

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	ELDERLY AFFORDABLE ASSISTED LIVING FRANCE
<u>Promoter and financial intermediary</u>	KORIAN SA
<u>Country of implementation</u>	France
<u>Summary project description</u>	<p>The project consists of the construction of 356 shared housing units (178 projects of 2 units each) for the elderly (each housing unit accommodating 7 or 8 elderly people) with assisted living and access to medical homecare when needed and recommended.</p> <p>Each unit of 300-350 sqm is shared by 7 or 8 elderly people who each have private use of their individual 30 sqm condos (with shared kitchen, living room) and around 100 sqm in common use. Each unit comprises also housing for 2 permanent carers - providing also affordable housing to these low-medium income key workers - and it is strategically located in the proximity of partners offering medical homecare, other physicians' offices, local hospitals and/or pharmacies.</p> <p>The project aims to provide affordable and suitable solutions for elderly people who cannot live individually at home any longer but do not need to go into nursing homes. It is an intermediary/ transition solution that extends their independence but at the same time offers the possibility to have easy access to efficient and necessary medical homecare services, saving time and reducing travel needs for medical professionals, carers and elderly people and preventing costly hospitalisations.</p> <p>As such and due to an optimization of the costs both for the elderly people and for the public financing authorities, it fits well within the public policies to be implemented in France that address the increasing challenge of an ageing population. These solutions are supported at the national, regional and local levels by public authorities in charge of elderly and disabled people.</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 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	57.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	39.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Environment and resource efficiency	68.00%
Sustainable urban and rural development	68.00%
EFSI: Human capital, culture and health	32.00%
Social infrastructures, social services, social and solidarity economy	32.00%

Pillar 2

Quality and soundness of the project	Excellent
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	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.

Pillar 4 - Complementary indicators

Additionality

In line with the EFSI objectives related to sustainable urban and rural development as well as development of social infrastructures and services, the operation will support the construction of shared homes for the elderly with assisted living. Approximately 57% of the operation is expected to contribute to EIB's Climate Action objective. In addition, 39% of the operation is expected to be deployed in Cohesion regions. As such, the operation will address the objective of supporting transition regions and will thus contribute to the Union priorities on convergence and social cohesion, helping reduce regional disparities.

The operation addresses the market failure of insufficient supply of assisted living housing. Partially dependent people are forced to go to nursing homes (due to the lack of alternative solutions), and take places of those almost fully dependent. In addition, investments in the area of affordable energy efficient residential buildings are affected on one hand by high regulation of the residential property market including rents and on the other hand by high construction costs. A substantial upfront real estate investment is required to build new homes for the elderly. Long-term funding at acceptable conditions is however not readily available to the borrower, as a result of which the borrower faces a sub-optimal investment situation.

The operation is expected to fall under EIB special activities in particular due to the longer tenor of the EIB loan compared to the existing debt options available to the borrower. 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.

By offering long-term financing to the borrower, EIB works closely with both private and public sector entities securing the financing of the project. The French national promotional bank is shareholder of the borrower and will fund pro rata to his ownership in every asset built.

This will be the first operation for the Bank with both the borrower and promoter. It will also be the first time the bank will finance affordable housing for elderly to be built and rented by a private operator in France.

Set of indicators related to the macroeconomic environment

France - Economic environment

Economic Performance

	FR 2018	EU 2018	US 2018	FR 2001-2007
GDP per capita (EUR, PPS)	31,988.40	30,935.11	43,569.11	31,052.70
GDP growth (%)	1.58	1.96	2.85	1.90
Potential GDP growth (%)	1.21	1.60	2.23	1.77
Output gap (% of potential GDP)	0.35	0.61	0.74	1.68
Unemployment Rate (%)	8.90	6.60	3.90	8.50
Unemployment Rate (%) - Y/Y change (% points)	-0.19	-0.60	-0.20	-0.18
Bank-interest rates to non-financial corporations (%)	1.37	1.26	--	3.53
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.02	-0.06	--	0.00
Investment rate (GFCF as % of GDP) - Total	22.92	20.54	20.84	21.75
Investment rate (GFCF as % of GDP) - Public	3.38	2.85	3.30	3.91
Investment rate (GFCF as % of GDP) - Private	19.53	17.68	17.53	17.84

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Construction (% of total VA)	5.71	5.48	5.44	5.48	5.36
Value added in Residential care activities and social work activities without accommodation (% of total VA)	3.35	3.32	3.32	3.28	2.20
Employment in Construction (% of total employment)	6.64	6.46	6.27	6.21	6.32
Employment in Residential care activities and social work activities without accommodation (% of total employment)	7.12	7.15	7.11	7.04	4.46

Urban development

	2014	2015	2016	2017	EU (latest available)
Urban population as % of total population	79.28	79.52	79.75	--	--
Urban population exposure to air pollution by particulate matter (Micrograms per cubic metre)	18.20	--	--	--	22.50
Unemployment rate - Cities (%)	11.50	11.70	11.30	10.40	7.60
Unemployment rate - Towns and suburbs (%)	12.10	12.10	12.00	10.30	6.80
Unemployment rate - Rural areas (%)	7.60	7.70	7.50	7.70	6.00
At risk poverty rate - Cities (%)	14.20	13.90	14.20	14.30	16.70
At risk poverty rate - Towns and suburbs (%)	15.20	15.30	15.90	16.30	15.70
At risk poverty rate - Rural areas (%)	11.60	12.60	12.10	10.80	18.90
Severe housing deprivation rate - Cities (%)	3.50	3.30	--	--	1.70
Severe housing deprivation rate - Towns and suburbs (%)	2.20	2.20	--	--	1.90
Severe housing deprivation rate - Rural areas (%)	0.80	1.10	--	--	1.10
Households level of internet access - Cities (%)	85.00	84.00	87.00	89.00	91.00
Households level of internet access - Towns and suburbs (%)	81.00	81.00	85.00	83.00	89.00
Households level of internet access - Rural areas (%)	81.00	82.00	85.00	85.00	85.00

- 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	01.04.2019
End of works	31.12.2023
Project investment cost [MEUR]	369.42 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	337.35 MEUR
External EFSI multiplier	2.10
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	144.28 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	64.65 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	57.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs [person years]	2,600 person years
Employment during operation - new permanent jobs [FTE]	1,068 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.