# Evaluating the EU's financial instruments for the Green Transformation: Accountability, Deliberation and Policy Steer

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**Sciences Po Paris**
**February 2024**

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# Evaluating the EU's financial instruments for the Green Transformation:

## Accountability, Deliberation and Policy Steer

**Matthias Thiemann and Dan Mocanu**

## 1.Introduction

The EU has become a self-proclaimed leader in the drive to decarbonization. The latest incarnation of this ambition is the announcement of its ambitious package Fit for 55 in 2021, which envisions a 55% reduction of carbon emissions by 2030 (as compared with 1990) and set the goal of carbon neutrality by 2050. Bereft of a sizable budget of its own, the EU seeks to achieve these goals by using in large parts financial instruments, which allow it to leverage its limited public capital with private capital. By crowding in the latter, the EU seeks to compensate for its fiscal weakness, seeking to utilize private capital where its own resources are too limited.[1]

In doing so, the EU follows a general trend in Western societies, which proclaim the need to use the techniques of blended finance in order to scale up investments from billions to trillions to address the issue of climate change (OECD 2018). At the same time that this consensus has been reaching ever wider circles, recently even leading to the ousting of the World Bank chief and his replacement by a fervent advocate of blended finance (FT 2023), it enshrines at its core a paradox in this era of evidence-based public policy: it is the conscious endorsement and propagation of a policy tool, which is very hard to evaluate and whose positive impacts are particularly hard to measure (Winckler Andersen et al

[1] The EU also draws on the 800 billion Euros of public joint debt mobilized in the context of the Recovery and Resilience Facility

2019b). In this introduction, we elaborate upon this paradox in the context of the recently pronounced climate ambitions of the EU and seek to sketch the evaluation infrastructure as it operates in the EU.

To do so, in a first step we seek to provide clarity by providing the reader with definitions of key terms in the debate. In a next step, we elaborate on the public policy rationales provided for the use of these instruments as well as a review of the political economy and public policy literature which has traced their rise. In a next step, we provide an overview of the planned financial instruments for the green transition, then sketching out the existing EU evaluation infrastructure. We conclude this introduction by highlighting the different existing views on the nature and merit of these instruments within the EU and by introducing the themes of the subsequent short papers.

## 2. Setting the scene : The rise of blended finance in the EU

The techniques of blended finance have experienced an upsurge over the last 20 years. Blended finance can be defined as "the strategic use of a limited amount of grants to mobilise financing from partner financial institutions and the private sector to enhance the impact of investment projects" (OECD 2020). In the EU, blended finance, which is a somewhat ambiguous term takes the legal form of financial instruments, which is defined as "financial support provided from the budget in order to address one or more specific policy objectives by way of loans, guarantees, equity or quasi-equity investments or participations, or other risk-bearing instruments, possibly combined with grants" (European Commission 2015).[2]

This flexibility in the combination of financial instruments and grants, two instruments initially opposed, received a recent boost when in the provision of the Common Provision Regulation for the period of 2021-2027, it was determined in Art. 52(5) CPR that "Financial instruments may be combined with programme support in the form of grants in a single financial instrument operation, within a single funding agreement, where both distinct forms of support shall be provided by the body implementing

[2] Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32018R1046

the financial instrument."[3] These Grants can be used for subsidizing interest rate and technical assistance, but now can also be combined with financial instruments as upfront investment.

These financial instruments today hence are often combined with technical support, interest rate subsidies or guarantee fee subsidies, which clarifies the fluid nature of these instruments, between interest bearing loan to quasi subsidized credit. As such, they find increasing use in the field of European public policy (Mertens and Thiemann 2017, 2018). The public policy rationales, which are provided to justify this increasing use is the leveraging of public funds by crowding-in private capital (OECD 2018) as well as the revolving nature of capital endowments, allowing for the recycling of funds, which means that once endowed, these instruments are self-financing, assuming that financial projections pan out correctly (Volberding 2021). Further reasons given are the performance-based incentives and the financial discipline imposed upon public investment policies, which is linked to the attraction of financial and commercial expertise that improves efficiency of public resource allocation. Furthermore, by derisking private investment, financial instruments can be seen to provide counter-cyclical impulses, in particular as private finance tends to withdraw in times of bust.

