



# Impact Assessment at the EIF

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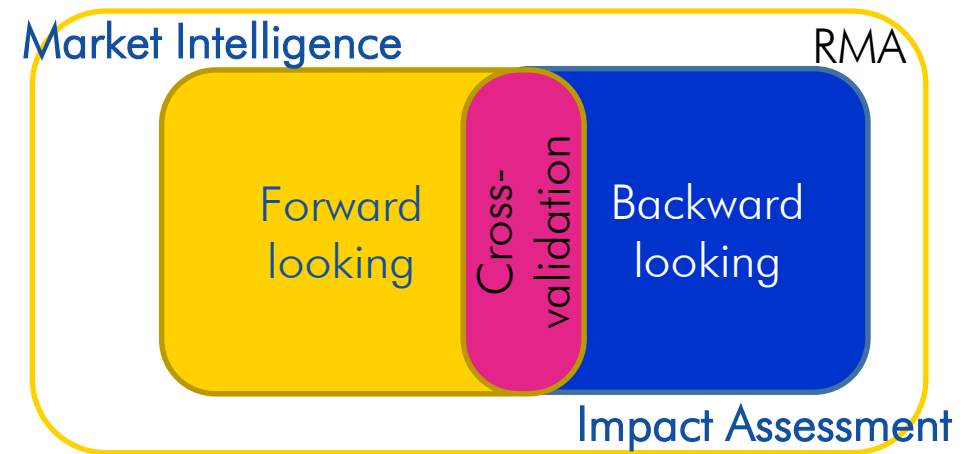
# Impact Assessment at the EIF



## EIF COP 2019 – 2021 (p. 5) Key strategic objectives

«EIF attaches great importance to the real impact of the support on the market and, in particular, on final beneficiaries, the SMEs. In the context of further developing EIF's «impact culture», EIF continues to strengthen its specific research activity to assess ex-post the additionality and impact of its activities. Furthermore, this regular analysis will be rolled out to all of EIF's business areas.»

## 360 degree approach



# Impact Assessment of EIF loan guarantees



In the last five years, RMA analysed the real effects of its guarantee instruments, via four different publications:

