

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
Project name	ISP CLIMATE ACTION LINKED RISK SHARING
Promoter and financial intermediary	INTESA SANPAOLO SPA
Country of implementation	Italy
Summary project description	<p>The proposed transaction consists of an unfunded linked risk-sharing operation with INTESA SANPAOLO SPA (ISP) under a partial delegation scheme. The risk sharing instrument would cover up to 50% of the credit risk associated with a new portfolio of energy efficiency ("EE"), renewable energy ("RE") and circular economy ("CE") small and medium-sized projects originated by ISP (the "New Portfolio"). The amount of the operation will be EUR 140m with the objective to mobilize up to EUR 400m of investments.</p> <p>Through this operation, EIB will offer a guarantee covering up to 50% of a New Portfolio to be created in favour of projects in EE, RE and CE sectors, including bio-methane (the "Climate Change" sectors) in Italy. Final beneficiaries are small to medium sized promoters of Climate Change projects, represented by private- and/or public-owned counterparts.</p> <p>ISP indicated that its pipeline of CE projects primarily comprises projects with anaerobic digestion of organic waste streams and energy and heat recovery from the produced bio-gas. However, it is expected that also other types of CE projects will be included in the operation with focus on e.g. increased quality and quantity in recycling, and new sharing and leasing business models.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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%
EIB Cohesion Priority Regions / Economic and Social Cohesion		30.00%
EFSI		
Contribution to EFSI		100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities		100.00%
Expansion of the use or supply of renewable energy		92.00%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)		8.00%

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

The operation contributes to the EFSI objective to support companies operating in the renewable energy and resource efficiency sectors by enabling the additional risk-bearing capacity of Intesa Sanpaolo S.p.A, thus increasing access to finance for these sectors in Italy. Equally, the operation will address the objective of supporting less-developed and transition regions, as a part of the operation is expected to be deployed in the Cohesion regions. The operation will also contribute to the Union priorities of convergence and social cohesion, helping to reduce regional disparities by supporting investment.

The operation addresses an existing market gap and sub-optimal investment scenario by providing additional financing capacity to companies operating in the renewable energy and resource efficiency sectors. Such companies are experiencing an ongoing struggle to access long-term finance in a macroeconomic context where current and traditional banking financial offers focus mostly on short-term lending with strict requirements. The achievement of Italy's decarbonisation effort, envisaged under the National Energy and Climate Plans, requires a significant commitment in terms of incremental investments, estimated at some EUR 180bn over the period 2017-2030. The proposed operation is thus expected to contribute to accelerating the investments promoted by small- and medium-sized companies, which are struggling to find financing, a situation which has worsened over the past year due to the economic slowdown.

Thanks to EFSI, EIB will support the investments of eligible beneficiaries across a variety of regions, hence contributing to sustainable growth and job creation in Italy. This guarantee, provided by EIB under EFSI, will allow Intesa Sanpaolo S.p.A to create a new loan portfolio for the benefit of companies operating in the renewable energy and resource efficiency sectors.

Due to the transaction risk profile resulting from the inherent risks of the respective beneficiaries, the operation will qualify as Special Activities. EIB would not be able to provide such financing support or reach out to this market segment to this degree during the period in which the EU guarantee can be used - or not to the same extent - without EFSI. The new loan portfolio will benefit companies across Italy, including in Cohesion regions. The operation will release significant additional private sector financing, as it enables Intesa Sanpaolo S.p.A. to increase its own lending capacity to companies, which will in turn will further invest their own resources for necessary investments in their businesses.

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
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

- 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	01.01.2020
End of works	31.12.2022
Project investment cost [MEUR]	400.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	380.00 MEUR
External EFSI multiplier	2.71
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	260.00 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]	0.00 MWh/a
Climate Action indicator	92.00% Mitigation - Renewable Energy (transversal) / 8.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs [person years]	1,400 person years
Employment during operation - new permanent jobs [FTE]	112 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.