

EIB Autumn CSO Workshop

Lisbon – 9 November 2007

An overview of ESIAF

Background

- The EIB: a project financing bank...
...with a strong project appraisal tradition and practice
- Appraisal covers economic, financial, technical, environmental and now also social criteria
- In the process, a lot of information is collected about the project and its impact

A bit of history

- In the context of ACP operations initially, the need was felt to have a consistent framework within which to record, assess and rate the development impact of projects
- What was initially known as DIAF, was developed and used on a pilot basis for ACP operations, starting in 2005-2006
- It was modified and formally adopted for ACP operations at the end of 2006
- It has now also been extended/adapted to operations outside Europe for which it is now known as the Economic and Social Impact Assessment Framework (ESIAF)

Some important features (1)

- ESIAF has now been broadened to encompass the three-pillar structure of the EIB's value added framework
- Project quality, which was the focus of the initial template, is covered under pillar 2
- Pillars 1 and 3 cover respectively consistency with EU policy objectives and EIB contribution

Some important features (2)

- Ratings (high-medium-moderate-low) are based on professional judgement rather than on a numerical scoring approach.
- A flexible framework that can easily be adjusted over time.
- An instrument to be used throughout the project cycle (identification, appraisal, monitoring and ex-post evaluation).

The three pillar approach

- Pillar 1 is used to check consistency with EU (mandate) objectives and policies
- Under pillar 2, project quality & soundness is independently assessed by the Bank's Projects Department in terms of economic, financial, environmental, social and governance features/impact of the project
- Under pillar 3, we assess the EIB's contribution to the project, both financial and non-financial

Summary

- ESIAF provides a consistent framework in which information collected during project appraisal is recorded and rated
- Follow up at monitoring and evaluation stage is key to ensure and confirm that results meet expectations

Outlook

- We now need to focus on implementation
- A new proposal is to single out a few key quantitative indicators to be monitored regularly
- Eventually, the implementation of ESIAF should quite naturally have an impact on project selection (screening), design and follow up