**Central, Eastern and South-Eastern Europe (CESEE)**



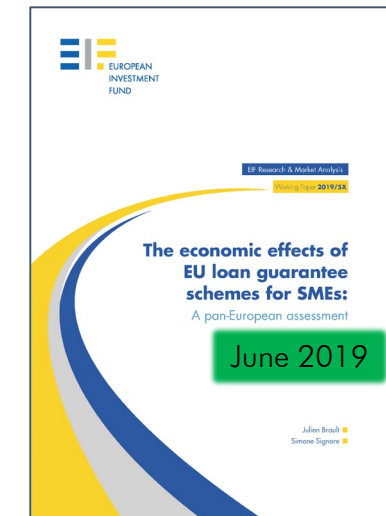
**France**



**Italy, Benelux and the Nordics**



**Pan-European assessment**

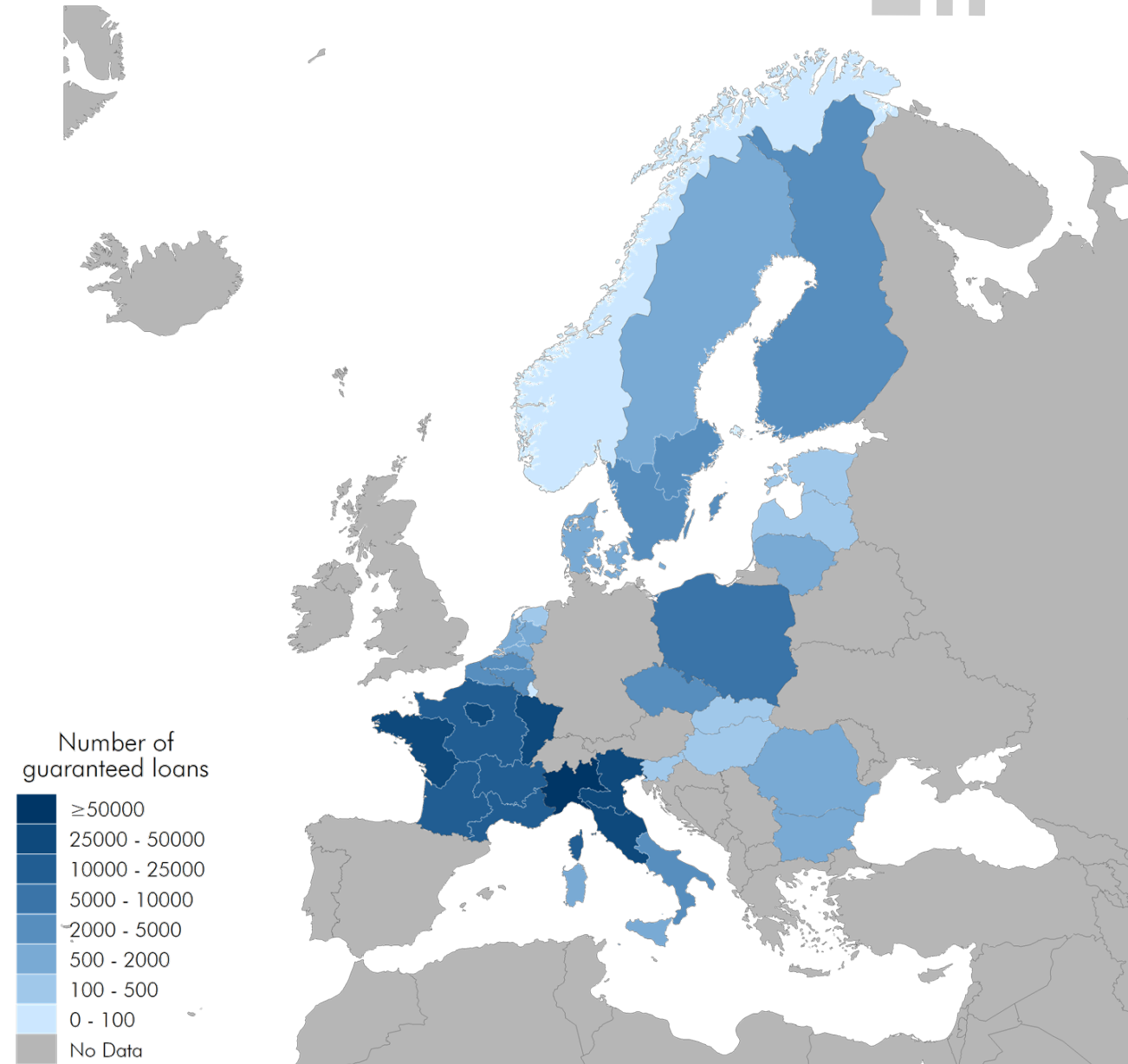


*[Click on the cover of a paper to download the related full publication]*

# Countries and regions analysed



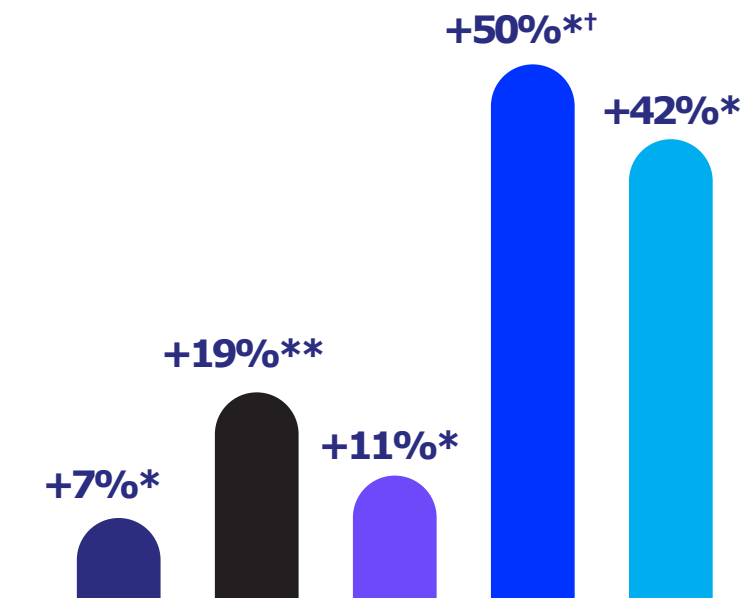
- **360,000 guaranteed loans under the EU MAP and CIP programmes from 2002 to 2016**
- **Total amount of EUR 22bn across 19 European countries – 60% of all loan amounts guaranteed under MAP and CIP**
- **Not implausible to assume that the conclusions from this body of works apply to most (all?) guaranteed loans issued under the MAP and CIP programmes.**



