

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	RENFE SUBURBAN SUSTAINABLE TRANSPORT MADRID
<u>Promoter and financial intermediary</u>	RENFE OPERADORA, INSTITUTO DE CREDITO OFICIAL
<u>Country of implementation</u>	Spain
<u>Summary project description</u>	<p>The project consists of the acquisition of 211 electric trainsets of high capacity for provision of suburban railway services in the Madrid region.</p> <p>Following decades of underinvestment in suburban rolling stock renewal and extension, the current operating conditions are at maximum capacity, leading to overcrowding at peak times and a steady reduction in reliability and comfort. The acquisition of modern rolling stock of high capacity (fewer seats and more standing capacity) to replace obsolete trains will expand capacity by 40% to serve growing demand and avoid modal shift back to road. It is one of the key pillars of the action plan for improvement of the rail services in the Madrid region.</p> <p>The trains will be operated under the Public Service Contract signed by direct award between the Ministry of Transport and Renfe Operadora for the period 2018-2027. The services are operated under the brand Cercanías Madrid.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	Acceptable
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, and equipment and innovative technologies for transport, the operation supports the acquisition of 211 electric trainsets of high capacity to replace ageing rolling stock in Madrid suburban rail services. The acquisition of modern rolling stock is one of the key pillars of the action plan for improvement and revitalisation of the suburban rail services in the region. It will improve the availability, reliability and accessibility of the services. 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. The borrower is a public company which has not historically been active in the capital markets. The liberalisation of the railway market is a significant challenge for RENFE, especially in view of the size of the investments and the increasing competitiveness in the market.

The envisaged EIB financing with EFSI support will be an unsecured loan that will present a longer tenor than other lenders could provide.

In this context, the Bank's participation will signal the economic and financial viability of the project.

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 Land transport and transport via pipelines (% of total VA)	2.33	2.35	2.21	2.15	2.27
Employment in Land transport and transport via pipelines (% of total employment)	2.68	2.66	2.69	2.60	2.73

Rail

	2014	2015	2016	2017	EU (latest available)
Rail infrastructure investment as % of GDP	0.29	0.24	0.15	--	--
Passengers transport by rail (Billion passenger-kilometre)	25.14	--	--	--	428.20
Goods transport by rail (Billion tonne-kilometre)	10.82	--	--	--	877.73

- 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	01.07.2020
End of works	31.12.2028
Project investment cost [MEUR]	2,525.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	2,411.00 MEUR
External EFSI multiplier	5.35
External EIB (non-EFSI) multiplier	0.00
Amount of private financing [MEUR]	1,725.00 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]	126,000.00 MWh/a
Climate Action indicator	100.00% Mitigation - Transport (transversal)
Employment during construction - temporary jobs [person years]	21,300 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.