

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
Project name	EU MALARIA FUND SENIOR PARTICIPATION
Promoter and financial intermediary	INVESTITIONSBANK BERLIN
Country of implementation	Regional - EU countries
Summary project description	<p>The operation concerns Research, Development and Innovation investments in a portfolio of innovative assets against malaria, one of the most lethal infectious diseases mainly affecting low - and middle-income countries, in particular sub-Saharan Africa. The project supports the early- and late-stage development of novel vaccines, therapeutic drugs and diagnostic solutions, targeting different stages of the disease ad different stages of the product development.</p> <p>The proposed transaction concerns an investment in the EU Malaria Fund, a layered investment fund specialised in malaria-related fields. It is proposed that EIB investment in the Fund will be split in two:</p> <ol style="list-style-type: none"> an investment in a senior tranche via a loan instrument. This operation will be financed with the Bank's own resources but is expected to benefit from EFSI guarantee under the EFSI National Promotional Bank ("NPB") Equity window following the presence of Investitionsbank Berlin; and an investment in a junior tranche via a loan instrument and guaranteed by the European Commission under the InnovFin mandate.

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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	15.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	100.00%
Projects that are in line with Horizon 2020	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 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	High
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 supporting research, development and innovation - projects that are in line with the Horizon 2020 programme, the operation will support research and development for new vaccines, therapeutic drugs and diagnostic devices against malaria. The operation will be delivered by the set-up of an EFSI Investment Platform (IP) by Investitionsbank Berlin (IBB), the Promotional Bank of the State of Berlin. Up to 15% of the operation is expected to contribute to EIB's Climate Action objectives.

The financing of this project addresses the failure in financial markets for RDI, arising from limited access and/or higher cost of financing as a result of factors such as information asymmetries (linked to, and intensified by, the inherent uncertainty of RDI activities, leading to high screening and monitoring costs), misalignment of incentives, lack of collateral and/or lack of track record.

As an equity-type fund investment, and due to its intrinsic characteristics the operation is highly risky and will fall under the EIB Special Activities category. This is in particular due to risks of research activity tackling treatment for diseases. 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.

Through its pioneering investment in a layered fund, EIB would demonstrate a strong catalytic effect to mobilise additional investment from a Promotional Bank, institutional investors and Development Finance Institutions, among others. The operation will present a unique blended finance showcase, demonstrating how alignment of incentives can make a public private instrument mobilise high risk capital to achieve public policy objectives.

In addition to the investment in the senior tranche under EFSI, the EIB is expected to invest in the junior notes under the Thematic Investment Platform product of the InnovFin financial instrument thanks to the support of the EU budget.

This will be the first operation under EFSI targeting research against malaria as well as the first operation under EFSI with the promoter and fund manager, IBB.

Set of indicators related to the macroeconomic environment

Regional - EU countries - Economic environment

Economic Performance

	EU 2018	EU 2018	US 2018	EU 2001-2007
GDP per capita (EUR, PPS)	30,935.11	30,935.11	43,569.11	29,363.37
GDP growth (%)	1.97	1.97	2.86	2.28
Potential GDP growth (%)	1.60	1.60	2.24	2.10
Output gap (% of potential GDP)	0.62	0.62	0.74	0.93
Unemployment Rate (%)	6.60	6.60	3.90	8.56
Unemployment Rate (%) - Y/Y change (% points)	-0.60	-0.60	-0.20	-0.26
Bank-interest rates to non-financial corporations (%)	1.26	1.26	--	3.90
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.06	-0.06	--	-0.02
Investment rate (GFCF as % of GDP) - Total	20.54	20.54	20.84	21.39
Investment rate (GFCF as % of GDP) - Public	2.86	2.86	3.31	3.05
Investment rate (GFCF as % of GDP) - Private	17.68	17.68	17.53	18.33

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Scientific research and development (% of total VA)	0.78	0.79	0.80	0.80	0.80
Employment in Scientific research and development (% of total employment)	0.55	0.55	--	--	0.55

Research, development and innovation

	2014	2015	2016	2017	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	2.03	2.04	2.04	2.06	2.06
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	0.97	0.96	0.96	0.94	0.94
Research and development expenditure - Government (% of GDP)	0.24	0.24	0.23	0.23	0.23
Research and development expenditure - Higher education (% of GDP)	0.47	0.47	0.46	0.45	0.45
Research and development expenditure - Business (% of GDP)	1.30	1.31	1.33	1.36	1.36
Research and development expenditure - Private non-profit sector (% of GDP)	0.02	0.02	0.02	0.02	0.02
Eco-innovation index (EU =100)	100.00	100.00	100.00	100.00	100.00

- 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 indicators³

Key project characteristics	Expected value at PCR
Start of works	01.01.2020
End of works	31.12.2025
Project investment cost [MEUR]	85.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	114.29 MEUR
External EFSI multiplier	3.81
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]	5.00 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	15.00% Contribution to climate change adaptation (transversal)
Employment during construction - temporary jobs [person years]	25 person years
Employment during operation - new permanent jobs [FTE]	20 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.