

Special report

The European Fund for Strategic Investments

Contributed substantially to addressing the investment gap, but had not fully reached the €500 billion target in the real economy by the end of 2022



EUROPEAN
COURT
OF AUDITORS

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Executive summary

I The European Fund for Strategic Investments was launched in 2015 by the European Commission and the European Investment Bank Group. The main goal was to tackle the investment gap that followed the 2007-2008 financial crisis. The programme included different types of debt and equity instruments, which were to be supported by €26 billion of EU budgetary guarantee and €7.5 billion of resources from the European Investment Bank. There were two areas of investment support: one for infrastructure and innovation, and the other for small and medium-sized enterprises.

II Our report assesses whether the programme delivered what it promised. We examined whether: a sound approach was established and applied to estimate the investment mobilised; the programme's "additionality" was sufficiently demonstrated; and the programme's performance was properly monitored and reported.

III This audit aims to enhance sound financial management of EU budgetary guarantees by drawing lessons from how the programme we were examining had been implemented by the end of 2022, which was the deadline for agreeing financing under the programme. Our observations and recommendations can be used to improve the management of any other EU programme using an EU budgetary guarantee, including InvestEU.

IV We conclude overall that the European Fund for Strategic Investments contributed substantially to addressing the investment gap. However, the programme had not fully reached its objective to mobilise €500 billion of additional investment in the real economy by the end of 2022. We estimate that the €503 billion reported for this target was overstated by €131 billion (or 26 %). This overstatement resulted from the weaknesses we found in the design and application of the multiplier methodology. In particular, part of the multiplier effect was based on financing which had not been disbursed to final recipients, and investment mobilised by other EU instruments was incorrectly attributed to the European Fund for Strategic Investments.

V The additionality of investments mobilised was not sufficiently demonstrated, although the financial intermediaries we asked about the programme generally gave a positive assessment of it. The justification for the programme's additionality was mainly based on its support for the European Investment Bank's "special activities", i.e. projects and investments of higher risk than the Bank would usually finance. Furthermore, due to a lack of relevant data, the Commission did not assess *ex post* whether the public funds were indeed driving additional investments.

VI The Commission monitored the programme's provisioning and financial flows and reported on them adequately. While the programme generally complied with the established targets, some important aspects of it lacked target values or were not monitored. This was the case for the programme's contribution to employment and to sustainable growth respectively. Furthermore, the regulatory framework did not include any rules on how to assess sustainability. The published reports and evaluations on the European Fund for Strategic Investments did not provide any information on multi-country equity investments, for example, on the share of financing for final recipients in non-EU countries.

VII As it was not mandatory, there was no specific reporting about the benefits transferred to the final recipients of loans or equity investments supported by the programme. The European Investment Bank Group and the Commission did not collect any data on the transfer of benefits. This prevented us from assessing the extent to which these benefits were shared between financial intermediaries and final recipients.

VIII We also found that the European Investment Bank kept data on the programme in fragmented datasets. Certain information on final recipients was incomplete or unclear in the data we received for our audit. The Commission did not sufficiently scrutinise the programme's operational reports, and some of the information in the reports was presented at an aggregated level or lacked appropriate supporting evidence.

IX For current or future programmes using EU budgetary guarantees, we recommend that the Commission should:

- improve the transparency of the reporting on the European Fund for Strategic Investments;
- improve the methodology for estimating the investment mobilised by EU guarantees;
- develop a methodology for an *ex post* analysis of additionality;
- improve reporting on equity investments outside the EU;
- report on the transfer of benefits from EU budgetary guarantees; and
- improve scrutiny of the reporting on the European Fund for Strategic Investments.

Introduction

EFSI design and objectives

01 The European Fund for Strategic Investments (EFSI) was launched in 2015 by the European Commission and the European Investment Bank Group (EIB Group), the latter made up of the [European Investment Bank](#) (EIB) and the [European Investment Fund](#) (EIF). EFSI was designed to tackle the investment gap that followed the 2007-2008 financial crisis, address uncertainty surrounding public and private instruments, and boost competitiveness and economic recovery.

02 After the crisis and up to 2014, total investment expenditure across the EU fell by approximately 15 % and, compared to the 2007 peak, by around €430 billion¹. This was the background to the Commission's proposal for the EFSI Regulation in 2015. EFSI was intended to facilitate the financing of strategic investments in a wide range of EU policy areas and increase access to finance for small businesses. Given the role of the latter in the EU economy, the Commission expected them to “be a key beneficiary of the support provided”².

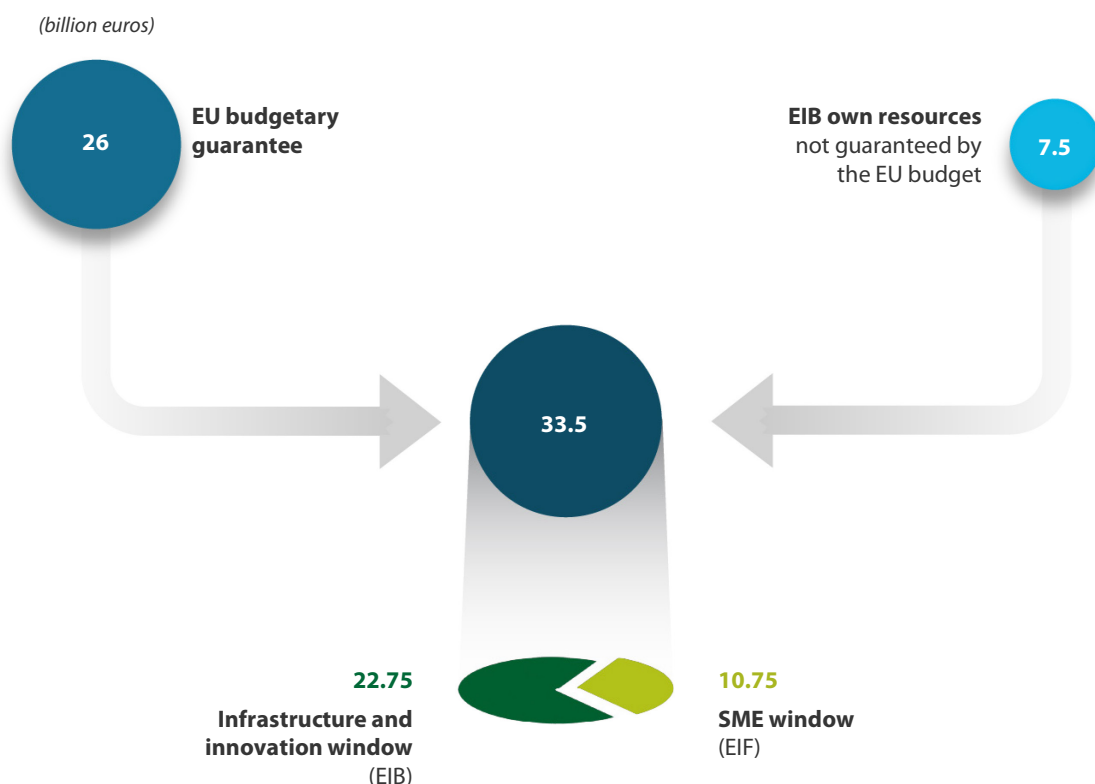
03 EFSI provided support in two areas (“windows”). The “infrastructure and innovation window” (IIW) was to promote investments in, for example, infrastructure or research and development projects by start-ups. The “SME window” (SMEW) was to increase the access of small and medium-sized enterprises (SMEs) to finance.

04 EFSI was set up as a programme based on a guarantee from the EU budget plus an amount of EIB own resources. The original amounts were increased when EFSI was extended in 2017. The details are shown in [Figure 1](#).

¹ European Commission, [Why the EU needs an investment plan](#), 8 December 2015.

² [COM\(2015\) 10](#), Explanatory Memorandum, p. 2.

Figure 1 – EFSI set-up after extension in 2017 and reallocation of resources in 2020



Source: [Special report 03/2019](#), p. 8, updated using EIB data from the [2022 EFSI report](#).

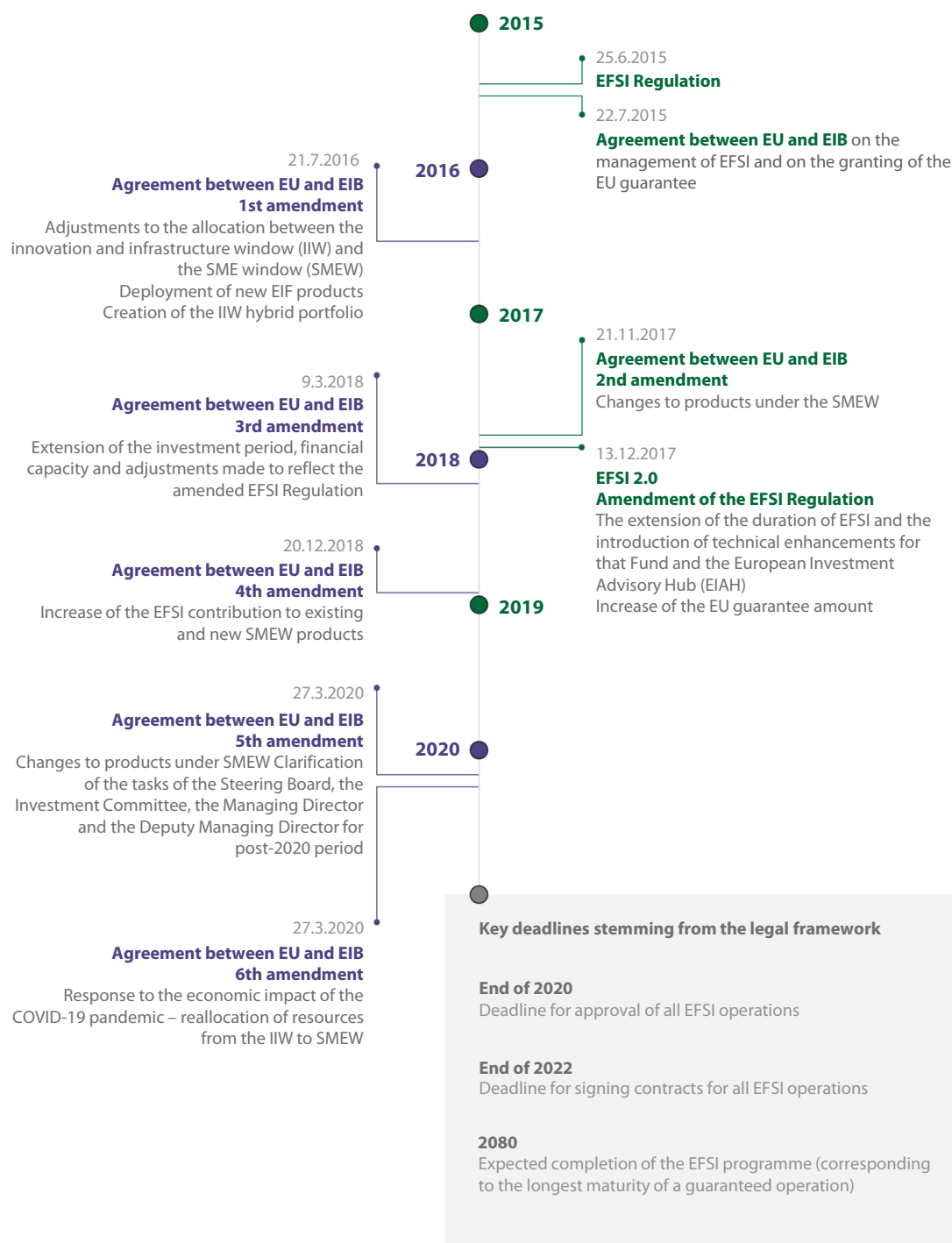
05 Support from EFSI applied to different types of debt and equity instruments. The EIB and EIF could provide EFSI financing to final recipients either directly or via “financial intermediaries” such as banks or equity funds, the latter type of financing operation being described as “intermediated”³. EFSI products could be used for financing anything from start-ups, to projects in research, on social themes or relating to large infrastructure (see [Annex I](#)). By providing guarantees for loans and equity investments, the EU reduced the credit risk for the EIB Group and financial intermediaries. For example, if the final recipient were to default, part of the borrowed or invested funds would be reimbursed by the guarantee.

06 Article 5 of the [EFSI Regulation](#) set out an “additionality” principle whereby the EU guarantee should be granted for projects that addressed market failures or sub-optimal investment situations and that could not have been carried out, or not to the same extent, by the EIB, the EIF or under existing EU financial instruments, without EFSI support.

³ Described in Annex 1 to [EFSI Strategic Orientation – Review of January 2019](#).

07 EFSI was governed by the EFSI Regulation⁴ and the EFSI Agreement (not published). **Figure 2** shows EFSI's legal and contractual framework, including key deadlines.

Figure 2 – EFSI regulatory framework and key deadlines



Source: ECA.

⁴ Regulation (EU) 2015/1017.

