



## EFSI Operation Scoreboard<sup>1</sup>

| <b>PROJECT PRESENTATION</b>                       |  |
|---|--|
| <b><u>Project name</u></b>                        | AGRICULTURE AND BIOECONOMY PROGRAM LOAN  |
| <b><u>Promoter and financial intermediary</u></b> | Acceptable corporates  |
| <b><u>Country of implementation</u></b>           | Regional - EU Countries  |
| <b><u>Summary project description</u></b>         | <p>Programme Loan ("PL") to finance eligible investments in Agriculture/Bioeconomy in EU countries. The increasing interest in the Bioeconomy (including concepts such as "sustainable agriculture, food security and nutrition", "blue growth", "bio-based industries") by the European Commission (EC), European industry and society, gives the EIB an opportunity to further enhance its impact in the Agriculture/Bioeconomy sectors. The Agriculture/Bioeconomy is a key contributor to economic growth in the world's rural and coastal regions. Smart and sustainable management of bio-based value chains also plays a vital role in food security in terms of affordable and sustainable food, healthy diets and resilience to climate change. At the same time they produce valuable inputs for bio-based industries that are critical for greening the economy and reducing reliance on fossil fuels.</p> <p>The EIB PL will finance investments aligned with EIB priority objectives in the Agriculture/Bioeconomy sectors. The operation focuses on eligible investments by private cooperatives and companies active in the Agriculture/Bioeconomy sectors, including sustainable agriculture, food security and nutrition, blue growth, and bio-based industries, in EU countries. Investments can range from: upgrading or replacing physical assets no longer meeting international best practice, improving the use of resources such as power, heat and water, or the management and valorization of by-products.</p> <p>The EIB funding would represent up to 50% of individual project costs of the investments with a minimum loan amount of EUR 7.5m and a maximum loan amount of EUR 50 m. Some sub-operations that promote climate action (for example through renewable energy generation or energy efficiency) may be eligible for financing up to 75%. This will be determined on a case by case for each individual sub-operation. The lower end threshold for individual operations has been reduced as in the case of the Midcap PLs compared to PL standard rules given the anticipated demand for smaller sub-loans typical for the sectors across the EU.</p> |

<sup>1</sup> This Scoreboard of indicators reflects the information presented to the EFSI Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

## PROJECT PILLAR ASSESSMENT

### Pillar 1

| Contribution to EU policy  | Significant |
|--|-------------|
| <b>Cross-cutting objectives</b>  |             |
| EIB Cohesion Priority Regions / Economic and Social Cohesion   | 45.00%      |
| Climate Action   | 40.00%      |
| <b>EFSI</b>  |             |
| Contribution to EFSI   | 100.00%     |
| EFSI: Sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider bioeconomy | 100.00%     |
| Sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider bioeconomy       | 100.00%     |

### Pillar 2

| Quality and soundness of the project | Good  |
|--------------------------------------|-------|
| 1. Growth                            | [...] |
| 2. Promoter capabilities             | [...] |
| 3. Sustainability                    | [...] |
| 4. Employment                        | [...] |

This pillar evaluates the quality and soundness of the operation. This pillar is composed of four indicators which include:

- (i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;
- (ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;
- (iii) "Sustainability" i.e. environmental and social sustainability<sup>2</sup>;
- (iv) "Employment" i.e. the project's direct employment effect.

### Pillar 3

| EIB Technical and financial contribution to the project | Moderate |
|---|----------|
| 1. Financial contribution                               | [...]    |
| 2. Financial facilitation                               | [...]    |
| 3. Advice   | [...]    |

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through three indicators:

- (i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor);
- (ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments;
- (iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer – provided in-house by the EIB or in the form of assignments to external consultants – to facilitate the preparation or implementation of a project.

<sup>2</sup> For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

## **Pillar 4 – Complementary indicators**

### ***Additionality***

In line with the EFSI objective of supporting projects that are in line with sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider bioeconomy; the operation will offer support by way of direct debt finance to companies active in Bioeconomy/Agriculture. This will mainly be for upgrading or replacing physical assets, but also for investment in efficient use of resources such as power, heat and water, or the management and valorization of by-products, as well as RDI. Projects with environmental benefits will potentially contribute to climate action objectives. Up to 45% of the operation are expected to be in cohesion regions.

Companies and cooperatives active in the Agriculture/Bioeconomy sectors operate in a sub-optimal investment situation: in spite of the improved general liquidity and financial market conditions in the EU, availability of long-term financing and alternative funding sources for the sector is still restricted. The companies active in these sectors are subject to the volatility in commodity prices and thus results in high uncertainty for investors and constrains access to finance. The sectors are also highly impacted by adverse climate change events such as flooding, fires, drought, etc.

