



# INVESTOR PRESENTATION



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*1*

# OPERATIONS AND RESPONSIBILITIES

# How the Region operates



Île-de-France's Regional Council is composed of **209 members**, elected in June 2021 for a **7-year mandate** (2021-2028).

The Regional Council governs the affairs of Ile-de-France through its resolutions.

**Valérie Pécresse**, elected President for a second term, is heading the regional administration and has responsibilities for :

- preparing and implementing the decisions taken by the Regional Council
- authorizing expenditures and acting as the signatory power
- managing the Region's assets



# A large scope of responsibilities



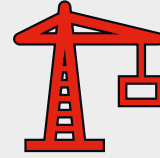
Transportation



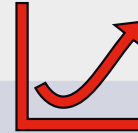
Secondary school



Professional training and employment



Land use planning



Economic, social and cultural development



European programmes management



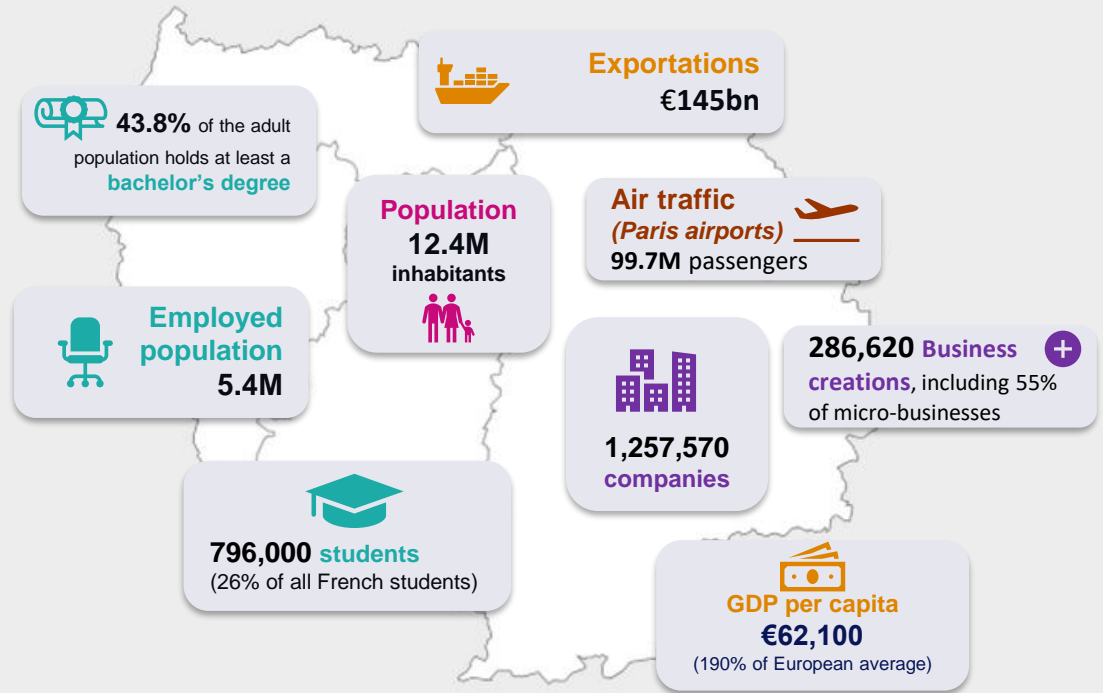
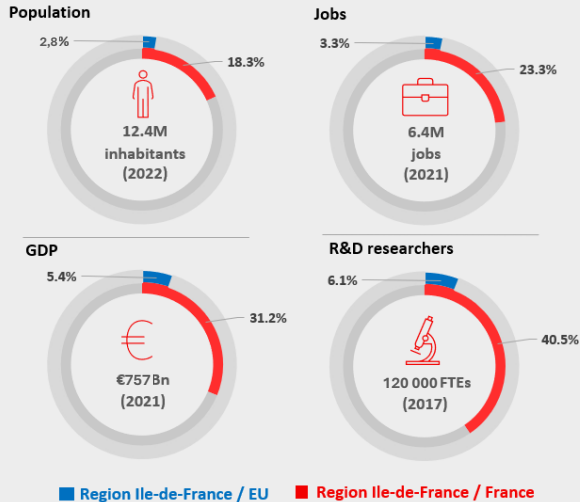
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# A LEADING LOCAL AUTHORITY IN EUROPE

# A skilled population in a dynamic territory

- **France :**
  - The **most attractive country** for foreign investments in Europe (2022),
  - 76% of foreign investors consider the **attractivity of France will improve even further by 2025** (EY Barometer, 2024).

- **Region Ile-de-France :**





# Region Ile-de-France, a densely populated and diversified territory

- 2% of French surface area,
- 19% of French population.



Paris hosted the  
2024 Summer Olympic Games

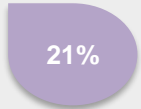


Water



1%

Urban area



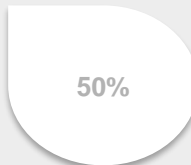
21%

Wooded area,  
natural environment



28%

Agricultural area



50%

# One of the leading economic regions in Europe

The wealthiest region in France:

- GDP of **€757 bn** (2023);
- **31%** of France's GDP;
- **5.4%** of EU-27's GDP.

One of the highest GDP per capita in Europe (**€ 62,100** in 2023), representing **190%** of European average.

Europe's highest concentration of Fortune Global 500 corporations, corporate headquarters.



*La Défense* business district

# R&D and innovation: overview

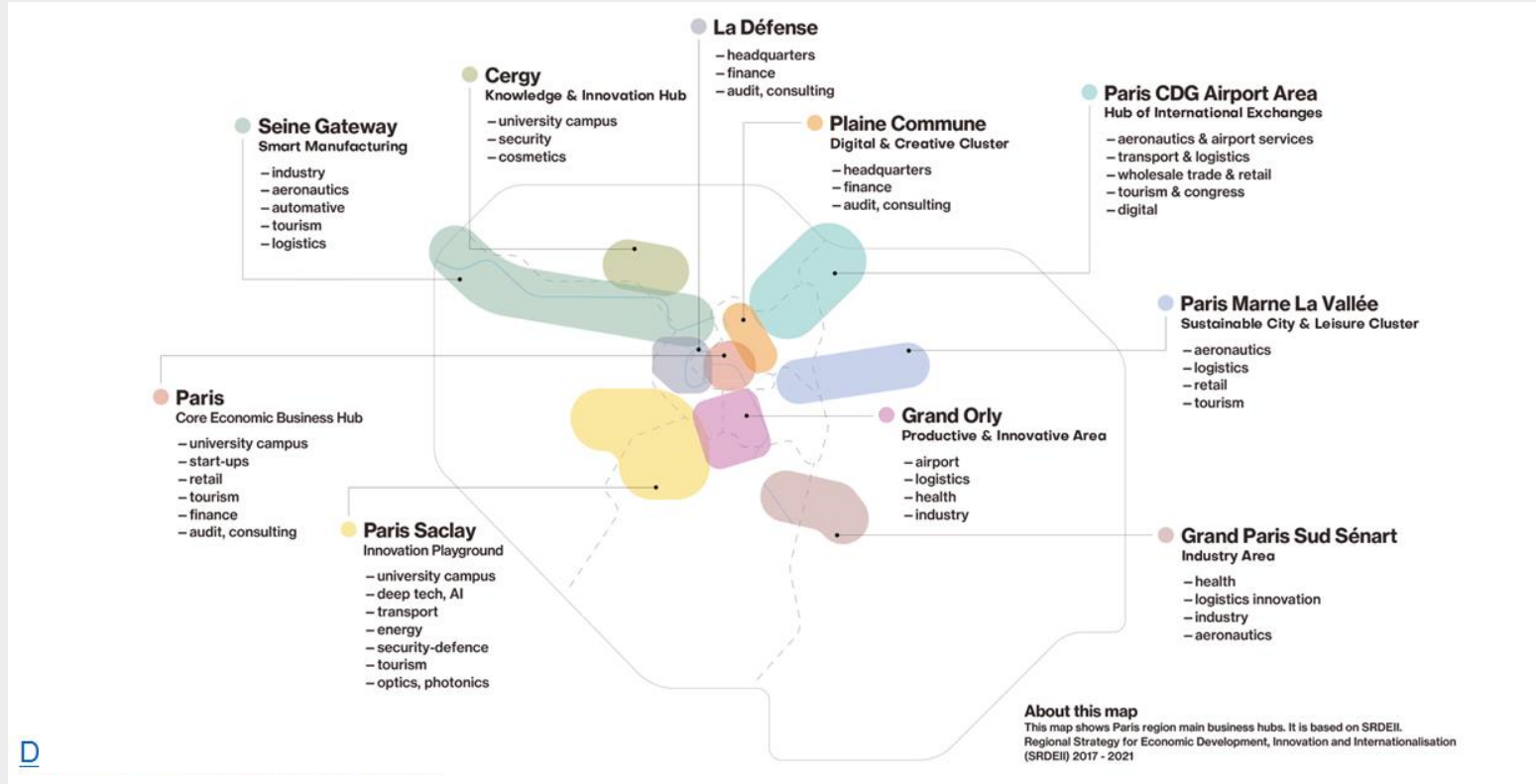
A Region welcoming and prompting the R&D attractiveness in Île-de-France:

