

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	LIMBURGS ENERGIE FONDS 2
<u>Promoter and financial intermediary</u>	FINQUIDDITY VERMOGENSBEHEER BV
<u>Country of implementation</u>	Netherlands
<u>Summary project description</u>	<p>Europe, and in particular the Netherlands, is transitioning its economy towards sustainability and circularity. To spur this sustainable and circular transition in the Netherlands, the Province of Limburg ("the Province") initiated the Limburg Energy Fund ("LEF" or "the Fund") in 2013. The Province created LEF to support public policy goals while addressing existing market failures, which is very much in line with the Bank's own additionality framework.</p> <p>LEF is an evergreen multi-sector debt fund that provides funding to regional businesses and project companies with the aim of encouraging the development of activities that contribute to the reduction of CO2 emissions and waste. The Fund supports sustainable and low carbon investments that would (potentially) not be realised without its support. LEF essentially invests by way of senior and subordinated loans, quasi-equity and, to a small extent, equity. The Fund fills a financing gap, as it provides access to project funding that is not easily available from commercial financiers.</p> <p>LEF was established in 2013. LEF experiences continued high demand for its financing solutions, further intensified by the COVID19 crisis, resulting in an even greater challenge to realise sustainable development projects. The Province therefore wants to continue on a steady course and with increased strength, aiming to almost double LEF's committed resources. The Fund's growth will come by way of the proposed EIB loan, as well as additional capital from the Province.</p> <p>This means that regional investments in the field of waste reduction, energy saving and renewable energy generation can continue and accelerate, now with an increased focus on circular projects. This approach is in line with the Provincial Energy Strategy, and specifically the Financeable Transition component, whereby the Province only wants to</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 [...].

invest if there is leverage on the Provincial euro by means of co-financing from institutional investors, in particular the EIB. If the historically realised multiplier can be maintained in the future, the Project could achieve an investment volume of c. EUR 345m.

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
Climate Action	100.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	9.00%
Other research, development and innovation	9.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities	49.00%
Expansion of the use or supply of renewable energy	34.00%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)	15.00%
EFSI: Environment and resource efficiency	42.00%
Other environment and resource efficiency	42.00%

Pillar 2

Quality and soundness of the project	Excellent
1. Overall strategic intent and investment quality	[...]
2. Promoter capacity	[...]
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	Moderate
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 the development of the energy sector in accordance with the Energy Union priorities as well as environment and resource efficiency, the proposed operation will provide financial support for the benefit of the Province of Limburg in order to achieve its targets as regards to the avoidance of CO₂ and CO₂ equivalent emissions, reduction of waste, and the reduction of asbestos. 100% of the operation is expected to contribute to EIB's Climate Action objective.

Businesses / projects in the critical sectors of renewable energy, energy efficiency and circular economy have difficulties in accessing adequate financing, in particular due to their long-term nature, the lack of public resources and a frequent mismatch between their level of risk and the risk appetite of private investors and lenders. The operation will address this market failure by supporting LEF who in turn will provide funding for businesses / projects in these sectors fitting their needs: longer maturities than what the market is able to offer, grace periods in line with construction phase etc.

Furthermore, this operation entails a number of risks, in particular because of the subordinated nature of the loans provided by LEF and the limited security provided by LEF's junior tranche. In addition, the entities receiving finance from LEF are likely to invest for the development of new and innovative activities, which will result in higher risks for LEF. 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 EIB will provide a quality stamp to the project. It will send a strong positive signal to prospective co-investors and debt providers in LEF. It will facilitate the obtaining of complementary financing from other players not having the sector expertise and/or the risk appetite required for these projects.

Set of indicators related to the macroeconomic environment

Netherlands - Economic environment

Economic Performance

	NL 2018	EU 2018	US 2018	NL 2001-2007
GDP per capita (EUR, PPS)	39,650.24	30,935.11	43,569.11	38,443.32
GDP growth (%)	2.67	1.97	2.86	2.00
Potential GDP growth (%)	1.80	1.60	2.24	2.09
Output gap (% of potential GDP)	1.08	0.62	0.74	-0.52
Unemployment Rate (%)	3.60	6.60	3.90	4.70
Unemployment Rate (%) - Y/Y change (% points)	-0.80	-0.60	-0.20	0.09
Bank-interest rates to non-financial corporations (%)	1.01	1.26	--	3.82
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.19	-0.06	--	-0.06
Investment rate (GFCF as % of GDP) - Total	20.94	20.54	20.84	21.27
Investment rate (GFCF as % of GDP) - Public	3.40	2.86	3.31	3.96
Investment rate (GFCF as % of GDP) - Private	17.55	17.68	17.53	17.30

