

city, transformed

PARIS

A brighter city of light

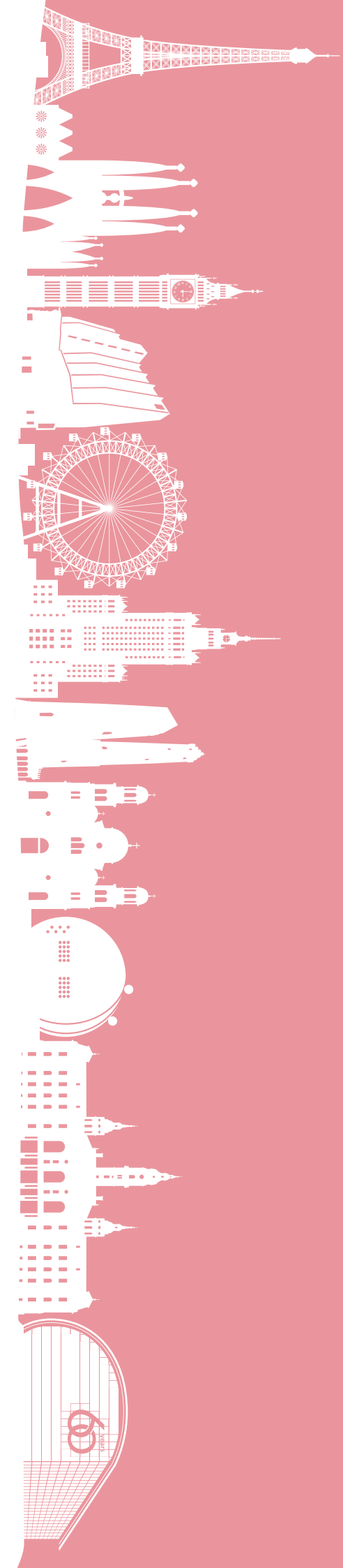
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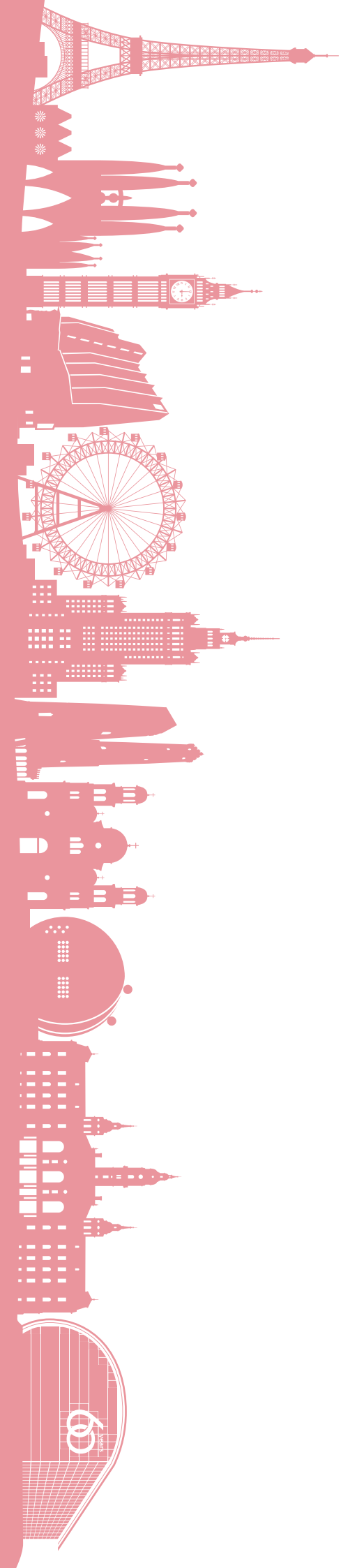


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PARIS

A brighter city of light

Martin Wolf
Léo Fauconnet
Paul Lecroart

Martin Wolf is an urban planner and public finance expert at the Paris Region Urban Planning and Development Agency (IAU île-de-France). **Paul Lecroart** is senior urban planner for IAU île-de-France. He leads strategic research in the Paris Region, advising regional, metropolitan and local governments on transformative strategies, urban projects and design. Paul has been involved in major projects, such as the Future of the Grand Paris Highways Consultation, the Paris Olympic Bid and the Paris Region Masterplan 2030. He teaches at the University of Paris-Est and at Sciences Po Urban School. **Léo Fauconnet** is an urban planner and the governance issues team leader at IAU île-de-France. He took the lead in drawing up the regulatory part of the Paris Region Masterplan 2030.

Left to right: Léo Fauconnet, Martin Wolf and Paul Lecroart



Paris is the greatest tourist destination in the world, renowned for beautiful buildings that hark back to urban developments from long ago. But for those who live there, the last 40 years have seen major changes, particularly in transport and housing. We track the policies behind those shifts – and look at how the future is shaping up for the City of Light.

I) Four decades of evolution in the Paris Region

The population of the Paris Region (Île-de-France) increased by 20% from 9.9 million inhabitants in 1975 to 12 million in 2015. During this period, 1.7 million housing units were built and 1.5 million jobs created. As the urban, demographic and economic landscapes changed, public policies tried to adapt public investment to this new context. This is the story of how that process played out.

During the 1980s, the “grand projects” (Bastille Opera, Grand Louvre, high-speed trains) and new town extension (Cergy, Saint-Quentin-en-Yvelines, Évry, Sénart, Marne-la-Vallée) policies were still supported by the state. However, local authorities benefited from the decentralisation laws passed in 1982 and 1983. For instance, the first Île-de-France Regional Council elections took place in 1986. Some major transport projects were finalised, such as Paris Charles de Gaulle airport’s second terminal, and the completion of the Regional Express Rail Network (RER A, RER C and RER D). During the 1990s, one focus of the public authorities was to invest in socially deprived areas, especially those facing industrial and urban decay. Among these projects were the Stade de France and World Cup-related developments (A1 motorway cover, RER D, Metro Line 13) in the northern suburbs of Paris.

After the 2005 riots in the suburbs of Paris, public investment tried to rebalance **social and geographic inequalities**. Motorway funding was cut, in contrast to the new dynamic of light rail. Following the economic crisis in 2008, the Paris Region **housing market** became less and less affordable. At the same time, state financial allocations to local administrative authorities started to decrease, reducing their financial and political leeway. After an international consultation on the future of “Grand Paris”, the state-controlled *Société du Grand Paris*, which was charged with completion of the new fully automatic metro network called *Grand Paris Express*, was created in 2010. In 2016, the Grand Paris metropolitan authority was created, but with limited financial resources and an institutional rivalry with the Regional Council.

