



EFSI Operation Scoreboard¹

| PROJECT PRESENTATION | |
|--|--|
| <u>Project name</u> | RENFE FEVE ROLLING STOCK NORTHERN SPAIN |
| <u>Promoter or financial intermediary</u> | RENFE OPERADORA |
| <u>Country of implementation</u> | Spain |
| <u>Summary project description</u> | <p>The project consists of the acquisition of rolling stock for suburban and regional railway services in the metric gauge networks of Asturias, Cantabria and Vizcaya. In particular, it consists of the acquisition of 26 electric multiple units for suburban services in Asturias and Cantabria and 5 hybrid multiple units for the regional services between the capitals of the three provinces, Oviedo, Santander and Bilbao.</p> <p>Following decades of underinvestment in fleet renewal in the metric gauge network, the current operating conditions are characterized by a steady reduction in the speed, reliability and comfort, which has already triggered modal shift to road transport. The acquisition of modern rolling stock to replace obsolete rolling stock is one of the key pillars of the action plan for improvement and revitalization of the rail services in the concerned regions in order to restore competitiveness and ensure sustainability of a service of strategic importance for regional integration, accessibility and social inclusion.</p> <p>The trains will be operated under the Public Service Contract signed between the Ministry of Transport and Renfe Operadora for the period 2018-2027.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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 | | |
| Climate Action | | 100.00% |
| EFSI | | |
| Contribution to EFSI | | 100.00% |
| EFSI: development of transport infrastructures, and equipment and innovative technologies for transport | | 100.00% |
| TEN-T railway infrastructure and other rail projects | | 100.00% |

Pillar 2

| Quality and soundness of the project | | Good |
|--------------------------------------|-------|------|
| 1. Growth | [...] | |
| 2. Promoter capabilities | [...] | |
| 3. Sustainability | [...] | |
| 4. Employment | [...] | |

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to 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;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

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 up to 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 the acquisition of electric and hybrid trainsets that will increase the quality of suburban and regional rail services in the Spanish regions of Asturias, Cantabria and Vizcaya. The project aims to increase the efficiency, quality and transport capacity of railway services and thus it will improve accessibility of small municipalities to jobs, education and basic service ensuring regional integration. The project will also contribute 100% to EIB climate action objectives, resulting in reduced greenhouse gas emissions through more efficient operation within the rail mode and a modal shift from road to rail.

This operation addresses clear market failure in the sector related to negative transport externalities in terms of energy consumption and pollution. The borrower is a public company which currently does not have access to capital markets and cannot fully cover its long-term financing needs with financial resources provided by commercial banks due to the significant size of the investments and the increasing competitiveness in the market. The borrower is thus facing a sub-optimal investment situation.

The envisaged EIB financing with EFSI support will be an unsecured loan that will present a longer tenor than other lenders could provide creating structural subordination. The EIB would not be able to provide such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

In this context, the Bank's participation will signal the economic and financial viability of the project. As such, the EIB operation is expected to crowd-in private sector financing and to increase the commercial banks' confidence in the borrower's long-term sustainability and its future investment plans.

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, PPP) | 27,719 | 29,996 | 43,470 | 28,708 |
| GDP growth (%) | 3.0 | 2.4 | 2.2 | 3.6 |
| Potential GDP growth (%) | 1.0 | 1.6 | 2.0 | 3.6 |
| Output gap (% of potential GDP) | -0.35 | 0.08 | 0.04 | 2.7 |
| 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 | 20.5 | 20.2 | 20.5 | 28.7 |
| Investment rate (GFCF as % of GDP) - Public | 2.0 | 2.7 | 3.3 | 4.1 |
| Investment rate (GFCF as % of GDP) - Private | 18.5 | 17.4 | 17.2 | 24.6 |

General Sector Indicators

| | 2013 | 2014 | 2016 | 2018 | EU (latest available) |
|--|------|------|------|------|-----------------------|
| Value added in Land transport and transport via pipelines (% of total) | -- | -- | -- | -- | 2.3 |
| Employment in Land transport and transport via pipelines (% of total) | -- | -- | -- | -- | -- |

Rail

| | 2013 | 2014 | 2016 | 2018 | EU (latest available) |
|--|------|------|------|------|-----------------------|
| Rail Infrastructure Investment as % of GDP | 0.26 | 0.29 | -- | -- | -- |
| Passengers transport by rail (Billion passenger-kilometre) | 23.8 | 25.1 | -- | -- | 428.2 |
| Goods transport by rail (Billion tonne-kilometre) | 9.3 | 10.8 | -- | -- | 877.7 |

- Country average for "GDP per capita (EUR, PPP)" 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 | [...] |
| End of works | 31.12.2024 |
| Project investment cost | 201.00 MEUR |
| EIB/EFSI eligible investment mobilised | 198.80 MEUR |
| External EFSI multiplier | 1.99 |
| External EIB (non-EFSI) multiplier | |
| Amount of private financing | 101.00 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 | 25,934.00 MWh/a |
| Climate Action indicator | 100.00% Mitigation - Transport (transversal) |
| Employment during construction - temporary jobs | 1,700 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.