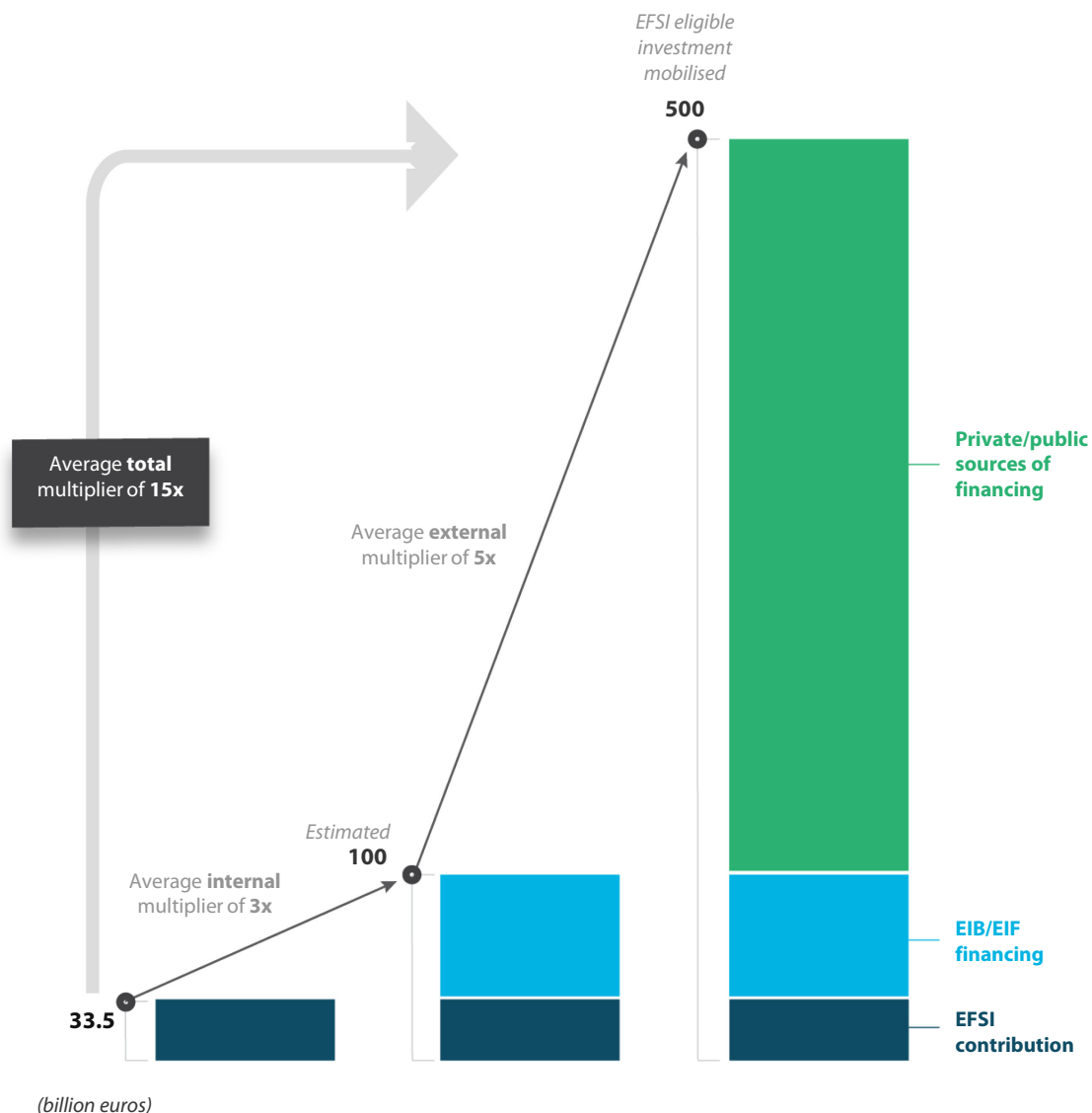
08 The main quantifiable objective was established in a regulation extending EFSI in 2017 which referred to an expectation that “at least €500 billion in additional investment in the real economy” would be mobilised by the end of 2020⁵. The EFSI Strategic Orientation of 2019 specified that the target of €500 billion mobilised in the real economy was linked to operations approved by the end of 2020 and signed by the end of 2022⁶. This interpretation was also reflected in the EFSI Agreement between the Commission and the EIB. As illustrated in [Figure 3](#), EFSI had an overall target to multiply the original EU investment by 15 to reach the target for total investment mobilised. This combined the internal multiplier (3x) and the external multiplier (5x)⁷. Using the internal multiplier, the figure of €33.5 billion was expected to generate €100 billion of EIB and EIF financing. Applying the external multiplier to additional private and public financing would enable the total investment mobilised of €500 billion to be reached. The EIB Group’s reporting of actual investment mobilised by the end of 2022 is presented in [Annex II](#).

⁵ Recitals 7 and 20 of [Regulation \(EU\) 2017/2396](#).

⁶ [EFSI Strategic Orientation – Review of January 2019](#), p. 10.

⁷ [EIB EFSI multiplier methodology](#), pp. 2-4 and [EIF EFSI multiplier methodology](#), pp. 2-5.

Figure 3 – Overall EFSI multiplier effect



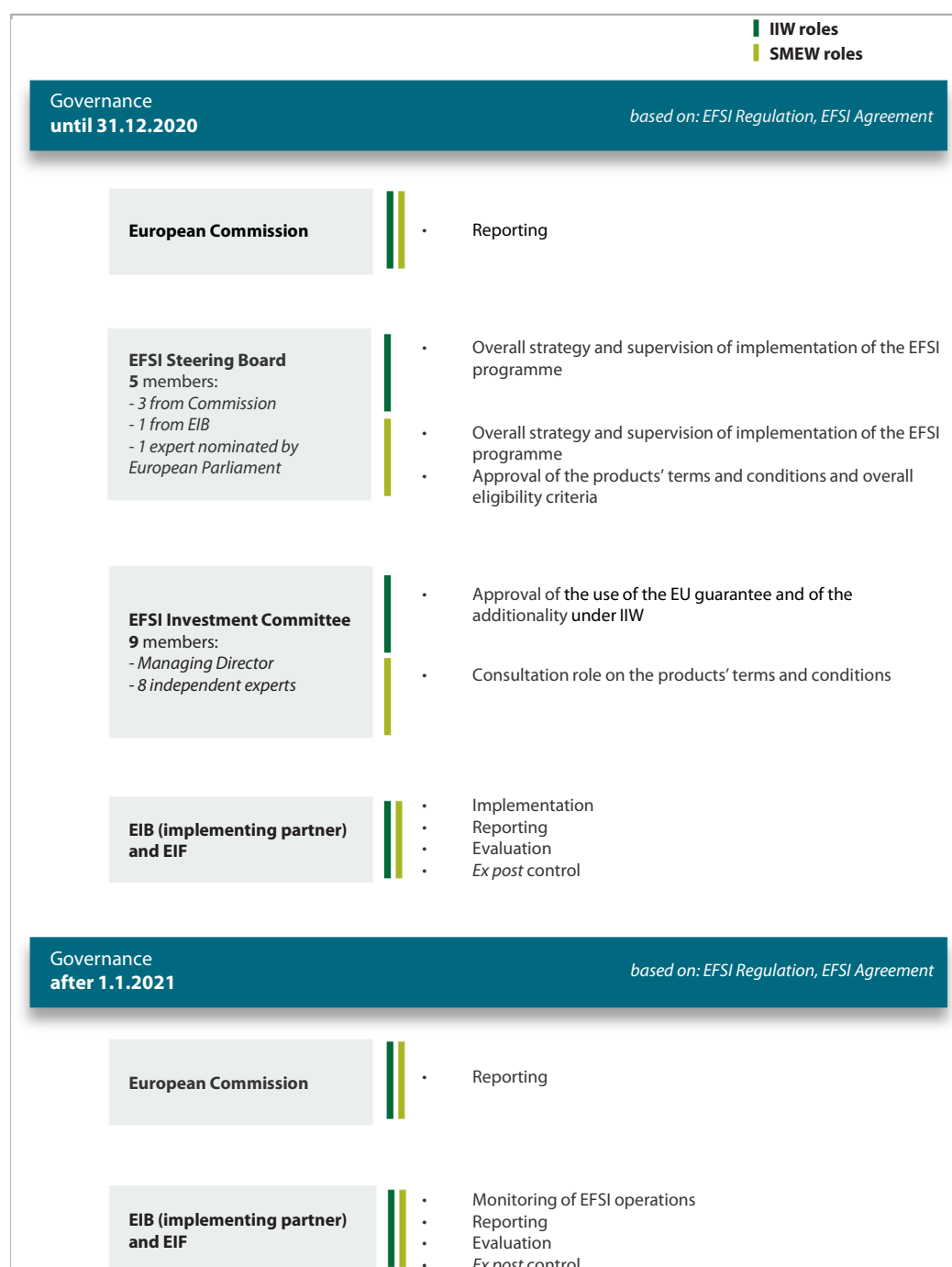
Source: ECA, based on [EIB EFSI multiplier methodology](#), p. 3.

09 In accordance with the EFSI Regulation, the EFSI Agreement between the Commission and the EIB set out key performance indicators (KPIs) and key monitoring indicators (KMIs) to measure EFSI performance. All KPIs and KMIs are presented in [Annex III](#). In June 2018, the Commission proposed a new regulation establishing the [InvestEU programme](#), which became the successor to EFSI for 2021-2027.

Roles and responsibilities

10 Figure 4 provides information on the main roles and responsibilities of different parties involved in the management of EFSI.

Figure 4 – Main roles and responsibilities in EFSI implementation



Source: ECA, based on the EFSI Regulation and the EFSI Agreement.

11 The Directorate-General for Economic and Financial Affairs (DG ECFIN) was the lead Commission department in charge of the management and monitoring of EFSI implementation by the EIB Group. While the IIW was implemented directly by the EIB, the SMEW was managed by the EIF under an EIB guarantee, which was counter-guaranteed by the EU. The EIB Group applied the same rules, policies, and procedures (including controls and monitoring) as to its own-risk operations, plus the requirements set out in the EFSI Agreement.

12 Within the IIW, the EIB used different financial products (for example, loans for corporate and project finance, equity and risk-sharing products) and provided them to different types of [final recipients](#), either directly or indirectly through financial intermediaries. The EIF, responsible for the SMEW, indirectly supported the final recipients (micro and small and medium-sized enterprises) by working with financial intermediaries.

13 The EIB Group provided operational reports on EFSI to the Commission twice a year, reports to the European Parliament and Council yearly, and evaluations of EFSI's impact in [2016](#), [2018](#) and [2021](#). In 2018 and 2022, the Commission also evaluated the use of the EFSI support. According to the Commission⁸, operational monitoring will continue until the repayment of all financing and investment operations supported by the EU guarantee; some of these operations are expected to run until 2080.

Key data on EFSI

14 In a working document accompanying the draft EU budget for 2025, the Commission indicated that at the end of 2023, total outstanding EU guarantees for EFSI operations signed with the EIB Group amounted to €23.6 billion, compared to €24.6 billion at the end of 2022⁹. As shown in [Table 1](#), at the end of 2022, the investment mobilised was reported as €503 billion and signed operations amounted to €88 billion. In 2023, the reported investment mobilised fell to €495 billion and the number and size of operations in 2023 also declined compared to 2022. This was the result of cancellations of agreed financing or EFSI financing that was lower than the amounts agreed in signed contracts.

⁸ [SWD\(2022\) 443](#), EFSI 2.0 ex-post evaluation, p. 14.

⁹ [2025 Draft general budget of the European Union – Working document part XI](#), pp. 15 and 18.

Table 1 – Reported EFSI operations signed and investment mobilised, as of end 2022 and end 2023

EFSI window	2022			2023		
	Number of operations	Signed amount (billion euros)	EFSI investment mobilised (billion euros)	Number of operations	Signed amount (billion euros)	EFSI investment mobilised (billion euros)
IIW	699	61	288	687	59	285
SMEW	832	27	215	821	26	210
Total	1 531	88	503	1 508	85	495

Source: ECA, based on operational reports on EFSI, end 2022 and 2023.

15 According to the Commission, at the end of 2022, 841 957 final recipients benefited from EFSI support, compared to 910 003 at the end of 2023. The EIB Group reported the total EFSI multiplier to be 16.08 at the end of 2022, which means that every €1 of EFSI contribution and EIB own resources should bring around €16 of investment in the EU economy. The total multiplier reported for the end of 2023 was 16.13. By the end of 2023, guarantee calls under EFSI amounted to €309.4 million, of which the EIB Group was able to recover €1.6 million from defaulting recipients.

Audit scope and approach

16 This audit aims to enhance the sound financial management of EU budgetary guarantees, by drawing lessons from how the programme we were examining had been implemented by the end of 2022, the deadline for agreeing financing. Our observations and recommendations can be used to improve the management of any other EU programme using an EU budgetary guarantee, including InvestEU.

17 Our main audit question was whether EFSI had delivered what it promised. We examined whether:

- a sound approach was established and applied to estimate the investment mobilised;
- EFSI additionality was sufficiently demonstrated;
- EFSI's performance was properly monitored and reported.