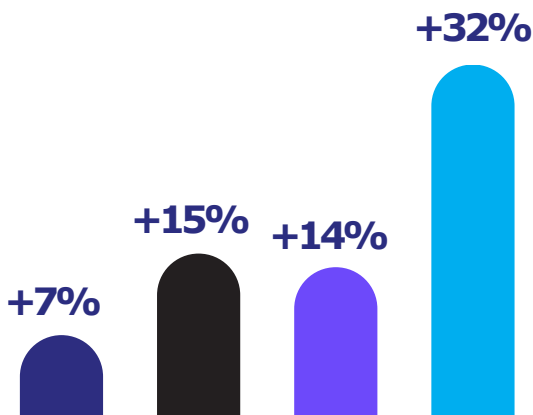
# Significant growth of guaranteed SMEs

Compared to "twin" SMEs which did not receive EC-guaranteed loans

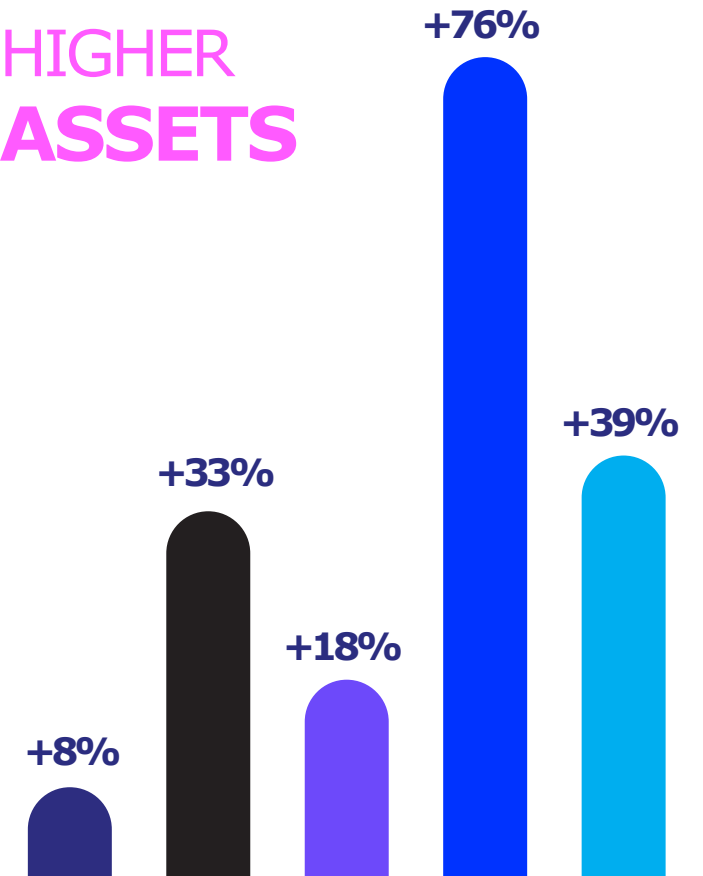
## HIGHER EMPLOYMENT



## HIGHER SALES



## HIGHER ASSETS



● France

● CESEE  
Central, Eastern  
and South  
Eastern Europe

● Italy

● Benelux

● Nordic countries  
Denmark,  
Sweden, Finland  
and Norway

\*Measured with cost of employees (incl. pensions)

\*\*Measured with nr. employees

†Two years after treatment

Effects of loan guarantees on firms three years after the receipt of the loan. For further information please consult the individual reports

# The EU venture capital landscape: an EIF perspective



## The European VC ecosystem

*“EIF had a positive significant crowding-in impact on European VC in the aftermath of the recent economic crisis”*



## Financial growth and cluster analysis

*“20% of EIF-backed companies grew more than fourfold the first 5 years after investment”*