Energy

	2014	2015	2016	2017	EU (latest available)
Energy consumption from renewables (%)	5.49	5.74	5.94	6.60	17.53
Energy consumption from renewables - distance to EU 2020 target (%)	8.51	8.26	8.06	7.40	2.47
Energy dependence (%)	33.80	--	--	--	53.50
Primary energy consumption (consumption in 2005 =100)	90.70	93.60	94.20	--	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)	62.40	64.40	64.80	--	1,542.70
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	1.70	3.70	4.10	--	59.70

Environment and Climate

	2014	2015	2016	2017	EU (latest available)
GHG emissions level (emissions in 1990=100)	87.81	91.44	--	--	77.88
Employment in the environmental goods and services sector	128,843.00	131,698.00	135,036.00	--	4,451,000.00
Resource productivity (Euro per kilogram, chain linked volumes (2010))	3.69	3.50	4.18	--	2.07
GHG emissions in non-ETS sectors (base year=100)	76.60	79.10	79.30	79.10	89.20
GHG emissions in non-ETS sectors, distance to EU 2020 target	-7.40	-4.90	-4.70	-4.90	-1.50
Value added in the environmental goods and services sector (% of total VA)	2.40	2.47	2.49	--	2.27
Employment in the environmental goods and services sector (% of total employment)	21.74	22.05	22.17	--	22.74

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Financial service activities, except insurance and pension funding (% of total VA)	6.33	6.20	5.91	5.46	3.22
Employment in Financial service activities, except insurance and pension funding (% of total employment)	1.32	1.23	1.19	1.07	1.46

Research, development and innovation

	2014	2015	2016	2017	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	1.98	1.98	2.00	1.99	2.06
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	0.52	0.52	0.50	0.51	0.94
Research and development expenditure - Government (% of GDP)	0.23	0.24	0.23	0.23	0.23
Research and development expenditure - Higher education (% of GDP)	0.63	0.64	0.61	0.59	0.45
Research and development expenditure - Business (% of GDP)	1.11	1.11	1.16	1.17	1.36
Research and development expenditure - Private non-profit sector (% of GDP)	--	0.00	--	--	0.02
Eco-innovation index (EU =100)	98.00	100.00	92.00	88.00	100.00

SME/midcap

	2014	2015	2016	2017	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	62.30	51.02	38.10	28.77	17.54
Availability of Private equity (Thousand euro)	3,008,197.56	3,295,045.86	3,945,066.48	3,993,898.71	67,350,185.55
Availability of Venture Capital (Thousand euro)	193,207.01	160,403.42	212,661.31	320,186.32	6,100,548.37

Solid waste

	2014	2015	2016	2017	EU (latest available)
Waste generated (kg per capita)	7,848.00	--	8,281.00	--	4,968.00
Municipal waste treated (% of total generated)	99.99	100.01	100.00	100.00	98.61
Municipal waste - Landfill (% of total treated)	1.44	1.42	1.43	1.41	23.50
Municipal waste - Incineration (% of total generated)	47.65	46.82	45.46	44.40	28.14
Municipal waste - Recycling (% of total generated)	23.75	24.54	25.31	25.94	29.63
GHG emissions from waste (% of total)	1.80	1.64	--	--	3.13

Waste-water

	2014	2015	2016	2017	EU (latest available)
Population connected to urban wastewater collecting systems (%)	99.40	99.43	99.45	99.50	--
Population connected to independent wastewater treatment plants (%)	0.60	0.57	0.55	0.50	--

- 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	31.12.2020
End of works	31.12.2023
Project investment cost [MEUR]	345.14 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	264.03 MEUR
External EFSI multiplier	4.35
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	237.14 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	34.00% Mitigation - Renewable Energy (transversal) / 15.00% Mitigation - Energy Efficiency (transversal) / 9.00% Mitigation - RDI (transversal) / 42.00% Mitigation - Waste and Wastewater GHG reduction
Employment during construction - temporary jobs [person years]	2,900 person years
Employment during operation - new permanent jobs [FTE]	620 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.