18 Since our previous special report on EFSI¹⁰ included an in-depth assessment of the EIB's implementation of the investments in the infrastructure and innovation window (IIW), this audit placed greater emphasis on EFSI's additionality regarding the EIF's implementation of the investments in the small and medium-sized enterprises window (SMEW). Nonetheless, our audit covered EFSI operations under both areas of investment support for the period from 2015 until the end of 2022, when the target for investment mobilised by EFSI of €500 billion, linked to operations signed, had to be met. We also covered the relevant financial and operational data on EFSI for the end of 2023. Our main assessment criteria were based on the applicable legislation, the EFSI Agreement, and EFSI Steering Board decisions.

19 Based on EIB Group datasets, operational reports on EFSI, and detailed documentation for 20 EFSI operations, we analysed whether calculations of the reported investment mobilised and multiplier values were correct. The sample included the 10 highest and 10 lowest total multiplier values in diverse IIW and SMEW products, representing 8 operations in the IIW and 12 in the SMEW. In addition, we examined the EIB Group datasets for investment mobilised in all 1 531 EFSI operations that had been signed by the end of 2022, and the operational reports for that year. We also consulted an external expert about the EFSI multiplier methodology.

¹⁰ [Special report 03/2019](#).

20 We sent detailed audit questionnaires to a sample of 31 financial intermediaries (from 13 countries) out of the 728 involved in the SMEW to assess: i) the adequacy of EFSI products for market needs; ii) eligibility and investment criteria (additionality and higher risk profile of activities supported by EFSI); iii) the benefits of EFSI for the final recipients; and iv) possible alternative financing. Our sample was not statistically representative, but it was selected to provide illustrative examples of different characteristics of the population. During the sampling, we used a combination of criteria focused on materiality, diversity of SMEW products and geographical spread. The response rate was 100 %. We also interviewed representatives of 11 financial intermediaries to discuss their written comments in more detail and gather additional clarifications.

21 Furthermore, we examined a sample of 15 debt transactions and 6 equity transactions to check how financial intermediaries selected and managed their operations, i.e. how they applied the eligibility criteria agreed with the EIF to final recipients. We selected these transactions based on the materiality of the amounts involved.

22 We analysed the accuracy of data provided to the Commission at the end of 2022 in the EIB Group's operational reports on EFSI (these were of a technical nature and thus not published). We also reviewed the published reports and evaluations of EFSI prepared by the EIB Group and the Commission, as well as the documentation of seven EIB Group monitoring visits to six member states. Furthermore, we checked for anomalies and data consistency in the EFSI-related datasets we received from the EIB Group.

23 We complemented the above audit procedures with written explanations and meetings with the Commission (Directorate-General for Budget (DG BUDG) and DG ECFIN), the EIB, the EIF and the EFSI programme evaluator. Our audit did not assess the overall costs and revenues of EFSI, such as, for example, fees paid to fund managers or financial results achieved by the equity investments.

Observations

The investment mobilised by EFSI was overestimated

24 We assessed whether the investment mobilised by EFSI was consistently calculated for all financial products of the programme in compliance with the EFSI multiplier methodology, the EFSI Agreement and the EU’s [Financial Regulation](#). We also assessed the adequacy of the multiplier methodology itself.

25 The EFSI Agreement between the Commission and the EIB Group mandated the EFSI Steering Board to develop a methodology for measuring the mobilisation of additional investment in the real economy in view of achieving the €500 billion target. This target, based on signed contracts, was to be reached by the end of 2022 (see paragraph [08](#)). The Commission and EIB Group jointly prepared the methodology, which then was adopted by the EFSI Steering Board. “KPI 3 – EFSI Eligible Investment Mobilised” was the only performance indicator with a target value established for the whole of EFSI (see [Annex III](#)).

26 Article 2(45) of the [Financial Regulation](#), which entered into force in July 2018, defines the multiplier effect as the investment by eligible final recipients divided by the amount of the EU contribution. The EFSI multiplier methodology¹¹ further details that the calculation of the investment mobilised by EFSI should consider only investments eligible for EFSI support, and be coherent across the IIW and SMEW. The methodology should also align with the rules established in the EFSI Agreement.

27 As a result of our observations in the next paragraphs of this section of the report, we estimate that the €503 billion of the investment mobilised by EFSI reported for the end of 2022 was overall overstated by €131 billion, as presented in [Table 2](#).

¹¹ EIB EFSI multiplier methodology and EIF EFSI multiplier methodology.

Table 2 – Overestimation and underestimation of investment mobilised by EFSI at the end of 2022

Reason for overestimation or underestimation	Overestimation (+) or underestimation (-) (billion euros)
Weaknesses in the design of the multiplier methodology	
EFSI support did not reach the final recipients	+ 77.4
Incorrect attribution of other EU instruments to EFSI	+ 46.1
Weaknesses in the application of the multiplier methodology	
Partial cancellations of EIB financing not properly taken into account	+ 7.4
Project closures by the end of 2022 not properly taken into account	- 2.2
Cut-off dates for reporting not harmonised	+ 2.0
Total	+ 130.7

Source: ECA.

Weaknesses in the design of the multiplier methodology

Calculations of investment mobilised included EFSI support that did not reach the final recipients

28 The estimated mobilised investment amount of €503 billion, reported at the end of 2022, was calculated using both the financing which had reached final recipients plus financing committed by the EIB Group to banks and equity funds. The total amount reported as “mobilised” thus included both actual and expected future investments, some of which had not yet reached the real economy, as they had neither been committed nor made by eligible final recipients. However, in EU budget documents the Commission reported them as “investments made by final recipients”¹².

29 According to the EFSI operational report for 2022, financing of €7.8 billion still had not been disbursed by the financial intermediaries to the SMEW final recipients and was reported as “remaining to be invested”. Nearly all of this amount (99 %)

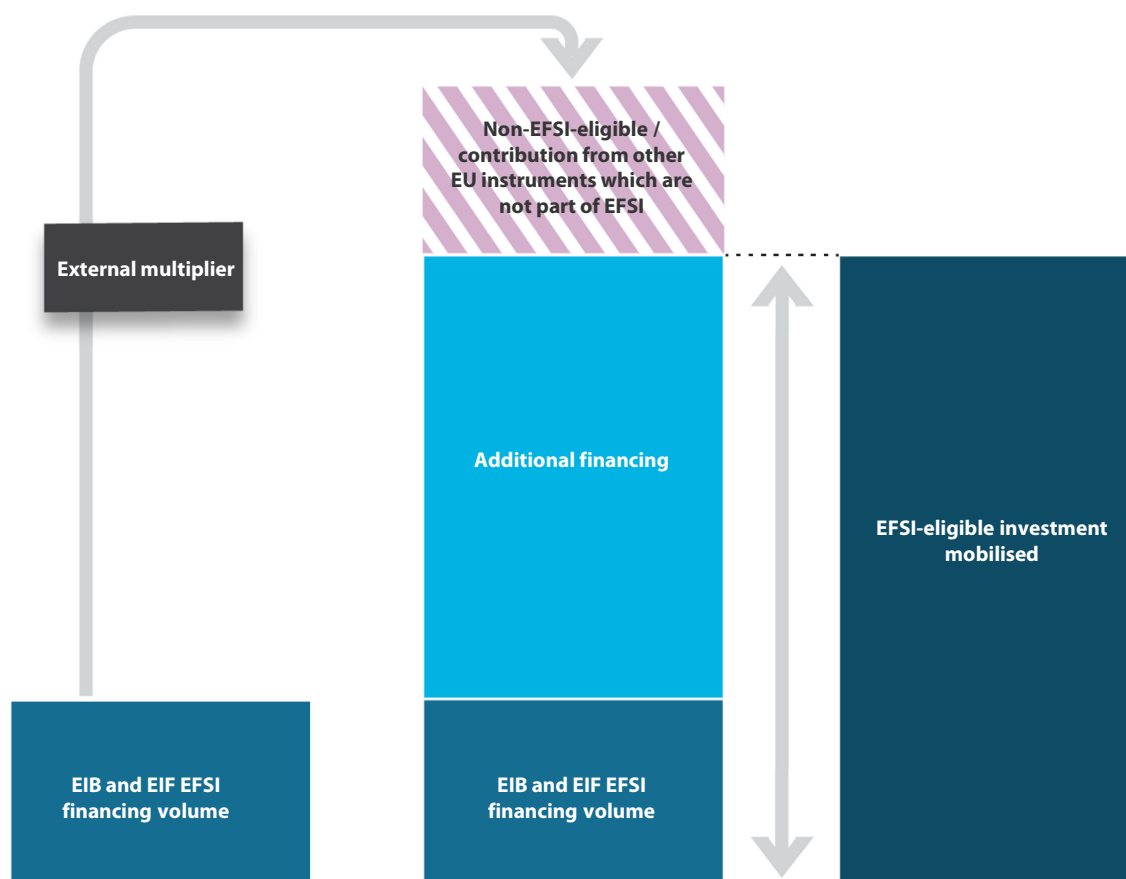
¹² 2024 Draft general budget of the European Union – Working document part XI, p. 15;
2025 Draft general budget of the European Union – Working document part XI, p. 16.

related to SMEW equity products. Based on the multiplier methodology, for this non-disbursed amount of €7.8 billion, the EIB Group calculated and reported an estimate of investment mobilised of **€77.4 billion**. The equivalent amount was €77.1 billion as of end 2023.

Investment mobilised by other EU instruments was incorrectly attributed to EFSI

30 The multiplier methodology laid down that for all IIW operations, and for operations in the SMEW “EFSI combination product”, any amounts mobilised by other EU financial instruments (used together with EFSI) should not form part of the EFSI-eligible investment mobilised¹³. **Figure 5** illustrates this as follows.

Figure 5 – EFSI-supported financing, and non-EFSI-eligible financing supported by other EU instruments



Source: ECA, based on [EIB EFSI multiplier methodology](#) and [EIF EFSI multiplier methodology](#).

31 Contrary to this approach, the SMEW multiplier methodology allowed the investment mobilised contributing to the €500 billion target to be calculated based on the total amount of each of the following programmes: the loan guarantee facility of

¹³ [EIB EFSI multiplier methodology](#), p. 5. and [EIF EFSI multiplier methodology](#), p. 20.

the EU programme for the Competitiveness of Enterprises and SMEs (**COSME**); EU Finance for Innovators (**InnovFin**); the EU programme for Employment and Social Innovation (**EaSI**); and the EU guarantee facility for the cultural and creative sectors (**CCS**). This was not in line with the EFSI Agreement, which laid down that EFSI support could only be top-ups for each of these programmes (within specific ceilings). The *ex post* evaluation report on EFSI of October 2022¹⁴ also referred to these programmes and concluded that not all the investment reported as mobilised by EFSI was fully attributable to EFSI.

32 Figures provided in the EFSI operational report at the end of 2022 assumed that the €5.3 billion of EU guarantees mobilised €127.7 billion of EFSI-supported investments, contributing to the reported €503 billion total. Considering that the SMEW guarantee used within the EFSI Agreement ceilings was only €3.4 billion, the investment mobilised by EFSI, attributed in line with the internationally recognised pro-rata principle¹⁵, should have amounted to €81.6 billion. We estimated therefore that the investment mobilised by EFSI SMEW, reported for the end of 2022, was overstated by **€46.1 billion**, as shown in **Table 3**.

Table 3 – Calculation of the overestimation of €46.1 billion

Description		Amount*
1.	Reported investment mobilised by EFSI in the SMEW debt portfolio	€127.7 bn
2.	EU guarantee reported as mobilising the investment	€5.3 bn
3.	EU guarantee used, applying the ceilings	€3.4 bn
4.	Proportion of the EU guarantee used relative to the reported guarantee (3. / 2.)	63.9 %
5.	Pro-rata investment mobilised (1. x 4.)	€81.6 bn
6.	Overestimated investment mobilised (1. – 5.)	€46.1 bn

* Final values are rounded to one decimal place, but the calculations were done using unrounded amounts for accuracy.

Source: ECA, based on EFSI operational report for 2022 and EFSI Agreement.

¹⁴ Study supporting the ex-post Evaluation of the European Fund for Strategic Investments, October 2022, p. 5.

¹⁵ OECD (2023), “Private finance mobilised by official development finance interventions”, *OECD Development Perspectives*, No 29, OECD Publishing, Paris, p. 4, <https://doi.org/10.1787/c5fb4a6c-en>.

Weaknesses in the application of the multiplier methodology

Partial cancellations of EIB financing or the financing amounts confirmed at project closure were not properly taken into account

33 The multiplier methodology requires the investment mobilised by EFSI to be estimated when financing is approved by the EIB's Board of Directors, and revised, in the case of investment funds, when financing contracts are signed. The multiplier methodology also provides that in the case of a partial cancellation of the authorised financing supported by EFSI, the investment mobilised should be revised when such cancellation becomes effective. The final value of the investment mobilised by EFSI in any given project should be based on amounts calculated in the finalised project completion report.

34 We found that in 97 IIW operations contributing to the investment mobilised reported for the end of 2022, around €3 billion of the EIB financing had been cancelled before the end of 2022. However, the EIB had not revised the related amounts of investment mobilised, as required by the multiplier methodology. Moreover, this approach was not in line with a good "exercise of prudence" in such matters¹⁶.

