



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

| <b><u>PROJECT PRESENTATION</u></b>               |  |
|--|--|
| <b><u>Project name</u></b>                       | NORTHWESTER 2  |
| <b><u>Promoter or financial intermediary</u></b> | PARKWIND   |
| <b><u>Country of implementation</u></b>          | Belgium  |
| <b><u>Summary project description</u></b>        | The Project concerns the design and construction of an offshore wind farm of 218.5 MW, comprising 23 wind turbines with a unit capacity of 9.5 MW, a rotor diameter of 164 m and a hub height of 107 m, monopile foundations, inter-array cabling (medium-voltage), an offshore substation and the evacuation cable into the Modular Offshore Grid (MOG). The MOG will be implemented by the Belgian Transmission System Operator (TSO). |

<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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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

| Contribution to EU policy   | High    |
|---|---------|
| Cross-cutting objectives  |         |
| Climate Action  | 100.00% |
| 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 | 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 sustainability<sup>2</sup>;*
- (iv) "Employment" i.e. the project's direct employment effect.*

### 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 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.*

<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.

## **Pillar 4 – Complementary indicators**

### ***Additionality***

In line with the EFSI objective to the development of the energy sector in accordance with the EU priorities and namely, the expansion of the use or supply of renewable energy, the operation is addressing a gap in the affordable and adequate long-term financing (provided by reliable long-term financing sources) for renewable energy generation. It will also contribute to reducing carbon and air pollution externalities and support innovative grid technologies.

The high level of investment needed in order to meet the EU targets for the deployment of renewable energy by 2020 makes the timely deployment of this project essential. Thanks to EFSI support, the operation will address market failures and sub-optimal investment situations related to the complexity and inherent high risks of the electricity renewable sector, combined with ongoing regulatory reforms and insufficient investment within the required timeframe. The availability of long-term debt financing from the EIB will strongly determine the projects viability, as currently other sources of suitable financing provided by lenders with a long term interest in the project are scarce especially for a project seeking to optimise its financing structure with specifically a long term view. In this context, the EIB will act as a cornerstone financier of this project.

Financing of new greenfield renewable energy project construction represents significant risks, which are increased for this operation due to the novelty of the connection of the wind farm with the grid as well as the innovative turbines to be used. The operation shall thus fall under the Special Activity category. With the support of EFSI, the EIB contribution to the financing plan through sizeable long term financing, as a direct support and in cooperation with one or more export credit agencies.

Overall the operation is expected to serve as a catalyst for private financing and investment for this and other potential subsequent operations. The EIB would thus support the further development of the renewable energy market model from one dependant on public subsidies on investment to one more based on competition, lower support, more developed technologies and a wide range of promoters.

## Set of indicators related to the macroeconomic environment

### Belgium - Economic environment

#### Economic Performance

|   | BE<br>2016 | EU<br>2016 | US<br>2016 | BE<br>2001-2007 |
|---|------------|------------|------------|-----------------|
| GDP per capita (EUR, PPS)   | 34,665     | 29,440     | 42,615     | 35,138          |
| GDP growth (%)  | 1.2        | 1.9        | 1.6        | 2.1             |
| Potential GDP growth (%)  | 1.3        | 1.3        | 2.1        | 2.0             |
| Output gap (% of potential GDP)   | -0.59      | -0.75      | -0.03      | 0.76            |
| Unemployment Rate (%)   | 7.0        | 6.2        | 4.7        | 7.9             |
| Unemployment Rate (%) - Y/Y change (% points)                                 | -1.6       | -0.8       | -0.3       | 0.09            |
| Bank-interest rates to non-financial corporations (%)                         | 1.5        | 1.4        | 1.8        | 4.3             |
| Bank-interest rates to non-financial corporations (%) - Y/Y change (% points) | -0.08      | -0.21      | -1.4       | -0.34           |
| Investment rate (GFCF as % of GDP) - Total                                    | 23.0       | 19.7       | 19.6       | 21.8            |
| Investment rate (GFCF as % of GDP) - Public                                   | 2.3        | 2.7        | 3.4        | 2.1             |
| Investment rate (GFCF as % of GDP) - Private                                  | 20.7       | 17.0       | 16.2       | 19.7            |

#### Energy

|  | 2013  | 2014 | 2015 | 2016 | EU (latest available) |
|--|-------|------|------|------|-----------------------|
| Energy consumption from renewables (%)   | 7.5   | 8.0  | 7.9  | —    | 16.7                  |
| Energy consumption from renewables - distance to EU 2020 target (%)                        | 5.5   | 5.0  | 5.1  | —    | 3.3                   |
| Energy dependence (%)  | 77.4  | 80.1 | —    | —    | 53.5                  |
| Primary energy consumption (consumption in 2005 = 100)                                     | 94.9  | 88.0 | 89.0 | —    | 89.3                  |
| Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)                       | 172.6 | —    | —    | —    | 141.7                 |
| Primary energy consumption (Million Tonnes of Oil Equivalent)                              | 48.7  | 45.2 | 45.7 | —    | 1,530                 |
| Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target | 5.0   | 1.5  | 2.0  | —    | 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<sup>3</sup>

#### Key project characteristics

|   | Expected at PCR                                     |
|---|---|
| Start of works  | 01.02.2019  |
| End of works  | 31.12.2020  |
| Project investment cost   | [...]   |
| EIB/EFSI eligible investment mobilised  | [...]   |
| External EFSI multiplier  | 3.00  |
| External EIB (non-EFSI) multiplier  | 0.00  |
| Amount of private financing   | [...]   |
| Quick start (% of expenditure during 2015-2018)   |   |
| 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   | 1,427 person years                                  |
| Employment during operation - new permanent jobs  | 20 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.