## Exits, IPOs and unicorns backed by EIF

*“EIF supported 50% of currently existing European unicorns”*



## EIF-supported innovation

*“In 1996-2012 EIF supported returns from patented innovations for a total estimated volume of EUR 22.3bn – 28.3bn”*



## The economic impact of VC supported by the EIF

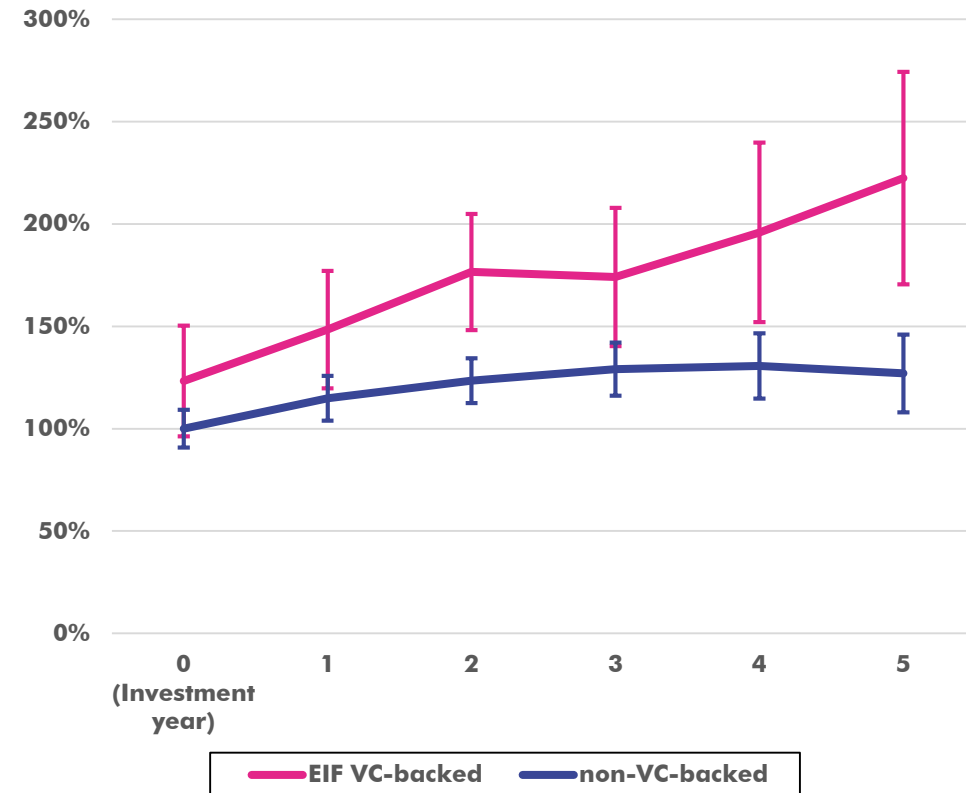
*“Compare the economic performance of EIF-backed VC start-ups against non-VC backed start-ups”*

