Commission Delegated Regulation (EU) 2015/1558 of 22 July 2015 supplementing Regulation (EU) 2015/1017 of the European Parliament and of the Council by the establishment of a scoreboard of indicators for the application of the EU guarantee

COMMISSION DELEGATED REGULATION (EU) 2015/1558

of 22 July 2015

supplementing Regulation (EU) 2015/1017 of the European Parliament and of the Council by the establishment of a scoreboard of indicators for the application of the EU guarantee

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments[(1)], and in particular Article 7(14) thereof,

Whereas:

(1) The European Investment Bank (‘EIB’) projects supported by the EU guarantee under the European Fund for Strategic Investments (‘EFSI’) should be assessed in accordance with the EIB's appraisal and due diligence procedures including the 3-Pillar value added assessment framework (‘3PVA’).

(2) The assessment of such projects should be carried out by reference to a scoreboard of indicators that builds on the EIB's 3PVA. The use of such a scoreboard should allow for the efficient implementation of the EFSI while ensuring high quality appraisal standards.

(3) The scoreboard of indicators should be used to ensure that the EU guarantee is directed towards projects with higher added value.

(4) Where the EIB governing bodies decide to revise the EIB's 3PVA, the Commission and the EIB should promptly examine the need to review and amend, where necessary, the scoreboard of indicators in light of the revised 3PVA,

HAS ADOPTED THIS REGULATION:

Article 1

A scoreboard of indicators, referred to in Article 7 of Regulation (EU) 2015/1017, to be used by the Investment Committee of the EFSI to ensure an independent and transparent assessment of the potential and actual use of the EU guarantee is set out in the Annex to this Regulation.

***Changes to legislation:** There are currently no known outstanding effects for the Commission Delegated Regulation (EU) 2015/1558. (See end of Document for details)*

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 22 July 2015.

For the Commission

The President

Jean-Claude JUNCKER

***Changes to legislation:** There are currently no known outstanding effects for the Commission Delegated Regulation (EU) 2015/1558. (See end of Document for details)*

ANNEX

Scoreboard of indicators

1. General principles

A scoreboard of indicators (the 'Scoreboard') shall be used by the Investment Committee established in accordance with paragraphs (7) to (12) of Article 7 of Regulation (EU) 2015/1017 to assess the value added of an operation to be potentially supported by the EIB under the EU guarantee[(2)]. It will be a tool for the investment committee to prioritise the use of the EU guarantee for operations that display higher scores and added value. The EIB shall calculate the scores and indicators *ex ante* and monitor the results at project completion. The Investment Committee shall receive the scores obtained under the relevant pillars and the value of each indicator.

The Scoreboard has four Pillars:

— Pillar 1 — Contribution to EFSI policy objectives
— Pillar 2 — Quality and Soundness of the project
— Pillar 3 — Technical and financial contribution
— Pillar 4 — Complementary indicators

Due to their distinct scope, each pillar shall be assessed individually without aggregation into one single rating. The Investment Committee shall assign equal importance to each pillar, when prioritising projects irrespective of whether the individual pillar presents a numerical score or whether it is composed of unscored qualitative and quantitative indicators. In accordance with Article 7(14) of the EFSI Regulation, this scoreboard is to be used by the Investment Committee to ensure an independent and transparent assessment of the potential and actual use of the EU guarantee. This is without prejudice, and complementary, to the examination of potential projects by the Investment Committee under Article 7(7) of the EFSI Regulation.

2. The Scoreboard

Each EFSI operation shall be rated on each of the 4 pillars. The rating is calculated on the basis of the points obtained on a number of indicators within each pillar, using the following scale:

Points	Pillar 2 rating	Pillar 1 and 3 rating
0-49	Marginal	Low
50-99	Acceptable	Moderate
100-149	Good	Significant
≥ 150	Excellent	High

Pillar 4 will include complementary indicators of a quantitative or qualitative nature and will not be consolidated in an individual rating.

Pillar 1 — Contribution to EFSI policy objectives

Pillar 1 shall assess the consistency with and the contribution of the operation to the realisation of the EFSI general objectives as set out in Article 9(2) of Regulation (EU) 2015/1017. The methodology to assess the overall Pillar 1 rating shall be based on the contribution of the operation ranging from 'low', 'moderate', 'significant' to 'high'.

The assessment builds on the following dimensions:

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— 'Contribution to EFSI objectives' : All projects must contribute to at least one of the general objectives under EFSI. Projects with a low policy priority, such as a 'non-priority' road TEN, shall receive a low rating.

— 'Key objectives' : Article 9(2) of Regulation (EU) 2015/1017, for each of the general policy objectives, identifies a number of key policy areas, which are considered to be of particular importance. Projects in these key policy areas would move up one notch in the rating scale. Specific features of the project leading to particularly high contribution such as demonstration projects or projects that provide a major contribution to Europe 2020 objectives shall also be considered in the rating. Projects that meet multiple objectives, including horizontal ones such as cohesion and climate, will move up additional rating notches.

A single indicator with four rating levels shall be used. To calculate the overall rating, up to 50 points are allocated for each rating notch. When added together (without weighting), the project is then categorised as 'low' (less than 50 points), 'moderate' (50 to 99 points), 'significant' (100 to 149 points) to 'high' (150 points and above).

Pillar 2 — Quality and soundness of the project

Pillar 2 is built up from a number of indicators to evaluate the quality and soundness of the operation. A different approach is outlined for investments in individual projects or for those made through multi-beneficiary intermediated loans.

The following dimensions and resulting indicators are foreseen are to be applied in assessing 'individual projects':

— 'Growth' (indicator 1 — ranging between 0 and 100 points): The contribution of a project to sustainable growth comes from its socioeconomic impact in terms of costs and benefits. Where possible the economic rate of return ('ERR') is quantified using best practice in the economics profession. It considers the project's socioeconomic costs and benefits, including its spillover effects (e.g. positive Research, Development and Innovation, long term climate benefits or impact on the labour market or negative environmental effects). However, there are also projects whose ERR is difficult to estimate. For example, a number of sectors are driven by compliance with EU standards and the primary issue is to ensure that a least cost solution is adopted rather than to assess the overall economic return (an example is water and waste treatment). For these sectors the assessment of quality is based upon sector benchmarks. For operations grouping framework loans the assessment is based predominantly on the investment strategy and criteria used by the promoter.

  In general, the required hurdle rate of return for EIB financing is 5 %. For a standard project an ERR of 5-7 % is considered 'acceptable', 7-10 % 'good', while a project with an ERR above 10 % is considered 'excellent'. However, the classification of results is also based upon some sectorial considerations. Those sectors currently considered being less environmentally sustainable (such as certain transport modes) would only be financed if they are considered 'good' from an economic interest point of view, meaning a minimum ERR of 7 %. Conversely, for selected projects with long-term climate benefits, projects shall be considered possible for financing if they produce an ERR in the 3,5-5 % range — with the introduction of a 'marginal' category. The rating attributed to private sector projects, due to their risk-return profile, is set at 'marginal' for a rate of return of 5-7 %, 'acceptable' for 7-10 %, 'good' for 10-15 %, and 'excellent' for ERRs above 15 %. The ERR shall be calculated taking fully into account positive and negative externalities, including on environmental and climate change aspects. The hurdle rate may be adjusted by the Steering Board if there is