

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	ROMANIA HIGHER EDUCATION PROGRAMME LOAN
<u>Promoter and financial intermediary</u>	PUBLIC ENTITY(IES)
<u>Country of implementation</u>	Romania
<u>Summary project description</u>	<p>The sub-projects included in the programme will concern refurbishment and/or new constructions of university educational establishments in a number of Romanian universities. Part of the investments could also concern projects to improve the accessibility of establishments for disabled people and to adapt education to advanced digital technologies, as well as improvements aimed at improved environmental and climate sustainability.</p> <p>The main objective of the programme is to provide better learning conditions for students and the educational and research community by creating additional state-of-the-art capacity in universities and by renovating existing spaces that have become obsolete. All building construction and renovation projects will be energy efficient and will follow national energy efficiency standards.</p>

¹ This Scoreboard of indicators reflects the information presented to the EFSI Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
EIB Cohesion Priority Regions / Economic and Social Cohesion	60.00%
Climate Action	20.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	20.00%
Research infrastructures	20.00%
EFSI: Human capital, culture and health	80.00%
Education and training	80.00%

Pillar 2

Quality and soundness of the project	Good
1. Growth	[...]
2. Promoter capabilities	[...]
3. Sustainability	[...]
4. Employment	[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to four indicators, as relevant, among which:

- (i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;
- (ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;
- (iii) "Sustainability" i.e. environmental and social sustainability²;
- (iv) "Employment" i.e. the project's direct employment effect;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

² For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

Pillar 3

EIB Technical and financial contribution to the project	Significant
1. Financial contribution	[...]
2. Financial facilitation	[...]
3. Advice	[...]

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through up to three indicators:

(i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor);

(ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments;

(iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer - provided in-house by the EIB or in the form of assignments to external consultants - to facilitate the preparation or implementation of a project.

Pillar 4 - Complementary indicators

Additionality

In line with the EFSI objectives of contributing to research, development and innovation (RDI) and supporting human capital, culture and health, education and training in Romania, as well as research infrastructure the project will contribute to human capital formation and RDI capabilities in Romania, which is critical to support the build-up of a knowledge-based economy in the country. Circa 20% of the operation is expected to contribute to EIB's Climate Action objectives. Equally the operation will address the objective of supporting less-developed regions and transition regions as circa 60% of the operation is expected to be deployed in Cohesion regions. The operation will thus also contribute to the Union priorities on convergence and social cohesion, helping reduce regional disparities by supporting investment.

The Programme Loan addresses a market failure related to the incomplete markets for the provision of skills, which lead to a mismatch between skills demand and skills supply. Students, students' families and universities lack the information or the incentives necessary to make choices that are socially optimal in terms of skills acquisition and provision. The project also addresses a market failure and a sub-optimal investment situation with regard to the financing of infrastructure for early stage R&D activities performed in public higher education institutions. The markets fail to provide adequate funds for early stage R&D because of the uncertainty inherent in these activities and because of knowledge spillovers, which reduce the appropriability of economic returns.

The sub-operations of the Programme Loan are expected to fall under the EIB's Special Activities category in particular taking into account that the envisaged EIB financing with EFSI support will be unsecured loans which will present a longer tenor than other lenders creating a further structural subordination. The EIB would not be able to provide such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The financing provided by the EIB with the support of EFSI is expected to provide a quality stamp on the projects and crowd-in additional private and public sector financing.

The borrowers are expected to be new clients of the Bank.

Set of indicators related to the macroeconomic environment

Romania - Economic environment

Economic Performance

	RO 2018	EU 2018	US 2018	RO 2001-2007
GDP per capita (EUR, PPS)	19,818.19	30,935.11	43,569.11	14,121.39
GDP growth (%)	4.10	1.97	2.86	6.23
Potential GDP growth (%)	3.92	1.60	2.24	4.35
Output gap (% of potential GDP)	0.94	0.62	0.74	3.45
Unemployment Rate (%)	4.00	6.60	3.90	7.36
Unemployment Rate (%) - Y/Y change (% points)	-0.60	-0.60	-0.20	-0.24
Bank-interest rates to non-financial corporations (%)	5.32	1.26	--	10.32
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	0.44	-0.06	--	--
Investment rate (GFCF as % of GDP) - Total	21.22	20.54	20.84	24.69
Investment rate (GFCF as % of GDP) - Public	2.64	2.86	3.31	3.82
Investment rate (GFCF as % of GDP) - Private	18.58	17.68	17.53	20.88

Education

	2014	2015	2016	2017	EU (latest available)
Early leavers from education (% of population aged 18-24)	18.10	19.10	18.50	18.10	10.60
Tertiary education attainment (% of population aged 30-34)	25.00	25.60	25.60	--	39.10
Education expenditure per pupil/student (EUR) - Pre-primary education	915.00	1,007.21	997.12	--	--
Education expenditure per pupil/student (EUR) - Primary and lower secondary education (levels 1 and 2)	940.57	1,018.66	963.08	--	--
Education expenditure per pupil/student (EUR) - Upper secondary and post-secondary non-tertiary education (levels 3 and 4)	1,173.31	1,364.60	1,230.81	--	--
Education expenditure per pupil/student (EUR) - Tertiary education (levels 5-8)	2,096.91	2,511.41	2,335.14	--	--

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Education (% of total VA)	3.91	3.61	3.74	3.83	5.06
Employment in Education (% of total employment)	3.53	4.07	4.01	3.99	6.75

Research, development and innovation

	2014	2015	2016	2017	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	0.38	0.49	0.48	0.50	2.06
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	1.62	1.51	1.52	1.50	0.94
Research and development expenditure - Government (% of GDP)	0.16	0.19	0.16	0.16	0.23
Research and development expenditure - Higher education (% of GDP)	0.06	0.09	0.05	0.05	0.45

Research and development expenditure - Business (% of GDP)	0.16	0.21	0.27	0.29	1.36
Research and development expenditure - Private non-profit sector (% of GDP)	0.00	0.00	0.00	0.00	0.02
Eco-innovation index (EU =100)	68.00	71.00	67.00	65.00	100.00

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms
- EU value for "Bank-interest rates to non-financial cooperations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007
- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Other indicators³

Key project characteristics	Expected value at PCR
Start of works	01.01.2021
End of works	31.12.2025
Project investment cost [MEUR]	200.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	180.00 MEUR
External EFSI multiplier	1.80
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	0.00 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	0.00 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	
Energy efficiencies realised [MWh/a]	0.00 MWh/a
Climate Action indicator	20.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs [person years]	3,500 person years
Employment during operation - new permanent jobs [FTE]	0 FTE

³ For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.