EIB's advisory services being perceived as independent and impartial and of avoiding a potential conflict of interest between advisory and lending. Recent evaluations also emphasise the need to build in mechanisms to avoid selection bias in project selection (selection of projects that are almost investment-ready and thus have limited additionality).

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<sup>40</sup> The arrangement will be different under the InvestEU Advisory Hub: the EIB Group will remain the main implementing partner, but the central entry point will be managed by the European Commission which will contact the EIB Group or other advisory partners.

<sup>41</sup> Similar calls are made in the InvestEU Regulation. Expectations will however be clarified upfront — with targets set for share of assignments expected to generate investments vs. catering for other advisory needs.

**Table 10: Summary of success factors and lessons learned from past evaluations and reports**

Phase	Main success factors	Flagged by an evaluation covering		
		Cohesion regions	European Union	Outside European Union
<i>Design of the instrument</i>	Coupling demand-driven nature of the instrument with support for those most in need to ensure they participate in the technical assistance scheme.	✓	✓	✓
<i>Planning stage</i>	Ensuring the early involvement of advisory assistance — to affect the substance of the supported projects rather than project documentation only.	✓	✓	✓
	Conducting adequate needs assessment and assessment of promoter absorption capacity on which to base commensurate objectives.			✓
	Ensuring strategic focus of the operation (the operation is anchored in strategic documents or linked to existing/upcoming regulatory requirements).	✓		✓
	Developing well-designed terms of reference that are complete and unambiguous, clearly define the objectives of the operation and provide for an adequate size and duration of the contract.	✓	✓	✓
	Avoiding excessive focus on outputs; also focus on building capacity and setting up an exit strategy to facilitate the uptake of advisory results.	✓		✓
	Having the right skills and expertise (technical skills, methodological expertise, legal expertise, local language knowledge, local expertise or the capacity to mobilise it, previous hands-on experience in similar projects and diplomatic skills) and adequate monitoring of potential obstacles to mobilising adequate expertise.	✓	✓	✓
	Ensuring ownership and political support for the necessary changes (through participatory processes, with active involvement of the promoter throughout the preparatory phase; identification of champions to promote deliverables; awareness that the mere fact that a request emanates from the beneficiary does not automatically translate into high ownership and effectiveness).	✓		✓
	Clearly defining the responsibilities and procedures for decision-making during implementation by the EIB, beneficiaries, technical assistance provider and other relevant stakeholders.			✓
<i>Implementation</i>	Having a local presence to provide proximity to beneficiaries and mobilise local knowledge.	✓	✓	✓

Phase	Main success factors	Flagged by an evaluation covering		
		Cohesion regions	European Union	Outside European Union
	Maintaining the flexibility to adapt the design of the technical assistance at the inception stage, especially for some advisory implementation operations	✓	✓	✓
<i>Sustainability</i>	Providing follow-up support where needed (for example, to permit implementation of project recommendations).	✓		
	Encouraging skills retention by beneficiaries (encouraging use of internal staff and measures to facilitate staff retention, encouraging continuation of the project implementation unit).	✓	✓	✓
<i>Dissemination</i>	Using train-the-trainer approaches and identifying sponsors (including at the local level) to facilitate broad outreach and dissemination of knowledge.	✓	✓	✓

Source: Evaluation Division, based on documentation review.

**Table 11: List of evaluation reports used**

CEF	European Commission, <i>The mid-term evaluation of the Connecting Europe Facility (CEF)</i> , COM(2018) 66 final/2, (2018).
EIAH	European Investment Bank, <i>Evaluation of the functioning of the European Fund for Strategic Investments (EFSI)</i> , Operations Evaluation, (2016)
EIAH	European Parliament, <i>The European Fund for Strategic Investments as a New Type of Budgetary Instrument</i> , Budgetary Affairs, (2017)
EIAH	EY, <i>The independent evaluation of the Investment Plan for Europe</i> , (2016).
EIAH	European Commission, <i>Europe investing again: Taking stock of the Investment Plan for Europe and next steps</i> , COM(2016) 359 final, (2016).
EIAH	European Commission, <i>Investment Plan for Europe: evaluations give evidence to support its reinforcement</i> , COM(2016)764, (2016).
EIAH	European Investment Bank, <i>Evaluation of the European Fund for Strategic Investments</i> , Operations Evaluation, (2018).
EIAH	ICF, <i>The independent evaluation of the EFSI Regulation</i> , (2018)
EIAH	European Court of Auditors, <i>The European Investment Advisory Hub — Launched to boost investment in the EU, the Hub's impact remains limited</i> , Special report, (2020)
EIAH	European Investment Bank, <i>Evaluation of the European Fund for Strategic Investments</i> , Independent evaluation, (2021)
EIAH	European Investment Bank, <i>Study in response to ECA Recommendation 5: Improving the geographical spread of EFSI supported investment</i> , Steering board discussion document, (2019).
EIAH	ICF, <i>Study supporting the ex-post Evaluation of the European Fund for Strategic Investments</i> , Independent evaluation, (2022)
ELENA	PwC, <i>Evaluation of the Project Development Assistance implemented under the Intelligent Energy Europe</i> , DG ENERGY, (2016)
ELENA	European Investment Bank, <i>Solutions for energy efficiency — 10 years of European Local Energy Assistance (ELENA)</i> , Operations Evaluation, (2019).
ELENA	Energy Cities, <i>Unlocking investment in cities. ELENA-EIB technical assistance facility. Project review of five European local authorities</i> , (2015).
ELENA	Marina Bertolini, <i>The European Local Energy Assistance (ELENA) Fund: The Relevance of Expected and Unexpected Partnerships</i> , (2021)
EPEC	European Commission, <i>Ex-post evaluation of EPEC (the European PPP expertise centre)</i> , Ex-post evaluation PwC, (2014).
ESIF-related MS evaluations	Ministry of European Funds of Romania, <i>Evaluation of IFI advisory service mechanism</i> , Evaluation report, (2015).
FI-CMPS	European Court of Auditors, <i>Are financial instruments a successful and promising tool in the rural development area?</i> , Special Report, (2015)
FI-CMPS	European Commission, <i>FI-Compass Survey 2021</i> , Final report, (2021)

