

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	LUBLIN MEDICAL UNIVERSITY
<u>Promoter and financial intermediary</u>	UNIwersytet Medyczny w Lublinie
<u>Country of implementation</u>	Poland
<u>Summary project description</u>	<p>The Medical University in Lublin ("MUL", the "University") is a well-established institution, founded over 70 years ago. However, MUL needs to ensure that its university hospitals' buildings are up-to-date with recent regulatory updates imposed on medical premises, and that they provide services corresponding to the demographic trends as well as offer tertiary and quaternary health care services. Increased competition for the best students as well as for the skilled workforce operating within the health sector further contribute to the need for modernising the existing infrastructure. University hospitals should be able to perform scientific activities at the highest level, to compete for national and EU research grants and to become attractive partners for the pharmaceutical and the medical technology industry. Furthermore, university hospitals and other university premises should be able to provide the quality and content expected from medical education in the 21st century.</p> <p>Therefore, MUL decided on a concrete investment plan, addressing the above-mentioned shortcomings. These investments will ensure future revenue generation through tuition fees, including fees for the medical curriculum in English, external research grants and industrial collaborations alongside State contributions.</p> <p>The proposed investments will increase the University's capacity in tertiary and quaternary health services delivery, as well as in research and medical education. Namely, the Project supports the necessary investments for the design, construction and equipment aimed at i) modernising and extending the premises of the MUL's three university hospitals and ii) constructing the University's Sport Centre. Among others, the Project will result in establishing the European Centre of Innovative Therapies for Macular Diseases and the Centre of Innovative Therapies in the premises of the MUL's university hospitals. The Project will also include modernisation of the university clinical departments of</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 [...].

cardiology and nephrology as well as paediatric haematology, oncology, anaesthesiology and imaging diagnostics.

The Project contains various elements addressing the COVID-19 pandemic, both in clinical and medical research areas. Concretely the extension of the intensive care units and the purchase of equipment for anaesthesiology and intensive care.

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy		High
Cross-cutting objectives		
EIB Cohesion Priority Regions / Economic and Social Cohesion		100.00%
Climate Action		11.00%
EFSI		
Contribution to EFSI		99.00%
EFSI: Development and deployment of information and communication technologies		0.20%
Digital content - cybersecurity and network protection infrastructures		0.20%
EFSI: Human capital, culture and health		98.80%
Education and training		10.00%
Innovative health solutions		10.00%
Other human capital, culture and health		78.80%

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		High
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 objective of supporting human capital, culture and health, the operation will invest in the modernisation and extension of the premises of the Promoter and the University Hospitals. It aims at increasing the quality of healthcare services, enhancing scientific excellence and improving the quality of medical professionals' education. It will provide support to Poland's efforts in the fight against COVID-19 since one of the hospitals is involved both in the treatment of COVID-19 infected patients and in the research of new forms of treatment. Up to 11% of the operation is expected to contribute to the Climate Action objectives of the EIB. It will equally address the objective of supporting less-developed regions and transition regions as 100% of the operation is expected to be deployed in a Cohesion region. The operation will thus also contribute to the EU priorities on convergence and social cohesion, helping reduce regional disparities by supporting investment.

The Project generates positive externalities through the provision of health services that benefit society at large and the broader economy. It will address a market failure and a suboptimal investment situation linked to the lack of funding options for investments in medical universities and university hospitals. Public funding available through government or regional budget is not sufficient to cover the investment needs of the Promoter and its University Hospitals and commercial lenders cannot provide financing with maturity, volume and pricing adequate to match the investment's payback horizon.

The envisaged EIB financing with EFSI support will be an unsecured or partially secured loan that will present a long tenor. As such, EIB would not be able to provide such type of financing support, or not to the same extent, without EFSI.

The EIB will be providing long term financing and is expected to be the key lender to the operation. This will result in a quality stamp on the Project that is expected to crowd-in new or more favourable debt financing.

The Project is expected to benefit from EU grants complementing the Bank's financing.

The Promoter benefited from financial advisory support and capacity-building advice under the European Investment Advisory Hub.

This would be the first EIB loan to the Promoter and the Hospitals.

Set of indicators related to the macroeconomic environment

Poland - Economic environment

Economic Performance

	PL 2018	EU 2018	US 2018	PL 2001-2007
GDP per capita (EUR, PPS)	22,207.82	30,935.11	43,569.11	14,869.99
GDP growth (%)	5.15	1.97	2.86	4.10
Potential GDP growth (%)	3.81	1.60	2.24	3.75
Output gap (% of potential GDP)	2.10	0.62	0.74	-2.64
Unemployment Rate (%)	3.80	6.60	3.90	16.31
Unemployment Rate (%) - Y/Y change (% points)	-0.50	-0.60	-0.20	-1.21
Bank-interest rates to non-financial corporations (%)	3.60	1.26	--	6.29
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.22	-0.06	--	0.47
Investment rate (GFCF as % of GDP) - Total	18.18	20.54	20.84	19.60
Investment rate (GFCF as % of GDP) - Public	4.68	2.86	3.31	3.32
Investment rate (GFCF as % of GDP) - Private	13.51	17.68	17.53	16.28

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Education (% of total VA)	4.84	4.81	4.73	4.56	5.06
Employment in Education (% of total employment)	7.97	7.76	7.45	7.57	6.75

Health

	2014	2015	2016	2017	EU (latest available)
Life expectancy (years)	77.80	77.50	78.00	77.80	80.90
Healthy life years at birth (Males)	59.80	60.10	61.30	60.60	63.50
Healthy life years at birth (Females)	62.70	63.20	64.60	63.50	64.00
Old age dependency ratio (65+/ 15-64 years)	21.20	22.20	23.10	--	29.30
Perinatal mortality per 1,000 live births	3.45	--	--	--	4.02
Hospital beds per 100,000 inhabitants	662.70	663.47	664.04	662.38	504.30

- 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	01.01.2019
End of works	31.12.2024
Project investment cost [MEUR]	89.63 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	54.08 MEUR
External EFSI multiplier	1.55
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]	29.45 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	
Energy efficiencies realised [MWh/a]	5,870.00 MWh/a
Climate Action indicator	11.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs [person years]	846 person years
Employment during operation - new permanent jobs [FTE]	270 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.