

Conclusions

Apprentis d'Auteuil – Education and integration of young people **INVEU-ICR-0019-2023 – Social Investment and Skills Window**

Short description of the financing or investment operation and its objectives

Name of financial intermediaries	Fondation Apprentis d'Auteuil (FAA)
Type of the final recipients	Not-for-profit organisation
Countries of implementation	France
Implementing partner	Council of Europe Development Bank (CEB)

The purpose of the proposed operation is to renew and extend an educational campus of FAA located in Meudon (in the southwestern suburbs of Paris) which is increasingly failing to meet regulatory standards and the needs of the vulnerable young people in education and training. The site comprises a middle school, a technical college, a gardening school, two apprenticeship training units, a boarding school, a children's refuge, a day centre and an emergency reception centre. Today it is caring for, training, educating and integrating some 600 young people in distress, including 60 unaccompanied minors (third-country nationals).

The main objective of the FAA is to reach secondary school students and families at risk and provide them with educational and social opportunities to support their socio-economic integration. Once completed, the project will result in a properly planned campus combining innovation, especially in teaching, and high-quality training facilities in a living environment that can deliver the FAA's social and educational objectives.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the EU guarantee on 28 April 2023 for the above-mentioned operation.

The investment operation responds to a market failure inherent in the social sector. It is expected to facilitate and increase the completion of basic education and vocational training opportunities for disadvantaged students at risk of dropout. Human capital formation represents a market failure as the private supply would lead to sub-optimal outcomes for society. The CEB loan under the InvestEU programme will support the provision by the FAA of targeted training and courses for this youth segment that is not being fully met by existing educational providers and meet the sub-optimal investment in the broader educational sector for the Ile-de-France region.

The Investment Committee recognised additionality of this operation as lack of or insufficient commercial financing will result in sub-optimal investment for the FAA investment project and worse social outcomes as a result of reduced intervention on core FAA engagement in the students and families in the Meudon geographic area. The CEB loan under the InvestEU programme will support the provision by the FAA of targeted training and courses for this youth

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In addition, without InvestEU, the maximum tenor of the CEB loan would be less than 25 years and therefore fail to meet the FAA's needs for the substantial underlying investment required since the capital constraints of commercial banks limit the financial resources available for initiatives of this kind. The CEB loan under the InvestEU programme will provide additionality to FAA's proposed project by offering better loan terms than those available from commercial banks. Commercial lending to the sector in France is available but with a risk premium which results in sub-optimal financing and investment in the sector.