



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	RESEAU CANOPEE LOGEMENT SOCIAL
<u>Promoter or financial intermediary</u>	OFFICE PUBLIC DE L'HABITAT D'AMIENS METROPOLE OISE HABITAT-OFFICE PUBLIC DE L'HABITAT DES COMMUNES DE L'OISE REIMS HABITAT CHAMPAGNE-ARDENNE OFFICE PUBLIC DE L'HABITAT OFFICE PUBLIC DE L'HABITAT DE L' AISNE OFFICE PUBLIC DE L'HABITAT DE LAON
<u>Country of implementation</u>	France
<u>Summary project description</u>	<p>The purpose of the proposed financing operation is to finance the investment programme of four public housing agencies (OPH) in the Hauts-de-France and Grand Est regions. It is aimed at boosting the strategic real estate plans of social landlords and their investments between 2019 and 2024 by contributing to the energy efficiency refurbishment of the country's rental social housing stock and the construction of new social and affordable housing. These objectives are established in accordance with local housing plans (PLH) promoted by local authorities.</p> <p>The programme provides for the construction of 1291 new housing units intended for households meeting eligible monthly income criteria, of which (i) 892 social housing units intended for people with low income or in situations of extreme poverty, and (ii) 399 affordable housing units intended for the middle classes. These housing units are designed to be rented out at prices set below rent and income ceilings. These new housing units will respect the energy performance level defined in the current thermal regulation (RT2012), a standard that is sufficiently strict for the housing units to be labelled NZEBs (Nearly Zero-Energy Buildings) by the Bank (overall primary energy use target of 50 kWh/m²/year).</p> <p>The Programme also aims to refurbish 4246 social housing units. This amounts to around 270 990m² of floor space earmarked for refurbishment, which will help to reduce the average energy consumption by the rehabilitated housing stock from 212 kWh/m²/year to 98 kWh/m²/year.</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 the 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 [...].

	<p>The two components of the project combined will benefit 5537 households, i.e. around 16600 people.</p> <p>The project supports the development of priority cohesion areas: 75% of the investment programme will therefore be implemented by three OPHs located in the Hauts-de-France region (which absorbed the Picardy region in the recent reorganisation of France's regions).</p> <p>The project will support the social housing sector in France against a backdrop of tighter budgets. The 2018 Finance Act reduces the amount of resources allocated to social landlords (lower rent following the reduction in personal housing benefits (APL), the increase in contributions paid by bodies to CGLLS (Social Housing Guarantee Fund), the increase in VAT from 5.5% to 10%, and a new tax (10%) on sales of low-rent housing units (HLM)). Support measures are proposed by the Finance Act although they do not offset the impact (freezing of the Livret A savings account, increase in the volume of equity-type subsidised loans (PHBB), possibility of extending the duration of loans from CDC).</p> <p>Against this constrained economic backdrop, the four OPHs began to seek other sources of finance in order to be able to sustain the viability of their economic model by maintaining their construction and rehabilitation targets.</p> <p>The project will serve to support the public authorities' actions in priority city districts, identified as such on account of the low income levels of their inhabitants, which causes a concentration of "urban poverty". On that basis, around 22% of the total project cost will go towards the construction of 24 new housing units and the rehabilitation of 2063 housing units in these priority districts.</p> <p>On average, 54% energy savings are expected to be achieved by the refurbishment work for the four OPHs. In total, the refurbishment and construction programme will generate energy savings of around 31 GWh/year, i.e. an annual reduction of the equivalent of nearly 5.357t of CO₂ emissions.</p> <p>The four OPHs manage a housing stock of 52555 units, mostly built between the 1960s and the 1980s, with an average age of around 41 years and high energy consumption levels. On average, 75% of these housing units are considered high energy consumers (energy labels D to G, equivalent to consumption of more than 151 kWhPE/year/m²).</p>
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PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy High

Cross-cutting objectives	
Climate Action	85.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	75.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Human capital, culture and health	100.00%
Social infrastructures, social services, social and solidarity economy	100.00%

Pillar 2

Quality and soundness of the project Excellent

1. Overall strategic intent and investment quality	[...]
2. Promoter capacity	[...]
3. Sustainability	[...]
4. Employment	[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of four indicators which include:

- (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.*

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 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.*

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 4 – Complementary indicators

Additionality

The operation, consisting of the creation of an EFSI Investment Platform for social housing construction and retrofit, addresses the EFSI objective in the field of Social infrastructures, social services, social and solidarity economy. As circa 75% of the investments will take place in regions eligible under the EU Cohesion Policy, the operation will also contribute to the Union priorities on convergence and social cohesion. The operation will have strong energy efficiency impact hence contributing to the EU and national objectives in this field. The operation will significantly contribute to the expansion and the retrofitting of the social housing of the territories covered. The social housing residential units supported by the operation will benefit from significant energy savings as well as CO₂ emission reduction.

