



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	SOCIAL & AFFORDABLE HOUSING INVESTMENT PLATFORM
<u>Promoter or financial intermediary</u>	Instituto de Crédito Oficial (ICO)
<u>Country of implementation</u>	Spain
<u>Summary project description</u>	The Operation concerns the development and setting up of an Investment Platform for social and affordable housing in Spain ("Investment Platform") in support of investments in new construction as well as refurbishments related to the implementation of the 2018-2021 National Housing Plan (Plan Estatal de Vivienda – PEV) and other housing strategic documents such as Regional and Local Housing Plans. The Investment Platform will be developed in cooperation with the Spanish National Promotional Bank, Instituto de Crédito Oficial ("ICO") for a total project cost of EUR 600m

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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	Significant
Cross-cutting objectives	
EIB Cohesion Priority Regions / Economic and Social Cohesion	33.00%
Climate Action	20.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities	25.00%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)	25.00%
EFSI: Human capital, culture and health	75.00%
Social infrastructures, social services, social and solidarity economy	75.00%

Pillar 2

Quality and soundness of the project	Acceptable
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	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 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 operation, consisting of the creation of an Investment Platform for social housing, addresses a number of EFSI objectives in the field of social and affordable housing, urban development and energy efficiency of buildings. Furthermore, the operation will also contribute to climate mitigation through the energy savings and support investment in Cohesion regions, as it is expected that a quarter of the sub-projects financed by the platform will be located in Spanish cohesion regions.

This operation addresses the financing gap for investment in social housing in Spain. Indeed, social housing investments have dropped dramatically since the financial crisis in 2008 due to reduced long-term financing available to promoters. In turn, low credit volumes and higher cost of financing negatively affect economic returns on projects, further dampening private investment. As to the public sector, budgetary restrictions imposed on local authorities limit their ability to adequately fund or guarantee projects.

The aim of the Investment Platform is to counter this sub-optimal investment situation by building upon the origination capacity, sector expertise and risk absorption capacity of EIB and ICO, which will jointly manage the platform and provide different types of financing.

As to risk profile, EFSI support will enable an operation that could not have been carried out by EIB before in light of its high risk profile. Sub-operations will mostly target new clients of the EIB and are expected to fall under the Special Activities category due to the absence of a public guarantor and weak credit metrics. Ultimately, loan repayment will hinge on cash-flows generated by the rental of social housing units, and therefore depend on market demand, rent collection rates and the promoters' capacity to implement and manage the projects. The platform will mobilise private investment via the participation of commercial banks as lenders, and by financing eligible projects presented by private sector promoters, as well as by supporting smaller scale investments, to the benefit of local contractors.

The provision of long-term financing through the Investment Platform will allow public promoters to accelerate their investment plans and promote an effective and strategic use of public money within the established framework of budgetary discipline in Spain. The operation will have an important social impact by offering long term affordable financing allowing to maintain the rents at low levels as well as through a high employment impact as housing construction is typically labour-intensive.

Finally, the projects may benefit from technical and/or financial support to the preparation and implementation of the relevant projects given by the EIAH or ELENA for energy efficiency projects.

Set of indicators related to the macroeconomic environment

Spain - Economic environment				
Economic Performance				
	ES	EU	US	ES
	2018	2018	2018	2001-2007
GDP per capita (EUR, PPS)	26,818	29,440	42,615	28,562
GDP growth (%)	3.2	1.9	1.6	3.6
Potential GDP growth (%)	0.39	1.3	2.1	3.6
Output gap (% of potential GDP)	-1.8	-0.75	-0.03	2.9
Unemployment Rate (%)	18.4	8.2	4.7	10.0
Unemployment Rate (%) - Y/Y change (% points)	-2.3	-0.8	-0.3	-0.33
Bank-interest rates to non-financial corporations (%)	1.6	1.4	1.8	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.41	-0.21	-1.4	-0.05
Investment rate (GFCF as % of GDP) - Total	19.9	19.7	19.6	28.7
Investment rate (GFCF as % of GDP) - Public	1.9	2.7	3.4	4.1
Investment rate (GFCF as % of GDP) - Private	18.0	17.0	16.2	24.6

General Sector Indicators					
	2013	2014	2016	2018	EU (latest available)
Value added in Construction (% of total)	-	-	-	-	5.9
Employment in Construction (% of total)	-	-	-	-	6.9

Urban development					
	2013	2014	2016	2018	EU (latest available)
Urban population as % of total population	79.1	79.4	79.6	-	-
Urban population exposure to air pollution by particulate matter (Micrograms per cubic metre)	19.5	20.7	-	-	22.5
Unemployment rate - Cities (%)	24.3	22.9	20.7	18.7	9.1
Unemployment rate - Towns and suburbs (%)	27.4	25.3	22.8	20.1	8.3
Unemployment rate - Rural areas (%)	28.8	27.2	24.5	21.5	8.4
At risk poverty rate - Cities (%)	16.6	19.0	19.0	20.1	16.4
At risk poverty rate - Towns and suburbs (%)	20.1	22.9	22.9	20.8	15.8
At risk poverty rate - Rural areas (%)	27.6	27.9	27.6	28.1	20.2
Severe housing deprivation rate - Cities (%)	1.8	1.7	1.7	1.7	5.0
Severe housing deprivation rate - Towns and suburbs (%)	1.6	1.5	1.8	2.1	3.9
Severe housing deprivation rate - Rural areas (%)	1.8	1.9	0.9	1.2	6.6
Households level of internet access - Cities (%)	74.0	78.0	83.0	85.0	88.0
Households level of internet access - Towns and suburbs (%)	71.0	75.0	79.0	83.0	86.0
Households level of internet access - Rural areas (%)	61.0	66.0	71.0	76.0	80.0

- 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 indicators³

Key project characteristics

	Expected at PCR
Start of works	01.01.2018
End of works	31.12.2021
Project investment cost	600.00 MEUR
EIB/EFSI eligible investment mobilised	425.00 MEUR
External EFSI multiplier	1.70
External EIB (non-EFSI) multiplier	2.00
Amount of private financing	100.00 MEUR
Quick start (% of expenditure during 2015-2018)	25.00 %
Co-financing with national promotional banks	150.00 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	20.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs	5,031 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.