

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	EAV CIRCUMVESUVIANA RAILWAY NEW ROLLING STOCK
<u>Promoter and financial intermediary</u>	ENTE AUTONOMO VOLTURNO SRL
<u>Country of implementation</u>	Italy
<u>Summary project description</u>	<p>The proposed operation concerns the narrow-gauge Circumvesuviana suburban railway network, which extends over 142 km in the metropolitan area of Naples. [...]</p> <p>During the last decade, the availability of the fleet has been decreasing due to financial difficulties of the Promoter Ente Autonomo Volturmo Srl (EAV) and the subsequent phase of under-investments, which has not allowed for an appropriate renewal of the rolling stock. This shortage of funding has also resulted in a substantial decrease in service supply over the same period. In addition, service quality in terms of reliability and comfort has been deteriorating, with trains increasingly saturated and delayed. As a result, by 2018 the Circumvesuviana lines had lost 24% of their demand compared to more than 120,000 passengers per day in 2011, despite a catchment area of 2.5 million inhabitants.</p> <p>EAV intends to relaunch railway services on the Circumvesuviana network with the purchase of 40 new trains, which will partly replace the existing EMUs, and the modernisation of part of the existing fleet. The Promoter's plan for the future composition of its fleet targets 112 EMUs in total, the rolling stock in excess being either scrapped or kept only for spare parts.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	
EIB Cohesion Priority Regions / Economic and Social Cohesion	100.00%
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, equipment and innovative technologies for transport, the proposed operation will support the upgrade and modernisation of the transport fleet operating in the metropolitan area of Naples, improving impacts in terms of energy efficiency, safety, operating efficiency and service quality. The operation will make a strong contribution to Climate Action. Equally, the operation will address the objective of supporting less-developed regions and transition regions as 100% of the operation is expected to be deployed in a Cohesion region. The operation will thus also contribute to the Union priorities on convergence and social cohesion, helping reduce regional disparities by supporting investment.

This operation addresses a market failure and a sub-optimal investment situation linked to restrictions imposed on local authorities by the Italian Central Government, in an attempt to control public deficit, resulting in limited availability of public funds. It will support the shift of traffic to more sustainable transport modes reducing related negative transport externalities.

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 such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

By offering long-term financing to the borrower, EIB provides a quality stamp on the Project that is expected to crowd-in private sector financing for future investments.

This will be the first operation for the Bank with the borrower.

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

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Land transport and transport via pipelines (% of total VA)	2.96	2.99	2.92	--	2.27
Employment in Land transport and transport via pipelines (% of total employment)	2.41	2.41	2.43	--	2.73

- 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	01.01.2020
End of works	31.12.2025
Project investment cost [MEUR]	222.23 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	218.44 MEUR
External EFSI multiplier	3.22
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	0.00 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	100.00% Mitigation - Transport (transversal)
Employment during construction - temporary jobs [person years]	1,347 person years
Employment during operation - new permanent jobs [FTE]	46 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.