



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	NEW AROMATICS TECHNOLOGY DEVELOPMENT
<u>Promoter or financial intermediary</u>	COMPANIA ESPANOLA DE PETROLEOS SAU
<u>Country of implementation</u>	Spain
<u>Summary project description</u>	<p>The promoter is a manufacturer of petrochemical products. The project supports the promoter's and the region's strategy to move towards a more sustainable, safer, cost-competitive and environmentally friendly production of chemicals.</p> <p>More specifically the project concerns: The modernisation and expansion of the promoter's linear alkylbenzene (LAB) production, an intermediate in the manufacture of biodegradable household detergents and other cleaning products for which no viable renewable/bio-base alternatives exist. The project, entailing a nominal capacity increase from 200,000 to 250,000 tonnes of LAB per year, will result in improved resource efficiency and safety of the operations, notably eliminating the risk of releasing toxic chemicals into the environment. The promoter, building on internal know-how, will deploy the company's proprietary, state-of-the-art technology, which will be for the first time applied to a modernisation project.</p> <p>The promoter's research and development programme aimed at improving process efficiency through digitalisation and use of artificial intelligence in the petrochemical and refining facilities as well as more long-term activities aimed at replacing fossil based products with bio/renewable alternatives.</p> <p>[...], the promoter will commit to develop a long term low carbon strategy which will include measurable actions to increase the company's efforts to shift to alternative/renewable based production.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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		High
Cross-cutting objectives		
EIB Cohesion Priority Regions / Economic and Social Cohesion		100.00%
EFSI		
Contribution to EFSI		100.00%
EFSI: Research, development and innovation		13.00%
Projects that are in line with Horizon 2020		13.00%
EFSI: Environment and resource efficiency		87.00%
Other environment and resource efficiency		87.00%

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		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

The project will produce positive environmental impact by (i) upgrading an existing LAB (linear alkylbenzene) production plant from the conventional liquid acid based catalyst system to a solid bed catalyst technology resulting in a significant improvement in terms of environmental footprint of LAB production and (ii) is complemented by an R&D programme in the field of sustainable fuels and chemicals. The project will therefore address the EFSI objective of (i) support of environmental and resource efficiency, (ii) the objective of supporting research, development and innovation and (iii) will be fully deployed in a Cohesion region and hence contribute to the Union priorities on convergence and social cohesion, helping to reduce regional disparities. The operation is addressing a market failure related to financing technological development and innovation. The financing of this project supports RDI activities, which generate significant positive knowledge, technology and environmental externalities. The combination of the promoter's (i) [...], (ii) its exposure to volatile oil prices, and (iii) the capital intensive nature of chemical activities, results in an above average operational and financial risk profile, creating a sub-optimal investment situation.

[...]

The EIB will be providing long-term financing with an unsecured structure and is expected to become a key lender to the promoter. This will result in a quality stamp on the project that is expected to crowd-in private sector financing for the promoters future investments. EIB financing is expected to increase the finance providers confidence in the operation and confirm their own engagement in the financing.

Set of indicators related to the macroeconomic environment

Spain - Economic environment

Economic Performance

	ES 2017	EU 2017	US 2017	ES 2001-2007
GDP per capita (EUR, PPS)	27,557	29,900	43,098	28,706
GDP growth (%)	3.3	2.0	1.5	3.8
Potential GDP growth (%)	0.98	1.7	2.2	3.6
Output gap (% of potential GDP)	-0.24	-0.19	-0.03	2.9
Unemployment Rate (%)	16.5	7.3	4.1	10.0
Unemployment Rate (%) - Y/Y change (% points)	-2.0	-0.9	-0.6	-0.34
Bank-interest rates to non-financial corporations (%)	1.6	1.3	2.4	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	0	-0.04	0.4	-0.05
Investment rate (GFCF as % of GDP) - Total	20.6	20.1	19.7	28.7
Investment rate (GFCF as % of GDP) - Public	2.0	2.7	3.2	4.1
Investment rate (GFCF as % of GDP) - Private	18.6	17.3	16.5	24.6

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Manufacture of chemicals and chemical products (% of total)	--	--	--	--	1
Employment in Manufacture of chemicals and chemical products (% of total)	--	--	--	--	0.5

Research, development and innovation

	2013	2014	2015	2016	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	1.3	1.2	1.2	--	2.0
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	0.73	0.76	0.78	--	0.97
Research and development expenditure - Government (% of GDP)	0.24	0.23	0.23	--	0.24
Research and development expenditure - Higher education (% of GDP)	0.36	0.35	0.34	--	0.47
Research and development expenditure - Business (% of GDP)	0.67	0.65	0.64	--	1.3
Research and development expenditure - Private non-profit sector (% of GDP)	0	0	0	--	0.02
Eco-innovation index (EU =100)	110.0	107.0	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 indicators³

Key project characteristics

	Expected at PCR
Start of works	15.02.2018
End of works	[...] 2020
Project investment cost	123.00 MEUR
EIB/EFSI eligible investment mobilised	123.00 MEUR
External EFSI multiplier	2.05
External EIB (non-EFSI) multiplier	
Amount of private financing	0.00 MEUR
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)	
Energy efficiencies realised	45,000.00 MWh/a
Climate Action indicator	
Employment during construction - temporary jobs	375 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. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.