This essay aims to highlight major urban development, infrastructure and transport investments, so the metropolitan area considered is the Paris Region as a whole. This is firstly because the transport authority (*Île-de-France Mobilités*, formerly *STIF*) acts at a regional level. Furthermore, the Paris Region Master Plan for 2030 (SDRIF 2030), which is the reference Master Plan for all the other plans produced by administrative authorities across the Paris Region (Grand Paris Metropolitan authority, inter-municipal authorities, municipalities), is commissioned by the Region and is logically based on a regional scale, which covers most of the functional urban region. Besides, numerous metropolitan gateways and key strategic sites – such as the Paris-Charles de Gaulle Airport area, Disneyland Paris area and Paris-Saclay cluster area – are located outside Paris and its inner suburbs. Most importantly, the area covered by the State-Region Public Investment Agreements (CPER) is the Paris Region. The agreements are signed every five years and include various financing programmes provided jointly by the region and the state to promote transport, housing and sustainable urban development, as well as, above all, to coordinate and rationalise state and regional actions and funding.

1. Funding models and public developer governance

The CPER has been the major direct public capital funding instrument for the last three decades and financed projects up to €24 billion in the Paris Region between 1984 and 2014. Alongside the CPER, the *Caisse des dépôts et consignations*, a major French public financial institution, also plays a key role regarding public funding of major Paris Region projects. This is also the case of the *Programme d'investissements d'avenir*, launched in 2010, which has accounted for €57 billion since its creation. The *Caisse des dépôts et consignations* financed €4.8 billion in 2017 in Île-de-France (€253 million through the PIA, €75 million through equity and mostly €4.5 billion through loans). Although centralised stakeholders and tools still play a major role in managing public investment throughout the Region, the decentralisation process has led to an increase in the share supported by local administrative authorities. Their total investment accounted for €14 billion in 2016, the majority of which was from municipalities (€7.9 billion).

In comparison with the rest of France, the Paris Region benefited from relatively few EIB financing programmes until the mid-2000s, although the loans that were provided were for large amounts. EIB financing mostly focused on major private development projects, such as Disneyland Paris, and heavy transport systems, such as motorways or airports. Over the last decade, funding for energy efficiency projects, light rail infrastructure and universities together with French public stakeholders has become more common.

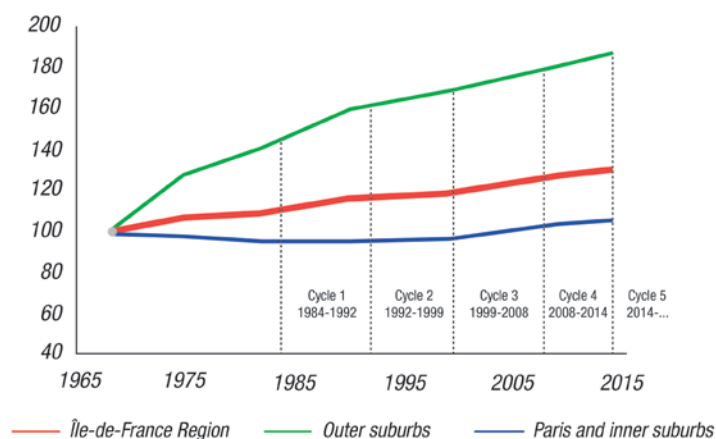
Historically, development stakeholders in France have mainly been from the public sector. Operations can be managed under direct state or local administrative authority control (*régie directe*) or by public operators. Most of the time, land acquisition is also conducted by those public entities with varied governance models. Since the economic crisis of 2008, the private sector has become increasingly associated with the public sector in a co-production process throughout the operation, from initial project management to land acquisition. However, the public sector remains dominant and only a few operations have been managed jointly with private developers.

2. Demographic and employment dynamics compared to public investment cycles

Before 1982, Île-de-France's development was largely influenced by the implementation of the Regional Master Plan for the Paris Region (SDAURP, 1965), which was revised in 1976 and renamed SDAURIF. Population growth was concentrated in outer suburban areas and new towns between 1968 and the end of the 2000s. In contrast, the heart of the metropolitan area, and the city of Paris especially, experienced a decline in population and jobs until the late 1990s.

Since then, demographic trends have evolved. From 1999 to 2014, all the Paris Region territories gained inhabitants. Paris and its closest suburbs have been able to gain residents because of housing stock growth and a decrease in unoccupied dwellings. The decline of household size has also slowed down, facilitating new demographic growth in the central areas of the Paris Region.

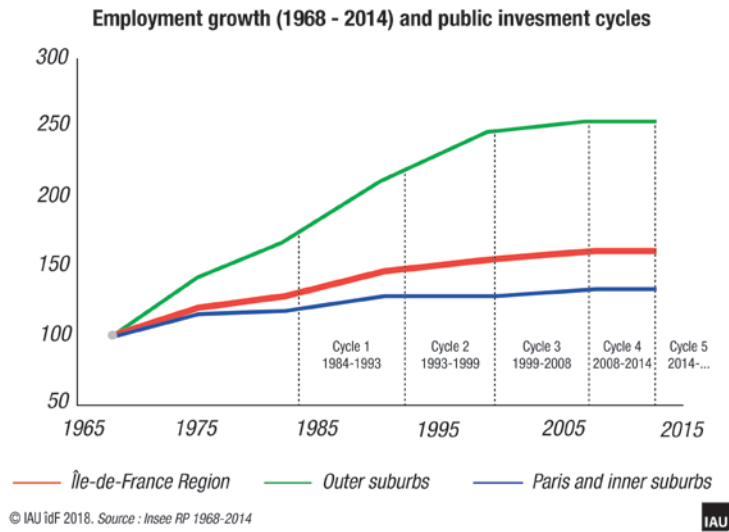
Population growth (1968 - 2014) and public investment cycles



