

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	ACSM-AGAM ENERGY EFFICIENCY & CLIMATE ACTION
<u>Promoter and financial intermediary</u>	ACSM-AGAM SPA
<u>Country of implementation</u>	Italy
<u>Summary project description</u>	<p>The Programme represents the investment plan of the Promoter to upgrade the quality, volume, and reliability of the services and products it already offers, and to expand its business in new geographical areas.</p> <p>The investments consist in: the extension, modernization and upgrade of district heating networks; the development of new micro-cogeneration units; the refurbishment and upgrade of efficiency of approx. 120,000 public lighting posts; the increase of reliability, quality, and useful life of electricity distribution networks. The investments include the retrofit of lighting, HVAC (Heating, ventilation, and air conditioning) systems and the installation of small PV (photovoltaic) plants in public buildings in the Lombardy region. The investments also include the refurbishment of a hydroelectric power plant, the development of sustainable mobility solutions and a component of ICT infrastructure, aimed at the efficiency, unification and security of the group ICT network.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	Significant
Cross-cutting objectives	
Climate Action	67.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities	67.00%
Expansion of the use or supply of renewable energy	1.80%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)	61.10%
Development and modernization of energy infrastructure (in particular interconnections, smart grids at distribution level, energy storage and synchronisation of networks)	4.10%
EFSI: development of transport infrastructures, and equipment and innovative technologies for transport	5.50%
Smart and sustainable urban mobility projects (targeting accessibility, reduction of greenhouse gas emissions, energy consumption and accidents)	5.50%
EFSI: Environment and resource efficiency	27.50%
Projects and infrastructures in the field of environmental protection and management	12.90%
Other environment and resource efficiency	14.60%

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".*

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 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.

Pillar 4 - Complementary indicators

Additionality

In line with the EFSI objectives related to environment and resource efficiency as well as the development of the energy sector in accordance with the Energy Union priorities, the proposed operation will provide financial support to a promoter in Italy implementing capex investments in waterworks (water facilities), electricity (renewable energy and electricity distribution), energy efficiency, heat and power cogeneration, district heating, public lighting, and waste collection and treatment facilities. Up to 67% of the operation is expected to contribute to EIB's Climate Action objective.

The proposed operation addresses the market failure and sub-optimal investment situation related to the infrastructure gap and substantial underfunding in Italy's utility infrastructure by financing a regional medium sized multi-utility which, given the nature of the market it operates in, has experienced difficulties in accessing funding at similar terms for a tenor matching the economic life of the underlying assets. More specifically, the investments are expected to generate positive externalities in the form of improved public health and environmental benefits (e.g. a more rational use of water and energy resources or increased recycling and reduced disposal of solid waste). The operation will also increase security of energy supply.

The operation is expected to fall under the EIB's Special Activities category in particular due to the long tenor and the unsecured nature of the EIB loan. The EIB would not be able to provide such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The financing provided by the EIB with the support of EFSI is expected to provide a quality stamp on the operation and crowd-in additional private sector financing.

The borrower will be a new client to the Bank.

Set of indicators related to the macroeconomic environment

Italy - Economic environment

Economic Performance

	IT 2018	EU 2018	US 2018	IT 2001-2007
GDP per capita (EUR, PPS)	29,550.74	30,935.11	43,569.11	31,924.97
GDP growth (%)	0.85	1.96	2.85	1.16
Potential GDP growth (%)	0.46	1.60	2.23	1.05
Output gap (% of potential GDP)	-0.11	0.61	0.74	1.55
Unemployment Rate (%)	10.40	6.60	3.90	7.64
Unemployment Rate (%) - Y/Y change (% points)	-0.50	-0.60	-0.20	-0.42
Bank-interest rates to non-financial corporations (%)	1.05	1.26	--	3.81
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.08	-0.06	--	0.02
Investment rate (GFCF as % of GDP) - Total	17.96	20.54	20.84	21.06
Investment rate (GFCF as % of GDP) - Public	2.11	2.85	3.30	2.87
Investment rate (GFCF as % of GDP) - Private	15.85	17.68	17.53	18.18

Energy

	2014	2015	2016	2017	EU (latest available)
Energy consumption from renewables (%)	17.08	17.52	17.41	18.26	17.52
Energy consumption from renewables - distance to EU 2020 target (%)	-0.08	-0.52	-0.41	-1.26	2.47
Energy dependence (%)	75.90	--	--	--	53.50
Primary energy consumption (consumption in 2005 =100)	79.30	82.40	81.80	--	90.00
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	--	--	--	--	141.83
Primary energy consumption (Million Tonnes of Oil Equivalent)	143.80	149.60	148.40	--	1,542.70
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	-14.20	-8.40	-9.60	--	59.70

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Construction (% of total VA)	4.82	4.76	4.74	4.67	5.36
Value added in Electricity, gas, steam and air conditioning supply (% of total VA)	1.76	1.59	1.59	1.52	1.81
Value added in Sewerage, waste management, remediation activities (% of total VA)	0.66	0.63	0.62	--	0.68
Value added in Water collection, treatment and supply (% of total VA)	0.26	0.27	0.32	--	0.26
Employment in Construction (% of total employment)	6.48	6.36	6.27	6.21	6.32
Employment in Electricity, gas, steam and air conditioning supply (% of total employment)	0.36	0.35	0.35	0.34	0.53
Employment in Sewerage, waste management, remediation activities (% of total employment)	0.67	0.69	0.68	--	0.54

Employment in Water collection, treatment and supply (% of total employment)	0.13	0.13	0.15	--	0.18
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- 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	01.10.2019
End of works	31.10.2023
Project investment cost [MEUR]	236.60 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	236.60 MEUR
External EFSI multiplier	2.37
External EIB (non-EFSI) multiplier	0.00
Amount of private financing [MEUR]	136.60 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]	2,091,000.00 MWh/a
Climate Action indicator	1.40% Mitigation - Renewable Energy (transversal) / 37.40% Mitigation - Energy Efficiency (transversal) / 5.30% Mitigation - Transport (transversal) / 18.30% Mitigation - Other (transversal) / 4.60% Mitigation - Waste and Wastewater GHG reduction
Employment during construction - temporary jobs [person years]	300 person years
Employment during operation - new permanent jobs [FTE]	94 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.