



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	VENICE AIRPORT DEVELOPMENT PLAN
<u>Promoter or financial intermediary</u>	SAVE SPA
<u>Country of implementation</u>	Italy
<u>Summary project description</u>	<p>The project comprises a number of investments at Venice Marco Polo International Airport (“Venice Airport”), aimed at increasing its capacity to accommodate future growth in traffic, alleviating current congestion and improving safety and security performance. It will help Venice Airport to align with the role of airport of “national interest with particular strategic relevance”, as defined in the Italian National Airports Plan (“Piano Nazionale degli Aeroporti”), approved in August 2015.</p> <p>The project includes the extension and upgrade of the passenger terminal, the repaving and upgrade of the existing runway system and the acquisition of Explosive Detection Systems (“EDS”) equipment meeting Standard 3 (“S3”). Both actions are in accordance with the “Masterplan 2021” for the airport. More precisely, the project includes Lot 2a of the terminal expansion and Lot 2 of the flight infrastructure upgrade and regulatory compliance.</p> <p>Venice Airport is the fourth busiest airport in Italy and the main airport in Northeast Italy, handling 10.4 million passengers in 2017. The project will increase the capacity of the airport from 10 to 16 million passengers per annum (mppa). The project will contribute to the European Safety Initiative (“ESI”) with a 9.3% of its project cost as it will make Venice Airport to be compliant with the new standards of the Commission Regulation on implementation of the common basic standards on aviation security.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank’s internal decision-making process), have been replaced by the symbol [...].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	Significant
EFSI	
Contribution to EFSI	100.00%
EFSI: development of transport infrastructures, and equipment and innovative technologies for transport	100.00%
Projects and horizontal priorities eligible under Regulations (EU) No 1315/2013 and (EU) No 1316/2013	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

In line with the EFSI objective of developing transport infrastructures, and equipment and innovative technologies for transport, the operation supports Venice Marco Polo International Airport (“Venice Airport”), one of the TEN-T core network airports in Italy included in both the Baltic-Adriatic and Mediterranean corridors. At the same time, the operation supports policy objectives in relation to the European Safety Initiative (“ESI”) as it will help Venice Airport become compliant with the new standards of the Regulation (EC) N°300/2008 on common rules and basic standards on aviation security.

Thanks to EFSI, this is the first direct lending to the Promoter, SAVE, the operator owning and directly managing the Venice Airport, which is the fourth busiest airport in Italy, handling 10.4m passengers in 2017.

The operation addresses the market failure relating to the external costs imposed on users due to airport congestion and contributes to supersede this congestion by providing additional airport capacity. Moreover, the project significantly contributes to the internationalisation efforts of the enterprises comprised in the airport catchment area as Venice Airport plays a pivotal role in enabling such domestic companies to thrive across European and international markets.

The operation also addresses a sub-optimal investment situation with respect to SAVE’s existing infrastructure that needs to be improved to accommodate future traffic growth. The runway system upgrade included in the project will allow an increase in airside capacity from the current 30 movements/hour to 34 movements/hour. Moreover the terminal upgrade included in the project (Lot 2a) will allow the Promoter to increase the capacity of Venice Airport from 10m passengers per year to 16m passengers per year, which will meet expected demand to about 2030 according to the Promoter’s traffic forecast.

Italian regional airports have historically experienced constrained access to long-term financing, with commercial banks unable to fully match the funding requirements of their investment plans and local capital markets are not sufficiently developed to provide alternative funding sources to such small-scale companies. Thanks to EFSI, EIB financing shall thus contribute to the acceleration and implementation of SAVE’s investment plan.

The operation is expected to fall under the Special Activity category taking into account the required longer tenor to match the economic life of investments. Without EFSI support, the EIB could not have supported this operation to the same extent. Thanks to EFSI, EIB can undertake a subordinated position and thus provide comfort and a strong signal to commercial lenders and possibly bond investors to offer complementary funding in support of the Promoter’s current and future investment plans.

Set of indicators related to the macroeconomic environment

Italy - Economic environment				
Economic Performance				
	IT	EU	US	IT
	2016	2016	2016	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

Air					
	2013	2014	2015	2016	EU (latest available)
Airport infrastructure investment as % of GDP	0.01	--	--	--	--
Passengers transport by air (number)	115,271,926	121,156,068	127,662,298	--	918,209,300
Goods transport by air (Tonnes)	814,539	864,068	909,459	--	14,633,266

General Sector Indicators					
	2013	2014	2015	2016	EU (latest available)
Value added in Air transport (% of total)	--	--	--	--	0.3
Employment in Air transport (% of total)	--	--	--	--	0.2

- 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	01.09.2018
End of works	31.05.2025
Project investment cost	477.53 MEUR
EIB/EFSI eligible investment mobilised	460.70 MEUR
External EFSI multiplier	3.10
External EIB (non-EFSI) multiplier	
Amount of private financing	327.53 MEUR
Quick start (% of expenditure during 2015-2018)	5.80 %
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	
Employment during construction - temporary jobs	2,700 person years
Employment during operation - new permanent jobs	500 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.