The operations under the Programme Loan are expected to fall under EIB special activities in particular due to the high risk nature of the counterpart. The loans are primarily expected to be structured as senior unsecured term loans. By providing longer maturities, the EIB is expected to be in most cases effectively subordinated to other lenders. Due to the expected riskiness of the operations, the programme loan could not have been carried out to the same extent by the EIB without EFSI support.

The EIB will be providing long term financing and a quality stamp on each project that is expected to crowd-in private sector financing. EIB financing is expected to increase the commercial lenders' confidence in these entities and confirm their own engagement in their financing.

The Programme Loan is expected to allow the EIB to deploy financing to new borrowers and increase its efforts in support of Bioeconomy/Agriculture, which has become an increasingly important EU policy objective.

## Set of indicators related to the macroeconomic environment

### Regional - EU countries - Economic environment

#### Economic Performance

|   | EU<br>2016 | EU<br>2016 | US<br>2016 | EU<br>2001-2007 |
|---|------------|------------|------------|-----------------|
| GDP per capita (EUR, PPS)   | 29,440     | 29,440     | 42,615     | 28,710          |
| GDP growth (%)  | 1.9        | 1.9        | 1.6        | 2.3             |
| Potential GDP growth (%)  | 1.3        | 1.3        | 2.1        | 2.1             |
| Output gap (% of potential GDP)   | -0.75      | -0.75      | -0.03      | 1.0             |
| Unemployment Rate (%)   | 0.2        | 0.2        | 4.7        | 0.5             |
| Unemployment Rate (%) - Y/Y change (% points)                                 | -0.8       | -0.8       | -0.3       | -0.26           |
| Bank-interest rates to non-financial corporations (%)                         | 1.4        | 1.4        | 1.8        | 3.9             |
| Bank-interest rates to non-financial corporations (%) - Y/Y change (% points) | -0.21      | -0.21      | -1.4       | -0.02           |
| Investment rate (GFCF as % of GDP) - Total                                    | 19.7       | 19.7       | 19.6       | 21.4            |
| Investment rate (GFCF as % of GDP) - Public                                   | 2.7        | 2.7        | 3.4        | 3.1             |
| Investment rate (GFCF as % of GDP) - Private                                  | 17.0       | 17.0       | 16.2       | 18.3            |

#### Agriculture/Forestry/Fisheries

|  | 2013      | 2014      | 2015      | 2016 | EU (latest available) |
|--|-----------|-----------|-----------|------|-----------------------|
| Agricultural employment as % of total employment                       | 5.0       | 5.0       | -         | -    | 5.0                   |
| Agricultural enterprises (No. of Farms)                                | -         | -         | -         | -    | -                     |
| Forest area (% of land area)   | 37.8      | 37.9      | 38.0      | -    | 38.0                  |
| Agricultural production per capita (Index 2005)                        | -         | -         | -         | -    | -                     |
| Catches in all fishing regions (Tonnes live weight)                    | 4,020,991 | 5,382,311 | 5,143,651 | -    | 5,143,651             |
| Aquaculture production (Tonnes live weight)                            | 1,178,197 | 1,250,207 | -         | -    | 1,250,207             |
| Gross nutrient balance on agricultural land - Phosphorus (Kilogram/ha) | 2.0       | -         | -         | -    | 2.0                   |
| Gross nutrient balance on agricultural land - Nitrogen (Kilogram/ha)   | 51.0      | -         | -         | -    | 51.0                  |
| Gross value added of the agricultural industry (% of total VA)         | 1.7       | 1.6       | 1.5       | 1.5  | 1.5                   |

#### Energy

|  | 2013  | 2014  | 2015  | 2016 | EU (latest available) |
|--|-------|-------|-------|------|-----------------------|
| Energy consumption from renewables (%)   | 15.2  | 16.1  | 16.7  | -    | 16.7                  |
| Energy consumption from renewables - distance to EU 2020 target (%)                        | 4.8   | 3.9   | 3.3   | -    | 3.3                   |
| Energy dependence (%)  | 53.1  | 53.5  | -     | -    | 53.5                  |
| Primary energy consumption (consumption in 2005 =100)                                      | 91.6  | 86.0  | 89.3  | -    | 89.3                  |
| Energy Intensity of the Economy (kg of oil equivalent per 1 000 EUR)                       | 141.7 | -     | -     | -    | 141.7                 |
| Primary energy consumption (Million Tonnes of Oil Equivalent)                              | 1,570 | 1,508 | 1,530 | -    | 1,530                 |
| Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target | 86.9  | 25.3  | 46.6  | -    | 46.6                  |