© IAU îdF 2018. Source : Insee RP 1968-2014

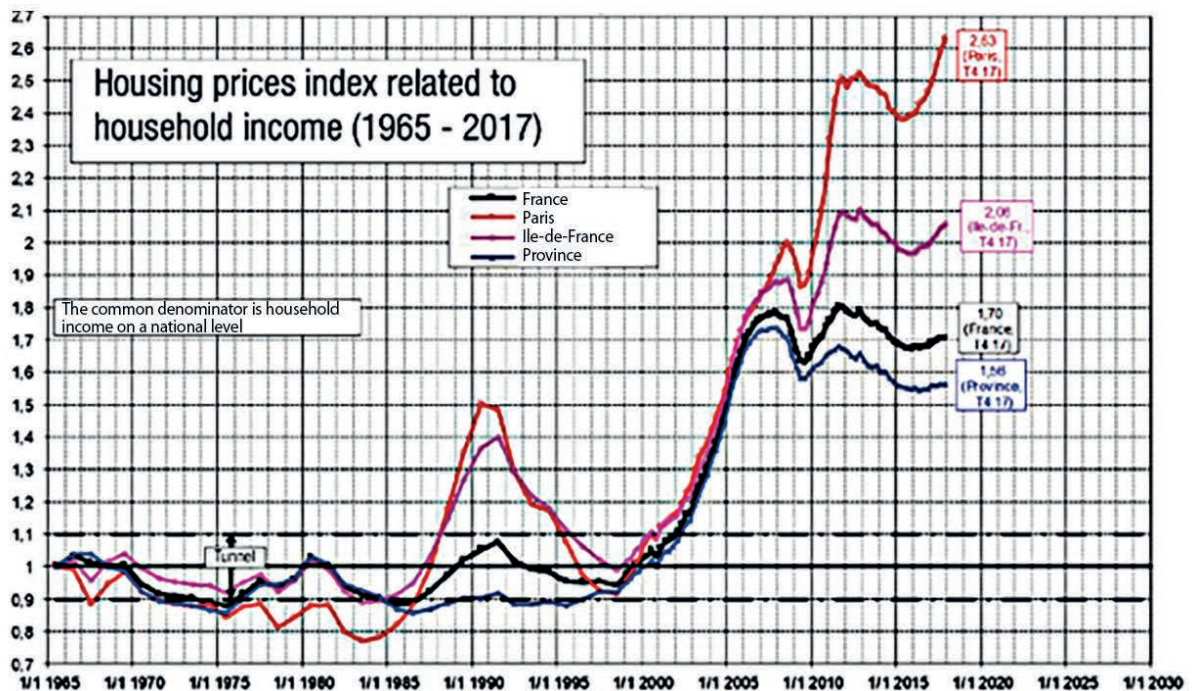


Until the 1990s, employment increased mostly in the outer suburbs. New towns received most of this growth from the 1970s to the 1990s. However, in recent decades, employment growth patterns have changed and are now slightly higher in the inner suburbs.



3. Evolution of housing prices related to public investment cycles

To analyse the evolution of investment and related urban development in the Paris Region for the last three decades, five cycles of investment have been identified. To determine them, an initial approach was to refer to a housing prices index, also known in France as the "Tunnel de Friggit" – a ratio of the median house price to the median gross income. It highlights periods with exceptional housing price growth and periods during which Paris Region housing prices deviate from those observed nationally, showing unusually active speculation on the Paris Region market. Two periods are marked by a divergence between the Paris Region and the rest of France: between 1985 and 1995, and since the beginning of the economic crisis in 2008.



Source: CGED, notary databases and seasonally adjusted Notaires-INSEE indexes

These data enable us to formulate a hypothesis: exceptional variation of housing prices tends to increase public investment. When speculation aggravates inequalities, public investment intensifies and tries to rebalance these inequalities by locating new facilities in deprived areas. The main goal of such policies is to make these areas more attractive and to rebalance the housing market, especially between Paris and its suburbs (see graph above). Besides, as land acquisitions are more profitable during periods of housing price increases, public investment tends to accompany speculation by pushing for more profitable assets. Investment is also facilitated by an easing of lending conditions, which is the prelude for a period of housing price increases. This hypothesis leads to a typology of five cycles of public investment, which appear to match with some of the chronological landmarks of the State-Region plan contracts (1984-1988, 1989-1993, 1994-1999, 2000-2006, 2007-2013 and 2015-2020) and some of the urban development cycles:

- First cycle (1984 – 1992): political decentralisation and unusual increase of Paris Region housing prices
- Second cycle (1992 – 1999): large-scale brownfield regeneration and major rail projects to counter deindustrialisation
- Third cycle (1999 – 2008): light transport and rebalancing of social inequalities
- Fourth cycle (2008 – 2014): facing the economic crisis and speculation on the housing market
- Fifth cycle (2014 onwards): Grand Paris express, development of station areas, and beyond

II) Five cycles of public investment

1. First cycle (1984 – 1992): political decentralisation and unusual increase of Paris Region housing prices

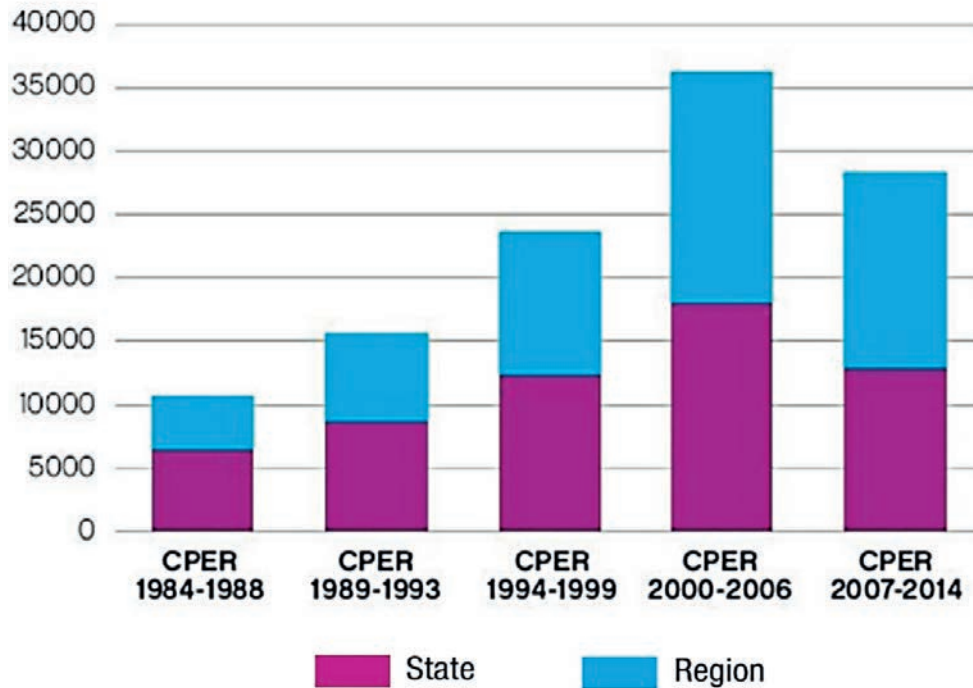
From 1965, housing prices for the Paris Region and Paris city stayed in the common range observed by the *Friggit* data. Between 1984 and 1992, the Paris Region faced speculation in the housing market that had not been seen in the previous 30 years. This exceptional increase was partially caused by the easing of bank lending conditions. This speculation led to housing price growth in the Paris Region three times the national level during the same period. As housing prices were on the rise, investments, urban development and land acquisition became more profitable.

This new dynamic may have originated from a series of decentralisation laws passed in 1982 and 1983, just before the housing price increase in the Paris Region. The Defferre laws launched the decentralisation process throughout France. Before these laws, local authorities had strictly limited autonomy. Their implementation led to the creation of Regions as autonomous administrative authorities (*collectivités territoriales*) and the transfer of executive power from the *Préfet* (the direct representative of the central state) to the President of the Departmental Council. The framework law on domestic transport, also passed in 1982, revolutionised the organisation of public transport in France.