- **135,000 researchers**, being 37,9% of France's researchers and 6% of European's researchers.
- **A total of €21,7Bn of R&D expenditures per year**, being 41% of France's R&D expenditures.
- **3rd highest number of innovation centres in the world (9).**



EU28 Top 5 Regions for People employed in Technology and Knowledge-Intensive sectors (2022)

# A multi-industry hub offering good resilience against economic shocks



# One of the world's best transportation infrastructure

The region's unrivaled **transit infrastructure** ensures the seamless flow of people, goods, capital and ideas : **41 millions trips per day** through:

- **2<sup>nd</sup> most frequented** rail network in the world ( after *Tokyo*),
- **2<sup>nd</sup> densest network** in the world (after *London*) with 448 train stations,
- **5<sup>th</sup> longest network** in the world.



**1,484km**  
of Regional railways



**1,500**  
bus lines



**€2bn**  
2024 regional budget  
for transportation





# Environmentally responsible urban planning

Between 2020 and 2024, the Ile-de-France Region has invested 10bn€ in projects which benefit the environment, as designed by its ecological transition plan.

## Bicycles and Electromobility

In Paris Region, **850,000** journeys are made by bicycle every day.

## Innovative Clean Buses<sup>1</sup>

A large number of fully clean buses in dense areas by 2025 (almost **5,000** buses).

## Feeding the City With Agritech

Currently, Paris Region has 73 hectares of urban agriculture.



<sup>1</sup> The Paris Region finances transport infrastructures. The rolling stock (including buses) are financed by IDFM.



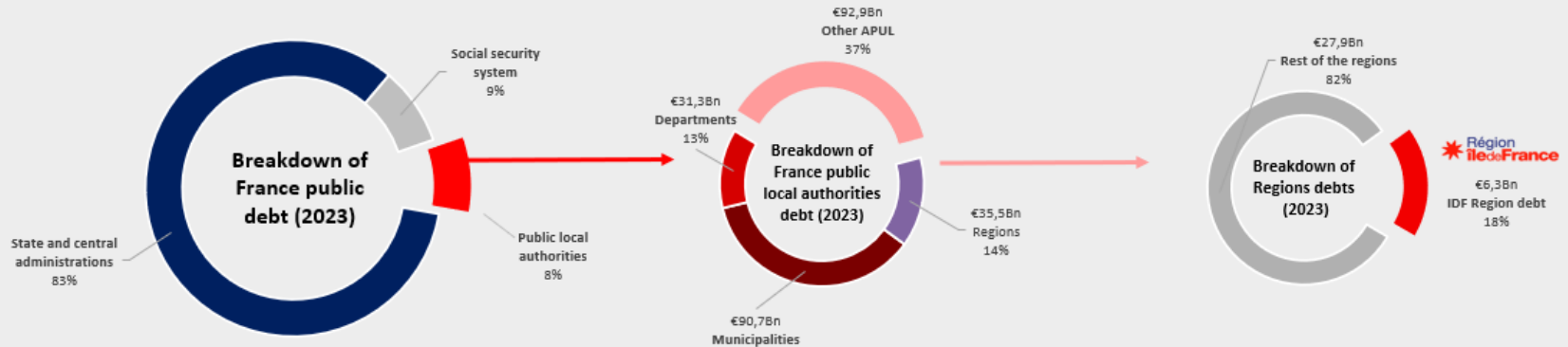


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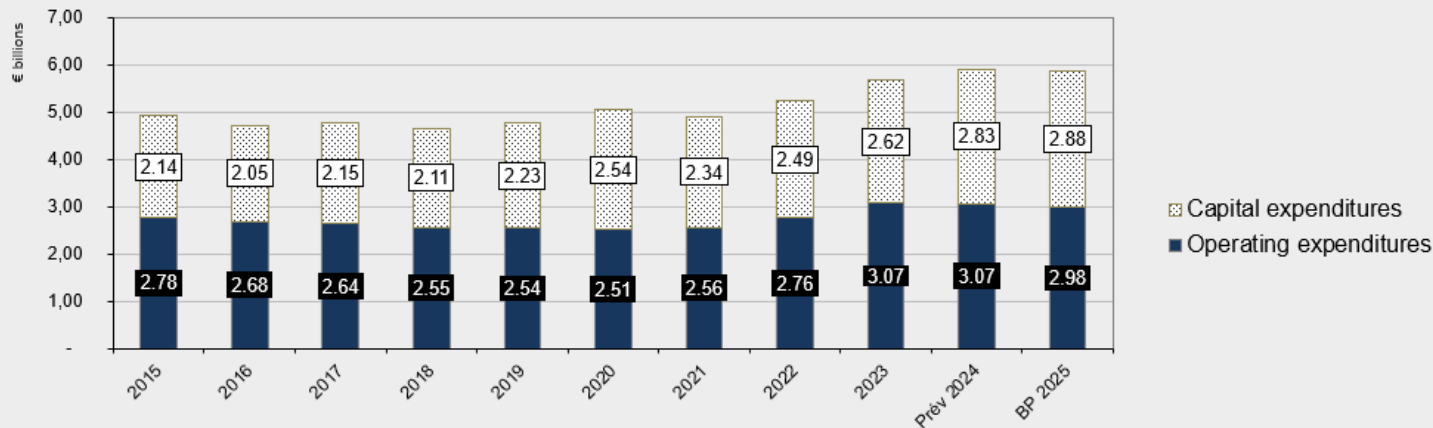
# A STRONG FINANCIAL SITUATION

# A small share of total public debt (2023)

- French regions represent **1% of French public debt**, and **23% of public local authorities' total debts**.
- In 2023, Region Île-de-France accounts for 18% (€6.45Bn) of French regions total debts (€35.5Bn)
- Region Île-de-France accounts for **0.21% of the whole French public debt**.



# A balanced budget with a specific focus on investments and tight control on operating expenses



Strong **focus on investments** since 2016.

Operating **expenditures are under control**, thanks to strong efforts put in place to reduce the regional administration costs (including associated bodies):

- Non-replacement of one out of two vacancies;
- Rationalization of the resources of associated bodies;
- Focus on key regional responsibilities;
- Optimized purchase policy.

Efforts to decrease operating expenditures were **hailed** by the **French national court of auditors in 2019** and also by the **Regional accounts houses controls in 2020**.

# A strong financial situation

	2016	2017	2018	2019	2020	2021	2022	2023	Exp 2024	BP 2025
Gross operating balance (M€)	776	1014	1 052	1 574	1 448	1 465	1 426	1 360	1 245	990
Current margin rate (%)	22,5	27,8	29,2	38,2	36,5	36,4	34	30,7	28,9	24,90
Debt payback ratio 1 (yrs)	7,2	5,5	5,4	3,4	4	4,1	4,4	4,7	5,5	7,4
Self-financing capacity 2 (%)	67,8	70,9	81,6	103,9	84,9	97,5	83	76,8	62,5	43,3