# 3. Why it matters

Blended finance instruments are increasingly recognized as a cost-effective means to deliver public policies in the context of constrained budgetary resources (OECD 2018). The EU draws on financial instruments in order to achieve policy steer (Griffith-Jones and Naqvi 2021). These developments matter for the pursuit of public investment policies, in particular in the context of public accountability and the capacity of citizens to influence the form and shape public policies take, which today are increasingly determined by the capacity of these projects to generate a financial surplus which can be shared with private financial actors.

In this sense, blended finance/financial instruments represent an ambiguous policy tool. They promise to expand the reach of public policy interventions in the context of ubiquitous policy challenges (climate change) while being extremely hard to evaluate in terms of their effectiveness due to the

[3] Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R1060

technical sophistication of their design and the limited use of quasi-natural experiments. This difficulty has been noted in two recent OECD Reports from the year 2019, one noting the absolute need to embrace blended finance in order to achieve climate change mitigation goals (OECD 2018), the other one noting its inherent difficulty in terms of policy assessments (Winckler Andersen et al 2019).[4]

In the EU, the expansion of financial instruments has been observed in the context of several debates: a 'hidden European investment state' (Mertens and Thiemann, 2017, 2018); the financialization of the state (Schwan et al., 2021); and the reinvention of European development banking (Mertens et al., 2021). This is in line with the emergence of a 'European derisking state' (Gabor, forthcoming), where the crowding in of private capital is increasingly seen as the way to advance policy goals since the 2000s, which extends beyond the realm of the EU itself and into external policy actions. This literature highlights the new ways public policy actions are being executed using financial instruments, particularly emphasizing the restricted applicability of these instruments (i.e. the requirement of bankability).

Historically, the rise of financial instruments as an EU delivery tool can be traced in three categories in which financial instruments are used in the EU, as (1) instruments for internal policies (directly managed by the European Commission), (2) instruments which are under shared management (controlled by Member States but financed by the EU Commission, e.g. European Structural and Investment Funds) and (3) financial instruments for external action (known as “blended development finance”). The increasing reliance on financial instruments within the ESIF (ERDF and Cohesion Fund) is evident from the growth in disbursed sums: from EUR 0.6 billion in the 1994 – 1999 Multi-Annual Framework, to EUR 1.3 billion in 2000 - 2006, then EUR 16 billion for 2007 – 2013, and reaching EUR 29 billion in 2014 – 2020. This tendency has also made its mark in the context of EU climate policy, which accelerated from 2019 onwards as we detail below.

[4] Whereas the first report states that “blended finance is increasingly considered within the development community as a way to help move development finance from ‘billions to trillions’” (OECD 2018, 21), the second report focuses on the key management and operational challenges, including the impact evaluation of said instruments (Winckler Andersen et al 2019, p. 1, 10).

# 4. Funding the green transition

With the installation of the Von der Leyen Commission in 2019, the fight against climate change became a policy priority.  In this vein, several financial instruments were installed devoted to the use of this technique of blending public and private finance to engage in climate adaptation and climate mitigation policies. First and foremost, the InvestEU Fund, the successor to the Juncker Plan, is tasked with mobilizing €279 billion for climate-related investment, out of a total of €372 billion. This sum is to be achieved by leveraging a guarantee of €26.2 bn of public funds, making for a factor of leverage of 1 to 15. Parts of the NextGeneration EU funds ‘Recovery and Resilience Facility’ (EUR 723.8 bn) can also be used for financial instruments. With a 37% threshold for climate action, a significant additional amount is expected to be directed towards climate change initiatives through financial instruments.[5]

A large amount of public funds devoted to financial instruments will also come from European Structural and Investment Funds (ESIF), especially under the Cohesion Policy. During the 2021-2027 programming period, approximately EUR 18.5 billion from the EU budget is earmarked to be implemented through financial instruments under the Cohesion Policy. Of the total planned allocations for financial instruments under the Cohesion Policy, 24% (amounting to EUR 4.3 billion) are designated for energy efficiency investments, while 8% (EUR 1.5 billion) are earmarked for renewable energy. Reaching cumulatively nearly EUR 6 billion, this figure is double the amount of investment made available during the 2014-2020 period. This increased funding is intended to address investment shortfalls in the energy transition and low-carbon economy, key sectors vital to the achievement of the European Green Deal’s objectives (European Commission 2023).

