



## EFSI Operation Scoreboard<sup>1</sup>

<b><u>PROJECT PRESENTATION</u></b>	
<b><u>Project name</u></b>	EIB-CDC CO-INVESTMENT PLATFORM URBAN DEVELOPMENT
<b><u>Promoter or financial intermediary</u></b>	CAISSE DES DEPOTS ET CONSIGNATIONS
<b><u>Country of implementation</u></b>	France
<b><u>Summary project description</u></b>	<p>The project consists in an equity co-investment platform (The “Platform”) with the French National Promotional Institution Caisse des Dépôts et Consignations (CDC) – a well-known partner of the bank - whereby the Platform makes equity investments into urban development underlying projects selected by CDC.</p> <p>The main objective of the operation is to fill a gap in terms of equity financing for large-scale urban projects (such as office towers or buildings, malls) having a strong impact strengthening the appeal of the regions through a spill over effect on 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).</p> <p>To be eligible, the underlying projects will have to demonstrate a public policy contribution in line with EIB public policy goals, in particular relating to urban regeneration and where relevant also to climate action and cohesion. In this regards, project will need to: (i) meet the EIB Urban Lending Review eligibility criteria, in particular demonstrating that they are based on an integrated urban regeneration or development plan/strategy, and incorporating where feasible features which enhance their impact including access to public transport, optimal use of urban services, mixed-use development, environmental enhancement features, potential contributions to smart cities, SME support 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 contributes to climate action; (iii) have cleared all the legal authorisations in particular the environmental ones (Environmental Impact Assessment (EIA) done, approved and published or screened out).</p>

<sup>1</sup>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 pipeline of projects is fed by, on the one hand, the CDC regional offices through their contacts with local authorities and promoters, and, on the other hand, through the national partnerships between CDC and public authorities (for example the 'Agence Nationale de Rénovation Urbaine' (ANRU) which enhances investments in deprived urban areas) or public or private promoters or investors. In particular, projects should emerge from the 22 cities (of which 5 located in cohesion regions) recently designated as 'métropoles' in France due to their expected development and their role for a balanced urban and economic development throughout the country. While during recent years, CDC has approved 3 such major urban projects per year, this should increase to 3-5 project p.a. with the EIB support.</p> <p>An example of a typical project identified at this stage as potentially eligible under the Platform is 'Quai des Caps', an urban renewal of the public domain of the maritime port of Bordeaux, located in close proximity to a number of deprived areas ("Quartiers prioritaires de la politique de la ville") through construction of mixed-use buildings. This project contributes to the urban regeneration and the economic development of the area, whose growth is a key issue for local authorities (city, metropolis). It aims at obtaining a strong Green Building certification ("BREEAM, very good") and should be eligible for Climate Action under Energy Efficiency (RT2012 – 20%). Another example is the construction of a building which will accommodate start-up and SMEs in the scientific area of Saclay close to Paris.</p> <p>The underlying projects will be developed through dedicated private Special Purpose Vehicles (SPVs) owned by the Platform (for less than 50%) and experienced partners, which will rent it after completion to several users for several years before exiting through a sale to long term investors (insurance funds, pension funds, institutional investors, etc.).</p> <p>The Platform will make equity investments into SPVs that will carry out the underlying projects. The combination of EIB and CDC equity contributions will be complemented by private investors' equity contributions (pari passu) and commercial debt, at the level of the underlying individual projects. As the combination of EIB/CDC financing is expected to remain minority (maximum of 49% shares), a substantial crowd-in effect from the private sector is expected (expected leverage of 6.8 (total cost/platform equity investment)).</p>
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## **PROJECT PILLAR ASSESSMENT**

### **Pillar 1**

<b>Contribution to EU policy</b>	<b>Significant</b>
<b>Cross-cutting objectives</b>	
Climate Action	44.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	12.00%
<b>EFSI</b>	
Contribution to EFSI	100.00%
EFSI: Environment and resource efficiency	100.00%
Sustainable urban and rural development	100.00%

