

**“An investment in knowledge pays the best interest”**

Benjamin Franklin

Ironically, the man who valued knowledge so much and who was set to become one of the most influential scientists and inventors of 18<sup>th</sup> century America had little formal education. Benjamin Franklin quit school at the age of ten. An avid reader, he never stopped learning though, and soon ran his own successful print shop. This was long before education was recognised as a fundamental human right in 1948, and even longer before it became part of European Union policy via the Maastricht Treaty.

Today, it is imperative for societies to invest in people. Education is an essential component in the development of human capital — which the World Bank defines as “the knowledge, skills, and health that people accumulate over their lives,” and “a central driver of sustainable growth and poverty reduction.” Demand for people with excellent training and a skill-set that fits the needs of future jobs is constantly increasing. Education is key for innovation and competitiveness; it helps societies to better respond to crisis situations and it fosters development.

COVID-19 caused school closures around the world and disrupted learning for more than 1.6 billion children and young people. Not all of them had uninterrupted access to remote education. This unprecedented global disruption of education systems affected not only learning, but also students’ mental and emotional health.

Furthermore, the global health crisis, in conjunction with the lockdowns, put a spotlight on professions that have often been taken for granted, from medical to childcare. We must continue investing in education systems, which not only provide essential services but also develop the abilities and skills our societies need for the future.

The European Union is supporting its member countries so that they can emerge stronger from the COVID-19 crisis. In a study on **“Education and youth in post-COVID-19 Europe,”** the European Parliament calls for better collaboration between European groups active in the field of education, for improved funding for digital transformation in education and training, and for greater quality and accessibility of education in general.





### **HOW DOES THE EIB HELP?**

The European Investment Bank supports a broad range of investments in education. We have been financing education projects since 1997. Our total lending for education projects amounted to more than €48 billion by the end of 2020.

The aim of our work in the sector is to increase the capacity and improve the quality of education systems. EIB loans benefit a broad range of projects ranging from kindergartens to primary and secondary schools up to tertiary education and research, including vocational training. Activities closely related to education can also be considered. For instance, we can finance music schools and libraries, student housing promoted by educational institutions, student loans, or sports infrastructure managed by educational institutions.

The needs of education systems change over time. The EIB supports education systems and education providers not only in adapting to current pedagogical requirements, but also in aligning with the most effective energy and environmental standards. EIB loans help to build and upgrade education infrastructure with new climate-friendly solutions, targeting energy efficiency and the circular economy, as well as resilience to earthquakes, hurricanes and floods. Equally, the Bank finances projects that put technology to work for pedagogy and education, something particularly relevant in the wake of the COVID-19 crisis. The aim is to digitalise learning systems and to match education and connectivity for the wider benefit of communities, including the most vulnerable.

The EIB also supports education through the **EIB Institute**, which helps exchange knowledge and expertise between universities, research centres and foundations. As the EU climate bank, the EIB seeks to further academic research, knowledge building and knowledge dissemination on climate-related topics. To this end, the EIB Institute is supporting two university chairs: the **EIB Chair on Climate Change Policy and International Carbon Markets (“EIB Climate Chair”)** at the European University Institute (EUI) in Florence and the **European Chair for Sustainable Development and Climate Transition** at Sciences Po in Paris.



## WHO CAN BENEFIT FROM EIB FINANCING AND HOW?

The EIB provides loans to public and private sector customers. States, cities, regions, towns, companies and banks funding education projects can apply for EIB financing. A typical EIB borrower is a sovereign or regional state and the beneficiary a public school or university. The Bank has also directly financed private schools, a private university and a business academy. Lately, a number of projects have been financed via public-private partnerships, where the private sector is called on to contribute to the funding, construction, upgrading and operation of education facilities.

The EIB offers a broad range of tools to support education projects:

- **Investment loans:** When a single large investment project needs long-term funding, the client typically arranges financing on a project basis. Development of a university campus or research centre would normally fall into this category. In such cases, the EIB can provide dedicated project-specific loans, called investment loans. They usually amount to at least €25 million. EIB financing will cover up to 50% of the overall investment programme.
- **Framework loans:** Framework loans are a source of long-term financing that is flexible enough to handle changes in the investment programme over time. They can be used to finance multiple small and medium-sized projects, usually in the range of €1 million to €50 million, typically over a period of three to five years.
- **Intermediated loans:** We support smaller projects indirectly through credit lines to local banks or other financial partners, which then on-lend to final customers such as school associations and local authorities.