Finally, financial instruments will be a key financing tool for the EU Green Deal’s Renovation Wave and REPowerEU initiatives.

The figure below provides an overview of the different EU resources through which financial instruments can leverage funding, including some smaller financial instruments not explained above.

[5] Germany uses about 50% of its RRF money for it, being on the upper end.

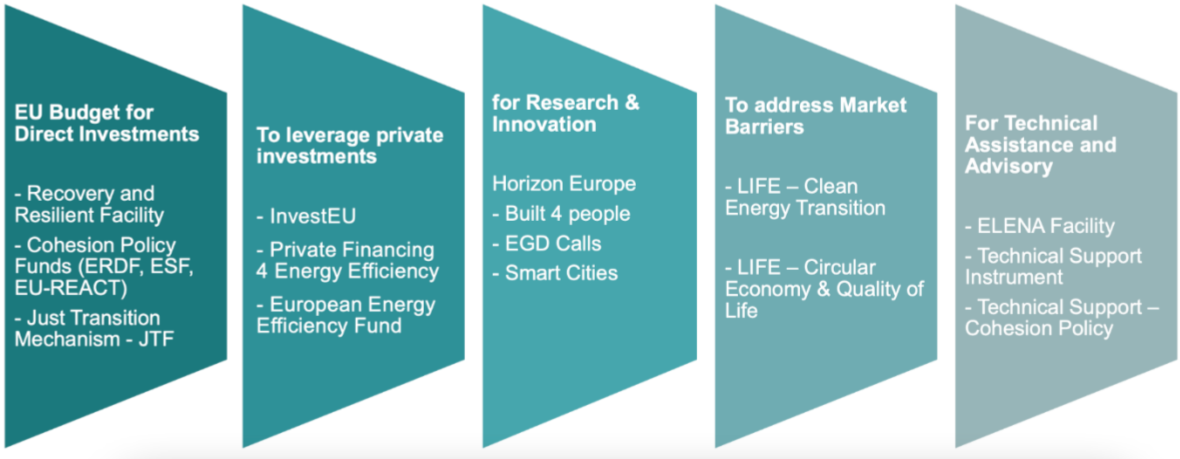


**Figure 1 (European Commission, 2021)**

With these significant amounts of public funds devoted to financial instruments in the context of climate change, the question poses itself regarding the accountability structure in the EU which surveils the use and efficiency of these funds.

## 5. Mapping the FI evaluation ecosystem

Since the mid-1995s, the systematic evaluation of expenditure programs has been deeply embedded in the EU's financial management framework (Vanheukelen 1995; Højlund 2015). However, the expansion of financial instruments as a delivery tool of the EU budget and the increasing reliance on complex intermediation structures to achieve policy goals raise questions about the operational performance, political oversight, and accountability ecosystem of EU public financing. The use of financial instruments as policy delivery tools tends to increase both the geographical and hierarchical distance between decision-making, fund management, operational execution, and the impact on ultimate beneficiaries (Gloazzo 2020). Consequently, evaluation systems are critical in bridging these divides to strengthen the nexus between policy formulation and impact on beneficiaries and secure the legitimacy of policy interventions. The role of evaluation, therefore, transcends mere fiscal accountability, extending into the realm of iterative policy learning.

The institutional division of labour in the evaluation of EU financial instruments is governed by the Financial Regulation Directive (FRD), which provides the financial management framework of the EU budget, and the Common Provisions Regulation, which lays down requirements pertaining to the delivery of specific funds (e.g., ERDF, ESF). In addition, the EU's regulations that establish specific financial instruments also prescribe evaluative mechanisms. Apart from the EU institutions, evaluations are performed by the financial institutions involved in the shared management of EU funds, such as public development banks, and, occasionally, by civil society actors. The accountability chain also reaches the European Parliament, which provides political oversight and commissions its own research to assess the evaluation capabilities of the Commission.

The structure of accountability chains, the degree of institutionalisation of evaluation practices, and the specific evaluation procedures vary across financial instruments. However, a review of the EU legislation, policy documents, and examples of evaluations allows us to undertake a schematic mapping of the multi-level institutional architecture of EU evaluation that applies to financial instruments.

