

Environmental and Social Data Sheet

Overview

Project Name:	20170265
Project Number:	EIB-CDC CO-INVESTMENT PLATFORM URBAN DEVELOPMENT
Country:	France
Project Description:	The project consists in a newly created Investment Platform with French National Promotional Bank (NPB) Caisse des Dépôts et Consignations (CDC). EIB's contribution will materialise through equity type financing (EUR 100m, from the newly created "Infrastructure and Investment Window (IIW) Equity-Type Portfolio – NPBs" or "NPB sub-window"), dedicated to cooperation with NPBs). The EIB intervention will leverage CDC's and other investors' investment capacity towards large urban development projects, in particular projects aiming at high social and environmental impact.
EIA required:	This a multi-underlying projects operation. The underlying projects will generally fall under Annex II of the EIA Directive and would need to be screened by the Competent Authority.
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The project consists in an equity co-investment platform ("The Platform") with the French National Promotion Bank Caisse des Dépôts et Consignations (CDC) whereby the Platform makes equity investments into urban development projects (the "underlying projects") selected by CDC. This is an equity/quasi equity financing type operation under a loan to the CDC.

The main objective of the operation is to fill in a gap in terms of equity financing for large-scale urban projects (such as office towers or buildings, malls, etc.) having a strong impact on the regions through urban regeneration or development and presenting an ambitious dimension from an environmental point of view (as part of Smart Cities/Eco-cities projects or for energy efficiency objectives).

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.

To be eligible, the “underlying projects” will have to: (i) be based on an integrated urban regeneration or development plan/strategy, including public transport, urban services, mixed-use district, environmental compliance, potential contributions to smart city and social inclusion, and have the support of the local authorities as a contribution to their plan/strategy implementation; (ii) comply with the energy efficiency criteria defined by the Bank for the part of the investment which contribute to climate action; (iii) have cleared all the legal authorisations in particular Environmental Impact Assessment.

Between 2019 and 2021 the Platform intends to invest in equity in around 15 such “underlying projects”. The underlying projects’ investment costs are expected to range from EUR 50 to EUR 200m each (average of EUR 91m), and EIB’s share of equity contributions would range from EUR 3.5m to EUR 15m on each project (average of EUR 6.7m).

The proposed investments fall under Directive 2014/52/EU amending the EIA Directive 2011/92/EU. Therefore, the Competent Authority will have to determine whether the Project shall have a full EIA procedure.

Further details on the screening decision, the environmental permitting status, the proximity and potential impact of the Project to natural conservation areas and other aspects of the environmental impact assessment will be clarified at the “underlying projects” appraisal and approval decision.

The offices and commercial buildings which have their building permits obtained before the end of 2020 and which have a primary energy consumption which is 20% below the legal one will be considered as ‘energy efficient’ for the sake of his operation. It is therefore expected that 44% of the operation contribute to the climate action objectives through ‘mitigation-energy efficiency’.

Social Assessment

Some of the underlying projects may have an important social impact when they are implemented in deprived areas, generally in co-investment with the National Agency for Urban Renovation (ANRU), or in cohesion regions (estimation of 12% of the projects to be implemented in transition regions).

No resettlement is planned for the implementation of the underlying projects. If it were the case, the promoter shall have to comply with the EIB Environmental and Social Guidelines.

Public Consultation and Stakeholder Engagement

Public Consultation will be carried out for each underlying project as part of the planning and urban process, or through the EIA, if screened in, in conformity with EU Directives and French Legislation. Complaints, suggestions and remarks (received both from public and private stakeholders) have to be reflected in the final design of each Project.

Other Environmental and Social Aspects

The promoter has elaborated in 2017-2018 an environmental strategy. They will implement it in the coming years, including through the underlying projects financed by the operation.

Conclusions and Recommendations

For the underlying projects, the promoter will undertake to comply with applicable national laws and with EU legislation. Through appropriate due diligence procedures, the promoter shall ensure that, at the time of the investment, each investment complies with applicable national laws and EU environmental, and social legislation, as better detailed in the financial agreement. The promoter shall obtain a contractual obligation from each SPV in charge of the implementation of each underlying project to comply with these obligations on an on-going basis and to notify to the promoter any breaches thereof.

Relevant EU Directives have been transposed into national legislation (EIA Directive, SEA Directive, Birds and Habitats Directive, Energy Performance in Buildings Directive). The investments take place in a very mature sector.

Prior to disbursement against any specific underlying project, the Promoter is to provide to the Bank the evidence that schemes comply with relevant provisions of the environmental EU Directives, including EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives as transposed into the national law. In addition, the Promoter will be requested to deliver the EIAs (if applicable) to the Bank before the use of Bank funds are disbursed.

The promoter shall use as guidance the “EIB Statement on Environmental and Social Principles and Standards” and the related Handbook.

As part of this, the promoter shall nominate an Environmental and Social Manager, which shall be an experienced senior officer of the Manager having management responsibility, among other things, for ensuring proper operation and maintenance of the environmental strategy.

Therefore, given the nature of the operation and the procedures concerning EIA and nature protection put in place by the promoter, subject to the conditions mentioned above, which are included in the Finance Contract, the operation is acceptable to the Bank in environmental and social terms.

PJ/SQM/ECSO 15.10.15