Nevertheless, some major investments (*Grands projets*) were still made by the French government. For instance, the second generation of high-speed trains (TGV Atlantique), Bastille Opera, and Grand Louvre all opened in 1989. At the same time, Paris Charles de Gaulle Airport's second terminal opened in 1982 (terminal 2A and 2B) and was extended in 1989 (terminal 2D). It helped incorporate Paris and its Region into the growing globalisation process by strengthening its position in a network of metropolitan global cities across the world. The extension of the urbanised area through new towns was still a policy supported by the state, with the creation of four new universities in new towns (Cergy, Évry, Marne-la-Vallée, Saint-Quentin-en-Yvelines). Interestingly, these did not benefit from EIB financing. Insufficient account was taken of the necessity of limiting urban sprawl. Nevertheless, the first Regional Nature Park (Haute vallée de Chevreuse) was created in 1985, nine years after the green spaces agency (AEV), which has since bought 14,000 hectares to preserve agricultural activity, forests and biodiversity. Deindustrialisation simultaneously weakened the Paris Region's economic development and increased social inequalities, forcing local stakeholders to react. As an example, an inter-municipal agency was created in 1985 to find new solutions to the deindustrialisation of Plaine-Saint-Denis, formerly the largest industrial area in Europe.

The first State-Region CPERs were implemented from 1984 to 1988. At national level, they accounted for €10.65 billion (€6.38 billion from the state and €4.27 billion from the Regions). They mainly focused on transport funding, which represented 38% of the total. In the Paris Region, state funding amounted to €1.1 billion, while the Region's involvement was slightly higher at €1.3 billion.

The second State-Region CPER (1989-1993) reached €15.6 billion nationally (€8 billion from the state and €6.9 billion from the Region), whereas it remained almost stable in the Paris Region (€2.6 billion). The main goal of public investment in transport through these CPERs was to rebalance inequalities in favour of deindustrialised and underprivileged areas, notably in the north of Paris.



Evolution of state and Regional shares in the financing of the CPER. Source: CGET

Besides the CPER and despite the beginning of political decentralisation, the state was still largely behind financing for heavy public transport. Numerous strategic transport projects were finalised during this period. The junction between the two branches of the Region Express Rail Network B (RER B) between the Luxembourg and Gare du Nord stations was inaugurated in 1982, helping to create a network with RER A, C, and D in the centre of Paris (via the Châtelet and Saint-Michel stations) in 1988. Though tramways were a predominant means of transport during the first half of the 20th century, all lines were removed to make room for cars. This changed in 1992 with the opening of the first new tramway line (T1). Operated by the Paris transport agency (RATP), it created a new connection between deindustrialised areas in Seine-Saint-Denis (Bobigny to Saint-Denis), where the economic, urban and social difficulties of the northern Parisian suburbs were concentrated. The T1 was financed with the first CPER, 50% of the project funding coming from the state, 42.8% from the Region and the rest from the Seine-Saint-Denis department.

Disneyland Paris' opening in 1992 embodied the premise of the next cycle of investment, which focused on large-scale development projects. It originated from an agreement between the French government and the Walt Disney Company in 1987. This private project benefited from the support of the public sector, with seven agreements on its financing from the EIB, for a total of €181.5 million. At the same time, the necessary extension of the RER A was financed by the French state, connecting Disneyland to Paris and its western suburbs. The *Caisse des dépôts et consignations* granted a very favourable €150 million loan to the Walt Disney Company.

2. Second cycle (1992 – 1999): large-scale brownfield regeneration and major rail projects to counter deindustrialisation

Housing prices reached a high point in 1992 and started to decrease until 2000. Above all, Paris Region housing prices quickly returned to normal and caught up with the national curve in 1999. This decrease had been caused by housing oversupply. As Paris Region properties became less and less attractive compared to the rest of France, the public investment model started to change. Firstly, some considerable – but geographically restricted – investments were made to counter the decline in attractiveness and speculation on a drop in housing prices. The end of the 1990s heralded a decade of underinvestment.

The new Paris Region Master Plan was passed in 1994. Its main goal was to adapt the physical organisation plan to a growing population estimated to reach 11 million by 2015 through the adoption of a polycentric model of urban development. It also attempted to organise urban sprawl. This shift, even though it did not translate into strong regulation, may have had an influence on major development projects. Local authorities at the heart of the urban area took advantage of their leeway to take the lead on urban development initiatives and promote their cities through emblematic urban projects. These new policies represented a substantial change and contributed to bringing socially deprived territories to centre stage after a decade of industrial and urban decay in the northern suburbs of Paris. EIB financing during this investment cycle focused on those deprived areas. The national policy for urban development in priority areas defined “Sensitive Urban Zones”, which were mainly large social housing estates. They benefited from specific financing, notably through fiscal exemptions. Social housing policies were also strengthened by the approval of the SRU law in 2000, which revolutionised the regulation of urban planning and development. It compelled urban municipalities to include at least 20% of social housing in their housing stock. It also reduced spaces allowed for cars in areas well served by public transport.

The third generation of State-Region plan contracts (1994-1999) continued to increase and reached €22.6 billion nationally. Together with financial contributions from local administrative authorities and European funds, the total amount of financing was €33.5 billion. In the Paris Region, it reached €5.3 billion, 40% of which was allocated to transport.

Between 1992 and 1999, public stakeholders mostly financed heavy transport infrastructure. The first fully automatic metro line in Paris (line 14) opened in 1998, connecting Madeleine to the National Library of France (it was extended later to Saint-Lazare and Olympiades). It helped to support the Paris Rive Gauche urban development, even if the metro station only opened in 2000, four years after the inauguration of the library. Line 13 of Paris Métro was also extended to Saint-Denis-Université in 1998. The RER E “Éole” opened in 1999, connecting the centre of Paris to the east of the urban area (Chelles and Le Plessis-Tréville). Its high cost (€1.8 billion for the infrastructure and the rolling stock) pushed the state and the regional transport authority to promote lighter and less expensive projects, such as suburban tramways. For example, tramway line 2, inaugurated in 1997 to connect Issy-Plaine to the La Défense business district, required less than a tenth of the funding (€136 million).

Strategic motorways were built to improve traffic conditions in the suburbs. The gradual construction of the missing parts of the A86 (the Thiais tunnel, between Nanterre and Rueil-Malmaison, Bobigny) helped to shape this second motorway ring road around Paris. The A14, a motorway fully financed by its private operator, cost €690 million. The EIB helped finance this major private project with €106 million (tunnel section between La Défense and Nanterre). The EIB partly financed the construction of a motorway link (A104 *La Francilienne*) between Cergy-Pontoise and Charles de Gaulle airport in the north of Paris for a total amount of €115 million. The EIB also supported the international openness of the Paris Region with €24 million in financing for an automated internal passenger transit system and €75 million for a third runway at Charles de Gaulle Airport.