The policy evaluation cycle is at the most general level bifurcated into ex ante and ex post evaluation phases. Ex ante evaluations, often called impact assessments, typically involve predictive and prospective analyses, utilizing a variety of forecasting tools and models to anticipate the potential impacts and effectiveness of policy proposals. Conversely, ex post evaluations assess the actual outcomes and impacts of implemented policies against their intended objectives, and thereby informing future policy development and policy learning.

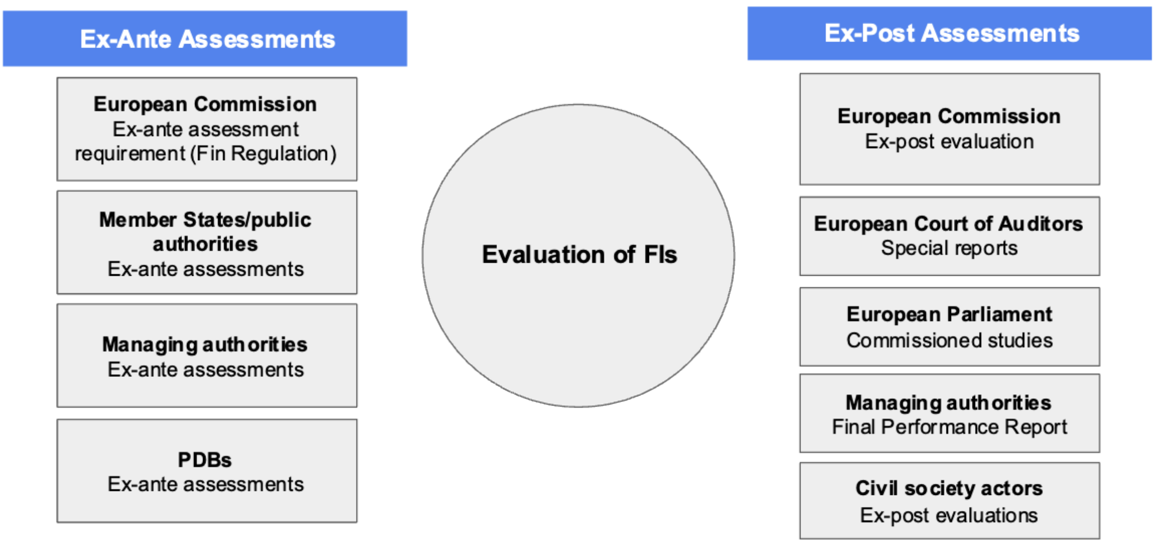


**Fig 1 : The FI evaluation ecosystem (for the case of Cohesion Policy)**

# 6. The Ex-Ante Evaluation of EU Financial Instruments

The evaluation cycle starts with the European Commission. The division of evaluation responsibility differs across policy areas and evaluation capabilities are fragmented across the Commission's organizational chart, with each DG setting in place coordination structures to fulfil their own evaluation requirements, often under the oversight of the Commission's Secretariat General. Statutorily, the Commission is required to carry out an ex-ante assessment for each financial instrument that it proposes to establish, which must assess the potential impact of the financial instrument.

When it comes to Member States, governments have discretion in determining the extent to which they resort to financial instruments. Member States weigh ex-ante the advantages and disadvantages of each financing options (grant vs financial instrument), evaluate market failures that inform the thematic choice or investment priority, identify potential revenue-generating activities, and assess the financial sustainability of the policy goals and the potential recycle of funds. At Member State level, Managing Authorities (MAs) are typically entrusted with providing information on investment programmes, selecting projects and monitoring implementation. Setting up financial instruments to distribute EU budget resources is a notoriously complex task. Hence, under the Common Provisions Regulation, support from the EU funds through financial instruments should be based on an *ex-ante* assessment overseen by the Managing Authorities.