# Growth of EIF VC-supported SMEs

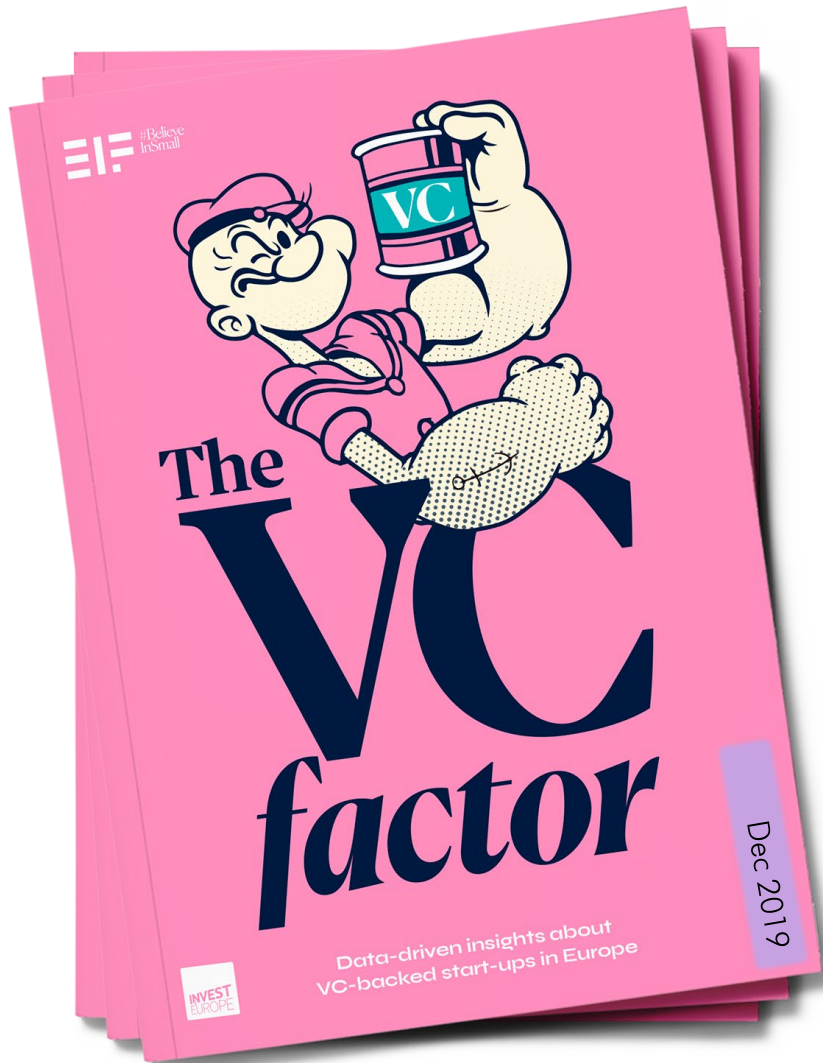


- Our counterfactual study considers EIF-supported **venture capital (VC)** financing to **782 firms** and compares them against a carefully constructed counterfactual group of non-VC-backed companies.
- We observe faster growth (in terms of assets) of start-ups supported by the EIF compared to non-VC-backed firms.
- This leads to higher capitalisation levels, higher revenues and higher job creation in the first five years following the VC investment. We also find higher investment and borrowing levels.

**Growth of Employment**  
(100% = Non-VC-backed firms average performance at inv. year)



# The VC factor



## A data collab between Invest Europe and the EIF

### 1. The first large-scale study of VC-backed start-ups located in the EU27+UK

- the study looks at about **9,000 firms** invested in **2007-15** and analyses their characteristics as well as their post-investment performance.

### 2. Sequencing the start-up growth genome...

- Via cluster analysis, the growth of VC-backed start-ups can be grouped into five classes: **laggards**, **commoners**, **all-rounders**, **visionaries**, **superstars**.

### 3. ...and measuring the role of VC

- The “VC factor” enables start-ups to unleash their full potential: almost half of high-performing start-ups would have either fallen into a much less successful profile or defaulted in the absence of VC.

