Luxembourg, 15 March 2018

European Investment Bank

EFSI Operation Scoreboard[1]

PROJECT PRESENTATION	
Project name	NTR RENEWABLE ENERGY INCOME FUND II
Promoter and financial intermediary	NTR ASSET MANAGEMENT EUROPE DAC
Country of implementation	Regional – EU Countries
Summary project description	The proposed operation concerns an investment in the NTR Renewable Energy Income Fund II, a fund targeting equity investments mainly in renewable energy projects in the EU. The Fund will invest in onshore wind and solar power projects and will focus primarily on a few core Western European countries. It will also have an allocation to energy storage, where it is additional to a mainstream project. The Fund will invest, as a minimum, 60% of its capital in EIB-eligible investments. The Fund proposes a new, rather innovative and high value added model, with a very long tenor (30 years), which provides financing on the ground over the entire economic life of a project. The long-term nature of the Fund imposes a number of innovative features compared to the traditional ten-year funds, such as management fee structure and incentive mechanism among others. By supporting the Fund, the EIB will contribute to the development of new funding models, which could fill the gaps currently not addressed by the market. The operation is of high value added given the support to predominantly greenfield renewable energy assets in the EU through long term equity financing. EIB has been approached to support the Fund to achieve its first closing and to attract a broader investor base outside Ireland/UK. An EIB/EFSI investment thus provides a signalling support from a credible international investor with experience in the renewable energy space, in the absence of which, the Fund would probably have difficulties reaching both its first closing and the target size and/or experience delays in doing so. It will contribute to the transition of an existing renewable energy fund manager from a regional to a pan-European investment scope. The proposed legal structure of the Fund, the Irish Collective Asset-management Vehicle ("ICAV") is new, having been launched only recently by the relevant Irish authorities, and will represent EIB's first investment of this kind. EIB will thus support the development and consolidation of Ireland as hub for the infrastructure funds business in Europe in a post-Brexit environment.

[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 the 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	10.00%
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	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 four indicators which include:

(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[2];

(iv) "Employment" i.e. the project's direct employment effect.

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 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

This project will make a substantial contribution to several key aspects of the EU energy policy as the new Fund to be supported by EIB financing under EFSI will invest in predominantly greenfield small and medium sized renewable energy projects which will support a successful energy transition. This will be achieved mainly by investment in onshore wind and solar power projects. Some allocation will be made to energy storage, which will allow to address the growing importance of energy storage solutions.

The project addresses several market failures and thus contributes to increasing security of energy supply by reducing dependency on energy imports. It will also contribute to reducing carbon and air pollution externalities. Innovative grid technologies (such as batteries) contribute to industry learning and thus drive down costs over time, a positive externality. The operation also addresses the sub-optimal investment situation of the greenfield renewable energy segment demonstrated through relative scarcity of long term equity funding.

The focus on the equity financing of new greenfield renewable energy project construction represents significant risk. The operation will therefore be classified as EIB Special Operations, also taking into account the allocation to the risky and only recently emerging battery segment of the market. The operation is risky as the fund tenor is very long and will be structured under a new Irish legal fund structure. The European renewable energy sector, though characterised by availability of liquidity for operating assets, lacks equity funding for the development and construction phases of renewable energy projects. In addition the Fund proposes a buy and hold investment model which would translate into securing financing for the underlying projects throughout their entire lifetime. Such a strategy is perceived as riskier and more innovative when compared to the traditional renewable energy funds. The Fund's investment in the sector would provide much needed long term equity to projects. Due to the expected riskiness of the operation, the investment could not have been provided to the same extent by the EIB without EFSI support.

The EIB will be a first close investor in an innovative long-term fund structure. This will result in a quality stamp on the fund proposal that is expected to crowd-in private sector financing. EIB financing is expected to increase the investors' confidence in the fund proposal and confirm their own engagement in the financing. The EIB involvement is also likely to have an indirect crowding-in effect given the long tenure it proposes that is not yet common in the renewable energy space. The operation may serve as an example for other fund managers to follow. The same also applies to the proposed legal structure (Irish Collective Asset-management Vehicles - ICAV) of the Fund which is new, having been launched by the Irish government only recently.

The operation will be the first for the EIB with the Fund Manager and will allow the EIB to provide support to an innovative long-term fund structure and hence provide long-term equity financing to the new greenfield renewable energy generation asset class in the EU.

Set of indicators related to the macroeconomic environment

Regional - EU countries - Economic environment

Economic Performance

	EU 2016	EU 2016	US 2016	EU 2001-2007
GDP per capita (EUR, PPS)	29,440	29,440	42,615	28,710
GDP growth (%)	1.9	1.9	1.6	2.3
Potential GDP growth (%)	1.3	1.3	2.1	2.1
Output gap (% of potential GDP)	-0.75	-0.75	-0.03	1.0
Unemployment Rate (%)	8.2	8.2	4.7	8.5
Unemployment Rate (%) - Y/Y change (% points)	-0.8	-0.8	-0.3	-0.26
Bank-interest rates to non-financial corporations (%)	1.4	1.4	1.8	3.9
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.21	-0.21	-1.4	-0.02
Investment rate (GFCF as % of GDP) - Total	19.7	19.7	19.6	21.4
Investment rate (GFCF as % of GDP) - Public	2.7	2.7	3.4	3.1
Investment rate (GFCF as % of GDP) - Private	17.0	17.0	16.2	18.3

Energy

	2013	2014	2015	2016	EU (latest available)
Energy consumption from renewables (%)	15.2	16.1	16.7	--	16.7
Energy consumption from renewables - distance to EU 2020 target (%)	4.8	3.9	3.3	--	3.3
Energy dependence (%)	53.1	53.5	--	--	53.5
Primary energy consumption (consumption in 2005 =100)	91.6	88.0	89.3	--	89.3
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	141.7	--	--	--	141.7
Primary energy consumption (Million Tonnes of Oil Equivalent)	1,570	1,508	1,530	--	1,530
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	86.9	25.3	46.6	--	46.6

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Electricity, gas, steam and air conditioning supply (% of total)	--	--	--	--	2.0
Employment in Electricity, gas, steam and air conditioning supply (% of total)	--	--	--	--	0.6

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms
- EU value for "Bank-interest rates to non-financial corporations" 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[3]

Key project characteristics

	Expected at PCR
Start of works	01.04.2018
End of works	01.04.2022
Project investment cost	500.00 MEUR
EIB/EFSI eligible investment mobilised	1,209.00 MEUR
External EFSI multiplier	12.09
External EIB (non-EFSI) multiplier	0.00
Amount of private financing	400.00 MEUR
Quick start (% of expenditure during 2015-2018)	20.00 %
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc)	0.00 MEUR
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	100.00% Mitigation - Renewable Energy (transversal)
Employment during construction - temporary jobs	2,229 person years
Employment during operation - new permanent jobs	178 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.