The ex-ante assessments are typically structured around two pillars. The first consists in market assessments, which analyse market failures and suboptimal investment areas, estimate the value-added of financial instruments relative to other policy tools, explore the potential of mobilizing additional resources, and identify best practices and risks. Building on the market assessments, the second pillar consists in the ex-ante assessment of the management and delivery of the financial instrument. This part of the assessment focuses on defining the fund's investment strategy, mapping final recipients, setting the fund governance structure, and quantifying the expected results based on predetermined indicators. Methodologically, ex-ante assessments are typically based on surveys, interviews, expert panels and focus groups. Ex-ante assessments should also anticipate the value-added of the instrument. Alternatives to financial instruments for achieving the programme strategy goals (e.g., legal changes, tax policies, grants, or a combination of tools) should also be examined to prove that financial instruments are the best way to achieve the goals.

Many Member States entrust the implementation of financial instruments to public development banks, leveraging their professional fund management expertise to devise innovative financial tools. Public development banks conduct ex-ante due diligence into the promoter's organisation and capacity to undertake the project. The appraisal process is a critical stage in ensuring that each initiative not only adheres to financial and economic standards but also aligns with the broader policy objectives and expectations.

On top of the ex-ante evaluation activities of different actors involved in the structuring and execution of financial instruments, the EU has added another accountability layer – a monitoring committee set up by Member States after consulting the Managing Authority. These monitoring committees are key players in the accountability chain, being mandated to approve evaluation plans, examine ex ante assessments, track the progress made in carrying out evaluations, and follow-up on evaluation findings.

# 7. The Ex-Post Evaluation of EU Financial Instruments

The proliferation of financial instruments as public policy tools has led to an increasingly dense ecosystem of players involved in the ex-post phase of the accountability chain. Apart from ensuring fiscal accountability, ex-post evaluations are also key policy learning tools, fostering a culture of evidence-based policymaking underpinning the evolutionary nature of EU financial governance.

## 7.1 European Commission

It is worth noting that the specifics of the evaluation process can vary depending on the nature of the financial instrument and the policy area. As a general rule, the European Commission performs mid-term assessments both of centrally managed financial instruments and of those under shared management. At the end of each programming period, the Commission carries out EU-wide evaluations of the established Funds (e.g., ERDF, ESF). In the case of Cohesion Policy, for example, the European Commission conducts three distinct types of actions related to evaluation. First, it conducts its own evaluations line with the regulatory requirements. Second, it provides guidance and support for the evaluation activities of Member States and regions, drafting templates and methodological guidelines, and diffusing best practices, although the support tends to be generic and leaves much leeway to the decentralized network of bodies undertaking evaluations. Third, the Commission consolidates the evaluation findings of the stakeholders involved at different levels in CP and feeds them back into the management of these instruments. The evaluation process is intended to be a cyclical and integrative process, with each phase feeding into the next to promote continual institutional learning.

The main criteria used by the European Commission in its evaluations, including those that of financial instrument, are (1) *effectiveness* (whether the EU action reached its objectives) *efficiency* (balancing the costs and benefits) *relevance* (assessing whether the instrument responded to stakeholders' needs) *coherence* (complementarities, synergies, or trade-offs with other EU actions) and *EU added value* (estimating the benefits of acting at the EU level). The Commission's ex-post evaluations of the uses of financial instruments also focus on the leverage effect of EU funds, the absorption rate across geographies, the amount of reflows as proxied by capital repayments, and the cost-efficiency of financial instruments, taking into account management fees of delivering EU funds through this policy delivery tool.

### 7.2 Member States/Managing authorities

Member States or managing authorities are also required to carry out ex-post evaluations of the programmes under their management. The evaluation criteria generally followed in these ex-post evaluations also revolve around (1) relevance, (2) effectiveness, (3) efficiency, (4) coherence, and (5) added value, but may cover other relevant criteria, such as inclusiveness, non-discrimination and visibility, and are typically entrusted to internal or external experts who are functionally independent. Member States or MAs are mandated to devise the underlying procedures and put in place the systems for producing and collecting evaluation data.

### 7.3 Development Banks

The ex-post evaluation activities of public development banks can be divided into operational-level evaluations, which assess individual projects or investments funded by the financial instrument, and strategic-level evaluations, which focus on broader thematic or sectoral issues, policy mandates, and investment strategies. Generally, there is a high heterogeneity of evaluation practices at development banks, and there is scant evidence on the coordination dynamics between development banks regarding best evaluation practices.