### **Pillar 2**

<b>Quality and soundness of the project</b>	<b>Good</b>
1. Growth	[...]
2. Promoter capabilities	[...]
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 sustainability<sup>2</sup>;*
- (iv) "Employment" i.e. the project's direct employment effect.*

### **Pillar 3**

<b>EIB Technical and financial contribution to the project</b>	<b>High</b>
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.*

<sup>2</sup> 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***

This EFSI Investment Platform, in the form of a co-investment vehicle developed in partnership with CDC, will address the EU and EFSI objectives of supporting sustainable urban development and environment and resource efficiency. The operation will provide financing to a number of greenfield urban development projects (construction of offices, shops and other types of buildings) some of which will be implemented in deprived areas, generally in co-investment with the National Agency for Urban Renovation, or in cohesion region (estimation of 12% of the projects to be implemented in transition regions). The projects are expected to have a positive impact on climate change mitigation as Near-Zero Energy building standard will be reached for most of the newly constructed buildings. Some of the underlying projects.

This Platform will address a number of market failures and sub-optimal investment situations related to the insufficient investment levels in greenfield urban regeneration in France. Moreover, the underlying projects will generate positive externalities through an improved provision of facilities, amenities and services, which will result in positive economic and social externalities, in the form of a higher quality of enabling services for businesses and economic activities. These positive externalities cannot be monetised by the market and the risk-return balance makes it difficult for private investors to intervene without the support of public institutions such as the EIB and CDC.

The EIB participation in the co-investment vehicle will address the lack of long-term equity in the sector. This is the first EIB operation of this kind in France. Given its equity nature, this transaction involves a risk profile higher than projects supported by normal EIB operations, falling under EIB Special Activity risk category, and, as a result, cannot be carried out by the EIB without the EFSI guarantee.

EIB and CDC collaborating as anchor investors will have an important signalling effect to other market participants. It is expected to have a strong catalytic effect and to provide comfort to other public and private investors about the financial, economic as well as environmental and social sustainability of the sector. Furthermore, the underlying investments will be implemented through different local and regional special investment vehicles across France thus supporting local promoters.

In addition, the construction activities resulting from the investments are expected to have a positive effect on job creation and growth, with employment during construction estimated at around 6,000 person-years.

## Set of indicators related to the macroeconomic environment

### France - Economic environment

#### Economic Performance

	FR 2017	EU 2017	US 2017	FR 2001-2007
GDP per capita (EUR, PPS)	30.941	29.900	43.098	30.532
GDP growth (%)	1,2	2,0	1,5	2,1
Potential GDP growth (%)	1,2	1,7	2,2	1,8
Output gap (% of potential GDP)	-0,07	-0,19	-0,03	1,0
Unemployment Rate (%)	9,1	7,3	4,1	8,5
Unemployment Rate (%) - Y/Y change (% points)	-0,8	-0,9	-0,6	-0,19
Bank-Interest rates to non-financial corporations (%)	1,4	1,3	2,4	3,5
Bank-Interest rates to non-financial corporations (%) - Y/Y change (% points)	0,16	-0,04	0,4	0
Investment rate (GFCF as % of GDP) - Total	22,4	20,1	19,7	21,7
Investment rate (GFCF as % of GDP) - Public	3,4	2,7	3,2	3,9
Investment rate (GFCF as % of GDP) - Private	19,0	17,3	16,5	17,8

#### 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 indicators<sup>3</sup>

#### Key project characteristics

	Expected at PCR
Start of works	01.01.2019
End of works	31.12.2021
Project investment cost	1,332.00 MEUR
EIB/EFSI eligible investment mobilised	1,061.00 MEUR
External EFSI multiplier	10.61
External EIB (non-EFSI) multiplier	
Amount of private financing	1,132.00 MEUR
Quick start (% of expenditure during 2015-2018)	
Co-financing with national promotional banks	100.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc)	
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	44.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs	6.000 person years
Employment during operation - new permanent jobs	300 FTE

<sup>3</sup> 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 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.