35 According to the status of these 97 IIW operations provided by the EIB in November 2024, we estimated that the investment mobilised by EFSI was **overstated by €7.4 billion** in the reporting for the end of 2022.

- For 66 operations with partial cancellations, the EIB had still not revised data on the amounts of investment mobilised. Assuming, in line with a prudent approach, that the investment and the financing would reduce proportionately, the reported investment mobilised by EFSI should have been €8.3 billion lower.
- For 30 operations, the project completion report had been finalised by November 2024. Based on the EIB's calculations, the reported investment mobilised should have been around €0.9 billion higher.
- For one operation, the EIB confirmed that the investment mobilised has not changed after partial cancellation.

¹⁶ [Conceptual Framework for Financial Reporting](#), International Accounting Standards Board, March 2018, paragraph 2.16, p. A27.

36 We also found that, before the end of 2022, the EIB had not revised in its database the investment mobilised by EFSI in 44 IIW operations for which the project completion report procedure had been finalised. The amount of the investment mobilised reported at the end of 2022 for these operations was **understated by €2.2 billion** compared to the amount calculated by the EIB at the closure of these projects (excluding eight cases already covered by the second bullet point in paragraph 35).

Cut-off dates for operational reports were not harmonised across EFSI

37 We found differences in the approach for the SMEW and IIW concerning the cut-off date applied to operational reports on EFSI. According to the EFSI Agreement, the annual SMEW operational report was to be prepared by the EIF as of 31 December using the latest data available. The EIF was to provide this report to the EIB by 31 March of the following year. We found that, despite the EFSI Agreement requirement, the EIF used a cut-off date of 30 September for SMEW data concerning loan guarantees. For the IIW, the EIB correctly applied the cut-off date of 31 December. There was no disclaimer in the reports about the difference in the cut-off dates, nor any documented decision justifying this different approach. The amounts from SMEW and IIW were consolidated in the operational report and presented as the situation of 31 December.

38 This approach led to an additional overstatement by **€2 billion** of the estimated investment mobilised for the end of 2022 because the EIF did not consider the actual values of 24 SMEW debt portfolios closed in the fourth quarter of 2022. In these cases, the investment mobilised was reported using earlier (and higher) estimates. The actual values of these portfolios were known before the end of 2022. The EIF explained that the quality of the fourth quarter loan data was not verified until the second half of the following March, therefore it was not used in the reporting for the end of 2022. Only the operational report issued as of June 2023 contained the adjustment of portfolios closed in the fourth quarter of 2022.

EFSI support was relevant, but its additionality was not sufficiently demonstrated

39 We report here on whether EFSI additionality was properly assessed (see paragraph 06). For this, we examined the impact of EFSI financing on investment levels, whether there were sufficient targets or indicators measuring additionality, and whether there was evidence showing that public funds actually drove additional investments. The investment gap identified before the launch of the EFSI programme required mobilisation of additional investments, which EFSI was set up to support. The intention was also that these investments should avoid the “crowding-out” effect of such a rise in public funding leading to a fall in financing from the private market¹⁷.

EFSI supported investments in both financial and qualitative terms

40 The EFSI programme supported the financing of many different activities, from microfinance to large infrastructure investments. The EIB and EIF published information on some projects supported by EFSI on their websites¹⁸.

41 During our audit, we received replies to our audit questionnaires from 19 financial intermediaries in the area of SMEW debt. They provided EFSI-supported debt products for a total amount of €1.9 billion. The EIF estimated that these products mobilised overall investment of €30.6 billion by the end of 2022. A total of 53 % of financial intermediaries said that EFSI allowed them to finance projects which would otherwise have been ineligible for their financing.

42 We also received the replies to our audit questionnaires from 12 financial intermediaries providing SMEW equity products for a total invested amount of €700 million. The EIF estimated that this had mobilised an overall invested amount of €5 billion. The replies included positive assessments of EFSI additionality. A total of 75 % of financial intermediaries considered that the EFSI contribution allowed them to offer higher volumes of equity investments. Moreover, 92 % considered that the EIF’s “catalytic” effect attracted additional equity investors.

¹⁷ Article 5 of [Regulation \(EU\) 2015/1017](#).

¹⁸ EIB, [EFSI and its legacy](#); EIF, [EFSI all case studies](#).

43 All the above replies mentioned several positive aspects triggered by EFSI in the SMEW, such as the higher investment volumes, the “catalytic” effect of attracting additional investors, and being able to increase individual investments, follow up in their investees on how their investments were performing, and improve equity fund diversification. Moreover, almost unanimously, the equity financial intermediaries valued their EFSI partnership with the EIF highly, since it offered them enhanced operational capabilities and knowledge transfer.

The main measure of EFSI additionality was the high-risk profile of supported investments

44 Key elements of additionality (see paragraph [06](#)) of EFSI-supported operations were to¹⁹:

- typically have a higher risk profile than the portfolio of investments financed by normal EIB operations;
- address market failures or sub-optimal investment situations;
- include subordination in the financing agreements;
- support projects with a cross-border character;
- support EU objectives in a wide range of sectors, such as research and innovation, energy, transport, information and communication, environment, human capital, culture and health²⁰.

45 The EFSI Regulation of 2015 considered that operations provided additionality if their credit risk level corresponded to EIB “special activities” (see [Box 1](#)).

¹⁹ Article 5 of [Regulation \(EU\) 2015/1017](#).

²⁰ Article 9(2) of [Regulation \(EU\) 2015/1017](#).

Box 1

EIB “special activities” and EFSI

According to the EIB Statute and internal guidelines²¹, EIB “special activities” are defined as:

- debt operations with a risk profile of D- or below (i.e. with an expected loss above 2 %);
- all equity and equity-type operations (e.g. infrastructure funds and other fund participations, venture capital activities, equity operations and other operations with an equivalent risk profile).

All EIF operations under the SMEW were deemed to be equivalent to the risk profile of EIB “special activities”.

46 The same regulation considered transactions with a lower risk profile and not meeting the “special activities” criteria also eligible for EFSI support, provided that a high added value could be clearly demonstrated. According to the operational report for the end of 2022, “special activities” represented 91 % of EFSI signed loan contracts for infrastructure or innovation projects.

47 The EFSI 2.0 Regulation²² of December 2017 considered the fulfilment of “special activities” criteria as a “strong indication of additionality”, but not the only one. This regulation introduced some new indicative features for investments so they could better address market failures or sub-optimal investment situations. These features covered, for example, “subordination” (taking a junior position compared to other investors, which implies assuming more risk than other investors), cross-border characteristics, or exposure to “specific risks”. The latter referred to less developed regions and transition regions, or projects with risks associated with innovation, in particular unproven technologies to enhance growth, sustainability or productivity. However, EFSI 2.0 did not establish any targets or indicators to measure the share of EFSI operations which had these “strong indications of additionality”.

²¹ EFSI Steering Board, [EFSI Key Performance and Key Monitoring Indicators Methodology](#), p. 6.

²² [Regulation \(EU\) 2017/2396](#).

48 The operational reports and the EIB Group datasets on EFSI did not include information about the subordinated position of EFSI debt operations at the end of 2022. The share of cross-border EFSI operations was also not reported by the EIB Group, which prevented us from assessing the scale of this additionality feature across the whole EFSI portfolio.

49 Our analysis of the allocation of EFSI across the “specific risk” sectors described in Article 5 of the EFSI Regulation (see [Annex IV](#)) showed that the largest share (34 %) of investments were for “research, development and innovation”. However, only 0.6 % of EFSI financing was used in less-developed or transition regions. According to the 2018 EFSI evaluation report, “EFSI operations are in sectors where considerable market failures and under-investment exist. However, the case studies undertaken as part of this evaluation highlight that not all operations that take place in sectors where market failures exist actually address market failures as some projects in these sectors get financing from the market”. We also noted that the KPIs and KMIs had limited value for assessing EFSI additionality (details shown in [Annex III](#)).

The additionality of investments mobilised by EFSI was not sufficiently demonstrated

50 The definition of additionality in Article 5 of the [EFSI Regulation](#) recognised a difference between a situation where the investment could not have been carried out at all without EFSI, or could not have been carried out to the same extent. Both situations were considered eligible for EFSI support. [Box 2](#) shows two hypothetical scenarios where the additionality principle can be considered as met, but would provide a different amount of investment mobilised by EFSI.

Box 2

Examples of additional financing totally and partially mobilised by EFSI

EFSI provides a guarantee for a €15 000 eligible investment project that would not have happened at all without EFSI.

EFSI provides a guarantee for a €15 000 eligible investment project that would have happened but at a smaller scale (€10 000) without EFSI.

The two cases lead to different levels of additional financing: €15 000 in the first case and €5 000 in the second.

51 The multiplier methodology does not recognise any difference between the investment fully or partially mobilised by EFSI. In both examples in [Box 2](#), the methodology considers that the total project cost of €15 000 is mobilised thanks to EFSI. In the Commission's view, this is because the concept of partially mobilised investment does not exist either in the EFSI Regulation or in the EFSI multiplier methodology.

52 The EIB's multiplier methodology states that the aim is to identify "the investment mobilised in the context of EFSI operations", but continued by stating that "the causality of EFSI as a policy intervention to address the investment gap in Europe is difficult to demonstrate and cannot be conclusively proven"²³. In our opinion, establishing this causal link between EFSI support and additional investment mobilised is relevant for assessing EFSI's performance. Without such a causal link, or an *ex post* analysis of additionality, it is nearly impossible to assess to what extent the public funds were indeed driving additional investments.

53 The Commission established a two-stage approach to verify the additionality of EFSI investments. First, the EFSI Investment Committee was tasked to make a qualitative assessment on whether EFSI was indeed driving additional investments under the IIW. The EIB, in its 2021 [evaluation report](#), stated that "operations offering SMEW products approved by the EFSI Steering Board and managing director (following consultation with the EFSI Investment Committee) were deemed to satisfy the additionality criteria as they provided supplementary volume of financing in areas perceived as suffering from market failures. No further individual assessment of the additionality of SMEW operations was undertaken by the EFSI Investment Committee". Second, the Commission considered carrying out an *ex post* statistical analysis to assess whether there was a causal relationship between the EFSI-supported financing and the additional investment mobilised.

²³ [EIB EFSI multiplier methodology](#), pp. 1-2.

54 Both evaluations of EFSI published in 2018²⁴ recommended clarifying the definition of additionality. They also considered that a limited evaluation method based on self-reporting had been applied, but the use of a more rigorous method and of relevant data was desirable to assess EFSI's crowding-out effect. By the end of 2024, the Commission had not carried out this analysis. Furthermore, the EFSI evaluation reports did not assess the causality of the programme.

55 An analysis of causality between EFSI financing and additional investments was not done. According to the Commission, there was no relevant and timely data to support a full counterfactual study in the EFSI *ex post* evaluation, as this data would need to have extended well beyond EFSI's end-date to allow the investments to be made and the fund managers accounted for.

The monitoring of EFSI met key requirements but was not comprehensive, and the reporting was not well scrutinised

56 To assess the adequacy of the monitoring of and reporting on EFSI we reviewed the relevance and comprehensiveness of EFSI monitoring indicators, and the Commission's analysis and publication of information about the required funds put aside to cover potential guarantee calls (provisioning). We also examined the monitoring by the EIB Group and the Commission of specific EFSI operations in terms of compliance with the legal and contractual requirements. In addition, we checked the reliability of data in the reports on EFSI and in the datasets used to extract the information for those reports.

²⁴ EIB, [Evaluation of the European Fund for Strategic Investments](#), June 2018; ICF, [Independent Evaluation of the EFSI Regulation, Final Report](#), June 2018.

The Commission and the EIB Group monitored EFSI financial implementation according to key requirements

The Commission adequately monitored EFSI provisioning and EFSI financial flows

57 According to Article 41(5) of the [Financial Regulation](#), the Commission should attach to the draft EU budget a working document showing the effective provisioning rate for each budgetary guarantee. The Commission assessed the adequacy of the provisioning available for EFSI in the common provisioning fund once a year²⁵. The ECA checks this reporting as part of its statutory audit of the EU's annual accounts²⁶.

58 DG ECFIN also carried out yearly monitoring visits to the EIB Group²⁷ and *ex post* checks of the operations supported by EFSI. Our analysis of documents provided by the Commission confirmed the regular monitoring of the inflows and outflows on EFSI's accounts and reconciliation of the account statements with EFSI's financial reports. This work is documented in the yearly monitoring visits to the EIB Group from 2019 to 2023, including checking a sample of guarantees called under EFSI.

The EIB Group's monitoring activities were in line with the EFSI Agreement

59 Article 25(1) of EFSI Agreement required the EIB Group to carry out *ex post* checks on EFSI-supported operations in accordance with its policies and procedures including, where appropriate, on-the-spot checks. In line with the EIB Group's internal procedures, on-the-spot checks were carried out for the debt and equity operations supported by EFSI under the IIW. Concerning the SMEW, these checks were systematically done for debt operations. This was not the case for equity products, where, during our audit period, the EIF had made only two monitoring visits, which took place in 2022.