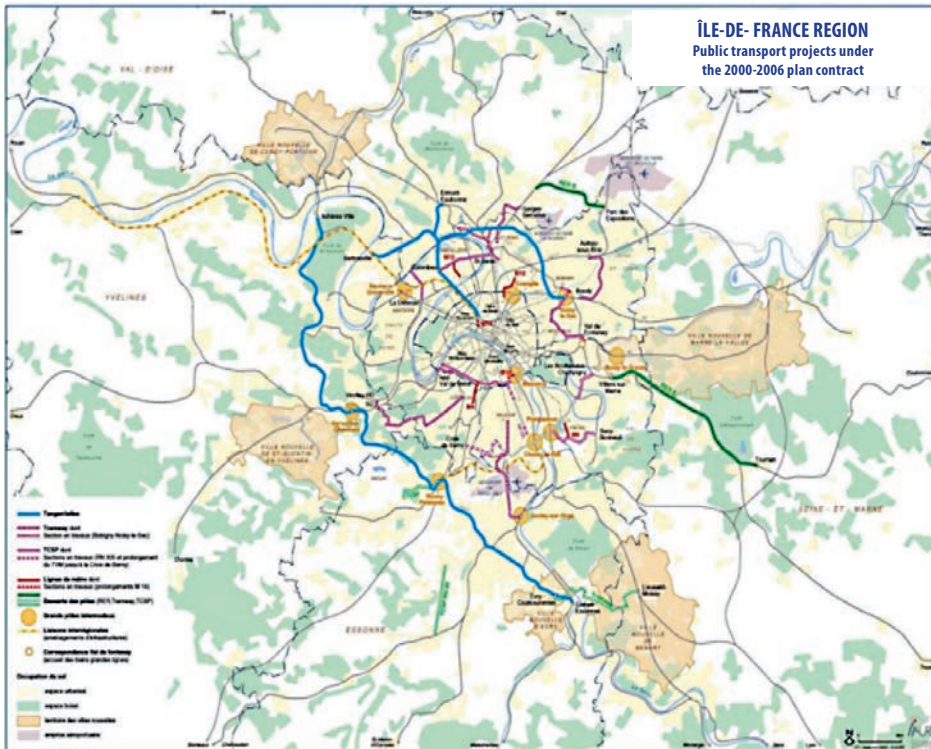
The creation of the ministry for urban regeneration in 1990 led to a national policy for socially deprived urban areas in 1996. Before the implementation of this policy, a series of major urban projects was also carried out to counter underinvestment in these areas. The urban project for Plaine-Saint-Denis, a socially deprived area that had faced deindustrialisation for decades, was approved in 1992. This complex regeneration process set ambitious objectives: the provision of 10,000 housing units and 23,000 new jobs by 2015. Total public investment in the area between 1994 and 1999 amounted to €740 million. It also included the construction of the Stade de France (the French national stadium) through a public-private partnership, for the World Cup in 1998. Its total cost of €390 million was shared with a 51% private contribution. Inaugurated in 1993 in a southern Paris suburb, the Massy Opéra cost €37 million. The EIB financed, for its part, the construction of a new motor vehicle paint shop in Poissy, a city with a historic Peugeot factory, with a €91 million loan.

3. Third cycle (1999 – 2008): light transport and rebalancing social inequalities

The beginning of the 21st century was marked by exceptional growth in the housing market, primarily because of easier access to credit. But unlike previous cycles, the Paris Region curve stayed close to the national market. The philosophical shift included in the SRU law, passed in 2000, might also have had an influence on land consumption and housing market regulation nationally and contributed to bringing both curves closer. Despite the attractiveness of the Paris Region housing market moving closer to the average, housing prices increased strongly. Those years were also marked by the 2005 riots in the suburbs of Paris. Therefore, the main goal of public investments was to try to rebalance social and geographical inequalities.

The state still had a considerable influence on urban development and even strengthened its position. New public development agencies mainly controlled by the state were created, such as the EPA Plaine de France in 2002 and the EPA Orly-Rungis-Seine Amont in 2007. The national agency for urban renewal (ANRU), a state agency financed alongside social partners, also started work in 2003. It tried to simplify the funding of urban projects in deprived neighbourhoods by adopting a single window approach. Its main goal was to help local administrative authorities and urban developers to improve living conditions in socially deprived urban areas. Thus, from 2003, €14 billion was invested in the Paris Region to promote a mixed urban development model in 126 deprived districts, characterised by social diversity, economic activity alongside housing, businesses, culture and leisure. Another example of the revitalisation of the suburbs was the opening of the *Mac Val*, the first contemporary art museum set up in the suburbs of Paris, in Vitry-sur-Seine in 2005. In the Val-de-Marne department, €30.5 million was financed through the State-Region plan contracts (2000-2006) alongside the national ministry of cultural affairs and the Paris Region.

The fourth generation of State-Region plan contracts (2000-2006) was characterised by a much higher financial contribution from the Regions. Their total amount stood at €43 billion, with €17.8 billion coming from the Regions. The Paris Region contract provided €7.7 billion, a large majority of which came from the Paris Region (€4.7 billion). €3.4 billion was dedicated to the financing of public transport (100 km of railways, 10 km of metro lines, 68 km of tramways, 22 km of bus rapid transit, and the reorganisation of eight multimodal exchange stations).



Transport infrastructure financed by the CPER 2000-2006 in the Paris Region

The SRU law transformed the Paris Region transport authority in 2000, renaming it STIF and putting it under regional administrative supervision. It restrained direct financing from the state. In 2003, the state budget for public transport in the Paris Region accounted for only €929 million. Due to numerous extra costs regarding heavy transport projects during the 1990s, public investment mostly focused on light transport infrastructure at the beginning of the 2000s. Two circular tramway lines were built: line 3 in the south of Paris, and line 4 from Aulnay-sous-Bois to Bondy, connecting underprivileged suburbs in the north of Paris. The first part of tramway line 3 was financed by the EIB in 2005 with a €130 million contribution. The first bike sharing service in the Paris Region was unveiled in Paris in 2007. Despite the priority given to lighter projects, some metro extensions were financed during this cycle. Line 14 was extended to Saint-Lazare in 2003 and to Olympiades in 2007.

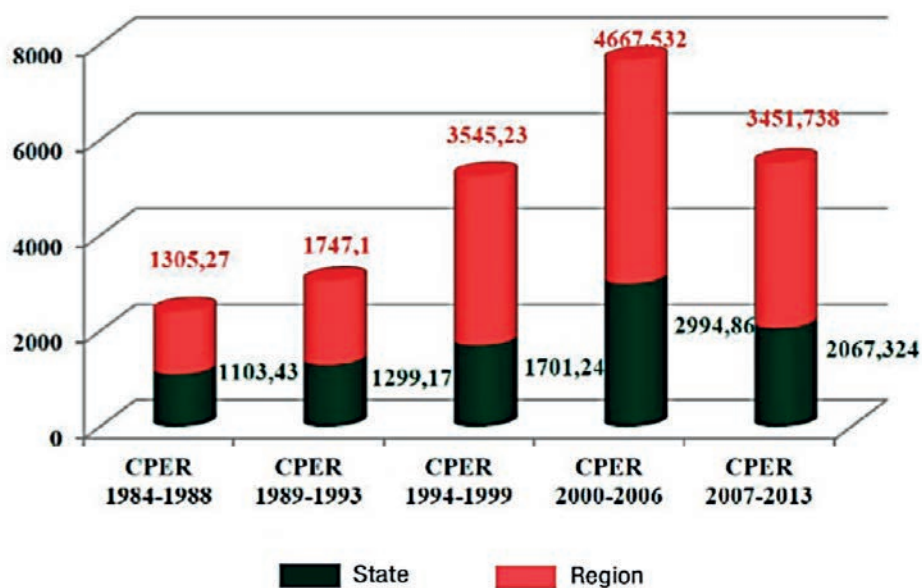
Motorway financing accounted for €1.2 billion in the CPER for 2000-2006. It focused on outer suburban motorways, such as the *Francilienne*, and those around new towns and medium-sized towns (Meaux, Rambouillet) for €890 million. Alongside the CPER, the state and the Region also provided €317 million to finance the Roissy airport bypass and construction works on the western part of the A86. The EIB also provided €250 million to finance the completion of the A86 with the construction of a 10 km tunnel for light vehicles between Rueil-Malmaison and Pont Colbert. The shift from rail to road marked this cycle of investment.

