

Environmental and Social Data Sheet

Overview

Project Name:	FRANCE EFFICACITE ENERGETIQUE LOGEMENT SOCIAL
Project Number:	2015-0263
Country:	France
Project Description:	Investment loan financing a programme of energy efficiency of social housing units in France by the Caisse des Dépôts et Consignations (CDC).
EIA:	Some of the schemes may fall under Annex II of the EIA Directive and have to be screened by the Competent Authority.
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

The Project will support the energy efficiency retrofitting of up to 400,000 social housing units and the creation of new social housing units qualified as Nearly Zero Energy Building (NZEB). The investments will be made by social housing promoters. Investments in energy renovation would represent 75% of the total investment cost. The Project would include the construction of 175,000 new housing units out of which the exact number that will be eligible for EIB financing is difficult to estimate at this stage.

The Project is located in several cities in France (including overseas territories). Therefore, sub-projects will be embedded in the respective urban strategies, which have their Strategic Environmental Assessments (SEA) in compliance with the EU SEA Directive 2001/142.

On average, the Project will reduce the energy consumption of the 400,000 rehabilitated dwellings from 277 kWk / m² / year to 143 kWk / m² / year in 2020. Energy savings are expected to reach 48%. New constructions would be eligible for the Bank's financing if in compliance with the Nearly Zero Energy Building definition or equivalent.

Environmental Assessment

France, as an EU Member State, has harmonised its environmental legislation with the relevant EU Directives: EIA Directive 2014/52/EU (amending the 2011/92/EU), SEA Directive 2001/42/EC and Habitats Directive 92/43/EEC, Birds Directive 2009/147/EC (amending the 79/409/EEC) and Energy Performance of Buildings Directive 2010/31/EU.

In addition, for the construction of buildings, the French regulation (Décret n° 2011-2019 du 29 décembre 2011 portant réforme des études d'impact des projets de travaux, d'ouvrages ou d'aménagements) requires an EIA :

- For any project of more than 40,000 m² or 10 ha,
- On a case-by-case analysis for projects between 10,000 m² and 40,000 m² or 5 ha and 10 ha.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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In line with the French legislation, the housing schemes will be required to have the relevant building permits in place before the promoters select them. This means that EIAs and relevant assessments under the Habitats and Birds Directives, if required, will be completed before EIB allocation.

Environmental Competent Authorities in France have put into place monitoring requirements under the EIA and protected areas.

The Project is located in urban developed areas and will have an impact on the environment during construction and operation. At construction stage, the Project will increase noise and vibration levels, and will impact groundwater and air quality. Adequate mitigation measures will be considered together with the enforcement of good construction practices. The Project's impact at construction stage will be short-lived and reversible, at a level which is deemed acceptable.

At operation stage, the Project will make a substantial contribution to reducing energy consumption thanks to its comprehensive approach to thermal efficiency in buildings, therefore contributing to mitigate climate change. Energy efficiency measures will be the main focus of the planned investments. In addition, France has transposed the Energy Performance of Buildings Directive (EPBD, 2010/31/EU), which will be applied by the social housing Promoters, guaranteeing energy savings during operation of renovated housing. New constructions will only be eligible for the Bank's financing under specific conditions.

Social Assessment

The Project is expected to bring about important social benefits to households and local communities by providing affordable housing and reducing the energy bills of low income families living in fuel poverty in areas where rents are currently too high for their income. This will contribute to promoting social diversity in these areas and to avoiding urban sprawl (where such households could find lower rents). The Project is expected to also improve the living conditions of the tenants in the renovated buildings through better indoor air quality and modernized facades which also contribute to the improvement of the urban environment.

The Project will not entail involuntary resettlement. Land will be provided through best practices in urban development processes.

Conclusions and Recommendations

Given the location of the housing units and the relative size of the individual schemes (cost below EUR 50m), most of them are unlikely to be subject to EIA in line with the EU Directive 2011/92/EU. However, should any scheme fall under Annex II of the EIA Directive and be screened in by the Competent Authority, the Promoter shall deliver the ESIA studies and NTS to the Bank.

The Project is located in urban areas and is not expected to be in the vicinity of any protected sites including Natura 2000. In any case, the Competent Authority has to provide evidence of the compliance with the Habitats (92/43/EEC) and Birds Directives (79/409/EEC as amended by 2009/147/EC) (Form A/B).

The overall environmental and social impact of the project is expected to be positive. The Project will include energy efficient measures that will lead to low energy consumption. The Project will contribute to expanding the affordable housing stock; therefore, socio-economic benefits in terms of urban development, energy efficiency and climate change mitigation are expected.

The institutional capacity of the Promoter, CDC (Caisse des Dépôts), to manage the environmental and social issues is deemed good. Therefore, subject to conditions mentioned above, the Project is acceptable for the Bank in environmental and social terms.