60 We analysed two *ex post* checks conducted by the EIB on IIW operations (one for debt and one for equity) and five EIF *ex post* checks carried out on the spot for SMEW operations (all for debt products). We selected the specific cases to ensure a variety of operations and countries. We analysed the information collected by the EIB Group during the above control activities, and found that the monitoring by the EIB and EIF was in line with their internal rules and procedures.

²⁵ 2025 Draft general budget of the European Union – Working document part XI, pp. 4 and 5.

²⁶ 2022 annual report, Chapter 2, paragraphs 2.63-2.64 and Recommendation 2.3.

²⁷ European Commission, 2022 annual activity report, pp. 65-66.

While EFSI generally complied with the established targets, some important aspects of the programme were not monitored

61 We consider that indicators should include a description of exactly what they are measuring. All indicators should fulfil the RACER criteria (relevant, accepted, credible, easy to monitor, and robust), and be unambiguous and easy to interpret. The EFSI Agreement sets out KPIs and KMIs to measure EFSI's performance.

EFSI broadly complied with the geographical and sectorial limits and met the climate action target

62 A pre-allocation of EFSI support was not provided for in the EFSI Regulation or EFSI Agreement on the basis of country or sector. However, monitoring indicators for EFSI (KMI 1 and KMI 2) covered these aspects (see [Annex III](#)).

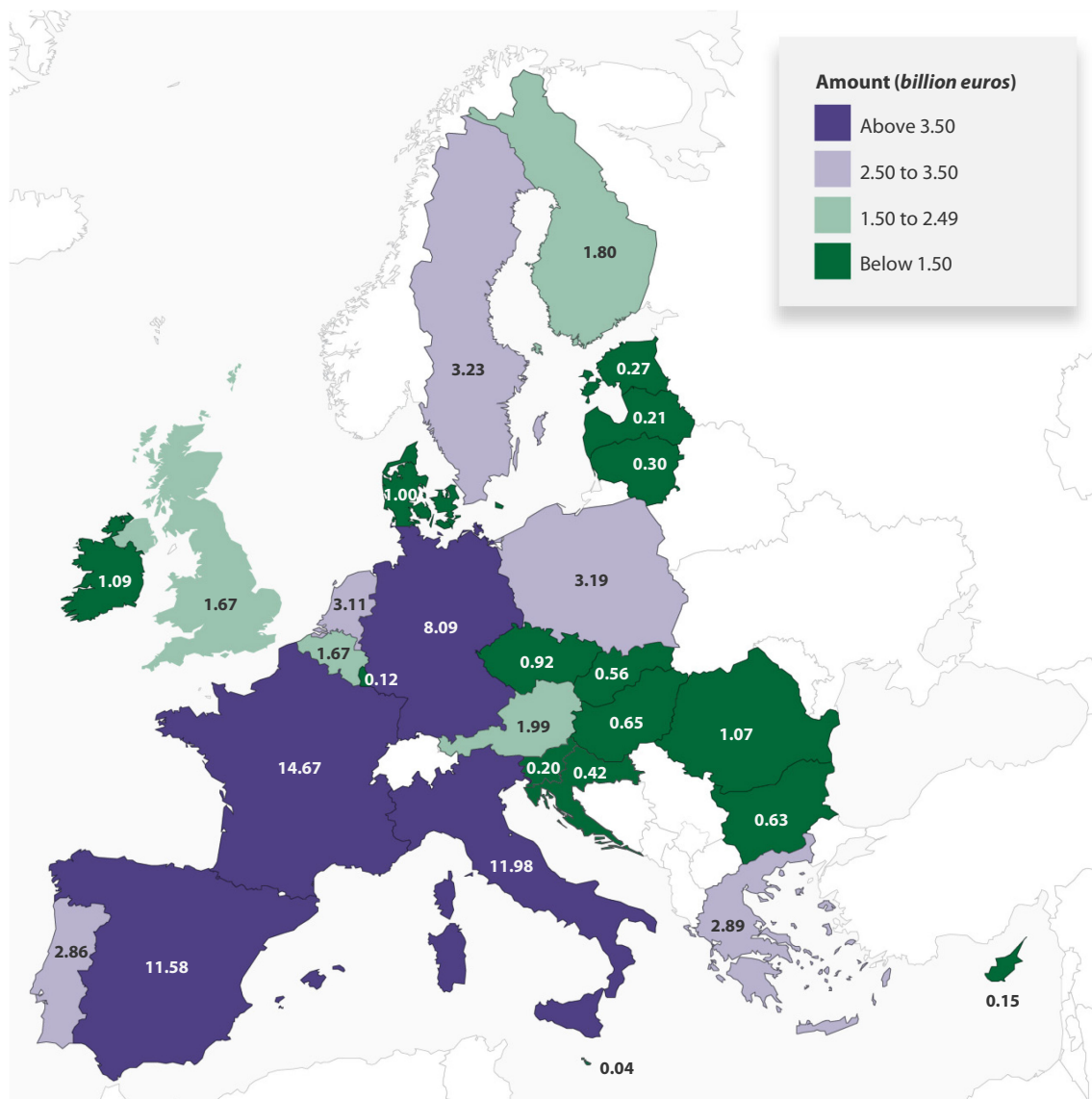
63 The [EFSI Strategic Orientation](#) adopted by the Steering Board in 2019 set out an indicative 45 % geographical concentration limit for the IIW for the end of the EFSI investment period (December 2022), this being the share of operations signed, by value, in any three member states of total operations signed. For the SMEW, the requirement was that the EIF should aim to reach all EU member states and achieve “a satisfactory geographical diversification” among them. [Annex V](#) shows SMEW support per EU member state, reported as of end 2022.

64 EFSI financing did reach all EU member states. However, the top three IIW recipient countries, Spain, France and Italy, together accounted for €30 billion of EFSI support, which was 49 % of the total of IIW signed operations at the end of 2022 (see [Annex VI](#)). According to the Commission, this concentration of support in three countries, 4 percentage points above the indicative limit, was due to the market-driven nature of EFSI, as it operated without country quotas²⁸.

65 [Figure 6](#) shows EFSI support (total of IIW and SMEW) per EU member state, as reported at the end of 2022.

²⁸ Commission and EIB, [Response to ECA Audit Recommendation 5: Improving the geographical spread of EFSI supported investment](#), 2019.

Figure 6 – EFSI total amounts signed per EU member state, as of end 2022



Source: ECA, based on data included in the operational report on EFSI for the end of 2022.

66 In terms of sector coverage, the Steering Board set an indicative concentration limit of 30 % in the IIW at the end of the investment period²⁹. This limit referred to signed loans and investment amounts in any of the sectors defined in Article 9(2) of the [EFSI Regulation](#). The SMEW had no targets or limits for sector coverage, even indicative ones.

²⁹ EFSI Strategic Orientation – Review of January 2019, pp. 13-15.

67 According to the information in the operational report for the end of 2022 (see [Annex IV](#)), the highest sector concentration (23 %) in the IIW was EFSI support for the development of the energy sector. In the SMEW, the highest sector concentration (63 %) was investment in research and innovation. The EIF did not report on any SMEW investments in five out of nine targeted sectors, i.e. energy, transport, environment, less developed regions and bioeconomy.

68 The monitoring indicator KMI 7 to track EFSI's contribution to climate action had a target of 40 % for the IIW (see [Annex III](#)). In accordance with the EFSI Regulation however, climate tracking information did not cover SMEW-related investments³⁰. These made up 31 % of the EFSI portfolio at the end of 2022. At that point in time, the total of signed contracts for EFSI financing in support of climate action amounted to €20.8 billion under the IIW. The share of EFSI financing under the IIW supporting project components which contributed to climate action represented 43 % of the total signed amount of IIW EFSI financing, excluding IIW EFSI financing for SMEs and small mid-cap companies.

The contribution of EFSI to employment and sustainable growth lacked target values

69 The EFSI Regulation³¹ provided that the projects supported by EFSI should strive to create employment and sustainable growth. The EIB Group used the econometric model [RHOMOLO-EIB](#) to estimate jobs and growth created by EFSI once a year. According to the EIB, these “estimates suggest that by 2022 investment under EFSI will increase GDP by 1.9 % and add 1.8 million jobs compared to the baseline scenario”³².

70 In addition, the EIB Group reported the monitoring indicator KMI 4 on “employment impact” to the Commission every 6 months. Since there was no target value for this indicator, there was no basis for assessing to what extent the jobs reported met the expectations for EFSI (see [Annex III](#)).

³⁰ [Special report 22/2021](#), paragraph 64.

³¹ Article 5(1) of [Regulation \(EU\) 2015/1017](#).

³² [EIB, EFSI and its legacy](#).

71 The regulatory framework of the EFSI programme did not provide any rules to measure sustainability of growth created as a result of EFSI. In addition, the reporting by the EIB Group did not provide any information in this regard. The programme statement of operational expenditure for 2023³³ described how EFSI had contributed to ten sustainable development goals. However, the documents on the EU budget for 2024 and 2025 and the Commission’s reports on EFSI do not include any information about EFSI’s contribution to the sustainable development goals.

EFSI support provided to non-EU countries lacked detailed reporting

72 At the end of 2022, the EIB Group reported that 75 % of the signed SMEW equity investments were in the “multi-country” category. While we acknowledge that this category may be useful for fund managers to pursue investment opportunities across several countries, it does not provide detailed information about the geographical distribution of EFSI-supported investments, for example, the share of non-EU countries involved.

73 According to the EFSI Regulation³⁴, the EU guarantee could cover the operations involving “entities located or established in one or more member states and extend to one or more third countries” for example, those under [EU Strategic Partnerships](#). The EFSI Agreement did not allow investments made in non-EU countries to represent more than 50 % of each SMEW equity product. By the end of 2022, 16 % (€2.5 billion) out of €15.7 billion of SMEW equity investments to final recipients had gone to non-EU countries (see [Annex VII](#)).

74 Equity investments made with EFSI support in non-EU countries were not included in the calculation of the investment mobilised by EFSI. In addition, the use of the EU guarantee for non-EU final recipients complied with the EFSI Regulation. However, we consider that the disclosure to the EU budgetary authority of information on this category of EFSI-supported investments was not sufficiently detailed. EFSI reporting and evaluations did not provide any information on the scale of these equity investments or their contribution to addressing the funding gap in the EU.

³³ 2023 Draft general budget of the European Union – Working document part I, pp. 110-112.

³⁴ Article 8(b) of [Regulation \(EU\) 2015/1017](#).

No specific indicators for the transfer of benefits from EFSI to the final recipients were established

75 In the proposal for the EFSI Regulation, the Commission indicated that “SMEs will be a key beneficiary of the support”³⁵. The final recipients of EFSI were to benefit from this programme in several ways, including:

- receiving additional financing, which was not available without EFSI;
- having to provide less collateral;
- better adaptation of duration of financing to their needs; and
- lower financing costs (interest rates and/or fees).

76 The transfer of benefits to final recipients was assessed under KPI 1 as the “Value added” of the EFSI contribution to any operation. Neither the EFSI Regulation nor the EFSI Agreement required the EIB Group to report on the benefits transferred to final recipients. As a result, the EIB Group and the Commission did not collect any data or statistics for EFSI debt products on the reduced interest rate or any of the other benefits mentioned above. The transfer of benefits was not subject to a specific assessment or any evaluation. We could therefore not verify the extent to which the benefits of EFSI were shared between financial intermediaries and final recipients.

77 In the replies to our audit questionnaires, the vast majority (95 %) of the SMEW financial intermediaries stated that EFSI had allowed them to offer better conditions to clients compared to the financing available without an EFSI support. Two financial intermediaries provided us with data showing how the conditions they had provided to final recipients of loans guaranteed by EFSI compared to those for their usual loan portfolios. One of these examples is presented in [Annex VIII](#).

The complex data and reporting on EFSI were not sufficiently scrutinised **EFSI-related data was kept in fragmented and incomplete datasets**

78 According to Article 24(1) of the EFSI Agreement, the “EIB shall keep separate records related to EFSI-guaranteed operations in its database in accordance with its policies and procedures that clearly and transparently identify them”. The EIB informed us that the EFSI-related data was not kept separate, but was an integral part of records concerning all EIB operations stored in several electronic systems with a

³⁵ Proposal for EFSI Regulation, [COM\(2015\) 10](#), Explanatory Memorandum, p. 2.

specific flag to identify them. Following our request for a document containing information (metadata) on all data fields related to EFSI, the EIB informed us that no such document existed.

79 After the EIB had identified around 500 titles of EFSI records, we selected 187 of them, concerning operations and their final recipients. Most of the data provided was incomplete regarding the identification of IIW final recipients. There were thousands of missing values, several of which were very significant, including final recipient names, addresses, number of employees, or amounts of EFSI support.

The EFSI operational reports were not sufficiently scrutinised by the Commission

80 The EFSI Regulation³⁶ required the EIB Group regularly to provide the Commission with reports on all EFSI operations (including those covered by EIB own resources, see [Box 3](#)), not only those covered by the EU guarantee. The SMEW operational reports included information on operations with EIB risk capital resources at aggregated level only, and the breakdown of individual transactions was not provided, unlike for EFSI operations covered by the EU guarantee. In practice, this way of reporting on the EIB's risk capital resources meant that it was not possible to verify whether the KPIs and KMIs were properly calculated for the whole EFSI programme.