4. Fourth cycle (2008 – 2014): facing the economic crisis and speculation on the housing market

The economic crisis pushed housing prices lower between 2008 and 2010, but they skyrocketed thereafter. Moreover, the gap between the Paris Region, the city of Paris and the rest of France increased. Following the economic crisis, the housing market's role as a safe-haven investment became stronger than ever. Even after the "end" of the economic crisis, speculation remained at a higher level in the Paris Region and was even higher in Paris itself. State financial allocations to local administrative authorities froze between 2011 and 2013, and decreased massively after 2014. Facing this lack of public funding, local administrative authorities and their development agencies tried to innovate by attracting more private financing. They benefited from a paradoxical situation: as they encountered

difficulties in mobilising public investment, they were revitalised by the rise of Paris Region housing prices, especially at the heart of the urban area. Therefore, as public funding decreased, the role of the private sector intensified.

The fifth State-Region CPER (2007-2014) mobilised only €30 billion, a 30% drop compared to the previous generation and the first decrease since the creation of the CPER. The focus turned to higher education, sustainable development and research. The EIB supported more projects related to energy efficiency, such as the extension of a district heating network and the construction of two new geothermal plants for €145 million. €5.5 billion was financed by the CPER of the Paris Region. The Paris Region only received €176 per inhabitant between 1984 and 2014, against €187 nationally.



Evolution of state and Paris Region shares in the financing of the CPER

The Investment Programme for the Future was launched in 2010 by the state. It focused on research and innovation and was provided with a €35 billion initial amount, which increased by €12 billion in 2013. At the same time, ERDF, ESF and other European funds took a more significant place in the funding of investment in the Paris Region (€716 million). Nevertheless, the Paris Region CPER does not rely on European funds as much as other French regions.

In 2008, President Nicolas Sarkozy launched an international consultation, which drew ten world-renowned architects to produce scenarios for the future of the Paris Region. It led to the creation of a state-controlled public undertaking, the *Société du Grand Paris*, which was tasked with the building of the *Grand Paris Express*: four new fully automatic metro lines and two extensions, the whole project requiring 200 km of new rail tracks. The *Société du Grand Paris* is managed by the state, whereas the Paris Region is responsible for leading the transport authority. After the enactment of the Grand Paris law in 2010, an agreement was reached with the Paris Region in 2011 that included the acquisition of the rolling stock by the regional transport authority. The total cost of the project was estimated in 2010 at €18.3 billion, then revised in 2013 to €25 billion and in 2017 to €35 billion. The *Société du Grand Paris* benefited from specific public loans from the *Caisse des dépôts et consignations* and the EIB, and also from direct fiscal resources (€500 million per year in 2017).

Before the implementation of the *Grand Paris Express*, public investment focused on renewal of the existing stock, following decades of underinvestment. The EIB financed €600 million for the modernisation of the rolling stock operated on commuter lines. The CPER provided €219.5 million for the extension of metro line 4 towards Montrouge,

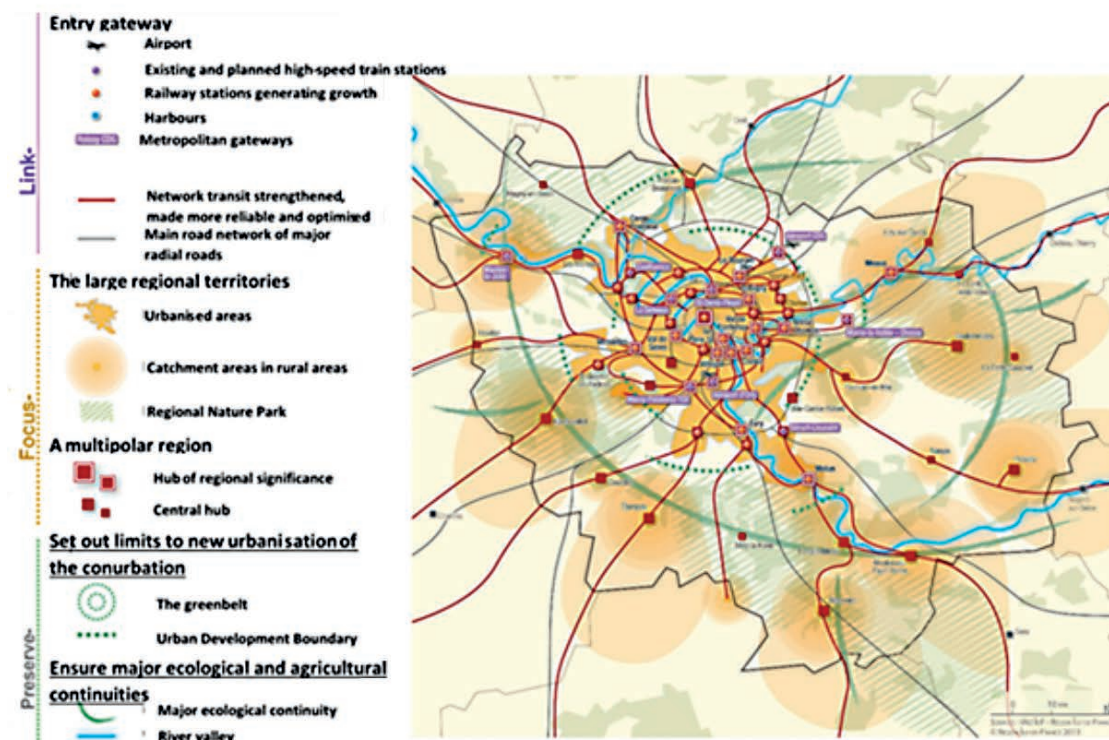
which was finished in 2013. Policies of investment in the tramway network continued, with considerable financial support from the EIB, which committed €600 million for the construction of tramway lines 5, 6, 7 and 8 and the purchase of tramway sets in the first ring of suburbs around Paris. It also financed the second part of the circle tramway line around the north of Paris with €500 million in 2009 and an additional €152 million in 2013. Autolib, the first electric car sharing service in Paris, was created in 2011. More than 100 municipalities from the Paris metropolitan area joined the Autolib association. The EIB disbursed a €75 million loan to support this new service in 2011.