The project addresses the following market failures: The demand for social housing is well in excess to the available supply due to limited construction and retrofit capacity. Also, the energy efficiency market, in particular for residential buildings, is subject to asymmetric information. In particular, in the case of rental properties, it is subject to split incentives between landlords, who undertake energy efficiency investments, and tenants, who pay energy bills. The Promoters are facing a sub-optimal investment situation as their economic model as French Social Housing Provider is currently under stress: the production and retrofitting costs are increasing, while financial resources (notably equity) are reduced.

The aim of the Investment Platform is to counter this sub-optimal investment situation by building upon the production and retrofitting capacity of the promoters who will jointly manage the platform and access financing.

The operation will rank right above the limit of EIB Special Activities category, but it carries specific elements of risk. The riskiness is mainly due to expected drop in revenues due to changes in the government support to the Social Housing sector, the relative small size of the promoters as well as the unsecured structure of the EIB financing. As such, the operation could not have been carried out to the same extent by the EIB without EFSI support.

The EFSI Investment Platform will allow to pool the investment projects of four small borrowers which could not have been addressed by the EIB individually. The EFSI Investment Platform and the EIB financing are expected to mobilise financing from Caisse des Depots et Consignations, the French National Promotional Bank and other public sources.

The provision of EIB long-term affordable financing through the Investment Platform will allow the promoters to maintain the original scope of their investment plans despite the recently implemented cuts in the budgetary support to social housing and hence still deliver the improved social housing supply targeted. The operation will have an important social impact by offering long term affordable financing allowing to maintain the rents at low levels as well as through a high employment impact as housing construction is typically labour-intensive.

The operation will be the first direct lending to French Social Housing Providers for the EIB.

Finally, the projects may benefit from technical assistance support to the preparation and implementation of the relevant projects through the European Local Energy Assistance programme (ELENA) for energy efficiency projects.

Set of indicators related to the macroeconomic environment

France - Economic environment

Economic Performance

	FR 2016	EU 2016	US 2016	FR 2001-2007
GDP per capita (EUR, PPS)	30,910	29,440	42,615	30,572
GDP growth (%)	1,2	1,9	1,6	1,9
Potential GDP growth (%)	1,1	1,3	2,1	1,8
Output gap (% of potential GDP)	-1,3	-0,75	-0,03	1,9
Unemployment Rate (%)	10,1	8,2	4,7	8,5
Unemployment Rate (%) - Y/Y change (% points)	-0,1	-0,8	-0,3	-0,19
Bank-interest rates to non-financial corporations (%)	1,2	1,4	1,8	3,5
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0,19	-0,21	-1,4	0
Investment rate (GFCF as % of GDP) - Total	21,9	19,7	19,6	21,7
Investment rate (GFCF as % of GDP) - Public	3,4	2,7	3,4	3,9
Investment rate (GFCF as % of GDP) - Private	18,4	17,0	16,2	17,8

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Construction (% of total)	-	-	-	-	5,9
Employment in Construction (% of total)	-	-	-	-	6,6

Urban development

	2013	2014	2015	2016	EU (latest available)
Urban population as % of total population	79,1	79,3	79,5	-	-
Urban population exposure to air pollution by particulate matter (Micrograms per cubic metre)	22,9	18,2	-	-	22,5
Unemployment rate - Cities (%)	11,1	11,5	11,7	11,3	9,1
Unemployment rate - Towns and suburbs (%)	11,4	12,1	12,1	12,0	8,3
Unemployment rate - Rural areas (%)	7,5	7,6	7,7	7,5	8,4
At risk poverty rate - Cities (%)	14,1	14,2	13,9	-	16,7
At risk poverty rate - Towns and suburbs (%)	15,9	15,2	15,3	-	16,0
At risk poverty rate - Rural areas (%)	11,9	11,6	12,6	-	19,8
Severe housing deprivation rate - Cities (%)	3,2	3,5	3,3	-	4,8
Severe housing deprivation rate - Towns and suburbs (%)	1,3	2,2	2,2	-	4,0
Severe housing deprivation rate - Rural areas (%)	1,1	0,8	1,1	-	6,2
Households level of internet access - Cities (%)	84,0	85,0	84,0	86,0	88,0
Households level of internet access - Towns and suburbs (%)	79,0	81,0	81,0	85,0	86,0
Households level of internet access - Rural areas (%)	80,0	81,0	82,0	84,0	80,0

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms
- EU value for "Bank-interest rates to non-financial corporations" 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 at PCR
Start of works	01.01.2019
End of works	31.12.2024
Project investment cost	328.00 MEUR
EIB/EFSI eligible investment mobilised	275.00 MEUR
External EFSI multiplier	2.57
External EIB (non-EFSI) multiplier	0.00
Amount of private financing	0.00 MEUR
Quick start (% of expenditure during 2015-2018)	
Co-financing with national promotional banks	133.50 MEUR
Co-financing with structural funds (ESIF)	1.30 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc)	
Energy efficiencies realised	30,863.00 MWh/a
Climate Action indicator	85.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs	1,925 person years
Employment during operation - new permanent jobs	0 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.