<http://engage.eif.org>



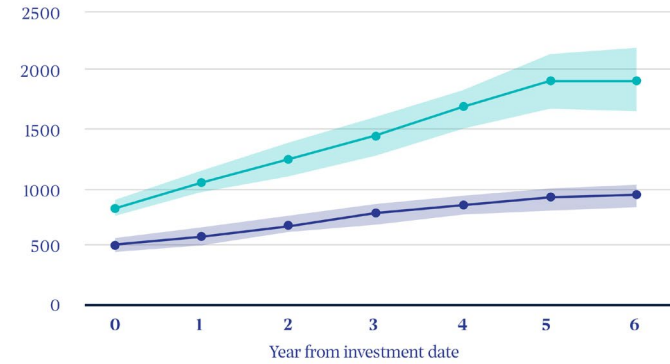
# The added value of VC in Europe



## Does VC help start-ups grow more?

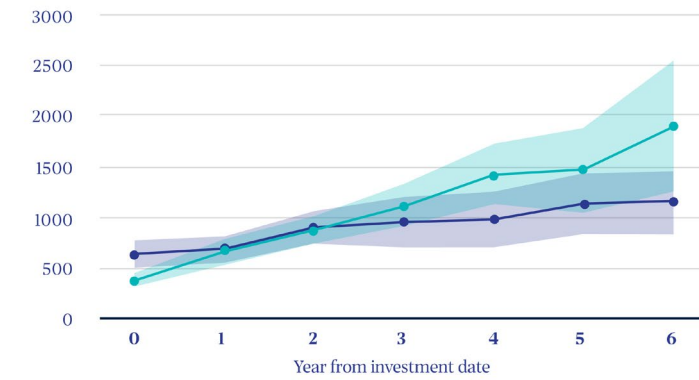
### Growth of assets

Median, EUR thousands



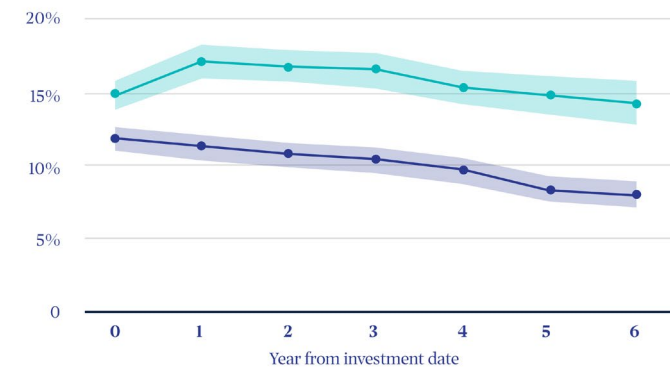
### Growth of revenue

Median, EUR thousands



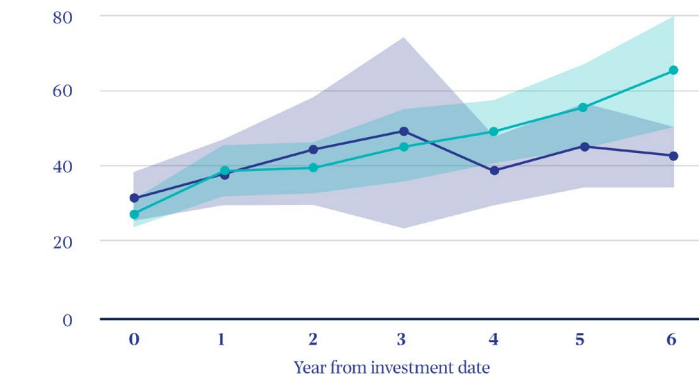
### Growth of intangibles (share of total assets)

Average percentage



### Growth of staff

Average



● VC-backed

● Non-VC-backed

■ 95% confidence interval

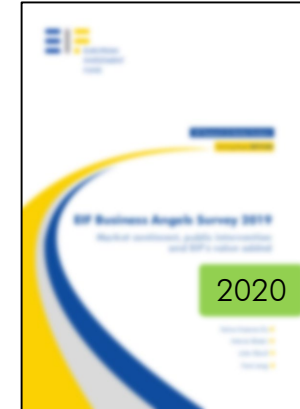
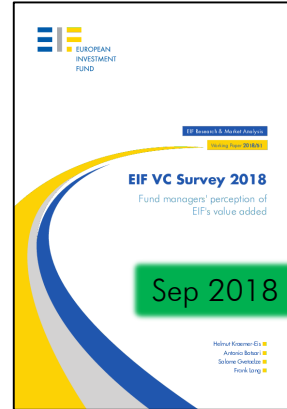
# EIF's value added: BA/VC/LMM Surveys



EIF VC Survey: 2018 (on-going)