Even if the state is still largely active throughout the Paris Region – with for instance the creation of an operation to develop Saclay campus in 2010 and the related creation of the public development authority now known as EPA Paris-Saclay the same year – local semi-public and public developers took advantage of the profitable economic context and participated in innovative urban operations. These included the SPLA Paris-Batignolles Aménagement, a fully public operator that has managed the urban regeneration of a wasteland site in the north-west of Paris since 2010. More generally, public investment gave priority to housing and cluster development between 2008 and 2014 to reduce the effects of the economic crisis.

5. Fifth cycle (2014 onwards): Grand Paris express, development of station areas, and beyond

After 2014, housing price increases slowed slightly on a national level, but Paris Region growth has now clearly moved away from the national average. A movement of re-concentration towards the heart of the urban area accompanied this exceptional level of speculation. Contrary to previous decades, population growth is now the same in the heart of the urban area and the outer suburban areas.

A new Paris Region Master Plan for 2030 (SDRIF 2030) was adopted at the end of 2013. It was intended to limit urban sprawl by promoting densification, notably around new railway stations. In 2010, the Grand Paris law gave a target of 70,000 housing units to be built each year throughout the Paris Region. This objective has been reached and even exceeded since, as construction on 80,000 housing units was started in 2017.



Regional spatial project – Paris Region Master Plan for 2030

The Grand Paris metropolitan authority, an inter-municipal authority with 7 million inhabitants that encompasses Paris and 130 suburban municipalities, was created in 2016. Its current organisation does not allow it to act efficiently (with an investment capacity of only €5 per inhabitant in 2017). New presidential decisions reorganising its governance are awaited.

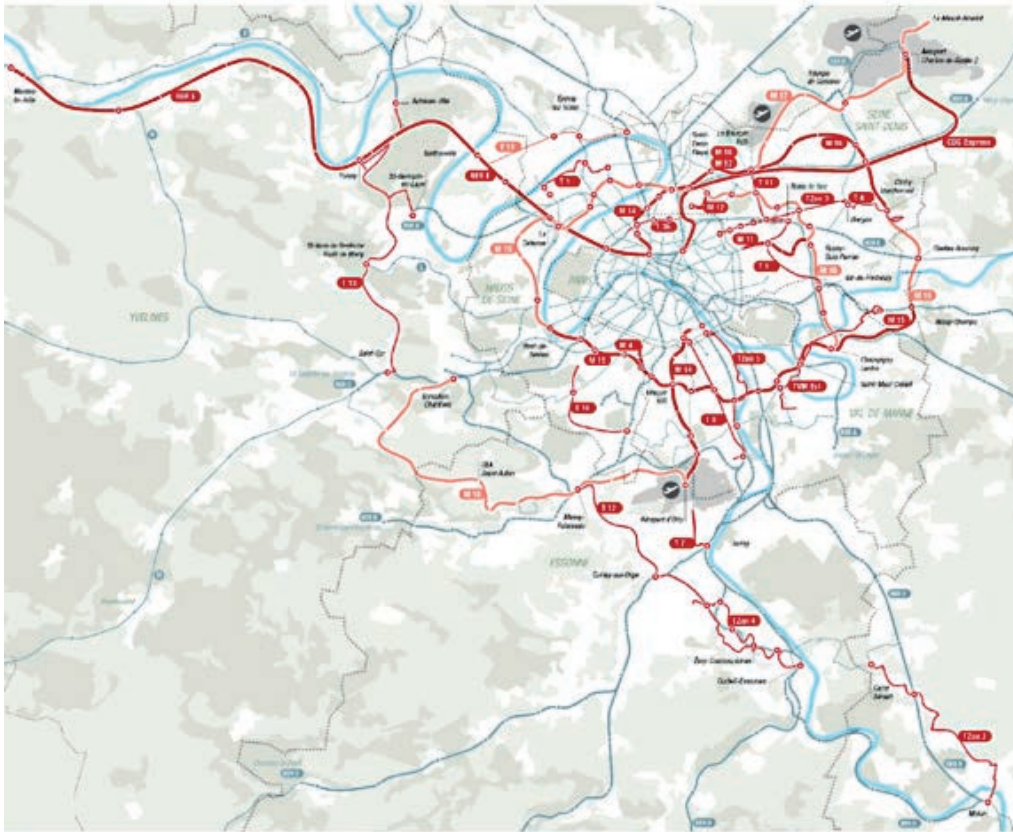
The sixth generation of State-Region plans (2015-2020) remained stable at national level compared to the previous generation, but increased in the Paris Region with €7.4 billion. €5.3 billion was dedicated to transport, showing the new understanding from the state and the Region that decades of underinvestment had led to a deterioration of the public transport network. Campus Condorcet, an ambitious new campus in deprived areas in the north of Paris, also benefited from €450 million in financing from the CPER. The Investment Programme for the Future was strengthened in 2016 with €10 billion in additional funds.



Projects funded by the CPER 2015-2020

Since 2014, the EIB has used the *Caisse des dépôts et consignations* as an intermediary to finance projects in the Paris Region. This €2 billion partnership could be particularly efficient, as the *Caisse des dépôts et consignations* is a key stakeholder for the financing of local projects and is very active in the Paris Region. Numerous heavy and light transport projects are likely to result. 369 km of new rail lines should be built by 2030, the most important new network being the *Grand Paris Express* (200 km of new lines). The EIB financed this with two loans in 2016 and 2017 for a total amount of €2 billion.

PROJETS DE TRANSPORT EN COMMUN EN ÎLE-DE-FRANCE (2018)



Lignes en projet

Horizon 2018 - 2024

— RER et gares - Transilien, Métro

— Tram express, Tramway, BHNS

Horizon 2025 - 2030

— RER et gares - Transilien, Métro

— Tram express, Tramway, BHNS

Gares en projet

• Nouvelle correspondance

Lignes existantes

— RER et Transilien

— Métro

— Tramway et BHNS

Limites administratives

— Région Île-de-France

..... Département

— Hydrographie

Fond de plan

□ Urbain

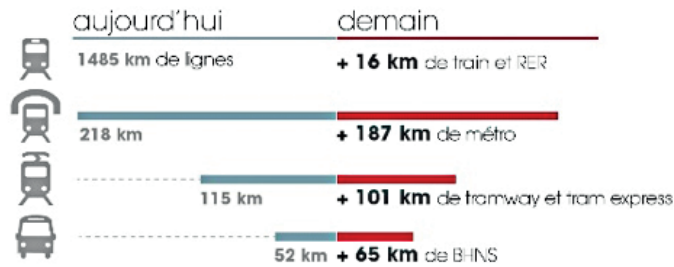
■ Emprise aéroportuaire

□ Espace rural

□ Espace naturel et forestier

N 0 10 km © IAU ÎdF 2018 source : IAU ÎdF

en **2030** l'Île-de-France va compter **369 km** de nouvelles lignes de transports en commun



82 nouvelles gares et stations de métro

56 nouvelles correspondances

Pour l'estimation de la longueur des nouvelles lignes de transport, les troncs communs ne sont comptabilisés qu'une seule fois. Le nombre de nouvelles gares et stations de métro correspond au nombre de nouveaux bâtiments voyageurs en projet. Le nombre de nouvelles correspondances concerne uniquement les correspondances avec des modes ferrés (métro, train, tramway).
© IAU ÎdF 2018 - source : IAU ÎdF

