



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

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	CDP - INTEGRATED URBAN REGENERATION IP
<b><u>Promoter or financial intermediary</u></b>	CASSA DEPOSITI E PRESTITI
<b><u>Country of implementation</u></b>	Italy
<b><u>Summary project description</u></b>	<p>This operation consists in an equity contribution to “<i>FIA2 – Integrated Urban Regeneration IP</i>” (the “Fund” or the “FIA2”), a Fund of Funds structure established by Cassa Depositi e Prestiti S.p.A. (“CDP”), the Italian National Promotional Bank, and managed by one of its subsidiaries CDP Investimenti Società di Gestione del Risparmio S.p.A. (“CDPI Sgr” or the “Fund Manager”). The Fund will invest in urban regeneration and integrated urban development, mainly through sub-funds (not less than 65% of total FIA2 commitments) and residually through direct investments, trying to address existing market failures and to respond to the emerging demand trends on the Italian real estate market.</p> <p>This operation corresponds to the objectives of Smart City development given the innovative approach to urban regeneration targeting the mix of affordable housing with innovation, education and new approaches to jobs and skills creation.</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 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank’s internal decision-making process), have been replaced by the symbol [...].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

<b>Contribution to EU policy</b>	<b>Significant</b>
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<b>Cross-cutting objectives</b>	
EIB Cohesion Priority Regions / Economic and Social Cohesion	11.00%
<b>EFSI</b>	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	5.00%
Other research, development and innovation	5.00%
EFSI: Environment and resource efficiency	80.00%
Sustainable urban and rural development	80.00%
EFSI: Human capital, culture and health	15.00%
Social infrastructures, social services, social and solidarity economy	15.00%

### Pillar 2

<b>Quality and soundness of the project</b>	<b>Good</b>
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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<sup>2</sup>;*
- (iv) "Employment" i.e. the project's direct employment effect.*

### Pillar 3

<b>EIB Technical and financial contribution to the project</b>	<b>High</b>
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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,*

<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.

(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***

This EFSI Investment Platform, in the form of a Fund developed in partnership with Cassa Depositi e Prestiti S.p.A. (“CDP”), will allow providing financing to a number of small projects in the fields of sustainable urban development, social infrastructure (in particular affordable housing, senior people housing and related infrastructures) and in support to research, innovation and development activities occurring from small entrepreneurship initiatives (SME, freelancers, start-ups and business incubators). Underlying projects will partly take place in less developed and transition regions of Italy and are also expected to have a positive impact on climate change mitigation, in particular through energy efficiency improvements in existing buildings to be refurbished and redeveloped.

This Platform will address a number of market failures and sub-optimal investment situations related to the insufficient investment levels in urban regeneration and integrated urban development in Italy, mainly due to the financial crisis that translated into a shortage of budgetary resources for the refurbishment of public assets and, therefore, limiting the participation from private investors. Moreover, the underlying projects will generate positive externalities through an improved provision of facilities, amenities and services, which will result in positive economic and social externalities, in the form of a higher quality of enabling services for businesses and economic activities as well as improvement of the quality of life of residents. These positive externalities cannot be monetised by the market and the risk-return balance makes it difficult for private investors to intervene without the support of public institutions such as the EIB and CDP.

This lack of investment in urban regeneration has led to a significant number of vacant public and private buildings as well as urban brownfields, while, at the same time, an increasing number of households experience difficulties in bearing the costs related to housing.

The EIB participation as an equity investor in the Fund (FIA2) will address the lack of long-term equity in the sector. This is the first EIB operation of this kind in Italy and represents quite an innovative instrument. Given its equity nature this transaction involves a risk profile higher than projects supported by normal EIB operations, falling under EIB Special Activity risk category, and, as a result, cannot be carried out to the same extent by the EIB without the EFSI guarantee.

EIB and CDP collaborating as anchor investors will have an important signalling effect to other market participants. It is expected to have a strong catalytic effect and to provide comfort to other public and private investors about the financial, economic as well as environmental and social sustainability of the sector. The financial facilitation of the EIB support under EFSI will be significant since the Bank’s involvement with EFSI support is seen by the Fund Manager and CDP as an essential component for FIA2 to close the necessary financing for the Fund. Furthermore, the underlying investments will be implemented through different local and regional Italian funds across Italy thus supporting local promoters.

Besides, building construction and refurbishment activities resulting from the Fund’s investments are expected to have a positive effect on job creation and growth, with employment during construction estimated at more than 6,000 person-years.

## Set of indicators related to the macroeconomic environment

### Italy - Economic environment

#### Economic Performance

	IT 2016	EU 2016	US 2016	IT 2001-2007
GDP per capita (EUR, PPS)	28,097	29,440	42,615	31,501
GDP growth (%)	0.88	1.9	1.6	1.2
Potential GDP growth (%)	-0.33	1.3	2.1	1.1
Output gap (% of potential GDP)	-1.7	-0.75	-0.03	1.3
Unemployment Rate (%)	11.8	8.2	4.7	7.6
Unemployment Rate (%) - Y/Y change (% points)	0.2	-0.8	-0.3	-0.44
Bank-interest rates to non-financial corporations (%)	1.1	1.4	1.8	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.33	-0.21	-1.4	0.02
Investment rate (GFCF as % of GDP) - Total	17.0	19.7	19.6	21.1
Investment rate (GFCF as % of GDP) - Public	2.1	2.7	3.4	2.9
Investment rate (GFCF as % of GDP) - Private	14.9	17.0	16.2	18.2

#### Education

	2013	2014	2015	2016	EU (latest available)
Early leavers from education (% of population aged 18-24)	16.8	15.0	14.7	13.8	10.7
Tertiary education attainment (% of population aged 30-34)	22.5	23.9	25.3	26.2	39.1
Education expenditure per pupil/student (EUR) - Pre-primary education	4,769	4,850	--	--	--
Education expenditure per pupil/student (EUR) - Primary and lower secondary education (levels 1 and 2)	6,699	6,809	--	--	--
Education expenditure per pupil/student (EUR) - Upper secondary and post-secondary non-tertiary education (levels 3 and 4)	8,637	8,199	--	--	--
Education expenditure per pupil/student (EUR) - Tertiary education (levels 5-8)	9,483	9,607	--	--	--

#### General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Construction (% of total)	--	--	--	--	5.9
Value added in Education (% of total)	--	--	--	--	5.3
Employment in Construction (% of total)	--	--	--	--	6.6
Employment in Education (% of total)	--	--	--	--	6.7

- 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<sup>3</sup>

#### Key project characteristics

	Expected at PCR
Start of works	31.07.2017
End of works	30.07.2027
Project investment cost	1,000.00 MEUR
EIB/EFSI eligible investment mobilised	999.81 MEUR
External EFSI multiplier	10.00
External EIB (non-EFSI) multiplier	
Amount of private financing	800.00 MEUR
Quick start (% of expenditure during 2015-2018)	5.00 %
Co-financing with national promotional banks	100.00 MEUR

	Expected at PCR
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	
Employment during construction - temporary jobs	6,420 person years
Employment during operation - new permanent jobs	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.