Box 3

EIB risk capital resources

The risk capital resources instrument – under which EIB funds are made available to the EIF – is the largest of the EIF's equity instruments.

The EIB contribution of €7.5 billion to EFSI was channelled through the IIW with co-financing of €3.5 billion and through the SMEW with the co-financing of €4 billion in the form of risk capital resources equity investments. These amounts were financed by EIB own resources and did not benefit from the EU budgetary guarantee.

The risk capital resources SMEW operations of €4 billion were considered part of EFSI operations and contributed to the target of €500 billion of mobilised investment.

³⁶ Article 16 of [Regulation \(EU\) 2015/1017](#).

81 We analysed the two checklists filled in by DG ECFIN covering the checks carried out on the information in the EFSI operational report for 2022. They concerned the EFSI KPIs and KMIs, and the reported IIW statistical data. Neither checklist described the controls performed by DG ECFIN, nor their outcomes.

82 Following our detailed analysis of the SMEW operational report for the end of 2022, we found inconsistencies in 20 out of 146 tables. Incorrect amounts were given in 11 tables, and in the other 9 we found that the data was either missing (blank cells) or marked as not available. Regardless of their individual impact, these inconsistencies undermine the reliability of reporting and call into question the quality of the underlying data.

Statements on the budgetary impact of EFSI were not based on its lifetime impact

83 The external [study supporting the *ex post* evaluation of EFSI](#) from October 2022 and the related [Commission staff working document](#) reported that “the impact of EFSI is expected to be budget-neutral at the very least. It is expected that in the end there might even be a positive surplus as (i) the level of losses that have materialised are lower than expected and (ii) the remuneration of risk taken by the EU guarantee has generated revenues”.

84 During our audit, the Commission informed us that the statement from the study about EFSI’s budget-neutral character was only based on the actual level of guarantee calls under EFSI and revenues by the end of 2021, but that there was no estimation of EFSI’s budgetary impact over its lifetime. The authors of the study confirmed that there was no underlying analysis to support the statement on EFSI’s budget-neutral impact.

Conclusions and recommendations

85 We conclude, overall, that the European Fund for Strategic Investments (EFSI) contributed substantially to addressing the investment gap. However, the programme had not fully reached its objective to mobilise €500 billion of additional investment by the end of 2022.

86 We estimate that the €503 billion reported for this target was overstated by €131 billion. This overstatement resulted from the weaknesses we found in the design and application of the multiplier methodology. Part of the multiplier effect was based on financing which had not been disbursed to final recipients, investment mobilised by other EU instruments was incorrectly attributed to EFSI, cancelled investments were not deducted from the total investment mobilised, and cut-off dates for reporting were not harmonised (paragraphs [24-38](#)).

Recommendation 1 – Improve the transparency of the reporting on EFSI

To improve the transparency of the reporting on EFSI, the Commission should make use of already available information and disclose to stakeholders the amount of financing which has been signed but has not yet reached final recipients.

Target implementation date: 2025

Recommendation 2 – Improve the methodology for estimating the investment mobilised by EU guarantees

For InvestEU (as regards parts (b) and (c)) and, without prejudice to the decisions of the co-legislators, for future EU programmes using EU budgetary guarantees, the Commission should:

- (a) report on investment mobilised based on EU-supported financing signed and disbursed to final recipients;
- (b) not attribute to such a programme any investment mobilised by another EU instrument which does not form part of the reported programme, even if both are combined in a financial product;
- (c) establish a method of estimating the expected investment mobilised if there is a partial cancellation of the financing or investment operation.

Target implementation date: (b) and (c) InvestEU: 2026; future EU programmes: once they have been set up and this recommendation becomes applicable

87 According to financial intermediaries, EFSI support enabled investment volumes to be higher, attracted additional investors, and improved the diversification of equity funds. The financial intermediaries working with the European Investment Fund on equity projects supported by EFSI valued this partnership very highly since it offered them enhanced operational capacities and knowledge transfer (paragraphs [39-43](#)).

88 The additionality of investments mobilised by the EFSI was not sufficiently demonstrated. It was mainly justified by EFSI support for the European Investment Bank's "special activities". These have a higher risk profile than the portfolio of investments financed by its normal operations. We also found no targets or indicators measuring other additionality features. Furthermore, due to a lack of relevant data, the Commission did not assess *ex post* whether the public funds were indeed driving additional investments. In particular, the Commission did not assess the causal relationship between EFSI and the investment mobilised to address the investment gap. Furthermore, it did not verify the crowding-out effect caused by EFSI, as recommended in the evaluations of the programme (paragraphs [44-55](#)).

Recommendation 3 – Develop a methodology for an *ex post* analysis of additionality

Without prejudice to the decisions of the co-legislators, for future EU programmes using EU budgetary guarantees, the Commission should develop a methodology to assess, *ex post*, the additionality of the investment mobilised to address the investment gap.

Target implementation date: once a programme has been set up and this recommendation becomes applicable

89 We found that monitoring of EFSI met key requirements. The Commission monitored EFSI provisioning and financial flows, and reported on them adequately in the budgetary documents available to the public. The Commission also appropriately monitored EFSI accounts and financial reports. The EIB Group’s monitoring activities were in line with the EFSI Agreement, which required these to be carried out in accordance with European Investment Bank and European Investment Fund policies and procedures (paragraphs [56-60](#)).

90 EFSI broadly complied with the indicative limits for geographical and sectorial concentration, and met the climate action target. However, the contribution of EFSI to employment lacked target values and sustainable growth was not monitored. The regulatory framework did not provide any rules on how to assess sustainability, and the reporting in this regard was very limited (paragraphs [61-71](#)).

91 The EIB Group reported 75 % of signed equity investments in the area of EFSI support for SMEs in the category “multi-country”, which reduced transparency. By the end of 2022, the final recipients of EFSI in non-EU countries had received €2.5 billion of EFSI-supported equity financing for SMEs. The use of the EU guarantee for non-EU final recipients was compliant with the EFSI Regulation and the EFSI Agreement. However, the published reports and evaluations on EFSI did not provide any information on the scale of these equity investments (paragraphs [72-74](#)).

Recommendation 4 – Improve reporting on equity investments outside the EU

For InvestEU and, without prejudice to the decisions of the co-legislators, for future EU programmes guaranteeing equity investments, the Commission and implementing partners should report relevant information to the budgetary authority on the list of countries, and the aggregated amount provided to final recipients located outside the EU.

Target implementation date: InvestEU: 2025; future EU programmes: once they have been set up and this recommendation becomes applicable

92 Neither the EFSI Regulation nor the EFSI Agreement required the EIB Group to report on the benefits of EFSI transferred to final recipients. Consequently, the EIB Group and the Commission did not collect any data or statistics on the reduced interest rates or any other benefits of EFSI support. The transfer of benefits was not subject to a specific assessment or any evaluation. We could therefore not assess the extent to which the benefits of EFSI were shared between financial intermediaries and final recipients (paragraphs [75-77](#)).

Recommendation 5 – Report on the transfer of benefits from EU budgetary guarantees

Without prejudice to the decisions of the co-legislators, for future EU programmes using EU budgetary guarantees, the Commission should provide for collection of quantifiable data on a representative sample basis, which would enable an evaluation of the scale and type of benefits transferred under debt products by intermediaries to final recipients of EU budgetary guarantees.

Target implementation date: during the mid-term evaluation

93 We found that EFSI-related data was kept by the EIB in fragmented datasets without a metadata document. Most of the data provided to us was incomplete or unclear as regards final beneficiary names, addresses, number of employees, or amounts of EFSI support. The Commission's scrutiny of EFSI operational reports concerned only the "infrastructure and innovation window". We consider that the Commission did not sufficiently scrutinise these reports, as we found inconsistencies, incorrect amounts and missing data in several tables that the Commission did not detect. In addition, the reporting on EIB risk capital resources was done at aggregated level, so we could not check whether the key performance indicators and key

monitoring indicators for the entire EFSI programme had been properly calculated. Moreover, there was no sufficient evidence supporting the statements that EFSI was expected to have a budget-neutral impact or a positive surplus (paragraphs 78-84).

Recommendation 6 – Improve scrutiny of the reporting on EFSI

The Commission should improve the existing scrutiny procedures concerning EFSI reporting to enhance the consistency, accuracy and completeness of data presented to stakeholders.

Target implementation date: 2025

This report was adopted by Chamber V, headed by Mr Jan Gregor, Member of the Court of Auditors, in Luxembourg at its meeting of 11 February 2025.

For the Court of Auditors

Tony Murphy
President

Annexes

Annex I – EFSI products covered by the EU guarantee

Name of product	Description	Date of inclusion in the EFSI Agreement	Maximum guarantee signed with counterpart	Risk-sharing structure
Counterpart	European Investment Bank (EIB)			
IIW debt portfolio – standard, combined with InvestEU D1 portfolio	Products and counterparts include direct lending to public sector, direct lending to corporates and project finance, intermediated lending, credit enhancement for project finance, risk-sharing (partial delegation / de-linked), hybrid debt for regulated utilities. The EU covers 100 % of the “first loss piece” (FLP), whereas the EIB retains the residual risk tranche (RRT).	July 2015	€13.24 billion	FLP – 100 % (EU guarantee)
IIW debt portfolio – hybrid, combined with InvestEU D2 portfolio	Products and counterparts include risk-sharing (full delegation), debt funds, and structured products (asset-backed securities / loan substitutes / credit enhancements). The EU covers 100 % of the FLP, whereas the EIB retains the RRT.	July 2016	€2 billion	FLP – 100 % (EU guarantee)
IIW equity portfolio – standard	Products and counterparts include infrastructure and climate equity funds, direct equity, co-investment with equity funds, debt funds, captive funds and/or investment platforms not sponsored by national promotional banks (NPBs). The EU and the EIB (each 50 %) cover <i>pari passu</i> (for every € committed, the investors have the same risk) equity-type operations included in the IIW equity standard portfolio.	July 2015	€3.5 billion	<i>Pari passu</i> – 50 % (EU guarantee) & 50 % (EIB)

Name of product	Description	Date of inclusion in the EFSI Agreement	Maximum guarantee signed with counterpart	Risk-sharing structure
IIW equity portfolio – NPBs	Products and counterparts include captive funds and/or investment platforms sponsored by NPBs, equity risk-sharing with NPB involvement. The EU covers 95 % of the FLP, whereas the EIB retains 5 % of the FLP and the RRT.	July 2018	€510 million	FLP – 95 % (EU guarantee) & 5 % (EIB)

Name of product	Purpose of product	Description	EFSI support starting date	Maximum guarantee signed with counterpart (after 6th amendment of the EFSI Agreement)	Final recipients
Counterpart	European Investment Fund (EIF)				
InnovFin – Horizon 2020 enhancement	Debt product To top-up the InnovFin SME guarantee facility to support research and innovation projects.	“Second loss piece” (SLP) of an uncapped guarantee portfolio supporting lending provided by financial intermediaries to SMEs and small mid-caps. The EU provides the FLP under the InnovFin SME guarantee facility, and together with EFSI as SLP, provides a junior risk tranche of 20 %. The EIF takes 80 % of the senior risk tranche.	July 2016	€1.4 billion	Research-based companies, innovative SMEs and mid-caps (companies with between 500 and 3 000 employees) established and operating in the EU and in the associated countries of Horizon 2020.

Name of product	Purpose of product	Description	EFSI support starting date	Maximum guarantee signed with counterpart (after 6th amendment of the EFSI Agreement)	Final recipients
COSME loan guarantee facility enhancement	Debt product To top-up the COSME loan guarantee facility, increasing its size to facilitate access to finance for SMEs.	The EFSI product guarantees the SLP of loan portfolios provided by financial intermediaries to riskier SMEs. The EU COSME financial instrument provides the FLP.	July 2016	€1.484 billion	SMEs established and operating in the EU.
EaSI loan guarantee facility enhancement	Debt product To top-up the EaSI loan guarantee facility.	The EFSI product guarantees the SLP of loan portfolios provided by financial intermediaries in the social and microfinance sector. The FLP of guarantee is provided by the EaSI loan guarantee facility.	July 2016	€300 million	Social enterprises and vulnerable groups so they can launch their own (micro) enterprises.
CCS loan guarantee facility enhancement	Debt product Top-up the CCS loan guarantee facility, increasing its overall size to help businesses in the cultural and creative sectors.	The EFSI product guarantees the SLP of loan portfolios provided by financial intermediaries in the culture and creative sector. The FLP of guarantee is provided by the CCS loan guarantee facility.	November 2017	€130 million	Micro enterprises and SMEs in the cultural and creative sectors finding it difficult to access finance.

Name of product	Purpose of product	Description	EFSI support starting date	Maximum guarantee signed with counterpart (after 6th amendment of the EFSI Agreement)	Final recipients
EFSI combination product	Debt product Capped and uncapped portfolio guarantee expanding and facilitating access to finance in the agricultural sector. The product combines resources of EFSI with member states from either structural funds or investment funds and national or regional resources.	Resources other than EFSI take the FLP, and EFSI takes the SLP.	December 2018	€86 million	Young farmers, upstream production activities and transition to organic farming.