At the EIB, one of the main partners of the EU in the execution of its budget through financial instruments, the evaluation function is carried out by the Evaluation Unit, which falls under the Inspector General's mandate of accountability and learning (EIB 2021). The EIB first pioneered the implementation of financial instruments under JESSICA initiative. Since then, it has significantly developed its evaluation capabilities by iteratively developing new impact assessment frameworks. In 2020, the EIB has unified its approach to assessment across products and projects by adopting a new Additionality and Impact Measurement (AIM) framework, a tool designed to strengthen the strategic fit with EU policies and enhance EIB's role in delivering additionality and impact across its portfolio of projects (EIB, 2021a).

One of the criteria used by the EIB in its evaluation of financial instruments managed on behalf of the Commission is the *relevance* of the instruments in terms of plugging cyclical and structural investment gaps, their *additionality* (fixing a market failure in a way that could not have been carreid out, or not to the same extent, without EU support), the mobilisation of private finance and the estimation of potential crowding-out effects. Thematic targets are also important criteria in EIB's ex-post evaluations, such as the share of climate financing within the portfolio and the influence of geographical distribution and additionality figures on the thematic target (EIB, 2021b: 49). Finally, the EIB has also implemented *transparency* as an evaluation criterion, measuring the perceptions of key stakeholders regarding FI-backed operations and the unintended effects of enhanced transparency (EIB, 2021b: 64).

Since 2013, the European Bank for Reconstruction and Development has also strengthened its evaluation capabilities by adopting an Evaluation Policy executed by the Evaluation Department under the oversight of a Chief Evaluator (EBRD, 2013). EBRD's evaluation practices have also been upgraded in light of the Good Practice Standards established by the Evaluation Cooperation Group. Internally, EBRD defines the function of evaluation along two axes: strengthening institutional accountability and enhancing organizational learning by collecting actionable insights from past experience (EBRD, 2013: 4). Overall, the focus of EBRD's evaluations is on (i) operational results in terms of transition impact, sound banking, additionality, and sustainability, (ii) strategic coherence and synergy between different financial instruments, and (iii) institutional learning over time.

At the EBRD, evaluation practices are also designed drawing on the OECE Development Assistance Committee (DAC) criteria, in particular (i*) relevance*, which focuses on the strategic alignment of the operation with the policy goals and its additionality), (ii) *results*, which focus on outputs, outcomes and impacts, and *efficiency*, which is mainly proxied by financial performance indicators.

### 7.4 Civil society organisations

In contrast to the criteria mentioned above, civil society organisations tend to prioritise transparency, geographical disparities, distributional consequences, sustainability, inclusiveness, and integrity as lenses through which to assess the impact of financial instruments. However, apart from participating in stakeholder consultations as part of the evaluation cycle of other bodies, civil society organisations rarely engage in the independent evaluation of EU financial instruments (for exceptions, see Bankwatch et al. 2017; Bankwatch and Counterbalance 2019).

### 7.5 European Court of Auditors (ECA)

As the ‘financial conscience’ of the EU, ECA is the main actor in the EU’s accountability chain, performing its role at the ex-post stage. In contrast with the shared management of EU funds, ECA’s audit mandate is exclusive. Although the institution can leverage cooperation with national audit bodies, evidence shows that there ECA’s cooperation national bodies is at best sporadic, which complicates the multi-level data flows that underpin ECA’s audit function (Cipriani 2021).[6]

Staffed with about 400 auditors, ECA has full autonomy in crafting its audit strategy, defining its priorities, and selecting appropriate methodological tools. The unprecedented increase of EU funding for the 2021–2027 period and the proportional demand for accountability raises questions about the administrative capacity of the EU to scrutinise the multilevel execution of its financial management plan. Hence, the institutional capabilities of the ECA are intimately linked with the EU’s capacity to match its ambitions with results.

In the past, ECA’s audit strategy relating to the execution of EU budget through financial instruments has mainly focused on the strategic fit between the size of the instruments and the market

[6] See ECA Landscape Review, EU Action on Energy and Climate Change, at pt. II (June 21, 2017), https://www.eca.europa.eu/Lists/ECADocuments/LR17_01/LR_ENERGY_AND_CLIMATE_EN.pdf (providing an overview of the EU national audit offices’ work in energy and climate change).

needs, the leverage effect, the effectiveness of these policy delivery tools in providing revolving financial support, and their cost-efficiency (e.g., ECA 2016, 2020). Methodologically, ECA typically relies on reviews of official documents and third-party analyses, annual monitoring reports published by the Commission and data reported by the Commission, case studies of financial instruments, field visits, surveys of MAs and/or fund managers, and interviews with EU officials, experts, and other stakeholders.