<sup>1</sup> Outstanding debt to gross operating surplus

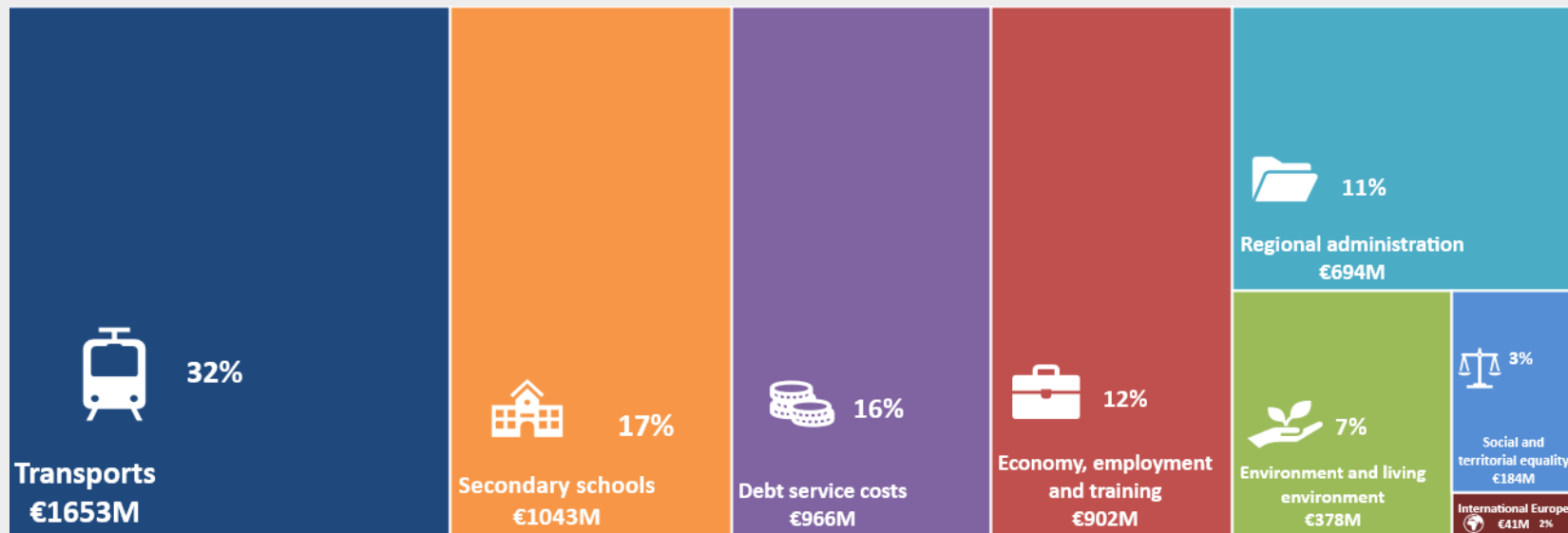
<sup>2</sup> Self-financing to capital expenditures excluding debt

BP = Primitive budget

The indicators until 2023 refer to the current figures recorded in the Region's administrative accounts and are thus final (forecast for year 2025).

# 2025 Budget – €5.9bn

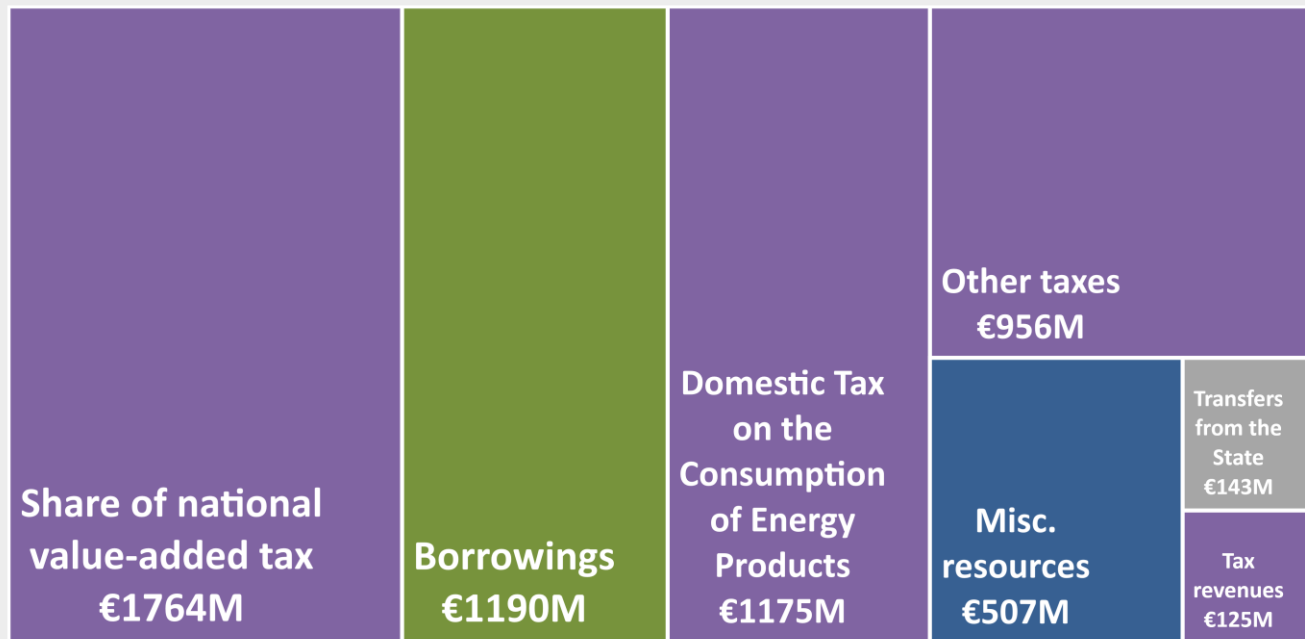
## EXPENDITURES (€5.9bn)



35.8% of 2025 budget expenditures (exc. debt) **dedicated to investments** (€2.099bn)

# 2025 Budget – €5,9bn

## RESOURCES (€5.9bn)



**68,6%** of total 2025 budget resources **coming from taxes** (€4.02bn)

Resources from taxation



# 2025 Budget – Resources (€5.9bn)

The Region resources (**€5.9bn**) are composed of revenues (mainly tax related) for **80.00%** and borrowings for **20.00%**

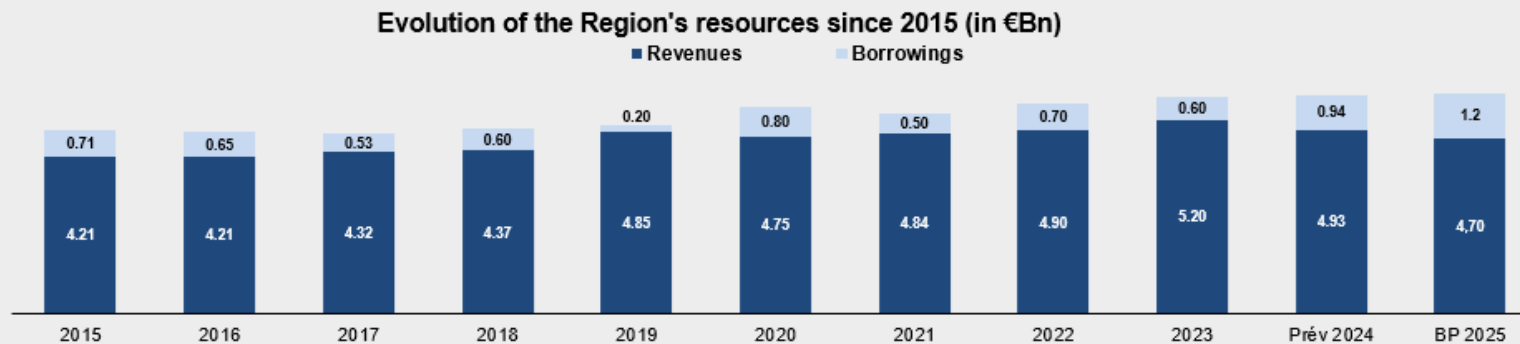
Tax revenues: €4bn (**68.6%** of the 2024 Budget Revenues), such as:

- portions of the TICPE, Domestic Tax on the Consumption of Energy Products (€1.1bn);
- a share of the VAT, Value Added Tax (€1.8bn).

Transfers from the French State: €0.1 bn (**2.4%** of the 2025 Budget Revenues).

Misc. : €0.5bn (**9%** of the 2024 Budget) such as European funds and police fines...

Borrowings: envelope of €1.2bn (**20%** of the 2025 Total Budget Resources).



# Financial Ratings

MOODY'S

« **Aa3** »

Negative Outlook

Short-term credit rating : P-1

Date : December 2024\*

- *“a strong operating performance”*
- *“a strong governance, as evidenced by the region's prudent budgetary approach”*

FitchRatings

« **AA-** »

Negative Outlook

Short-term credit rating : F1+

Date : October 2024\*

- *“Ile-de-France has a strong record of operating expenditure restraint”*
- *“ Ile-de-France's liabilities carry little risk.”*
- *“Ile-de-France has strong access to liquidity in various forms.”*
- *“The Region's Standalone Credit Profile (SCP) is 'aa+' and reflects the combination of a “medium-strong” risk profile (High Midrange) and debt sustainability ratios valued at the top of the “aa” category in the Fitch rating scenario. Ile-de-France's IDR capped by the French state's (AA-)\*\*.”*

\* Agencies' ratings reports are available on <https://www.iledefrance.fr/region-funding>

\*\* In its latest review dated October 11, Fitch maintained France's rating at AA- but placed it under negative outlook.