Name of product	Purpose of product	Description	EFSI support starting date	Maximum guarantee signed with counterpart (after 6th amendment of the EFSI Agreement)	Final recipients
Skills and education guarantee	Debt product Guarantee or a counter-guarantee extended to private or public financial intermediaries to provide finance for the knowledge economy, education, training and skills transformation.	EFSI provides the FLP and is the only risk-taker.	March 2020	€50 million	Individuals (students and learners) who want to continue studying and upgrading their skills; European enterprises that contribute to and facilitate such skills; and European organisations that are active in the field of skills, training and education or are developing projects in the education field.
Private credit (PC) product tailored for SMEs	Equity product To increase the volume and diversity of alternative debt financing available to European SMEs and small mid-caps.	This PC product is in a form of equity investment in debt funds. EFSI covers the FLP (30 %) and the EIF the SLP (70 %) of the investments.	December 2018	€250 million	European SMEs and small mid-caps.

Name of product	Purpose of product	Description	EFSI support starting date	Maximum guarantee signed with counterpart (after 6th amendment of the EFSI Agreement)	Final recipients
The European scale-up action for risk capital – ESCALAR	<p>Equity product</p> <p>To improve the availability of financing to European scale-ups. It is a flexible equity instrument to increase the attractiveness of the asset class and catalyse private money flows towards the asset class.</p>	It is financed by EFSI which invests in or alongside other equity funds in a share class that is characterised by lower risk and lower reward profile.	March 2020	€300 million	Funds with an investment focus on scale-ups. Both for new equity funds needing to achieve a larger critical mass to support such companies in their future portfolio, and existing equity funds seeking additional capital to make follow-on investments in scale-ups in their existing portfolio.
SMEW equity sub-window 1	<p>Equity product</p> <p>The product aims to facilitate and expand financing provided by financial intermediaries to SMEs, small mid-caps, social sector organisations and social enterprises at a growth stage.</p>	The risk is shared <i>pari passu</i> , with the EIB providing 95 % financing (guaranteed by EFSI) and the EIF providing 5 % of financing on its own risk.	July 2016	€2.32 billion	SMEs, small mid-caps, social sector organisations and social enterprises at a growth stage.

Name of product	Purpose of product	Description	EFSI support starting date	Maximum guarantee signed with counterpart (after 6th amendment of the EFSI Agreement)	Final recipients
SMEW equity sub-window 2	Equity product The product aims to facilitate and expand financing provided by financial intermediaries to SMEs, small mid-caps, social sector organisations and social enterprises at early stages of development.	EU covers the “junior” tranche (an unsecured debt that ranks lower in repayment priority than other debts in the event of default) through the InnovFin equity financial instrument which provides 45 % of financing, whereas EFSI (26.5 % provided by the EIB) and the EIF (28.5 %) cover the “senior” tranche.	July 2016	€430 million	SMEs, small mid-caps, social sector organisations and social enterprises at early stages of development.

Source: ECA, based on the EFSI Agreement (amounts not rounded).

Annex II – Internal and external multipliers and investment mobilised reported by the EIB Group, as of end 2022

Name of product	Counterpart	Multipliers			Investment mobilised (<i>billion euros</i>)
		Internal (a)	External (b)	Total (a x b)	
IIW					
<i>IIW debt portfolio – standard</i>	<i>EIB</i>	<i>4.00</i>	<i>2.97</i>	<i>11.86</i>	<i>144.1</i>
Framework loan	EIB	4.00	2.39	9.57	
Guarantee	EIB	4.00	4.97	19.86	
Investment loan	EIB	4.00	2.87	11.47	
MBIL (multiple beneficiary intermediated loan)	EIB	4.00	3.67	14.66	
<i>IIW debt portfolio – hybrid</i>	<i>EIB</i>	<i>3.00</i>	<i>7.38</i>	<i>22.15</i>	<i>47.1</i>
Framework loan	EIB	3.00	4.77	14.30	
Guarantee	EIB	3.00	7.17	21.51	
Investment loan	EIB	3.00	11.81	35.44	
MBIL (multiple beneficiary intermediated loan)	EIB	3.00	7.42	22.26	
Total IIW debt portfolio	EIB				191.2
<i>IIW equity portfolio – standard</i>	<i>EIB</i>	<i>1.00</i>	<i>14.29</i>	<i>14.29</i>	<i>92.8</i>
<i>IIW equity portfolio – NPBs</i>	<i>EIB</i>	<i>2.50</i>	<i>8.91</i>	<i>22.27</i>	<i>4.0</i>
Total IIW equity	EIB				96.8
Total EFSI under IIW	EIB				288.0
SMEW					
COSME guarantee top-up	EIF	1.00	29.09	29.09	85.7
InnovFin guarantee top-up	EIF	5.00	2.72	13.62	33.5
EaSI guarantee top-up	EIF	1.00	12.87	12.87	4.2
CCS guarantee top-up	EIF	1.00	11.57	11.57	3.1
SMEW EFSI combination product	EIF	1.00	15.85	15.85	0.7
SMEW skill&education	EIF	1.00	9.44	9.44	0.5
Total SMEW debt portfolio	EIF				127.7
SMEW equity sub-window 1	EIF	2.33	15.70	36.56	34.6
SMEW equity sub-window 2	EIF	2.33	15.70	36.56	
SMEW PC sub-window 1	EIF	3.31	8.53	28.19	4.3
SMEW PC sub-window 2	EIF	n/a	n/a	n/a	n/a
SMEW escalar	EIF	1.28	8.66	11.06	1.6
Total SMEW equity portfolio	EIF				40.5
Total EFSI under SMEW	EIF				168.2
Total EFSI under IIW+SMEW	EIB & EIF				456.1
Total risk capital resources contribution under SMEW (EIB mandate)	EIB			13.37	46.8
Total EFSI	EIB & EIF	2.84	5.66	16.08	503.0

Source: ECA, based on European Commission data.

Annex III – List of EFSI performance and monitoring indicators

Code	Descriptions ⁽¹⁾	Target/limit	Results by 2022 ⁽²⁾	Results by 2023 ⁽³⁾
<u>Use of the EU guarantee and fulfilment of given objectives and criteria</u>				
KPI 1	Value added. Scores for operations based on the criteria adopted by the EFSI Steering Board . Aggregated score, ranked from 4 (bottom) to 1 (top)	No target determined	1.36 (High) Pillar 1 1.47 (Excellent) Pillar 2 1.71 (Significant) Pillar 3	1.37 (High) Pillar 1 1.46 (Excellent) Pillar 2 1.71 (Significant) Pillar 3
KPI 2	Share of operations as special activities. SMEW operations are fully classified as “special activities”.	No target determined	By number: 97.39 % By amount: 94.61 %	By number: 97.41 % By amount: 94.87 %
KMI 1	Geographical concentration⁽⁴⁾. Required only for IIW.	The share of investments < 45 % for the three biggest member states’ receptors	IIW: 49.31 % SMEW + IIW: 43.59 %	IIW: 48.92 % SMEW + IIW: 42.92 %
KMI 2	Sector concentration⁽⁴⁾, as defined by Article 9(2) of the EFSI Regulation. Required only for IIW.	Below 30 % for any sector	IIW: 23.46 % SMEW + IIW: 34.31 %	IIW: 23.19 % SMEW + IIW: 34.03 %
<u>Contribution to direct macroeconomic impact and mobilisation of finance</u>				
KPI 3	Total investment (mobilised)	€500 billion ⁽⁵⁾	At approval: €525 billion At signature: €503 billion	At approval: €515 billion At signature: €495 billion
KPI 4	Total private finance mobilised	No target determined	€362.6 billion	€331.8 billion
KMI 3	Multiplier effect	15 times	16.08 times	16.13 times
KMI 4	Employment impact (jobs supported)	No target determined	13 444 672	13 675 198
KMI 5	Share of operations co-financed with NPBs⁽⁴⁾	No target determined	By number: 17.64 % By amount: 20.45 %	By number: 17.84 % By amount: 20.11 %
KMI 6	Share of operations co-financed with ESI funds & other EU instruments⁽⁴⁾	No target determined	By number: 4.05 % By amount: 5.71 %	By number: 4.05 % By amount: 5.73 %
KMI 7	Climate action. IIW only: share of EFSI financing under the IIW supporting projects that contribute to climate action.	Above 40 %	By number: 59.51 % By amount: 43.35 %	By number: 59.39 % By amount: 42.69 %

- (1) For a complete description of the KPIs/KMIs refer to the [EFSI Steering Board KPI-KMI methodology](#).
- (2) Based on data from EFSI IIW SMEW Aggregated Operational Report 2022.
- (3) Based on data from EFSI IIW SMEW Aggregated Operational Report 2023.
- (4) Data based on signed amounts; the remaining KPIs/KMIs data is based on ex ante estimates as at approval for signed operations, to be updated at project completion.
- (5) Linked to operations approved and signed within the investment period (end-2020 for approvals and end-2022 for signatures).

Source: ECA, based on EFSI operational reports for the end of 2022 and the end of 2023.

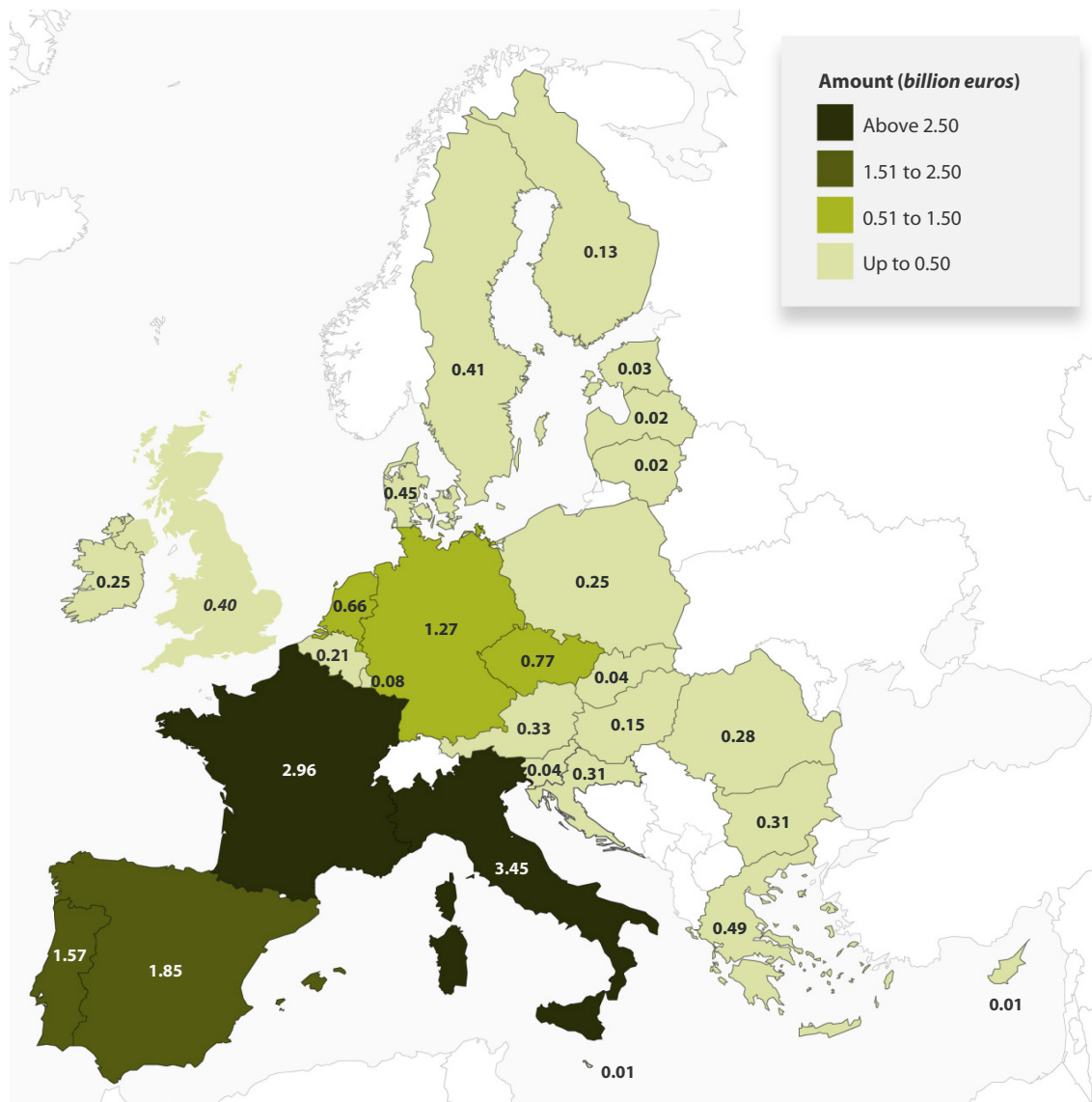
Annex IV – Distribution of EFSI across the sectors targeted by EU policy objectives

Sectors targeted by EU policy objectives	Signed amount (billion euros)	% of total signed amount*	Signed amount (billion euros)	% of total signed amount*	Signed amount (billion euros)	% of total signed amount*
	EFSI IIW		EFSI SMEW		EFSI in total	
Research, development and innovation	13.1	21.5 %	17.0	63.2 %	30.1	34.3 %
Development of the energy sector in accordance with the energy union priorities	14.3	23.5 %	-	-	14.3	16.3 %
Development of transport infrastructure, and equipment and innovative technologies for transport	9.7	16 %	-	-	9.7	11.1 %
Financial support through the EIF and the EIB to entities with up to 3 000 employees	10.8	17.8 %	2.4	8.9 %	13.2	15.1 %
Development and deployment of information and communication technologies	3.7	6.1 %	5.1	19 %	8.8	10 %
Environment and resource efficiency	4.7	7.7 %	-	-	4.7	5.3 %
Human capital, culture and health	2.8	4.6 %	2.4	8.9 %	5.2	5.9 %
Less-developed regions and transition regions	0.5	0.8 %	-	-	0.5	0.6 %
Sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider bioeconomy	1.2	2 %	-	-	1.2	1.4 %
Totals	60.8	100 %	26.9	100 %	87.7	100 %

* Percentage calculated based on rounded amounts in the table.

