

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	CEGELOG AFFORDABLE HOUSING & ENERGY EFFICIENCY
<u>Promoter and financial intermediary</u>	REPUBLIQUE FRANCAISE
<u>Country of implementation</u>	France
<u>Summary project description</u>	<p>The project concerns the construction of 1,380 homes (500 social housing units and 880 affordable homes) and the renovation of 7,968 homes (energy-efficient renovation on the one hand and general renovation of affordable housing on the other) for civilian and military staff of the French Ministry for the Armed Forces, for a total cost of EUR 1,207 billion, under a concession covering the works and the management of the homes over a 35-year period.</p> <p>The homes to be built are located on well integrated urban sites, in line with local housing programmes and development plans for the municipalities in question. These municipalities generally impose minimum percentages (between 20% and 40% depending on the context) of social housing in programmes to promote social diversity. This share should be implemented by the concessionaire through approved social housing organisations in programmes shared between the Ministry and these bodies, thereby again helping to promote a mix of tenants. In addition, most construction is expected to take place via the densification of existing land and buildings. The homes are not located in military bases.</p> <p>The affordable housing units in the project are state-owned and not subject to ordinary law stipulations in France (including in terms of allocation and tenant resource thresholds). For these units, the Ministry subsidises rents to ensure that they are 30% to 50% under the market rate. The housing selected for the project corresponds to the share of demand from low- or middle-income families eligible for affordable housing in France (i.e. under the legally established ceilings for this type of affordable housing).</p> <p>The goal is therefore to provide this personnel with affordable housing located in urban centres and close to their workplaces, especially in</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 [...].

under-pressure areas (15% in high-pressure areas (Abis) and 30% in under-pressure areas (A)), i.e. where demand exceeds supply and raises rents to unaffordable levels for low-income families.

Analysis of housing applicants' resources shows that at least 55% of the households are low- or middle-income families (income below ceilings for social or affordable housing). This means that the housing falls into the social and affordable categories, as eligible for Bank financing.

Another goal is to secure a significant improvement to the energy efficiency of existing housing by reaching performance of at least label C (maximum primary energy consumption of 150 kWh/m²/year) and, for 20% of homes, label B (Low Consumption Building <80 kWh/m²/year). These targets are ambitious given that 68% of the homes still have E, F or G labels.

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy		Moderate
Cross-cutting objectives		
Climate Action		17.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion		15.00%
EFSI		
Contribution to EFSI		100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities		17.00%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)		17.00%
EFSI: Environment and resource efficiency		83.00%
Sustainable urban and rural development		83.00%

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	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

The operation addresses the EFSI objective of supporting environment and resource efficiency, through sustainable urban and rural development in France. It also addresses the need to develop the energy sector in accordance with the Energy Union priorities, namely via energy efficiency and energy savings. The main focus of the operation is to align the social housing offering of the Promoter across France, to the benefit of a specific category of public workers, with a substantial energy-efficient impact mainly through the refurbishment of residential buildings (NZEB+), hence contributing to the EU and France objectives of CO2 reduction. Therefore, at least 17% of the Project will contribute to the EIB Climate Action objective. Equally the operation will address the objective of supporting less-developed regions and transition regions as at least 15% of the operation is expected to be deployed in Cohesion Regions. The operation will thus also contribute to the Union priorities on convergence and social cohesion, helping reduce regional disparities by supporting investment.

The housing supply in the relevant market does not cater for the demand of low-income households. Projects from private promoters of social housing solutions are facing funding constraints from both private and public funding providers, mainly because of low returns. As a result of this market failure, investments into energy efficiency and social and affordable housing are at sub-optimal levels from a socio-economic perspective.

The Project falls under the EIB's Special Activities category, in particular because the loan is proposed on project financing basis to a newly created special purpose vehicle with untested credit profile, and subject to merchant risks for a very long tenor. 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.

The EIB loan will send a strong signal about the need of financing in this specific segment in France, which the Bank supports significantly thanks to EFSI. The senior loan proposed will be complementary to the completion of the ambitious funding plan, together with a non-EFSI facility that will be offered by the Bank. The EIB expertise in the sector will crowd-in further private resources to complete the required financing.

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	31,052.71
GDP growth (%)	1.58	1.97	2.86	1.90
Potential GDP growth (%)	1.21	1.60	2.24	1.78
Output gap (% of potential GDP)	0.36	0.62	0.74	1.69
Unemployment Rate (%)	8.90	6.60	3.90	8.50
Unemployment Rate (%) - Y/Y change (% points)	-0.20	-0.60	-0.20	-0.19
Bank-interest rates to non-financial corporations (%)	1.37	1.26	--	3.53
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.03	-0.06	--	0.00
Investment rate (GFCF as % of GDP) - Total	22.92	20.54	20.84	21.76
Investment rate (GFCF as % of GDP) - Public	3.39	2.86	3.31	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	5.49	5.37
Employment in Construction (% of total employment)	6.64	6.47	6.28	6.21	6.33

Urban development

	2014	2015	2016	2017	EU (latest available)
Urban population as % of total population	79.29	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	01.01.2022
End of works	31.12.2028
Project investment cost [MEUR]	1,207.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	1,017.00 MEUR
External EFSI multiplier	4.07
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	607.00 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]	121,000.00 MWh/a
Climate Action indicator	17.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs [person years]	8,200 person years
Employment during operation - new permanent jobs [FTE]	20 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.