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# FINANCING STRATEGY AND DEBT MANAGEMENT

# A protective legal framework

- **Budget balance golden rule** (art. L1612-4 of the *Code Général des Collectivités Territoriales – CGCT* ; see appendix slide 50) :
  - The operating section must be voted in balance.
  - The investment section must also be voted in balance.
    - ⇒ ***Borrowings are investment revenues which can only finance investment expenditures***
  - The gross operating surplus + own investment earnings must at least cover debt amortization
- **Debt service (interest + capital) is a mandatory expense** (art. L4321 from the CGCT)
- **State controls on local authorities :**
  - Legal control (prefect, administrative court)
  - Accounting operations control : separation between the authorizing payment officer – Region Ile-de-France - and the accountant ensuring the payment – the National State administration.
  - Audit court (*Cour des Comptes*)
- **National State insurance (no explicit guarantees) :**
  - State ensures payments of tax proceeds and grants (In accordance with conditions set in the Finance Law)
  - Obligation to provide financial compensation for local authorities in the case of transfer of competencies or creation of new competencies (Art. 72-2 of the Constitution ; see appendix slide 50)

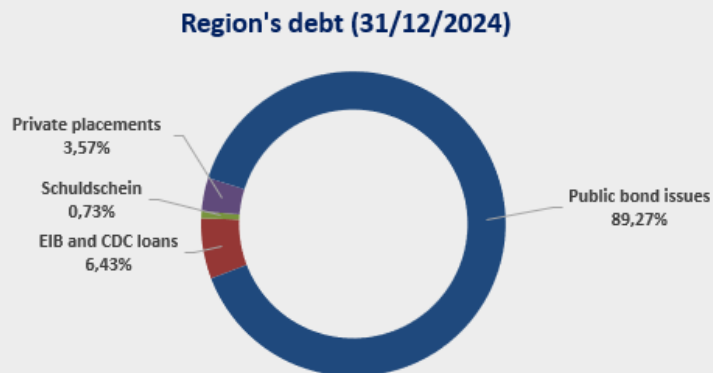
# A diversified financing strategy offering a large access to short- and long-term liquidity

- **€1bn** NEU-CP short term program in French law (2002):
  - Rated Prime-1 (Moody's) ; F1+ (Fitch).
- A liquidity line of **€100M** until April 2025:
  - Availability starting from the same day.
- **€10bn** EMTN program:
  - €6.89bn outstanding by December 31<sup>st</sup>, 2024;
  - 1<sup>st</sup> French local authority EMTN program (2001) and largest bond issues amongst French local authorities.
- A long-term partnership with EIB to finance sustainable investment projects:
  - Partnership renewed in 2023 for 5 years (€350M).
- Opportunistic use of bank loans.

→ Outstanding debt by 31/12/2024: **€6.889bn**

# Issuance of bonds as the main financing tool

The Region is a regular issuer on debt capital markets. Bonds issuances are systematically assessed vs other financing alternatives.



Outstanding debt by the 31/12/2024: **€6,889bn.**  
Average lifetime: **5 years and 2 months**  
Average rate: **1.74%**

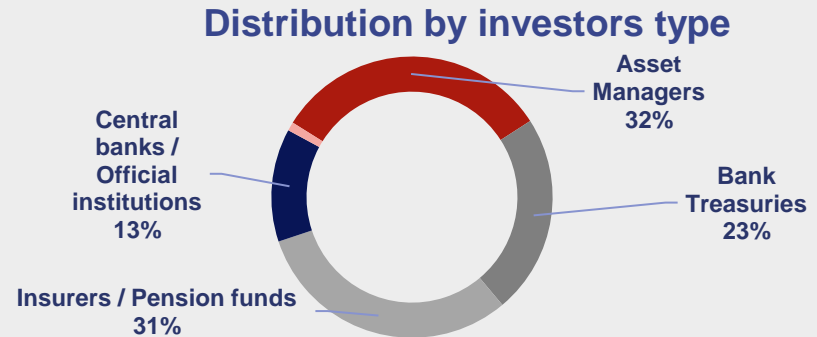
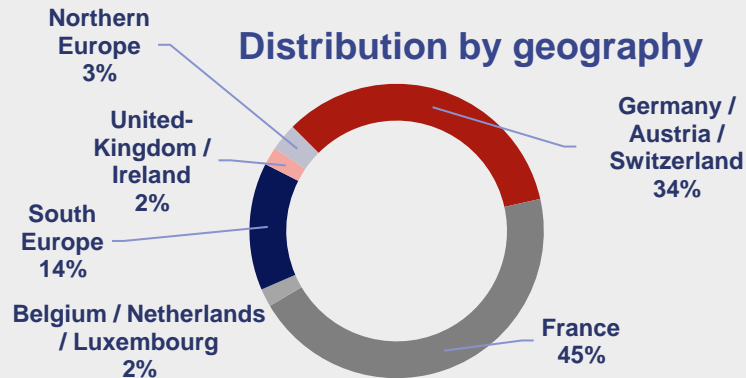
**92.84%** of bonds  
(Public issues and private placements).

**7.16%** of banks & institutional loans financing  
and Schuldschein.



# Focus on 2024 the Sustainable bond issuance

- On Wednesday 24 January 2024, Ile-de-France Region successfully priced a sustainable bond issue under its green, social and sustainable framework. This new **€800 million**, long 10-year issue offered a yield of 3.222%.
- In a busy primary market, Ile-de-France Region managed to get investors' attention taking advantage of a window to launch its transaction on Tuesday. The following day books were officially open with a price guidance of +39bp area over the interpolated OAT. Investors responded rapidly, enabling the Region to set the spread at **OAT+36bp**. The books finally closed **in excess of €2.3bn** and the size was set at €800mln.
- The transaction attracted **87 investors from 12 countries** and underlines the quality of the Region' signature and its recognized financial strength.



# Debt amortization profile *post bond issue 2024*

A smooth debt amortization profile spread across the maturity spectrum



# Issuance of bonds as the main financing tool

## Conservative interest rate risk management

- An indexation linked to fixed rates or simple floating rates (Euribor, Livret A) in the Euro zone;
- Distribution fixed rate / floating rate adjusted depending on the long-term economic trends;
- Over 98% of the outstanding debt at fixed rate at the end of 2024.

## A complete hedging of the currency risk

- No currency risk incurred by the region;
- Systematic hedging at the issuance via swaps in euros.

## A conservative approach on derivatives

- Possibility to subscribe to simple vanilla products;
- No structured products;
- 100% of the outstanding amounts after swap at the end of December 2024 ranked I;n «the least risky category» (level « A1 » according to the French State classification)

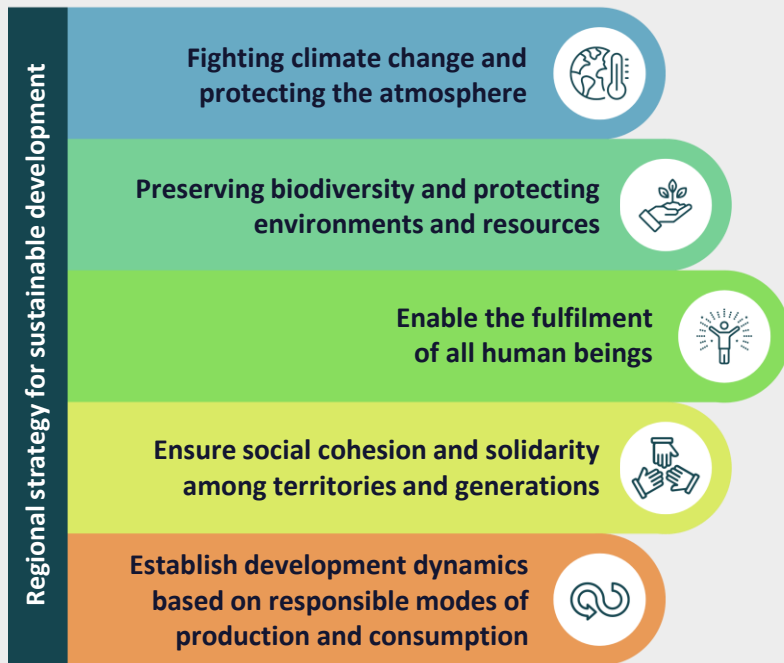
# Issuer quality highlights

- Prudential weights: **Solvency II = 0%, CRD IV = LCR 1A, Risk weighting = 0%** (following the decision of the ACPR on June 21, 2024)
- Ratings of **Aa3** (negative) Moody's / **AA-** (negative) Fitch
- A **solid financial situation** allowing to weather the impacts of crisis
- A **protective legal framework** for local finances
- **Sustainability** issues at the heart of the Region's competencies, with a **commitment to 100% of green and sustainable financings**
- **Leader in the European local authorities sector** (ranked 3/29) by Vigeo-Eiris (Moody's ESG Solutions) in 2021
- An issuance Framework **aligned to ICMA's best market practices** (GBP and SBP)
- **Positioning** of project categories **vs the Taxonomy regulation** (work in progress) to offer maximum transparency

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# A MAJOR PLAYER IN SUSTAINABLE DEVELOPMENT

# Sustainable development is at the heart of the Region's actions



- **Competent authority setting strategic guidelines of local public actions** on the territory : territorial development, transports, economic development, climate and energy, biodiversity, waste management.
- **The Region sets the example in terms of governance and policies implemented:**
  - Systematic Integration of sustainable development considerations into policies;
  - Responsible purchasing policy and public contracts;
  - Development of technical guidelines by sector to improve sustainable building for new construction projects.