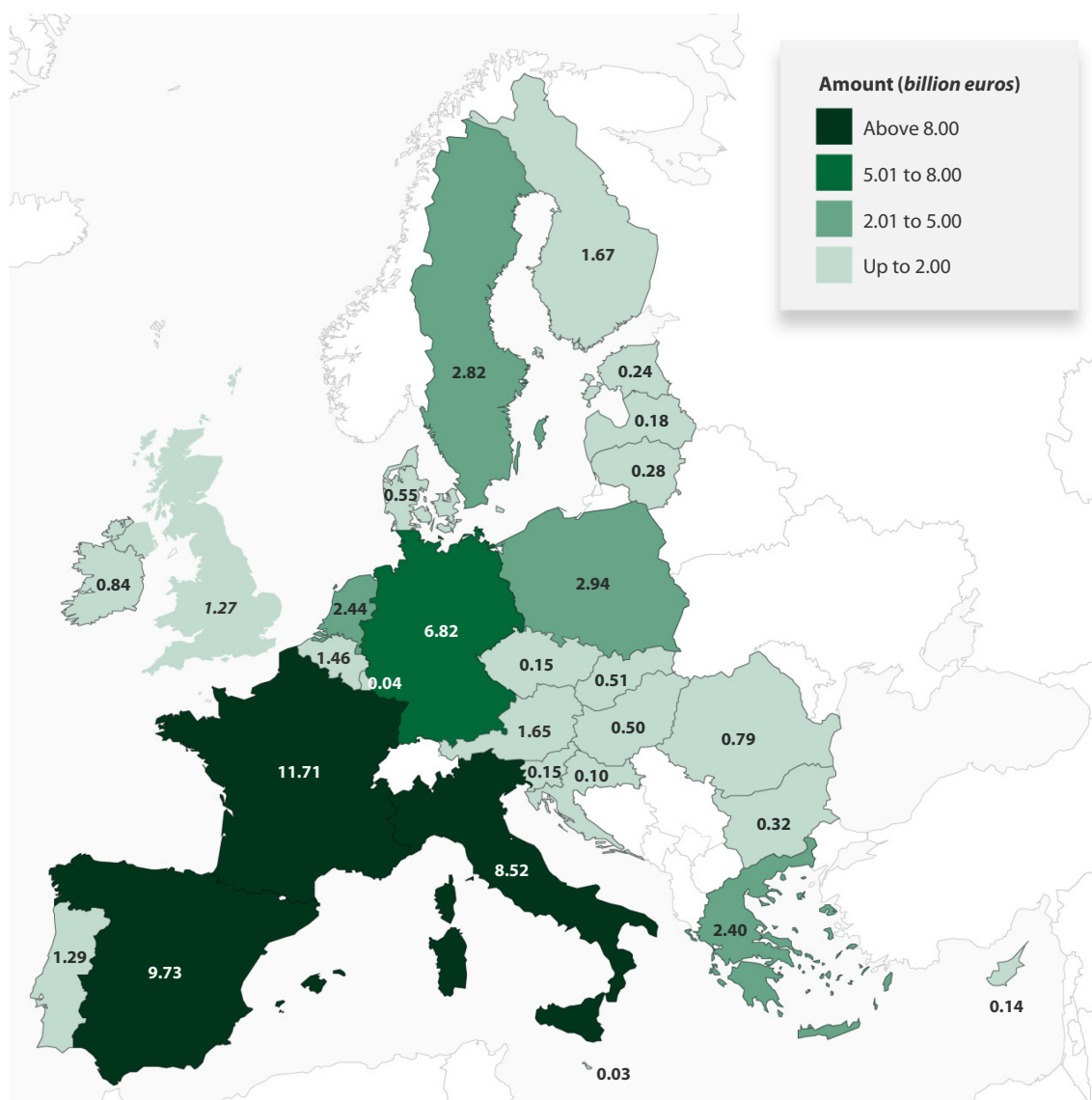
Source: ECA, based on EFSI operational report for the end of 2022.

Annex V – SMEW total amounts signed per EU member state, as of end 2022



Source: ECA, based on data included in the operational report on EFSI, as of end 2022.

Annex VI – IIW total amounts signed per EU member state, as of end 2022



Source: ECA, based on data included in the operational report on EFSI, as of end 2022.

Annex VII – Equity investments supported by EFSI SMEW at final recipient level, as of end 2022

Country	Amount (million euros)	Share of total amount	Number of transactions	Share of total number of transactions
France	3 155	20.1 %	676	9.5 %
Italy	2 074	13.2 %	1 827	25.6 %
Germany	1 865	11.9 %	691	9.7 %
Spain	1 478	9.4 %	898	12.6 %
Netherlands	1 394	8.9 %	310	4.3 %
United States	1 187	7.6 %	337	4.7 %
UK post-Brexit*	615	3.9 %	447	6.3 %
Sweden	546	3.5 %	125	1.7 %
Finland	469	3.0 %	856	12.0 %
Luxembourg	334	2.1 %	17	0.2 %
Belgium	277	1.8 %	54	0.8 %
Switzerland	260	1.7 %	46	0.6 %
Israel	216	1.4 %	98	1.4 %
Ireland	212	1.4 %	94	1.3 %
Portugal	208	1.3 %	47	0.7 %
UK pre-Brexit*	182	1.2 %	62	0.9 %
Poland	167	1.1 %	119	1.7 %
Norway	167	1.1 %	30	0.4 %
Denmark	147	0.9 %	46	0.6 %
Austria	128	0.8 %	40	0.6 %
Slovenia	123	0.8 %	149	2.1 %
Czechia	113	0.7 %	27	0.4 %
Croatia	63	0.4 %	19	0.3 %
Estonia	62	0.4 %	46	0.6 %
Singapore	38	0.2 %	12	0.2 %
Romania	35	0.2 %	11	0.2 %
Cyprus	34	0.2 %	6	0.1 %
Lithuania	26	0.2 %	6	0.1 %
Canada	20	0.1 %	5	0.1 %
Hungary	20	0.1 %	10	0.1 %
Australia	19	0.1 %	3	Below 0.1 %
Slovakia	11	0.1 %	3	Below 0.1 %
Latvia	9	0.1 %	4	0.1 %
Iceland	8	0.1 %	3	Below 0.1 %
Hong Kong	8	0.1 %	1	Below 0.1 %
Greece	5	Below 0.1 %	3	Below 0.1 %
Bulgaria	5	Below 0.1 %	7	0.1 %
Mexico	4	Below 0.1 %	2	Below 0.1 %
Türkiye	4	Below 0.1 %	4	0.1 %
Liechtenstein	1	Below 0.1 %	1	Below 0.1 %
Malta	0.3	Below 0.1 %	1	Below 0.1 %
Total	15 692	100 %	7 143	100 %
EU	13 144	83.8 %	6 154	86.2 %
Non-EU + UK post-Brexit	2 549	16.2 %	989	13.8 %

* Based on signature dates of the operations between the EIF and financial intermediaries.

Source: ECA, based on EFSI SMEW operational report for the end of 2022.

Annex VIII – Advantages of EFSI-supported loans compared to non-EFSI loans

Data provided by a financial intermediary in Southern Europe whom we interviewed indicated that, on average, EFSI-supported loans under the InnovFin programme offered more favourable terms compared to loans in the intermediary's usual business portfolio for innovative companies, but without EFSI support. InnovFin loans were shown to have lower interest rates, higher loan amounts and, in most cases, longer loan maturities, making them more advantageous for borrowers.

Average interest rate of loans in different portfolios			
Segment*	InnovFin portfolio	Usual business portfolio	Difference
Micro	3.98 %	5.14 %	– 1.16 %
SMEs	4.44 %	4.79 %	– 0.35 %
Medium	4.19 %	5.54 %	– 1.35 %

Average loan maturity in different portfolios (in months)			
Segment*	InnovFin portfolio	Usual business portfolio	Difference
Micro	58	50	+ 8
SMEs	56	51	+ 5
Medium	50	58	– 8

Average loan amount in different portfolios (thousand euros)			
Segment*	InnovFin portfolio	Usual business portfolio	Difference
Micro	110	67	43
SMEs	209	129	80
Medium	633	318	315

Source: ECA analysis, based on data provided by financial intermediary.

* The criteria used by this specific financial intermediary to classify the recipients of financing were the following:

- micro: companies up to 10 employees or with €2 million of revenues/assets;
- SMEs: companies between 11 and 50 employees or with between €2 million to €10 million of revenues/assets;
- medium: companies over 50 employees or with over €10 million of revenues/assets.

Abbreviations

CCS: Cultural and creative sectors

COSME: EU Programme for the Competitiveness of Enterprises and SMEs

DG ECFIN: Directorate-General for Economic and Financial Affairs

EaSI: EU Programme for Employment and Social Innovation

EFSD: European Fund for Strategic Investments

EIB: European Investment Bank

EIF: European Investment Fund

IIW: Infrastructure and innovation window

InnovFin: EU Finance for Innovators

KMI: Key monitoring indicator

KPI: Key performance indicator

SMEs: Small and medium-sized enterprises

SMEW: SME window

Glossary

Collateral: Asset taken as insurance or security for giving a loan, to be kept in the event of a default.

Crowding-out: Economic effect whereby a rise in public spending leads to a fall in private investment.

Equity product: Investment in company share capital.

EU guarantee: In the context of EFSI, commitment by the EU to back EFSI-supported financing operations from the EU budget.

Final recipient: In the context of EFSI, person or entity benefiting from EFSI financing, whether directly from the EIB Group or via a financial intermediary.

Operation: In the context of EFSI, EFSI-supported direct or intermediated financing. Does not apply to underlying projects supported by intermediated financing.

Small and medium-sized enterprises: Size definition applied to companies and other organisations, based on the number of staff employed and certain financial criteria. Small enterprises have fewer than 50 staff, and turnover or a balance sheet total not exceeding €10 million. Medium-sized enterprises employ fewer than 250 staff, and have turnover up to €50 million or a balance sheet total up to €43 million.

Small mid-cap: Company with between 250 and 499 employees.

Subordinated debt: Loan or security that, in the event of a default, is only repaid from a borrower's assets or earnings after higher-ranking loans or securities have been repaid.

Transaction: In the context of EFSI, EFSI-supported financing based on a contract between a financial intermediary and a final recipient.

Replies of the Commission

<https://www.eca.europa.eu/en/publications/sr-2025-07>

Timeline

<https://www.eca.europa.eu/en/publications/sr-2025-07>

Audit team

The ECA's special reports set out the results of its audits of EU policies and programmes, or of management-related topics from specific budgetary areas. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

This performance audit was carried out by Audit Chamber V – Financing and administering the Union, headed by ECA Member Jan Gregor. The audit was led by ECA Member Lfteris Christoforou, supported by Theodosis Tsiolas, Head of Private Office and Panagiota Liapi, Private Office Attaché; Alberto Gasperoni, Principal Manager; Marco Fians, Directorate of Chamber V; Tomasz Plebanowicz, Head of Task; Manuela Portale, Jorge Ramirez Puerto, Slobodan Dimitrovski, Stamatis Kalogirou and Lorenzo Pirelli, Auditors. Jennifer Schofield provided linguistic support. Lucie Peterková provided graphical support.



From left to right: Panagiota Liapi, Jorge Ramirez Puerto, Slobodan Dimitrovski, Alberto Gasperoni, Tomasz Plebanowicz, Lfteris Christoforou, Jennifer Schofield, Theodosis Tsiolas, Marco Fians, Manuela Portale.

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The European Fund for Strategic Investments aimed to tackle the EU investment gap by mobilising €500 billion of additional investments. It supported debt and equity instruments with an EU budgetary guarantee or own resources of the European Investment Bank. We conclude that the programme contributed substantially to addressing the investment gap and supported many different activities from microfinance to large infrastructure investments, but did not fully reach the target of mobilising €500 billion in the real economy by end 2022. We found that the mobilised investment reported was overstated by 26 %, and its additionality was not sufficiently demonstrated. Some important aspects of the programme lacked targets or were not well monitored and reported. We make various recommendations to address these issues.

ECA special report pursuant to Article 287(4), second subparagraph, TFEU.



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