

## Human capital (Education and Health)

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Human capital, through the finance of education and health projects, remains a priority for the EIB in 2002, as a key to economic and social development. The value of human capital significantly exceeds the total value of physical and financial capital in Europe and delivers higher returns. Investment in education is an absolute requirement for innovation led growth. The EIB finances such human capital investment in the EU and in the candidates countries, as well as in the Balkans, in the Mediterranean and in the African, Caribbean and Pacific States.

### ACTIVITY IN 2001

Health and, in particular, education saw significant increases in lending volumes in 2001.

Contracts signed in 2001:	Education	EUR 1 390 million (EUR 536 million in 2000)
	Health	EUR 740 million (EUR 652 million in 2000)
	Total	EUR 2 130 million (EUR 1 188 million in 2000)

Financing went for a wide variety of **educational** infrastructure schemes including:

- Modernising higher education infrastructure in Eastern Germany and primary schools in Greece;
- Renovating schools and provision of ICT tools in England and Scotland under *Public/Private Partnership* arrangements;
- Computer research laboratories and data exchange networks in Greece;
- Other projects in Austria, Denmark and Finland (providing up to date educational infrastructure including libraries, laboratories etc.)

**Health** sector projects included:

- Modernisation of hospital facilities in Cyprus and Poland (the Bank's first loans in the sector outside the EU);
- Major hospital projects in Upper and Lower Austria;
- A hospital restructuring and information technology project in the UK under a *Public/Private Partnership* arrangement;
- A new hospital in an assisted region of Spain and widescale modernisation of health infrastructure in Eastern Germany.

### ACTIVITY REVIEW

- Since 1997, the Bank has signed direct loans for a value of around EUR 6 billion for health and education investment. In 2001, global loans dedicated to health and education were signed in Belgium and the Netherlands
- Almost 90% of the projects are located in assisted areas. Many also bring to schools, universities and hospitals the benefits of the most modern information and communications technology.
- Health and education has therefore become an established and important part of EIB's lending within the EU. The significance of the human capital sectors is clear from the growing project pipeline, both within EU-15 and, particularly, in the candidate countries. The number of projects approved has increased year on year: a total of 19 projects were approved in 2001 and current pipeline includes 23 health and 13 education projects. The Bank is working closely with the Commission and other partners in the delivery of e-Learning and other innovative ways of delivering education and training services. Examples include :
  - Glasgow Schools PPP in the UK: it includes investment in infrastructure and equipment for the implementation of e-learning initiatives in secondary schools;
  - Computer Technology Institute in Patras (Greece): it aims at providing updated facilities for enhancing the research abilities of the Institute as well as for favouring the dissemination of the ICT across the educational sector.