# A region facing climate change

Following the first regional climate change conference and through the new strategic orientations document “SDRIF-E”, adopted in September 2024 and planning the arrival of 50 000 new inhabitants per year while considering sustainable development topics, the region plans to be:

- **Sobriety:**
  - “Zero Net Artificialization” for 2050;
  - “Zero Net Emission” with a sober use of carbon, energy and materials for 2040.
- **Polycentric:**
  - 144 focal points to provide a pleasant living environment. Jobs, services, transport and nature accessible to all within 20 minutes;
- **More resilient (climate change) and inclusive (reducing inequalities).**

The ambition of a low-carbon economy in Ile-de-France will be the foundation of the SRDEII (Schéma Régional de Développement Economique, d’Innovation et d’Internationalisation).



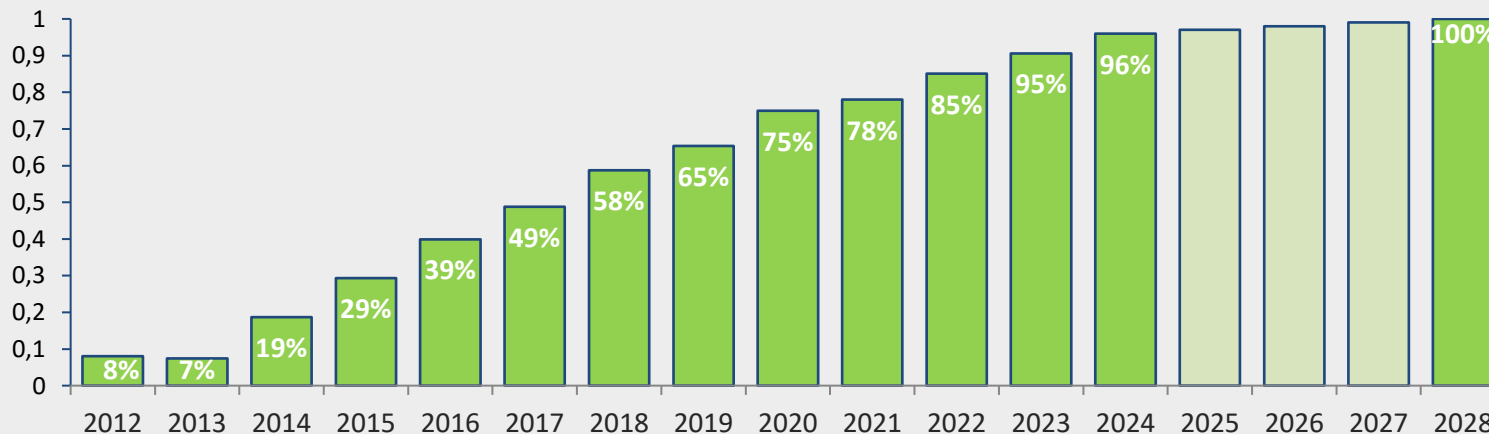
The regional administration are aware of and active on the ecological and climatic transition: a 2023 seminar for managers dedicated to the following topic : "Ecological transition: a regional ambition, a managerial responsibility".

The region intends to become a **leader in strategic innovations** for the **decarbonization** and **digitalization** of **industry, health, climate...** (aeronautics, space, sustainable and smart cities, green energy, etc.)

# A pioneer in the green and sustainability bond market

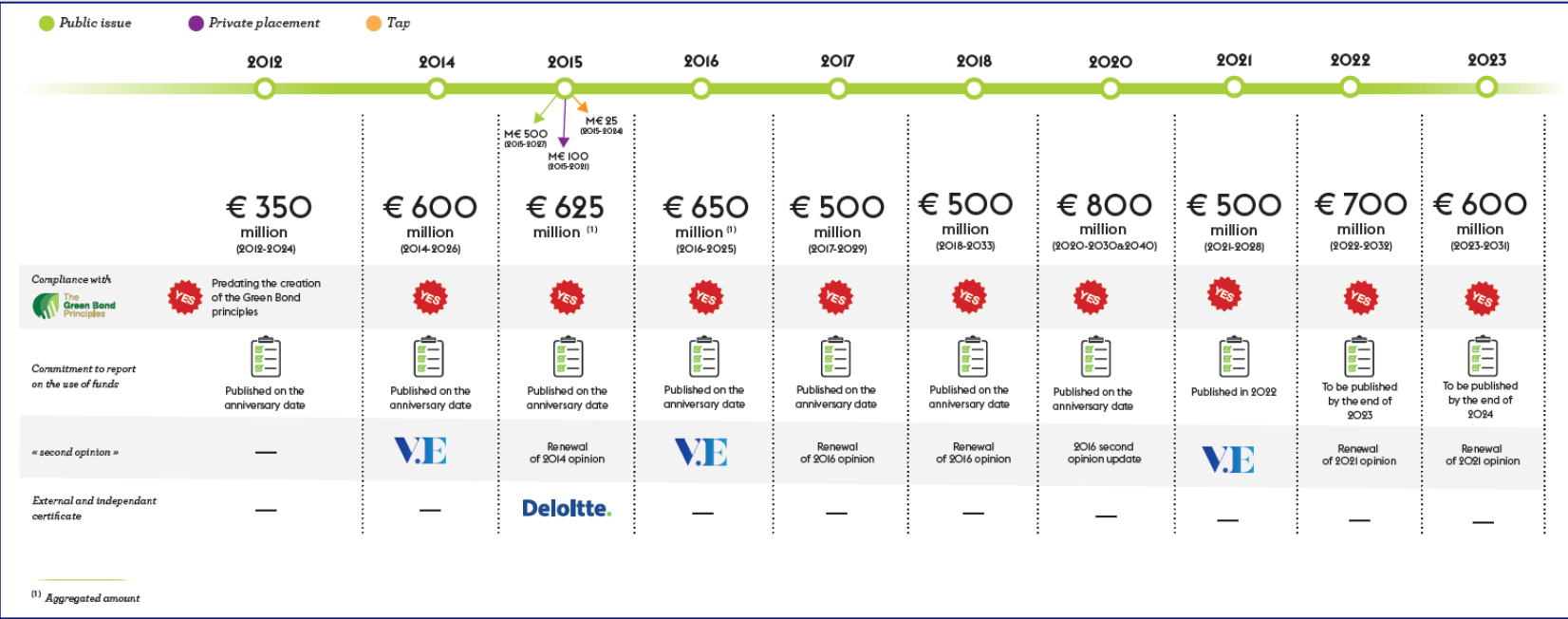
- **First ever local authority to issue a sustainability bond** in a public format as soon as 2012;
- In 2019, the Region **committed to 100% green & sustainable financing**;
- **14 green and sustainability bonds issued since 2012**, including 10 benchmark bonds for a total amount of €6.6Bn.

Part of the green and sustainability worring in the outstanding total debt of the Region





# More than 10 years of green and sustainable financings



# Region's ESG issuer profile score, (Moody's IS Credit Opinion)

- **Environmental : E-2**

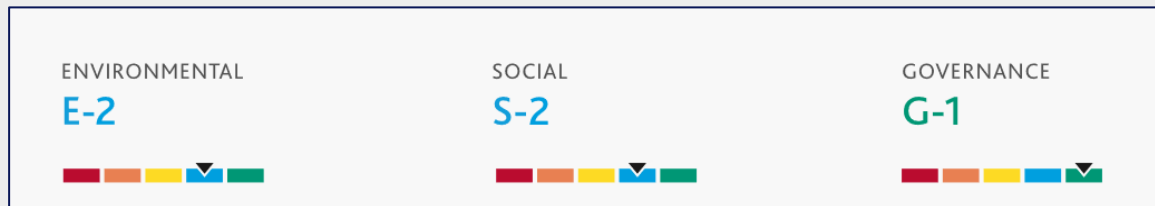
*"(...)low risks in all categories"*

- **Social : S-2**

*"(...) very high quality education, good housing availability, high standards of health and safety, and high-quality access to basic services."*

- **Governance : G-1**

*"(...) prudent budgetary planning and practices, flexibility and financial management, including sophisticated debt management."*