EIF Business Angel Survey: 2019

EIF Lower Mid Market Survey: 2020



## Survey benefits

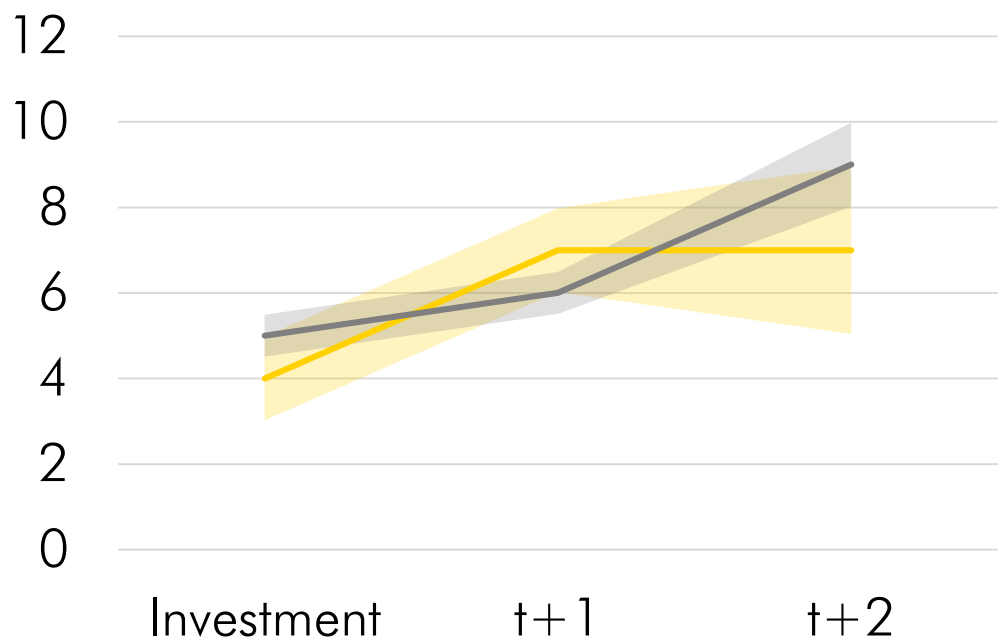
- Complementing **quantitative** impact research
- Providing **in-depth overview** of the evolution of the various dimensions of the market
- Providing **insights** into how financial intermediaries perceive EIF's added value
- Contributing to **EIF's** new product development

# EIF's European Angel Fund

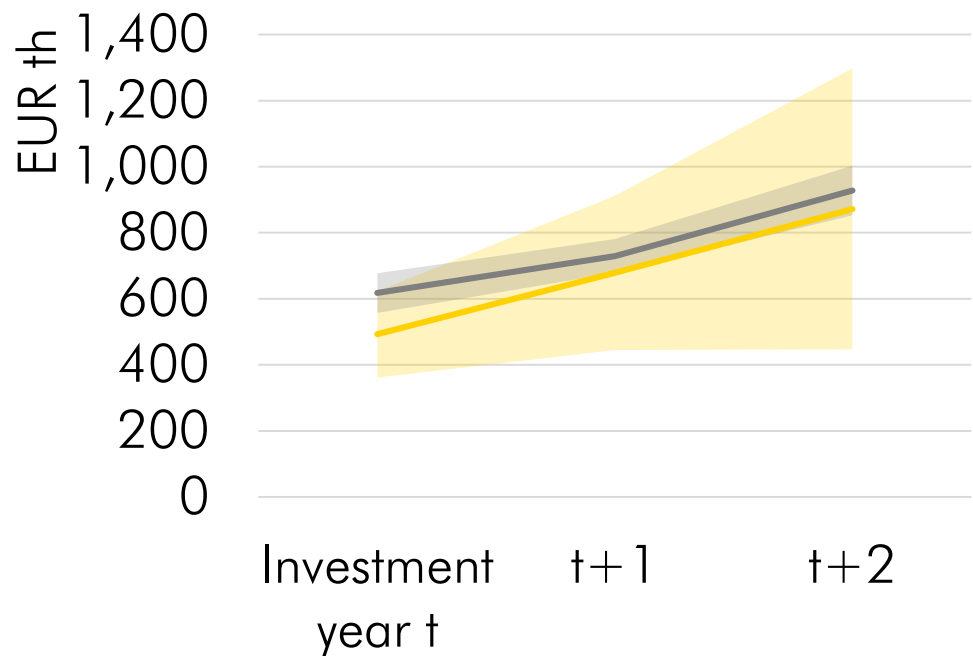
## Empirical portfolio analysis



### Employment



### Total Assets



95% confidence interval BA	95% confidence interval VC
BA	VC



# Conclusions



## What role for impact assessment during COVID-19?

### **(Past) impact assessment studies:**

1. provide a view on the potential benefits of pursuing a given **(future) policy response**
2. can help enhancing and/or quantify ex-ante the effects of **(future) policy response** → key role of **mediators/moderators**

### **(Future) impact assessment studies:**

3. will be key in determining the effectiveness of the **COVID-19 policy response, incl. via surveys**

**The impact assessment toolkit is suitable to estimate the economic impact of COVID-19**



# Thank you

for your attention!



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