



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

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	VIPA ENERGY EFFICIENCY INVESTMENT PLATFORM SFSB
<b><u>Promoter or financial intermediary</u></b>	VIESUJU INVESTICIJU PLETROS AGENTURA UAB
<b><u>Country of implementation</u></b>	Lithuania
<b><u>Summary project description</u></b>	<p>The Public Investment Development Agency (UAB Viesuju Investiciju Pletros Agentura or "VIPA"), is setting up the first investment platform in Lithuania to finance a broad range of energy efficiency modernization projects, public and industrial building modernization, street lightning or green transportation.</p> <p>VIPA will be on-lending the EIB loan to the Platform, which will receive an [...] equity contribution from the largest Lithuanian national energy companies responsible for large-scale energy efficiency savings. Other interested investors and debt providers are also expected to consider this opportunity. EBRD has shown significant interest.</p> <p>In its role as a Promoter and Manager of the Platform, beyond on-lending the EUR 25m loan received from the EIB, VIPA will not contribute to its equity, but will be expected to bear full liability towards the other lenders of the Platform beyond the equity first-loss piece. In addition, VIPA will provide the Platform with specialized logistical and admin resources necessary. [...]</p> <p>The proposed operation would be implemented in Lithuania, a cohesion country, and as a result, VIPA, the sponsor of the investment Platform, would become a first-time counterpart to the EIB, which would thus achieve further expansion of its activities in the Baltics.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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**

Contribution to EU policy	High
<b>Primary objectives</b>	
Renewable Energy and Energy Efficiency	100.00%
<b>Cross-cutting objectives</b>	
Climate Action	100.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	100.00%
<b>EFSI</b>	
Contribution to EFSI	100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities	100.00%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)	100.00%

### **Pillar 2**

Quality and soundness of the project	Good
1. Capacity and soundness of the Intermediary and quality of the operating environment	[...]
2. Increasing access to finance and improving financing conditions including for final beneficiaries	[...]
3. 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	High
1. Financial contribution	[...]
2. Financial facilitation	[...]

*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 of developing the energy sector in accordance with the Energy Union priorities, the operation supports the long-term financing of SMEs, Mid-Caps and Public Sector Entities through the set-up of an Investment Platform (IP) by VIPA, the Lithuanian National Promotional Institution (NPI). The operation aims in particular at helping VIPA establish this Platform aimed at financing the implementation of energy efficiency modernisation projects and more generally at addressing the overarching national objective of environment and resource efficiency, in line with climate action objectives. Overall, the operation supports investments that are enhancing the environmental protection and the quality of life in local communities, in a country that is eligible under the EU Cohesion Policy.

Thanks to EFSI, through this operation, the EIB provides its first time support to VIPA that creates the first national IP in order to achieve synergies and attract more efficiently public and private financing. This innovative structuring is the only way the EIB can optimally reach and support final beneficiaries in need of financing energy efficiency modernisation projects, as they would otherwise be too small and/or too numerous for the EIB to reach individually.

Through this operation, with the support of EFSI, the EIB is tackling important market failures and sub-optimal investment situations in Lithuania, where there is a substantial and growing funding gap for energy efficiency modernisation projects, estimated at approximately EUR 11bn. Moreover, the economic lifetime of energy efficiency investments exceeds the tenor of loans typically available on the domestic financial market. The presence of market failures is evidenced in the fact that such projects have normally been supported mostly with public funds, with a substantial EU component, such as JESSICA programs. The IP will thus allow continuing and at the same time extending the support to energy efficiency projects and shall support VIPA in its ability to help local SMEs, Mid-Caps and Public Sector pivotal in ultimately supporting the economic growth and job creation and/or preservation in Lithuania.

The operation is expected to fall under the EIB's Special Activity risk category taking into account the complexity of the IP structure. Moreover, the European Investment Advisory Hub (EIAH) supports VIPA with defining and structuring the pipeline of projects, thus developing new types of projects into viable maturity, with solutions and products not previously available on the Lithuanian market. EIAH participation is key taking into account the complexity of underlying projects to be addressed through the IP. EBRD also shows significant interest in participating to in the IP.

## Set of indicators related to the macroeconomic environment

Lithuania - Economic environment				
Economic Performance				
	LT	EU	US	LT
	2018	2016	2018	2001-2007
GDP per capita (EUR, PPS)	22,456	29,440	42,615	16,168
GDP growth (%)	2.3	1.9	1.6	6.1
Potential GDP growth (%)	2.1	1.3	2.1	6.1
Output gap (% of potential GDP)	0.62	-0.76	-0.03	1.9
Unemployment Rate (%)	7.6	8.2	4.7	9.7
Unemployment Rate (%) - Y/Y change (% points)	-1.2	-0.8	-0.3	-1.8
Bank-interest rates to non-financial corporations (%)	2.3	1.4	1.0	4.6
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	0.07	-0.21	-1.4	0.75
Investment rate (GFCF as % of GDP) - Total	18.8	19.7	19.8	23.4
Investment rate (GFCF as % of GDP) - Public	2.9	2.7	3.4	3.6
Investment rate (GFCF as % of GDP) - Private	15.7	17.0	16.2	19.8

### Energy

	2013	2014	2015	2016	EU (latest available)
Energy consumption from renewables (%)	22.7	23.6	25.8	--	16.7
Energy consumption from renewables - distance to EU 2020 target (%)	0.3	-0.6	-2.8	--	3.3
Energy dependence (%)	76.3	77.8	--	--	53.5
Primary energy consumption (consumption in 2005 = 100)	71.9	71.3	72.7	--	69.3
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	266.4	--	--	--	141.7
Primary energy consumption (Million Tonnes of Oil Equivalent)	5.7	5.7	5.8	--	1,530
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	-0.79	-0.79	-0.66	--	46.8

- 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
EIB/EFSI eligible investment mobilised	274.00 MEUR
External EFSI multiplier	11.00
External EIB (non-EFSI) multiplier	
Amount of private financing	249.00 MEUR
Sum of number of employees of all final beneficiaries (no additionality) (Relative to the SME/Mid-Cap share)	7,500
Allocation volume dedicated to SME/ Mid-Caps	40.00 %
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)	

<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.