

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	FMB METRO ROLLING STOCK
<u>Promoter and financial intermediary</u>	FERROCARRIL METROPOLITA DE BARCELONA SA
<u>Country of implementation</u>	Spain
<u>Summary project description</u>	<p>The project consists of the acquisition of 42 new metro trainsets (with similar characteristics to those offered by the rolling stock running on the newest metro line in Barcelona) to substitute 42 old trainsets operated by the public metro operator Ferrocarrils Metropolitans de Barcelona, S.A. in Barcelona (Spain) in metro lines L1 and L3. The 42 trainsets to be replaced correspond to 24 trainsets with Iberian gauge running on metro line L1 and 18 trainsets with European gauge running on metro line L3.</p> <p>Due to their high average age at time of replacement, the trainsets have lower than average reliability, requiring higher maintenance costs (estimated 30% more than newer trains) as well as higher energy consumption levels (estimated between 15-20% more than newer trains). [...]</p> <p>The project is included in the Renewal Plan of the Metro fleet ("Pla de Renovació de la flota de Metro"), prepared by the Promoter, and whose budget was approved in December 2018 in the Contract-Programme between ATM and the Promoter for the period 2018-2021.</p> <p>Demand for public transportation registered a 2.63% increase in 2017 and has continued to grow during 2018 when the urban public transport network in the city of Barcelona registered a record demand of 615 million passengers (+3.8% YoY). The underground network accounted for 66.26% of total passengers in the city of Barcelona in 2018, registering a record 407.5 million passengers. Demand for underground transport increased by 4.38% in 2018.</p>

¹ 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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		High
Cross-cutting objectives		
Climate Action		100.00%
EFSI		
Contribution to EFSI		100.00%
EFSI: development of transport infrastructures, and equipment and innovative technologies for transport		100.00%
Smart and sustainable urban mobility projects (targeting accessibility, reduction of greenhouse gas emissions, energy consumption and accidents)		100.00%

Pillar 2

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

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to four indicators, as relevant, among which:

- (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 sustainability²;
- (iv) "Employment" i.e. the project's direct employment effect;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

Pillar 3

EIB Technical and financial contribution to the project		Significant
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 up to 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.

² 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 developing transport infrastructures, equipment and innovative technologies for transport, the operation supports the acquisition of metro trainsets that will increase the quality of underground rail services in the metropolitan area of Barcelona. The project will therefore contribute to maintaining and enhancing ridership, with expected benefits of reduction in road transport and related pollution as well as improved mobility in the city region. The project will also contribute 100% to EIB climate action objectives, resulting in reduced greenhouse gas emissions through more efficient operation within the rail mode and a modal shift from road to rail.

This operation addresses clear market failure in the sector related to negative transport externalities in terms of energy consumption and pollution. Financing matching the long economic life of the underlying assets is not readily available by commercial financiers. The borrower is thus facing a sub-optimal investment situation.

The project is expected to be classified under the EIB Special Activities category. The envisaged EIB financing with EFSI support will be an unsecured loan that will present a longer tenor than other lenders could provide creating structural subordination. The EIB would not be able to provide to the same extent such type of financing support without EFSI.

In this context, the Bank's participation will signal the economic and financial viability of the project. As such, the EIB operation is expected to crowd-in private sector financing and to increase the commercial banks' confidence in the borrower's long-term sustainability and its future investment plans.

The operation will be the first for the EIB with the promoter.

Set of indicators related to the macroeconomic environment

Spain - Economic environment

Economic Performance

	ES 2018	EU 2018	US 2018	ES 2001-2007
GDP per capita (EUR, PPS)	28,497.70	30,935.11	43,569.11	29,209.95
GDP growth (%)	2.58	1.96	2.85	3.55
Potential GDP growth (%)	1.16	1.60	2.23	3.58
Output gap (% of potential GDP)	0.87	0.61	0.74	2.74
Unemployment Rate (%)	14.40	6.60	3.90	9.98
Unemployment Rate (%) - Y/Y change (% points)	-2.10	-0.60	-0.20	-0.34
Bank-interest rates to non-financial corporations (%)	1.69	1.26	--	3.78
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	0.13	-0.06	--	-0.04
Investment rate (GFCF as % of GDP) - Total	21.21	20.54	20.84	28.71
Investment rate (GFCF as % of GDP) - Public	2.10	2.85	3.30	4.14
Investment rate (GFCF as % of GDP) - Private	19.11	17.68	17.53	24.57

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Warehousing and support activities for transportation (% of total VA)	--	--	--	--	1.60
Employment in Warehousing and support activities for transportation (% of total employment)	--	--	--	--	1.20

Transport (General)

	2014	2015	2016	2017	EU (latest available)
Volume of passenger transport relative to GDP (Index 2000=100)	92.09	--	--	--	97.90
Volume of freight transport relative to GDP (Index 2000=100)	83.40	86.50	--	--	89.70
Share of GHG emissions from transport (% of total GHG emissions)	36.06	--	--	--	27.11

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial cooperations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007

- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Other indicators³

Key project characteristics	Expected value at PCR
Start of works	01.02.2019
End of works	31.10.2023
Project investment cost [MEUR]	417.16 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	397.85 MEUR
External EFSI multiplier	1.94
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	212.16 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	0.00 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	
Energy efficiencies realised [MWh/a]	0.00 MWh/a
Climate Action indicator	100.00% Mitigation - Transport (transversal)
Employment during construction - temporary jobs [person years]	3,130 person years
Employment during operation - new permanent jobs [FTE]	0 FTE

³ 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. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.