*Details on Moodys.com*

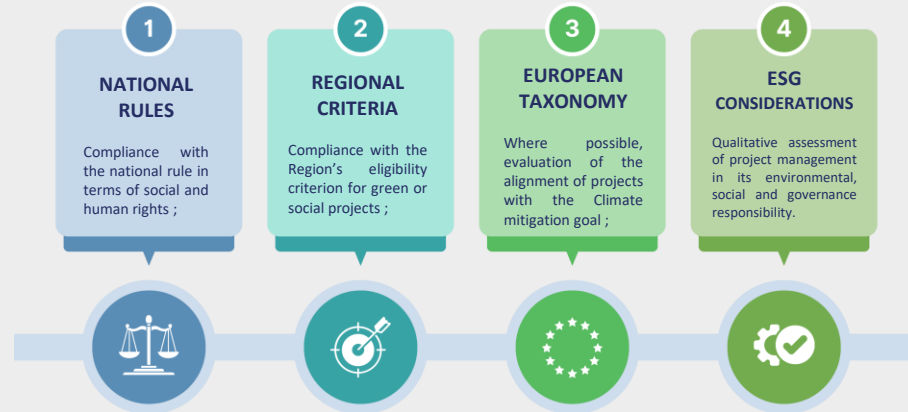
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# A HIGHLY REGARDED GREEN, SOCIAL AND SUSTAINABILITY BOND FRAMEWORK

# The green, social and sustainable bond framework of Region Ile-de-France



- A Framework **fully compliant with the International Capital Market Association (ICMA) principles** : *Green Bond Principles 2018, Social Bond Principles 2020 and Sustainability Bond Guidelines 2018*;
- Projects financed through the bonds are **selected according to the four following steps**:



# An alignment with the EU Taxonomy as soon as 2021

**Regional green projects** are classified according to the environmental objectives of the «Taxonomy» Regulation (EU Regulation (EU) 2020/852, article 9) and when possible, the **NACE** classification.

Vigeo-Eiris (Moody's ESG Solutions) SPO : **“Most Green Eligible Categories follow the technical screening criteria specified by the Draft Delegated Act under EU Taxonomy Regulation (Nov 2020)”** \*.

In its evaluation and selection process, **regional Green projects** categories are assessed, when possible, **according to the Do No Significant Harm criteria** (example of the clean transportation sector in appendix of the Framework).

Moreover, at the start of the evaluation and selection process is confirmed that the **Region's activities are carried out** in strict compliance with the French environmental and social legislation, hence **in line with the European Union's Minimum Safeguards** (Regulation (EU) 2020/852, article 18).



Climate change mitigation

\* **Out of the 16 EU taxonomy activities covering all regional projects, regional projects are fully aligned with the technical criteria of contribution to the objective of climate change mitigation in 13 cases, partially aligned in 2 cases and "Not yet assessed" in 1 case.**

# A robust and highly detailed reporting



For each bond issue, the allocation and impact report shall be published at the latest by 31st December of the year following the issue on the [Region's website](#):

## ❑ The Allocation report, made of:

- Tables showing the allocation of the funds raised for the selected projects et schemes, broken down in 2 major categories: Green & Social;
- A breakdown of the funds raised, in accordance with the UN Sustainable Development Goals and for each of their Targets;
- A presentation, where possible, of the distribution of the allocated funds according to their contribution to the environmental objectives of the European Union.

## ❑ The Impact report, with Project sheets detailing each project and scheme with:

- A description of the purpose of the project;
- The essential information on the project, the amounts allocated to the project in previous bond issues, and the share of co-financing;
- A summary table illustrating how the project meets the eligibility criteria and the project management criteria;
- An evaluation, where possible, of the impact of the project according to the 3 impact indicators selected;
- The UN SDGs / environmental objectives of the EU to which the project aims to respond.

The **3 impact indicators** selected by the Region are:

- CO2 emissions avoided by the project (in teq/year) for all green projects;
- number of jobs created by the project;
- number of beneficiaries of the project;

Reporting methodology and assumptions used to report publicly disclosed.

# Eligible Green Projects categories

Region Île-de-France has identified 4 green projects' categories and defined rigorous eligibility criteria for each category to be aligned with the best market practices.

Green Project Categories	Description	Regional Eligibility Criteria
Green Buildings	<ul style="list-style-type: none"> <li>Construction of buildings following a sustainable development Approach and promoting respect for the Environment</li> </ul>	<ul style="list-style-type: none"> <li><b>Public buildings</b> (high schools and annex buildings, higher education buildings, medico-educational institutes):                             <ul style="list-style-type: none"> <li>All high schools from 2017 onwards: required energy consumption level &lt; -40% compared to RT 2012 (equivalent to the level E3C1 of Label E+C-).</li> <li>All higher education buildings: required level of energy consumption &lt; -20% compared to RT 2012 (equivalent to Effinergie + Label).</li> <li>Medico-educational institutes: Required level of energy consumption &lt; RT 2012.</li> </ul> </li> <li><b>Residential:</b> Required level of energy consumption &lt; RT 2012.</li> </ul>
	<ul style="list-style-type: none"> <li>Renovation of buildings according to a sustainable development approach and promoting respect for the Environment</li> </ul>	<ul style="list-style-type: none"> <li><b>High schools and higher education buildings:</b> for major restructurings/rehabilitations of +1000m2 , the works must lead to a reduction in primary energy consumption (Cep) of at least 30% (Cepprojet ≤ Cepinitial - 30%; i.e. the level required by the Thermal Regulation «RT Global»).</li> </ul>
Clean Transportation	<ul style="list-style-type: none"> <li>Construction of rail transit Infrastructure</li> <li>Construction of low-carbon road transport infrastructure dedicated to public passenger transport</li> </ul>	<ul style="list-style-type: none"> <li>Construction of rail transport infrastructure meeting the following criteria: ground electrified infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signaling and ground control-command and signaling subsystems.</li> <li>Construction of low-carbon road transport infrastructure dedicated to public passenger transport.</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>Projects contributing to the development of local renewable energies and energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Production of electricity from photovoltaic solar energy;</li> <li>Cogeneration of heat/cold and electricity from solar energy;</li> <li>Heat/cold production from geothermal energy;</li> <li>Production of heat/cold using residual heat;</li> <li>Manufacture of equipment for the production of hydrogen;</li> <li>Hydrogen storage</li> </ul>
Terrestrial and aquatic biodiversity conservation	<ul style="list-style-type: none"> <li>Restoration and rehabilitation of ecosystems (e.g. renaturation of banks, the reopening of urban rivers, the planting of hedges),</li> <li>Sustainable forest management (e.g. adaptation of tree species to climate change, safeguarding state forests),</li> <li>Investment in protected areas.</li> </ul>	<ul style="list-style-type: none"> <li>Afforestation (PEFC label)</li> <li>Forest rehabilitation and restoration (PEFC label)</li> <li>Reforestation (PEFC label)</li> <li>Sustainable forest management(PEFC label)</li> <li>Forest conservation (PEFC label)</li> <li>Wetlands restoration</li> </ul>

Green contribution to the Sustainable Development Goals



# Eligible Social Projects categories

Region Île-de-France has identified 6 social projects' categories and defined rigorous eligibility criteria and target populations for each category to be aligned with the best market practices.


Social Project Categories	Regional Eligibility Criteria	Target Population
<b>Access to essential services: Education</b>	<ul style="list-style-type: none"> <li>An increase in educational accommodation capacity through the construction or extension of infrastructure for public secondary and public higher education.</li> <li>Improvement of the quality of existing infrastructure and equipment for public secondary and public higher education.</li> </ul>	<ul style="list-style-type: none"> <li>The entire population of the territory</li> </ul>
<b>Access to essential services: Health</b>	<ul style="list-style-type: none"> <li>An increase in health capacities through the construction or extension of health infrastructures.</li> <li>Improvement of the quality of existing health infrastructures and sanitary facilities.</li> <li>Development of medical research.</li> <li>Provision of infrastructure, equipment and emergency materials needed in the event of an exceptional crisis (health crisis, natural disaster, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>The entire population of the territory</li> </ul>
<b>Access to essential services: Social inclusion</b>	<ul style="list-style-type: none"> <li>Increase in reception and accommodation capacities for vulnerable populations.</li> <li>Projects to make buildings and infrastructure (transport, education, etc.) accessible to people with reduced mobility.</li> </ul>	<ul style="list-style-type: none"> <li>Vulnerable populations including, in particular but not exclusively, people with reduced mobility, the elderly, people in precarious situations or vulnerable groups (situations of insecurity, exclusion, disability, homelessness, etc.)</li> </ul>
<b>Affordable housing</b>	<ul style="list-style-type: none"> <li>Increase in the capacity of the social housing stock through the construction of new dwellings or the transformation of existing buildings.</li> <li>Improvement of the quality and comfort of the existing social housing stock through thermal renovation works.</li> </ul>	<ul style="list-style-type: none"> <li>Population meeting social criteria, students and young working people</li> </ul>
<b>Affordable basic infrastructures (transport, energy, green spaces and sport infrastructures)</b>	<ul style="list-style-type: none"> <li>Construction of public transport infrastructure for better access to the entire territory. Projects to improve the comfort and safety of transport users and those living near the infrastructure.</li> <li>Construction of basic infrastructure for the supply of renewable energy, heating and cooling networks.</li> <li>Works to develop and extend green spaces, preservation of natural environments and biodiversity.</li> <li>Works to develop and extend sport infrastructures.</li> </ul>	<ul style="list-style-type: none"> <li>The entire population of the territory</li> </ul>
<b>Support for employment creation, prevention &amp; fight against unemployment related to crises</b>	<ul style="list-style-type: none"> <li>Projects contributing to the creation or maintenance of local employment, via support to SMEs &amp; MICs in the territory and to social and solidarity economy projects.</li> <li>Support for research and innovation of SMEs &amp; MICs and the development of the territory's attractiveness.</li> <li>In the event of exceptional crises (health crisis, natural disaster, etc.), support for SMEs &amp; MICs that have been impacted by the consequences of the crisis.</li> </ul>	<ul style="list-style-type: none"> <li>Small and Medium-sized Enterprises (SMEs) and Microenterprises (MICs)</li> <li>SMEs &amp; MICs impacted by the occurrence of exceptional crises</li> <li>The unemployed</li> </ul>