Horizon 2020 PDA; ELENA; EEEF	Floriane Cappelletti, <i>Project Development Assistance facilities: Learn from cities and regions experience</i> , Energy Cities, (2015).
InnovFin ADV	European Commission, <i>Interim evaluation of Horizon 2020's financial instruments</i> , Final report, (2017).
InnovFin ADV	European Investment Bank, <i>Evaluation of Activities under the Risk Sharing Finance Facility (RSFF)</i> , Evaluation report, (2010).
JASPERS	European Investment Bank, <i>Evaluation of EIB support for Climate Change Adaptation (2015-2020)</i> , (2021).
JASPERS	European Investment Bank, <i>Evaluation of EIB support for urban public transport in the European Union (2007-2019)</i> , Operations Evaluation, (2021)
JASPERS	European Commission, <i>Mid-term evaluation of the JASPERS initiative in 2014-2020</i> , SWD(2021) 237 final, (2021)
JASPERS	European Investment Bank, <i>Evaluation of EIB cohesion financing (2007 to 2018)</i> , Operations Evaluation, 2020
JASPERS	European Investment Bank, <i>Evaluation of the EIB's mandate activity</i> , Operations Evaluation, 2019
JASPERS	COWI, ECORYS, CSIL, <i>Mid-Term Evaluation of the JASPERS Initiative in 2014-2020</i> , External evaluation, 2020
JASPERS	European Court of Auditors, <i>Croatia and Poland National Audit Authorities</i> , Synthesis Report on the coordinated audit on JASPERS, (2018).
JASPERS	European Court of Auditors, <i>Joint Assistance to Support Projects in European Regions (JASPERS) – time for better targeting</i> , Special Report, (2018)
JASPERS	European Investment Bank, <i>Evaluation of Economic and Social Cohesion</i> , Operations Evaluation, (2007)
JASPERS	DG REGIO, <i>Analysis and assessment of the services and performance of JASPERS initiative 2014-2018</i> , (2021).
Major projects	European Commission, <i>Evaluation of investments in Research and Technological Development (RTD) infrastructures and activities supported by the European Regional Development Funds (ERDF) in the period 2007-2013</i> , Final report, (2021).
Major projects	European Commission, <i>Ex post evaluation of major projects in the transport sector financed by the ERDF and the Cohesion Fund 2000-2013</i> , Final report, (2020).
Major projects	European Commission, <i>Ex post evaluation of major projects in the environmental sector financed by the ERDF and the Cohesion Fund 2000-2013</i> , Final report, (2020).
Multiple programmes	European Parliament, <i>Review of the Role of the EIB Group in European Cohesion Policy</i> , RG Committee/Directorate-General for Internal Policies, (2016).
PAS	Government of Romania, <i>Implementation of the Evaluation Plan of the Technical Assistance Operational Program 2014-2020</i> , Final report, (2021)
Technical assistance outside the European Union	European Investment Bank, <i>EIB Technical Assistance Outside the EU, 2003-2013</i> , Synthesis report, (2014).

Source: Evaluation Division, based on documentation review.

# The Evaluation Division of the EIB Group

The Evaluation Division of the EIB Group conducts independent evaluations of the EIB Group's activities. It assesses the relevance and performance of these activities in relation to their objectives and the evolving operating environment. It also helps the EIB Group draw lessons on how to continuously improve its work, thereby contributing to a culture of learning and evidence-based decision-making.

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



EIB GROUP EVALUATION

# Evaluation of EIB advisory activities in the European Union



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