

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	DERICHEBOURG RECYCLAGE&ECONOMIE CIRCULAIRE
<u>Promoter and financial intermediary</u>	DERICHEBOURG SA
<u>Country of implementation</u>	France
<u>Summary project description</u>	<p>France depends mainly on imports of mineral resources for manufacturing and agriculture. These resources are essential to many industrial value chains (metallurgy, agriculture, pharmaceuticals, etc.), including the production of renewable energy. In order to secure the energy transition, it is therefore necessary to increase material recovery and limit the environmental pressures. In addition, approximately 27% of the waste generated is being landfilled. This is not in line comply with European Directives and national legislation. France has set itself ambitious targets, in particular to i) reduce by 30% the quantities of non-hazardous, non-inert waste admitted to landfills in 2020 compared to 2010 and by 50% in 2025; ii) reach 55% in 2020 and 65% in 2025 of recycling for non-hazardous and non-inert waste.</p> <p>The project consists of financing the promoter's multi-year investment programme with the objective of modernising its recycling centres. Indeed, it concerns the rehabilitation of the infrastructure of its recycling facilities, the treatment of process water and the protection against noise pollution. In addition, the project includes the financing of recycling equipment such as excavators, shredder filters, containers and trucks with high added value in terms of energy efficiency and the reduction of CO2 emissions. The project aims at strengthening the performance of the recycling activities and support the growth of the Derichebourg Group. The project also includes the financing of activities to reduce waste going into landfills. Finally, investments will also be made to improve the treatment of air emissions from recycling centres.</p> <p>The project is part of a circular economy theme that concerns both:</p> <ul style="list-style-type: none"> - The improvement of the recovery rate of processed products; - Better control of emissions in their environment (air, noise, aqueous discharges) from industrial tools.

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 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	Significant
Cross-cutting objectives	
Climate Action	85.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	11.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Environment and resource efficiency	89.00%
Projects and infrastructures in the field of environmental protection and management	39.00%
Climate change actions	50.00%
EFSI: Less-developed regions and transition regions	11.00%
Less-developed regions and transition regions as listed respectively in Annex I and Annex II of Commission Implementing Decision 2014/99/EU	11.00%

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, as relevant, among which:

- (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".*

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 3

EIB Technical and financial contribution to the project		Moderate
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.

Pillar 4 - Complementary indicators

Additionality

The objective of the project is to finance the borrower's multi-annual investment programme focusing on optimisation of its waste recycling activities: (i) improving the energy efficiency of recycling facilities, (ii) procurement of collection equipment; (iii) reducing residual waste going to landfill; and (iv) procurement of machinery for recycling units equipped with Best Available Technologies. This operation will primarily contribute to policy objectives of Climate Change and Circular Economy as embedded in the 2015 EU Circular Economy Package promoting energy efficiency, environmental protection and natural resource efficiency.

This operation addresses the current sub-optimal investment situation characterized by growing demand for recycling accompanied by lack of long-term unsecured financing matching the economic life of the project assets needed. The French metal recycling sector still faces difficulties in mobilising sufficient long-term financing in order to achieve and maintain the necessary level of investments.

The envisaged EIB financing under EFSI will be an unsecured loan with longer tenor than other lenders' financing. Due to the cyclicity of the sector, the EIB loan could not have been provided to the same extent without EFSI support.

The EIB will be providing long-term financing matching the economic life of the project assets, with an unsecured structure, otherwise not available on the market. This shall help crowding-in private sector financing.

The operation will be the first for the EIB with the borrower and the first one with a metal recycling actor in Europe. It will allow the EIB to support sustainable waste management contributing to the transition towards a circular economy.

Set of indicators related to the macroeconomic environment

France - Economic environment

Economic Performance

	FR 2017	EU 2017	US 2017	FR 2001-2007
GDP per capita (EUR, PPS)	31,168.34	29,996.06	43,470.37	30,410.86
GDP growth (%)	2.16	2.43	2.21	1.90
Potential GDP growth (%)	1.17	1.56	2.02	1.77
Output gap (% of potential GDP)	-0.33	0.08	0.03	1.71
Unemployment Rate (%)	9.10	7.30	4.10	8.50
Unemployment Rate (%) - Y/Y change (% points)	-0.80	-0.89	-0.60	-0.18
Bank-interest rates to non-financial corporations (%)	1.40	1.33	2.37	3.53
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	0.16	-0.04	0.39	0.00
Investment rate (GFCF as % of GDP) - Total	22.51	20.16	20.45	21.75
Investment rate (GFCF as % of GDP) - Public	3.38	2.73	3.30	3.91
Investment rate (GFCF as % of GDP) - Private	19.13	17.42	17.15	17.84

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Sewerage, waste management, remediation activities (% of total VA)	--	--	--	--	0.70
Employment in Sewerage, waste management, remediation activities (% of total employment)	--	--	--	--	0.50

Solid waste

	2013	2014	2015	2016	EU (latest available)
Waste generated (kg per capita)	--	4,913.00	--	--	4,931.00
Municipal waste treated (% of total generated)	100.00	100.00	100.00	--	97.14
Municipal waste - Landfill (% of total treated)	25.81	25.78	25.75	--	26.33
Municipal waste - Incineration (% of total generated)	35.58	34.99	34.73	--	26.52
Municipal waste - Recycling (% of total generated)	21.53	22.06	22.25	--	28.66
GHG emissions from waste (% of total)	3.93	4.10	--	--	3.29

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial cooperations" 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 value at PCR
Start of works	17.06.2019
End of works	30.12.2022
Project investment cost [MEUR]	270.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	270.00 MEUR
External EFSI multiplier	2.08
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	140.00 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	0.00 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	
Energy efficiencies realised [MWh/a]	0.00 MWh/a
Climate Action indicator	85.00% Mitigation - Waste and Wastewater GHG reduction
Employment during construction - temporary jobs [person years]	0 person years
Employment during operation - new permanent jobs [FTE]	290 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.