Social contribution to the Sustainable Development Goals



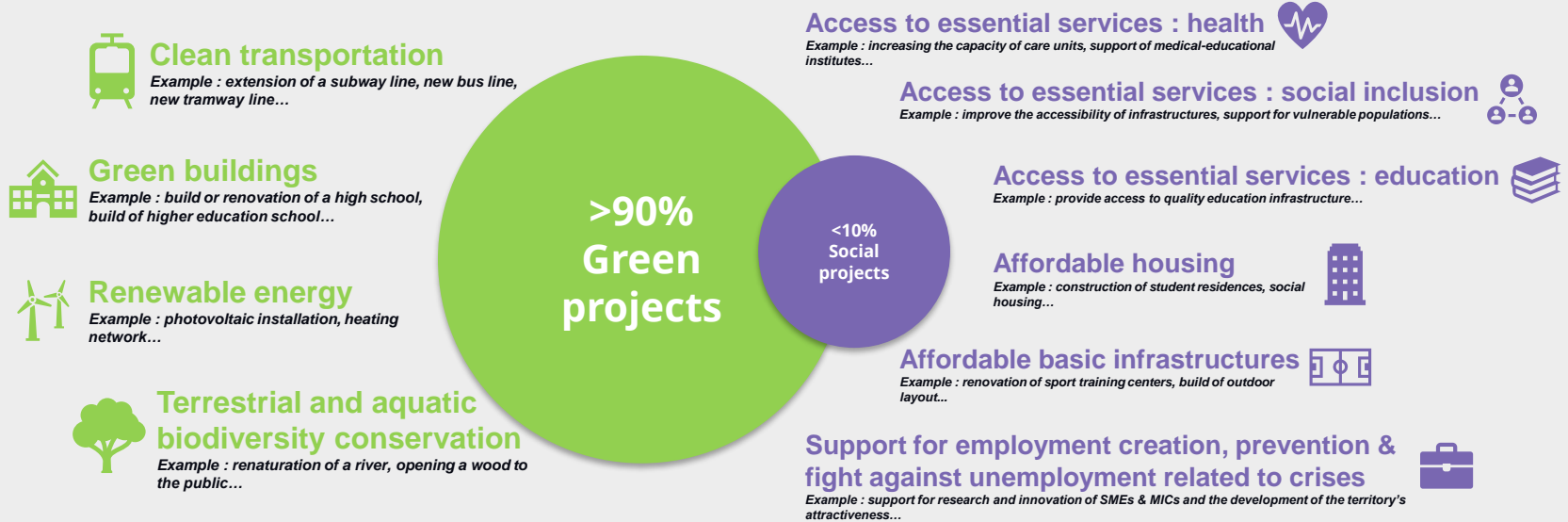


# 2023 issuance funds allocation

	% of fund allocation	Category		Co-benefits			
		Green	Social	Green	Social	Sustainable	
<b>Green project categories</b>							
Green buildings	20%	✓			✓	✓	
Clean transportation	71%	✓			✓	✓	✓
Renewable energy	0%	✓			✓	✓	
Terrestrial and aquatic biodiversity conservation	0%	✓					
<b>Social project categories</b>							
Access to essential services : education	4%		✓				
Access to essential services : health	0%		✓				
Access to essential services : social inclusion	0%		✓				
Affordable housing	1%		✓	✓		✓	
Affordable basic infrastructures	4%		✓	✓		✓	
Support for employment creation, prevention & fight against unemployment related to crises	0%		✓				
		<b>91%</b>	<b>9%</b>	<b>3%</b>	<b>89%</b>	<b>92%</b>	<b>71%</b>

➡ More than 90% of the issuance finances green projects

# Projects financed through IDF bonds



Through the competencies conferred on it by law, the Region's intervention is at the heart of the territory's economic, social and environmental development. Projects financed include:

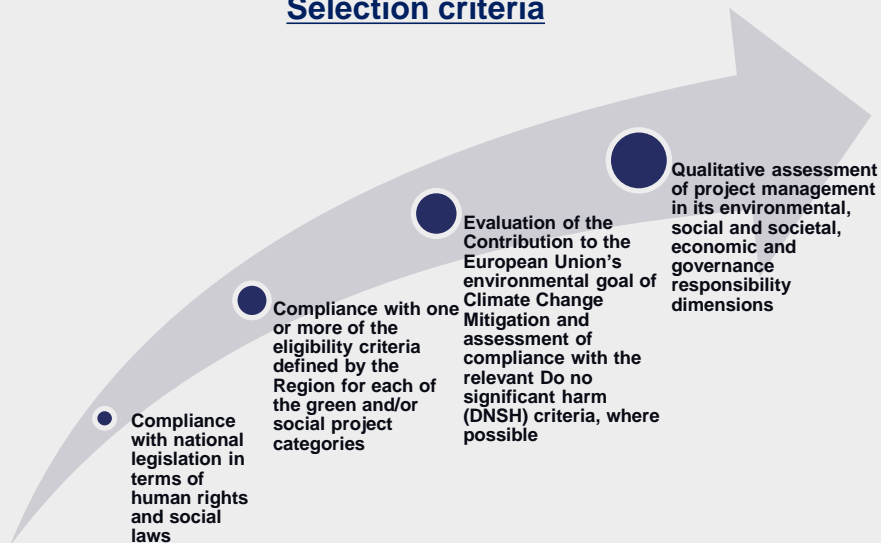
- **Environmental co-benefits,**
- **Or social co-benefits.**

# Projects selection

Projects are **evaluated and selected according to a five-step process** mainly led by the Finances Department;:

- **Operational Departments** propose for selection a list of investments projects or schemes.
- The **Management Control and financial Decision-making Mission** extracts, from the Region's financial information system, the amounts of expenditures for the listed projects / schemes.
- The **Finances Department** finalizes the list of projects for a total amount corresponding to the amount of proceeds.
- The **Sustainable Finance Committee validates the final list**. It gathers the main managers from the Finances Directorate, from the Territorial Cohesion Directorate in charge of regional environmental policies, the Operational Departments and the Paris Region Institute, validates the final list,
- The **public accountant** certifies that the expenditures listed on the allocation report have been paid.

## Selection criteria



# A well controlled management of proceeds

**Proceeds management:** French local authorities are required to deposit their cash balances in a single account with the French Treasury. The public accountant certifies the proper use of funds for the eligible projects financed by the loan.

**A 12-month allocation period:** from a budgetary and accounting point of view, the proceeds of the bonds will be entered as investment income and cover the capital expenditure for the year. The principle of *budgetary annuality* offers a guarantee to investors that the funds raised by the green and sustainable bonds will be used in the year of mobilization of the borrowings to finance the Region's investment projects

**Reallocation of proceeds:** If the Region faces a major controversy on an eligible expenditure, or if an eligible project becomes ineligible, is postponed or divested, then it will reallocate the net proceeds to other eligible projects which meet the eligibility criteria of the Framework within 24 months of the reallocation decision

# A remarkable Second-Party Opinion



- Île-de-France Region Framework has been reviewed by **Vigeo Eiris (Moody's ESG Solutions) in March 2021**.
- Vigeo Eiris (V.E) is of the opinion that the **Expected impacts** and **ESG risks management** are **Robust** and that “*the contemplated Framework is coherent with Region Île-de-France's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments*”.
- The quality of the framework has been underlined with **3 pillars recognized as Best practices** by V.E, see details below:

## Use of Proceeds

### Best Practices ✓

V.E considers that the content, eligibility and exclusion criteria of the UoP are clear and in line with international standards for all categories.

## Evaluation & Selection of Eligible projects

### Best Practices ✓

V.E highlights that the process of selection and exclusion are clearly defined and detailed for all the Eligible Categories.

