



EFSI Operation Scoreboard¹

<u>PROJECT PRESENTATION</u>	
<u>Project name</u>	PORTUGUESE PORTS PRIVATE INVESTMENT PLAN 2017-2019
<u>Promoter and financial intermediary</u>	Yilport Iberia, S.A.
<u>Country of implementation</u>	Portugal
<u>Summary project description</u>	<p>A portfolio of several port terminal concessions has been recently acquired by the Promoter (Yildirim Group) including facilities in Portugal, Spain and South America. In order to cope with forecasted additional traffic, to improve the efficiency at these terminals and to bring the operations up to the Promoter's standards and requirements, an investment programme was defined (c. €96m) and is to be implemented from 2017 to 2020.</p> <p>The project consists of several different investments in the existing maritime container terminals of Leixões (Oporto) and Alcântara (Lisbon) aiming at expanding the capacity and improving the efficiency. The concession terms at these terminals are confirmed to extend until 2030 at Leixões and until 2042 at Lisbon. These investments include civil works (like pavements, rail access, gates, electrical and other utilities facilities, buildings and parking areas) and new handling equipment (like cranes and other similar equipment).</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 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	50.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	50.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: development of transport infrastructures, and equipment and innovative technologies for transport	100.00%
TEN-T maritime ports	100.00%

Pillar 2

Quality and soundness of the project	Excellent
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 sustainability²;*
- (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 of upgrade and expansion of two port terminals in Portugal contributes to the EU and EFSI Policy Objective to develop Strategic Transport projects including on the TEN-T, as the investments are located in the ports of Leixões and Lisbon, which are part of the core TEN-T ports network and nodes in the Atlantic TEN-T Core Network Corridor. This operation will have positive impacts on the environment by supporting maritime transport, in particular short sea shipping, as an alternative to other less sustainable transport modes, promoting intermodal transport and in particular improving rail accesses to the ports. This project will therefore make a significant to Climate Change mitigation policy. Additionally, the port of Leixões is located in a less-developed region of Portugal and as such, the projects contribute to economic, social and territorial cohesion by creating temporary jobs during construction, direct jobs for the ports operations and indirect employment by increasing the competitiveness of the Portuguese industry supply chain.

The project responds to a market failure by reducing transport negative externalities and addresses a sub-optimal investment situation as the counterparts for this operation, new to the EIB, are constrained by the limited sources of financing available from commercial banks for long-term asset financing in Portugal. The EIB's financing to this Project would also constitute a strong signal of EIB's support to the Port Sector in Portugal, in the context of the "Ports Competitiveness Strategy 2026" recently presented by the Portuguese Ministry of the Sea, which anticipates investments in excess of EUR 2,100m until 2026. The EIB support is therefore crucial to address the persistent under-investment in the sector, which led to capacity bottlenecks.

The EIB financing under EFSI, falling in EIB Special Activity risk category, contains certain risk features over and above those normally accepted by the EIB, in particular traffic risk, longer tenor to match the economic life of the project, which results in a subordinated position towards external lenders.

The EIB financing will have a catalytic effect on private investment as the EIB's participation will allow the crowding-in of additional equity investments and will ease the involvement of commercial banks. Overall, EIB's financing will show evidence to commercial banks and the capital markets that long term financing, through EIB, is available to support investments in the Port Sector and with full exposure to market risk. This could in turn facilitate the financing of the ambitious national port competitiveness strategy.

Set of indicators related to the macroeconomic environment

Portugal - Economic environment

Economic Performance

	PT	EU	US	PT
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	22,541	29,440	42,615	22,808
GDP growth (%)	1.4	1.9	1.6	1.2
Potential GDP growth (%)	0.37	1.3	2.1	1.4
Output gap (% of potential GDP)	-0.82	-0.75	-0.03	0.15
Unemployment Rate (%)	10.2	8.2	4.7	7.8
Unemployment Rate (%) - Y/Y change (% points)	-2.0	-0.8	-0.3	0.56
Bank-interest rates to non-financial corporations (%)	2.3	1.4	1.8	4.6
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.28	-0.21	-1.4	-0.05
Investment rate (GFCF as % of GDP) - Total	14.8	19.7	19.6	24.1
Investment rate (GFCF as % of GDP) - Public	1.5	2.7	3.4	4.2
Investment rate (GFCF as % of GDP) - Private	13.3	17.0	16.2	19.9

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Warehousing and support activities for transportation (% of total)	--	--	--	--	1.6
Employment in Warehousing and support activities for transportation (% of total)	--	--	--	--	1.2

Sea/Waterways

	2013	2014	2015	2016	EU (latest available)
Maritime port infrastructure investment as % of GDP	0.02	--	--	--	--
Inland waterway infrastructure investment as % of GDP	0	--	--	--	--
Passengers transport by sea (Thousand)	249.0	252.0	269.0	--	--
Goods transport by sea (Thousand tonnes)	78,244	80,156	88,769	--	3,840,510
Goods transport by inland waterways (Million tonne-kilometre)	--	--	--	--	--

Other indicators³

Key project characteristics

	Expected at PCR
Start of works	01.10.2017
End of works	31.03.2020
Project investment cost	95.98 MEUR
EIB/EFSI eligible investment mobilised	92.84 MEUR
External EFSI multiplier	2.32
External EIB (non-EFSI) multiplier	
Amount of private financing	55.43 MEUR
Quick start (% of expenditure during 2015-2018)	62.00 %
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)	
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	50.00% Mitigation - Transport (transversal)
Employment during construction - temporary jobs	785 person years
Employment during operation - new permanent jobs	0 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.