### 7.6 European Parliament

Financial accountability in the EU reaches its final stage with the political oversight carried out by the European Parliament. The role of the European Parliament in the accountability cycle has developed under the impetus of the Lisbon Treaty and the Better Regulation Agenda, issuing 15-20 evaluations per year (Anglmayer and Scherrer, 2020: 413). The EP's evaluation practices mainly focus on ex-ante and ex-post evaluations of EU legislation. However, the role of the EP in scrutinizing the implementation of the EU policies goes beyond the regulatory mandate.

Overall, EP evaluations are typically designed to promote transparency, enhance policy learning, and influence agenda-setting (Anglmayer and Scherrer, 2020). EP committees can submit to the European Parliamentary Research Service ad hoc requests for evaluation and later can satisfy or reject such requests, following an assessment of the evaluation's scope and the in-house available resources (Anglmayer and Scherrer, 2020). The Ex-Post Evaluation unit of the European Parliamentary Research Service undertakes occasional studies to assess the evaluation capabilities of the Commission, including in relation to spending programmes provide recommendations for consolidating evaluation, and harness policy learning spillovers derived from evaluation practices (Anglmayer, 2020; Pellegrin and Colnot 2020).

The EP Committee on Budgetary Control represents the main actor for parliamentary scrutiny of budget implementation, playing a complementary role to the political accountability ensured by other EP committees (Gloazzo 2020).

# 8. Concluding Thoughts

Financial instruments occupy a controversial role in the EU discourse and policy repertoire, and their evaluation is often subject to conflicting conclusions. In the case of the use of financial instruments in ESIFs, a 2017 study of published by the European Parliament concluded that investment strategies were weak, monitoring was inadequate, and ex-ante assessments were too generic and failed to convincingly identify market failures (EP, 2017). In contrast, a European Commission evaluation from the same year found that "EU financial instruments have proven effective (e.g., in terms of outreach) and cost efficient (e.g., in terms of leverage)" (European Commission, 2017: 31). The EU's ex-post evaluation of EFSI also concluded that it has crowded-in private capital and channelled it toward social objectives, improved the efficiency of public spending, and cultivated a mind-shift in how public policy is delivered (European Commission, 2022: 48).

Many challenges persist in the European evaluation ecosystem, such as the lack of capability to consolidate indicators at the EU level and the need to better feed evaluation findings into policymaking (European Commission 2022). Despite some progress and promotion of an evaluation-based learning culture in the Member States, EU reports testify that the quality of evaluations remains inconsistent, limiting the influence of findings in shaping policy processes. This is attributed to factors such as overly stringent requirements, insufficient resources within MAs, and a weak evaluation culture in certain Member States (European Commission 2022). As a result, CP evaluations are occasionally viewed as an administrative burden implemented merely for compliance reasons.

In sum, the multi-level accountability architecture of EU public finances is comprised of various stakeholders often operating within contradictory evaluation paradigms. These actors are driven by conflicting motivations and rely on different evaluation criteria to assess policy outcomes. Navigating this landscape requires a delicate balance between respecting local and national priorities while upholding the overarching goals and standards of the EU. It underscores the need for robust mechanisms to harmonize evaluation practices and foster a shared understanding of policy effectiveness and financial accountability across the Union.

## Themes of Subsequent Short Papers

Piroska et al are evaluating these different criteria in a direct clash between civil society vs EBRD, where they show the confrontation between competing performance criteria at work. They detail the struggle over how to evaluate financial instruments, with EBRD following a business driven logic, whereas civil society organisations focus on issues of additionality outside of the realm of financial returns. In his paper on cohesion policy and the use of financial instruments there, Nils Oellerich details the struggle between NDBs and member states, in particular concerning the correct implementation of these tools, which is often very burdensome in terms of administration. Lastly, Todor Arpad and his colleagues focus on EU Environmental policies and their evaluation and the evaluation of financial instruments in the context of EU environmental policies.

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