## Management of Proceeds

### Best Practices ✓

V.E notes that Île-de-France Region has provided the information needed on the procedure that will be applied in case of project/asset divestment or postponement and it has committed to relocate divested proceeds to projects that are compliant with the Framework within 24 months.

## Monitoring & Reporting

### Aligned

V.E mentions that the monitoring and reporting section of the Île-de-France Region is aligned.



7

# APPENDICES

# French territorial organisation

- **Composed of:**
  - 18 regions;
  - 101 départements;
  - 34 965 municipalities, of which 97% under 10,000 inhabitants.
- **Principle of free administration** by elected councils, no local institution can exercise any authority on another.
- **Income and competences** are defined by national law → A key role of the national State in the territorial organization.
- **Several characteristics:**
  - 1) Process of merging and combinations to optimise local public action.
  - 2) Competences attributed to each level of local authorities based on the principle of subsidiarity, and withdrawal of the concept of *general competences in 2015* → Given their size and strategic positioning, Regions are investment authorities by essence, with a leadership role amongst local administrations in terms of economic development, environment, planning.

# A protective legal framework

- **Article 72-2 of the Constitution**

Local authorities benefit from resources they can use freely in the conditions fixed by the law.

They can receive all or part of the proceeds issued from all kind of taxations. The law can authorize them to fix the scope and rate in the limit it determines.

Fiscal receipts and other own resources of local authorities represent, for each category of local authorities, a determining part of all their resources. The organic law fixes the conditions in which this rule is implemented.

Any transfer of competencies between the State and the local authorities comes along the allocation of equivalent resources to those that were dedicated to their exercise. Any creation or extension of competencies having an increase in expenditures of the local authorities as a consequence comes along resources fixed by the law.

The law plans devices for adjustment intended to favor equality between the local authorities.

- **Article L1612-4 of the General Local Authorities Code**

The budget of the local authority is in real balance when the functioning and the investment sections are respectively voted in balance, incomes and expenditures having been evaluated in a sincere way, and when the debit on the incomes of the functioning section to the benefit of the investment section, added to the own receipts of this section, excluding the proceeds from borrowings, and eventually the endowments of amortizations and provisions accounts, provides enough resources to cover the capital repayments of the borrowings maturing in the course of the exercise.



# The competent authority to define the strategic orientations of the public action on the territory of Ile-de-France

## ❑ Authority in charge of organizing the territory planning:

- ❖ The Region defines the strategic orientations in terms of urban planning, with regard to the environmental stakes, employment hubs, needs for housing and transports (SDRIF-E). This reference framework is prescriptive and must be declined in the whole of the local plans for urban planning in Ile-de-France.
- ❖ The Region is associated to each local document for urban planning and pays a particular attention to the environmental topics.

## ❑ Authority in charge of organizing the transports in Ile-de-France with IDFM (Île-de-France Mobilité, formerly “STIF”):

- ❖ The Region launched the transports revolution with IDFM since 2016, with the aim to renew all the rolling stocks (trains) and the implementation of the Greater Paris for Bus to service the territories of the greater Paris area.

## ❑ Lead manager of the economic development on the territory:

- ❖ The Region defined in December 2016 the regional strategy for economic development, innovation and internationalization, which integrates the environmental stake to address a dual objective of identification of the possibilities in terms of economic activity, employment and innovation, and improve the living environment in Ile-de-France.






## ❑ Lead manager, along with the State, of the territorial politics related to quality of air, energy and fight against climate changes:

- ❑ The regional council has voted in September 2022 the Protection, Resistance and Adaptation Plan of the Ile-de-France Region to climate change.

## ❑ Lead manager for biodiversity.

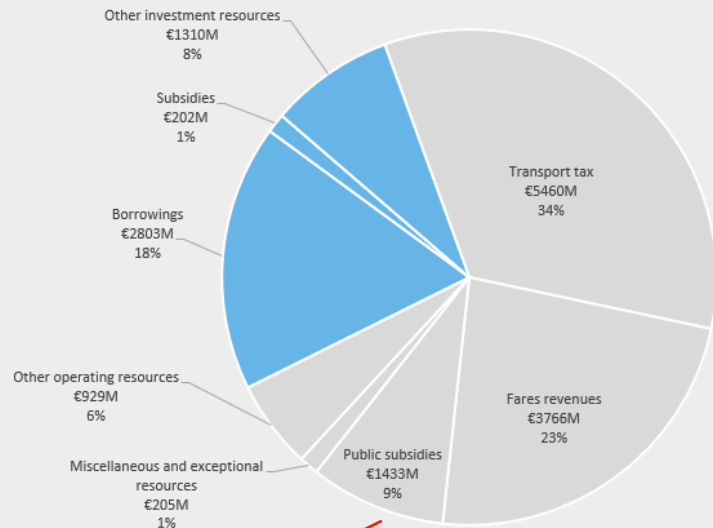
## ❑ Role of planner in terms of waste management, with a zero-waste objective adopted in September 2016.

# Region Ile-de-France, Société des Grands Projets, Ile-de-France Mobilités, RATP and SNCF : 5 different entities

					
<b>Governance</b>	<p><b>Legal body governed by public law</b> Regional authority, autonomous - regional assembly composed of 209 elected members, - chaired by Valérie PECRESSE.</p>	<p><b>Public industrial and commercial undertaking (“EPIC”)</b> - 100% owned by the state - Supervisory Board (representatives of the State and local authorities, 21 members).</p>	<p><b>Public administrative institution « EPA »</b> - Council composed of 29 members, representing « départements », Ile-de-France Region and the French State, - chaired by Valérie PECRESSE.</p>	<p><b>RATP : Public industrial and commercial undertaking (“EPIC”)</b> 100% owned by the state</p>	<p><b>SNCF : State-owned limited company</b> 100% owned by the state</p>
<b>Competences</b>	<p>The regional Council governs the affairs of Ile-de-France through its resolutions. It has jurisdiction over subsidies and project management in the transport’s sector.</p>	<p>Design, develop and finance the Grand Paris Express project (200 km of metro lines, 100 % automatic; 68 new stations).</p>	<p>Authority in charge of transportation in Ile-de-France Region.</p>	<p>Ensure, design and maintain transport networks in Region Ile-de-France.</p>	<p>Manage, maintain and develop the railway network + service operation.</p>
<b>Budget</b>	<p><b>Finances the regional transport infrastructure</b> (subway lines extensions, tramway lines build...) and <b>participates in the financing of Île-de-France Mobilités.</b></p>	<p><b>Finances the Grand Paris Express project :</b> build of the lines, stations, acquisition of rolling stock on behalf of Île-de-France Mobilités.</p>	<p><b>Finances the operating costs of regional transports</b> (operating costs from operators and investment programmes covered by contract with Ile-de-France Mobilités)</p>	<p><b>Finances the company operations</b> (purchasing of rolling stock on behalf of Île-de-France Mobilités, staff costs and energy costs).</p>	<p><b>Finances the company operations</b> (purchasing of rolling stock, staff costs and energy costs).</p>
	<b>Infrastructures</b>		<b>Operating costs</b>		

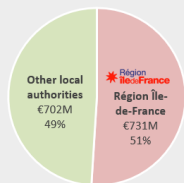
# Île-de-France Mobilités : a separated budget

## REVENUES (2023) – €16.1Bn



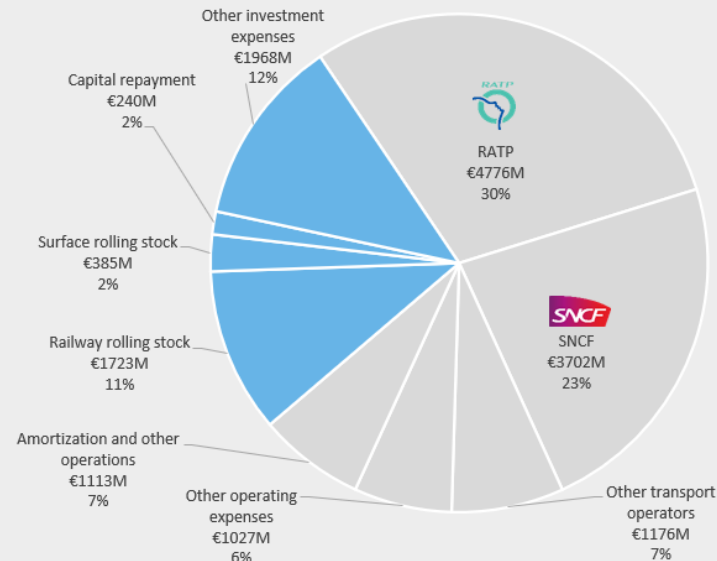
Investment

Operating



**Région Île-de-France contribution accounts for 5% of Île-de-France Mobilités revenues**

## EXPENSES (2023) – €16.1Bn



# Contacts and documentation

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