



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

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	PIAGGIO RDI VEHICLE IMPROVEMENTS
<b><u>Promoter or financial intermediary</u></b>	PIAGGIO & C SPA
<b><u>Country of implementation</u></b>	Italy
<b><u>Summary project description</u></b>	<p>The project concerns the promoter's Research &amp; Development (R&amp;D) activities for the development of: (i) vehicle, powertrain and process technology; (ii) scooters; (iii) motorcycles; and (iv) light commercial 3- and 4-wheel vehicles.</p> <p>The innovation activities cover development of product, technologies and tools related innovations; in the product area, the activities focus on safety, sustainability, and customer satisfaction including internet connectivity. In the technologies area, the major themes are eco-development and new materials; time to market and quality.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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>
<b>Cross-cutting objectives</b>	
Climate Action	5.00%
<b>EFSI</b>	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	100.00%
Projects that are in line with Horizon 2020	100.00%

### **Pillar 2**

<b>Quality and soundness of the project</b>	<b>Good</b>
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>Moderate</b>
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***

This operation will support Horizon 2020 under the research, development and innovation general objective of EFSI by R&D investments of Piaggio & C SPA for more innovative and cleaner scooters, motorcycles and light commercial vehicles. The project will contribute to increasing the company's innovation capabilities and thus support its position and prospects in a very competitive and volatile industry.

The R&D investments of the company will contribute to increasing the promoter's knowledge and expertise in the field of scooters, motorcycles and light commercial vehicles and is also expected to bring about environmental benefits, because of the reduction of vehicle weight, fuel consumption and emissions, and safety improvements. Therefore, this operation does not only contribute to sustain high skilled Research, Development and Innovation (RDI) jobs in Europe and the competitiveness of the scooter, motorcycle and light commercial vehicle industry in Europe, but also to the EU policy objectives of sustainable transport.

The scooter, motorcycle and light commercial vehicle industry is currently facing a number of emerging technological and socioeconomic challenges, which are expected to have a significant impact. These changes include electrification and increased digitalisation. The RDI investment financed by this operation will support Piaggio's competitiveness, which is constrained by large Japanese and Asian manufacturers, operating globally and able to make large investments in RDI.

However, given that the results of RDI investments are uncertain and do not create material assets, commercial banks do not finance RDI investment per se and do not match the long lead times of those investments, even more so in this relatively high risk context of the scooter, motorcycle and light commercial vehicle industry. This creates a sub-optimal investment situation, which this operation addresses as it supports a private RDI programme while assisting to reach the EU 2020 RDI investment target.

The EIB will be effectively subordinated in time. As the EIB offering the longest tenor this feature is expected to attract other lenders to finance investments not eligible for the EIB but equally important to maintain the competitive position of the borrower within the industry.

## 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 (%)	0.98	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

#### Environment and Climate

	2013	2014	2015	2016	EU (latest available)
GHG emissions level (emissions in 1990=100)	85.2	81.4	--	--	77.1
Employment in the environmental goods and services sector	--	--	--	--	--
Resource productivity (Euro per kilogram, chain linked volumes (2010))	3.1	3.7	3.7	--	2.0
GHG emissions in non-ETS sectors (base year=100)	80.8	78.4	80.5	--	86.5
GHG emissions in non-ETS sectors, distance to EU 2020 target	-6.2	-8.6	-6.5	--	-4.2
Value added in the environmental goods and services sector (% of total VA)	--	--	--	--	--
Employment in the environmental goods and services sector (% of total employment)	--	--	--	--	--

#### General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Manufacture of motor vehicles, trailers and semi-trailers (% of total)	--	--	--	--	1.4
Employment in Manufacture of motor vehicles, trailers and semi-trailers (% of total)	--	--	--	--	1

#### Research, development and innovation

	2013	2014	2015	2016	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	1.3	1.4	1.3	--	2.0
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	0.22	0.15	0.2	--	0.97
Research and development expenditure - Government (% of GDP)	0.18	0.18	0.18	--	0.24
Research and development expenditure - Higher education (% of GDP)	0.37	0.39	0.38	--	0.47
Research and development expenditure - Business (% of GDP)	0.72	0.78	0.74	--	1.3
Research and development expenditure - Private non-profit sector (% of GDP)	0.04	0.04	0.04	--	0.02
Eco-innovation index (EU =100)	95.0	99.0	106.0	--	100.0

- 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 indicators<sup>3</sup>

### Key project characteristics

	Expected at PCR
Start of works	01.01.2019
End of works	31.12.2021
Project investment cost	151.40 MEUR
EIB/EFSI eligible investment mobilised	151.40 MEUR
External EFSI multiplier	2.16
External EIB (non-EFSI) multiplier	
Amount of private financing	81.40 MEUR
Quick start (% of expenditure during 2015-2018)	0.00 %
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)	
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	[...]
Employment during construction - temporary jobs	[...]
Employment during operation - new permanent jobs	[...]

<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.