**Regional - EU countries - Economic environment**
**Environment and Climate**

|   | 2013      | 2014      | 2016 | 2018 | EU (latest available) |
|---|-----------|-----------|------|------|-----------------------|
| GHG emissions level (emissions in 1990=100)                                       | 80.3      | 77.1      | --   | --   | 77.1                  |
| Employment in the environmental goods and services sector                         | 4,171,000 | 4,164,000 | --   | --   | 4,164,000             |
| Resource productivity (Euro per kilogram, chain linked volumes (2010))            | 1.9       | 2.0       | 2.0  | --   | 2.0                   |
| GHG emissions in non-ETS sectors (base year=100)                                  | 88.1      | 85.0      | 86.5 | --   | 86.5                  |
| GHG emissions in non-ETS sectors, distance to EU 2020 target                      | -2.6      | -5.7      | -4.2 | --   | -4.2                  |
| Value added in the environmental goods and services sector (% of total VA)        | 2.3       | 2.3       | --   | --   | 2.3                   |
| Employment in the environmental goods and services sector (% of total employment) | 22.1      | 21.8      | --   | --   | 21.8                  |

**General Sector Indicators**

|  | 2013 | 2014 | 2016 | 2018 | EU (latest available) |
|--|------|------|------|------|-----------------------|
| Value added in Crop and animal production, hunting and related service activities (% of total) | --   | --   | --   | --   | 1.5                   |
| Value added in Electricity, gas, steam and air conditioning supply (% of total)                | --   | --   | --   | --   | 2.0                   |
| Value added in Manufacture of food products; beverages and tobacco products (% of total)       | --   | --   | --   | --   | 2.0                   |
| Employment in Crop and animal production, hunting and related service activities (% of total)  | --   | --   | --   | --   | 4.9                   |
| Employment in Electricity, gas, steam and air conditioning supply (% of total)                 | --   | --   | --   | --   | 0.6                   |
| Employment in Manufacture of food products; beverages and tobacco products (% of total)        | --   | --   | --   | --   | 2.2                   |

**Research, development and Innovation**

|  | 2013  | 2014  | 2016  | 2018 | EU (latest available) |
|--|-------|-------|-------|------|-----------------------|
| Gross domestic expenditure on R&D (GERD) (% of GDP)                            | 2.0   | 2.0   | 2.0   | --   | 2.0                   |
| Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP) | 0.97  | 0.96  | 0.97  | --   | 0.97                  |
| Research and development expenditure - Government (% of GDP)                   | 0.25  | 0.25  | 0.24  | --   | 0.24                  |
| Research and development expenditure - Higher education (% of GDP)             | 0.48  | 0.48  | 0.47  | --   | 0.47                  |
| Research and development expenditure - Business (% of GDP)                     | 1.3   | 1.3   | 1.3   | --   | 1.3                   |
| Research and development expenditure - Private non-profit sector (% of GDP)    | 0.02  | 0.02  | 0.02  | --   | 0.02                  |
| Eco-Innovation Index (EU =100)   | 100.0 | 100.0 | 100.0 | --   | 100.0                 |

**SME/midcap**

|   | 2013       | 2014       | 2016       | 2018       | EU (latest available) |
|---|------------|------------|------------|------------|-----------------------|
| Share of SMEs with Access to Finance Difficulties (%) | 30.7       | 34.3       | 24.2       | 20.9       | 20.9                  |
| Availability of Private equity (Thousand euro)        | 38,151,245 | 42,409,428 | 50,288,366 | 50,091,574 | 50,091,574            |
| Availability of Venture Capital (Thousand euro)       | 3,220,414  | 3,386,585  | 3,869,368  | 4,035,807  | 4,035,807             |

### **Other indicators<sup>3</sup>**

#### **Key project characteristics**

|   | <b>Expected at PCR</b>   |
|---|--|
| Start of works  | 01.01.2018   |
| End of works  | 31.12.2022   |
| Project investment cost   | 850.00 MEUR  |
| EIB/EFSI eligible investment mobilised  | 850.00 MEUR  |
| External EFSI multiplier  | 2.12   |
| External EIB (non-EFSI) multiplier  |  |
| Amount of private financing   | 450.00 MEUR  |
| Quick start (% of expenditure during 2015-2018)   | 20.00 %  |
| Co-financing with national promotional banks  | 0.00 MEUR  |
| Co-financing with structural funds (ESIF)   | 0.00 MEUR  |
| Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) |  |
| Energy efficiencies realised  | 0.00 MWh/a   |
| Climate Action indicator  | 15.00% Mitigation - Renewable Energy (transversal) / 5.00% Mitigation - Energy Efficiency (transversal) / 15.00% Mitigation - Other (transversal) / 5.00% Mitigation - Afforestation and Forest Management |
| Employment during construction - temporary jobs   | 4,200 person years   |
| Employment during operation - new permanent jobs  | 800 FTE  |

<sup>3</sup> For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report.