## PROJECT HIGHLIGHTS

### University, Spain

**Digitalisation** is becoming increasingly important for high quality education, certainly since the start of the pandemic. An EIB loan of up to €30 million will boost the digitalisation of IE University in Madrid and Segovia, **Spain**. The money will help IE University to expand its “liquid learning,” which enables students to attend classes in person or online with the same immersive and academic experience. The EIB financing will also facilitate the design of academic materials, data management and analysis, and the use of new technologies.

### Green schools, Belgium

**Renovated** schools help to create a better learning environment for pupils. The EIB will lend up to €600 million to Fédération Wallonie-Bruxelles in **Belgium** to upgrade and modernise pre-primary, primary and secondary schools around Brussels and cities in Wallonia. Green and sustainable construction and refurbishment lies at the heart of this project. One sub-project brought to life with the help of the loan will be a passive-energy high school, which will consume less than a quarter of the energy used by a standard building.

### New education infrastructure, Sweden

**Growing cities** need a bigger number of education facilities. In **Sweden**, an EIB loan of about €153 million (SEK 1 600 million) will help the city of Malmö to run a major education infrastructure update. The financing will support upgrades or renewals of comprehensive schools for children between the ages of six and 15 and facilities for early childhood education. It will also create new pre-school and compulsory school places in residential areas with high population growth.

### Centres of excellence, Romania

**Higher education** keeps countries competitive and increases opportunities for high quality jobs all around the globe. Two **Romanian** universities recently benefited from an EIB financing scheme for higher education in the country. €24 million will enhance research, academic and student facilities at the Carol Davila University of Medicine and

Pharmacy in Bucharest, and a loan of €21 million will support the Technical University of Cluj-Napoca. Strengthening national centres of excellence to train future generations of doctors and engineers in Romania is key to reducing the brain drain of talented young people leaving the country to study and work abroad.

### Education outside the EU, Montenegro

**Countries outside the European Union can also seek EIB support** for education projects. In **Montenegro**, for instance, the Bank financed the construction of three primary schools and a secondary school, in addition to the renovation of three kindergartens and ten vocational schools. A loan of €18 million will help to alleviate overcrowding in some primary schools and increase children’s access to pre-primary education. In addition, the project is expected to create more than 500 jobs, mostly for teachers.

### Partnering for education

**Cooperating with like-minded partners** can enhance the impact of an institution’s work. In January 2020, the EIB and Unicef joined forces to increase access to high quality education and reduce the impact of climate change on children. The two institutions committed to jointly investing in education and skills training for the most vulnerable children. Pilot projects are expected in countries **across Europe, Central Asia and Southern and Eastern Africa**.





# RESOURCES

## STORIES

- **How to keep students from checking out**
- **Saving youngsters' dreams**
- **Georgian cheese with a taste of Switzerland**
- **Serbian schools prepare for the digital age**
- **Belgrade gets innovation research boost**
- **Employer-provided training in Europe: Determinants and obstacles**
- **I Got a Job: In Ireland, doctors and nurses train with backing from the EU bank**
- **I Got a Job: In Latvia, Ieva's a substitute mother**
- **I Got a Job: A unique European project for Cyprus**
- **I Got a Job: Museum manager enriches local culture in Slovakia**
- **I Got a Job: In Portugal, the EU bank 'invested in me'**
- **In Crete and Rhodes, students learn ABCs thanks to PPPs**
- **A counter to violence in Tunisia schools**
- **Safer Armenia kindergartens with EU energy efficiency grant**
- **Africa education: The future of the fastest-growing continent**

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## ESSAYS

- **Development Solutions: Air, food and education**

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## PODCASTS

- **Podcast: Education and coronavirus**
- **Forget careers. What are your competencies?**
- **Do you need arms and legs?**
- **How will you learn in the future?**
- **University helps rebuild Cyprus**
- **Schools of the future**
- **Slovakia sets a cultured course for education and urban renewal**

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## VIDEOS/BLOGS

- **Boosting skills and jobs prospects for young Moroccans - Yassine**
- **Boosting skills and jobs prospects for young Moroccans - Fatima**
- **Does this change everything? Anna Canato**



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