

## EFSI Operation Scoreboard<sup>1</sup>

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	SPANISH SUBURBAN AND REGIONAL ROLLING STOCK
<b><u>Promoter and financial intermediary</u></b>	RENFE OPERADORA
<b><u>Country of implementation</u></b>	Spain
<b><u>Summary project description</u></b>	<p>The project consists of the purchase of 72 trainsets: 17 electric and 26 bimode (electric &amp; diesel) multiple units for regional services across Spain, under the brand Renfe Media Distancia, as well as 29 bimode (electric &amp; diesel) trainsets for provision of suburban rail services in Valencia and Murcia/Alicante under the brand Renfe Cercanías.</p> <p>The new trains will replace obsolete units that will be taken out of service, thus restoring competitiveness and ensuring sustainability of a service of strategic importance for regional integration, accessibility and social inclusion. Furthermore, the acquisition of flexible and interoperable fleet will allow to better adapt operations to the on-going infrastructure developments; in particular some regional services will be partly run on sections that allow higher speed and the use of bimode trains on electrified sections will allow to gradually reduce the percentage of diesel traction in the rail sector in Spain.</p> <p>The trains will be operated under the Public Service Contract signed between the Ministry of Public Works and Renfe Operadora for the period 2018-2027 and following a direct award in line with the provisions of Regulation (EU) 1370/2007 as amended by Regulation (EU) 2016/2338.</p>

<sup>1</sup> 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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
<b>Cross-cutting objectives</b>		
Climate Action		100.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion		40.00%
<b>EFSI</b>		
Contribution to EFSI		100.00%
EFSI: development of transport infrastructures, and equipment and innovative technologies for transport		100.00%
TEN-T railway infrastructure and other rail projects		100.00%

### Pillar 2

Quality and soundness of the project		Good
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 sustainability<sup>2</sup>;
- (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.

<sup>2</sup> 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 infrastructure and equipment, and innovative technologies for transport, the operation supports the acquisition of 72 new trainsets (17 electric and 55 bimode - electric & diesel) to replace obsolete rolling stock in suburban and regional rail services across Spain, with a focus on peripheral regions. The project aims to increase the efficiency, quality and transport capacity of railway services and thus it will improve accessibility of jobs, education and basic service ensuring regional integration. A significant portion of the project (about 39%) will be deployed in less developed or transition regions (expected to increase to 89% following the new classification of regions for the 2021-2027 Programming Period). Through the implementation of this project, it is expected that 4,870 person/year will be employed while 700 jobs will be supported during operations.

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, a progressively greater share of electrification in rail transport across Spain and incentivised 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 ongoing liberalisation of the railway market is a significant challenge for the Promoter in view of the volume of investments expected. The EIB financing will be structured as a senior unsecured loan with an extra-long tenor to match the economic life of the equipment purchased, therefore it will entail a high degree of subordination vis-à-vis other lenders.

The EIB would not be able to provide such type of financing support to the same extent during the period in which the EU guarantee can be used, without EFSI.

In this context, the EIB's financing will signal the economic and financial viability of the project and of the broader investment plan of the Promoter for the modernisation of key railway transport infrastructure in Spain. As such, it is expected to crowd-in additional private sector financing and to support more flexible financing terms for the Promoter to make its investment plan more sustainable.

## 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	1.97	2.86	3.56
Potential GDP growth (%)	1.17	1.60	2.24	3.58
Output gap (% of potential GDP)	0.88	0.62	0.74	2.75
Unemployment Rate (%)	14.40	6.60	3.90	9.99
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	--	3.79
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	0.13	-0.06	--	-0.05
Investment rate (GFCF as % of GDP) - Total	21.22	20.54	20.84	28.72
Investment rate (GFCF as % of GDP) - Public	2.11	2.86	3.31	4.15
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	2.22	2.16	2.28
Employment in Land transport and transport via pipelines (% of total employment)	2.69	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)	25.15	--	--	--	428.21
Goods transport by rail (Billion tonne-kilometre)	10.82	--	--	--	877.74

#### Urban development

	2014	2015	2016	2017	EU (latest available)
Urban population as % of total population	79.36	79.58	79.80	--	--
Urban population exposure to air pollution by particulate matter (Micrograms per cubic metre)	20.70	--	--	--	22.50
Unemployment rate - Cities (%)	22.90	20.70	18.70	16.70	7.60
Unemployment rate - Towns and suburbs (%)	25.30	22.80	20.10	18.10	6.80
Unemployment rate - Rural areas (%)	27.20	24.50	21.50	17.80	6.00
At risk poverty rate - Cities (%)	19.00	19.00	20.10	19.20	16.70
At risk poverty rate - Towns and suburbs (%)	22.90	22.90	20.80	22.10	15.70
At risk poverty rate - Rural areas (%)	27.90	27.60	28.10	25.90	18.90
Severe housing deprivation rate - Cities (%)	1.70	1.70	1.70	--	1.70
Severe housing deprivation rate - Towns and suburbs (%)	1.50	1.80	2.10	--	1.90

Severe housing deprivation rate - Rural areas (%)	1.90	0.90	1.20	--	1.10
Households level of internet access - Cities (%)	78.00	83.00	85.00	86.00	91.00
Households level of internet access - Towns and suburbs (%)	75.00	79.00	83.00	84.00	89.00
Households level of internet access - Rural areas (%)	66.00	71.00	76.00	78.00	85.00

- 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 indicators<sup>3</sup>

Key project characteristics	Expected value at PCR
Start of works	01.04.2020
End of works	31.12.2026
Project investment cost [MEUR]	641.96 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	615.11 MEUR
External EFSI multiplier	1.92
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]	4,870 person years
Employment during operation - new permanent jobs [FTE]	0 FTE

<sup>3</sup> 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.