Public transport projects up to 2030 throughout the Paris Region

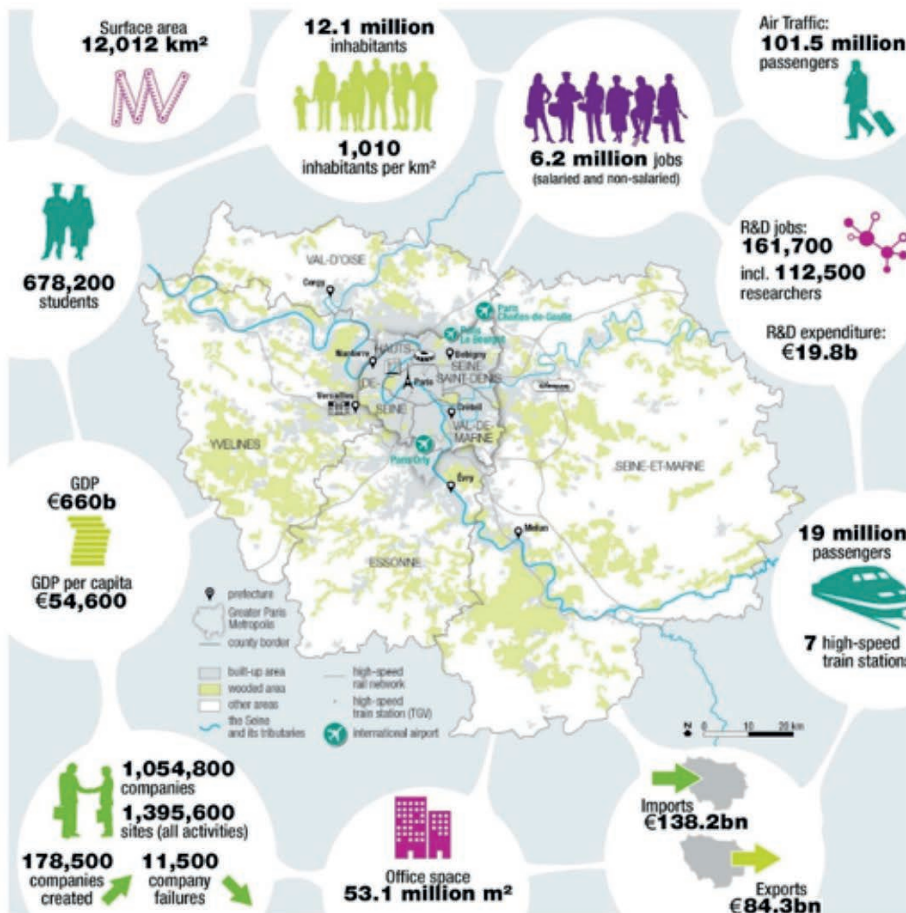
The EIB continued to promote the Paris Region's international accessibility with a €250 million loan financing Orly Airport's development between 2016 and 2020. In recent years, the EIB has financed an increasing number of energy efficiency projects (SEM énergies Posit'if in 2014) and numerous university constructions and extensions, especially on the Saclay Campus: €110 million for Campus Saclay-Centrale in 2015, €140 million for Campus Saclay Université Paris-Sud in 2017 and €25 million for Campus Saclay Agro-Paristech in 2017.

Since 2000, EIB financing for the Paris Region has tended to follow the main trends of French public funding. For instance, it supported light rail during the 2000s and has financed heavy transport projects thereafter. Most importantly, by diversifying its range of investments in recent years, the EIB has proved its essential role in financing the Paris Region's future.

III) The Paris Region: present and future

The Paris Region, which accounts for over 31% of France's GDP, is an established world city-region and the largest metropolitan area in Europe. Its 12 million inhabitants living in a region of 12,012 km² represented 18% of the French population in 2014. Its GDP is the second highest in Europe and the fourth highest per capita. This highly attractive area is the second largest region in Europe in terms of foreign direct investment inflows and the world's number one tourist destination with 33.8 million overnight stays in 2017.

PARIS REGION ECONOMIC DATA



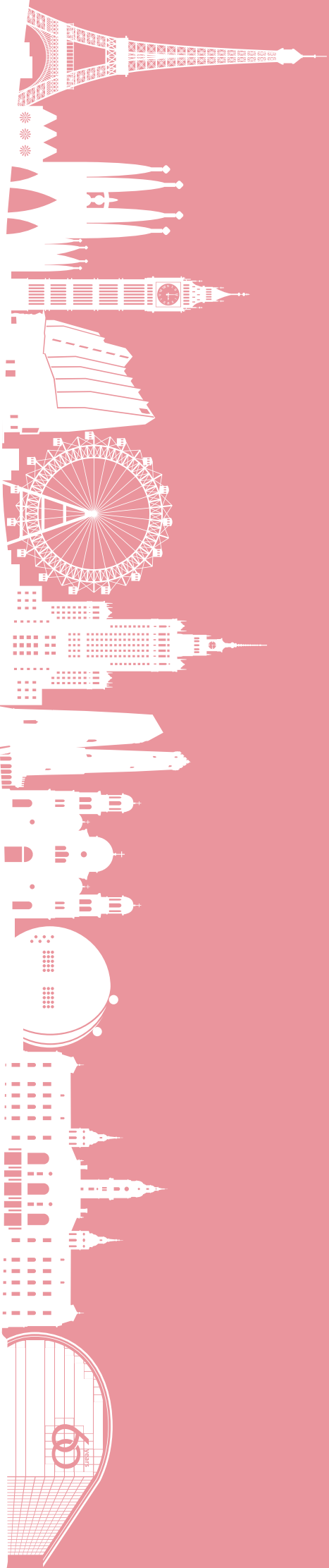
© IAU IGF 2018
Sources: French customs, Insee (National Institute of Statistics and Economic Studies), French Ministry of Education, Higher Education and Research, ORE (Regional Observatory of Commercial Real Estate in Paris Region), Paris Aéroport, SNCF (National Railways of France)

The Paris Region will face numerous challenges in the future. One of them is to adapt the urban network to a growing and ageing population, notably by maintaining the dynamic of 70,000 housing units built per year. To limit urban sprawl, the new Paris Region Master Plan (SDRIF 2030) has promoted densification. This higher density, especially at the heart of the urban area, is contributing to housing price increases. Combined with increasingly intense urban life, it has contributed to the negative net migration of the central urban area in recent years. This context requires new policies to improve the urban environment and quality of life. To achieve this ambitious goal, the 369 km of planned new transport lines have to come with, for instance, the development of bike transit. All of these issues would be better managed at a regional level. This analysis should encourage the French government to promote less fragmented territorial governance and to take the lead in a unified regional and metropolitan approach to public policy.

In 2030 : about 13 million of Île-de-France residents and...



The Paris Region Master Plan 2030



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