



EFSI Operation Scoreboard¹

| PROJECT PRESENTATION | |
|--|---|
| <u>Project name</u> | POZNAN MEDICAL UNIVERSITY |
| <u>Promoter or financial intermediary</u> | UNIwersytet Medyczny im. Karola Marcinkowskiego w Poznaniu |
| <u>Country of implementation</u> | Poland |
| <u>Summary project description</u> | <p>Poznan's University of Medical Sciences ("PUMS", the "Borrower" or the "Promoter") is an internationally recognised institution with 100 years of tradition. Nowadays, PUMS needs to ensure to be up to date, not only with recent regulatory updates imposed on the education of future medical staff, but also to be able to provide the quality and content expected from medical education in the 21st century. Increased competition for the best medical and health sciences students as well as for skilled staff and resources furthermore drives the demand for modernising the existing infrastructure. Therefore, PUMS decided a concrete investment plan, addressing new regulatory requirements and fulfilling demands for modern facilities and specific national needs. These investments will ensure future revenue generation through tuition fees and industrial collaborations alongside state budgets.</p> <p>The proposed investments increase the university's capacity in medical education, research and health services delivery. Namely, the project supports the necessary investments for the design, construction and equipment of: (i) the Medical Simulations Centre; (ii) the new main building of the Faculty of Pharmacy with the Centre of Innovative Pharmaceutical Technologies containing certified research laboratories; (iii) the Emergency Ward at the University Hospital of Heliodor Święcicki; and (iv) the Ophthalmology Ward with the Genetic Diseases Unit at the University Hospital of Lord's Transfiguration.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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 | 100.00% |
| EFSI | |
| Contribution to EFSI | 100.00% |
| EFSI: Research, development and innovation | 20.00% |
| Projects that are in line with Horizon 2020 | 20.00% |
| EFSI: Human capital, culture and health | 60.00% |
| Education and training | 30.00% |
| Innovative health solutions | 30.00% |
| EFSI: Less-developed regions and transition regions | 20.00% |
| Less-developed regions and transition regions as listed respectively in Annex I and Annex II of Commission implementing Decision 2014/99/EU | 20.00% |

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 four indicators which include:

- (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.*

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 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.*

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 4 – Complementary indicators

Additionality

This operation addresses a number of EU and EFSI objectives. Firstly, it supports the human capital, culture and health objective (education and training as well as innovative health solutions), by assisting PUMS, a major Polish medical university, to: (i) construct a state-of-the-art medical simulations centre, (ii) construct the new main building of its Faculty of Pharmacy (including up-to-date research laboratories); and (iii) build new emergency, ophthalmic and genetic diseases wards in two of its university hospitals. Secondly, the project addresses the EU and EFSI objectives of research, development and innovation, by improving the facilities required to develop research activities. The operation is expected to yield long-term health benefits and to increase medical patients' safety and the project will allow PUMS to increase the quality and attractiveness of its teaching offer.

The project addresses market failures in the teaching and healthcare sectors. The project generates positive externalities through the provision of health services that benefit society at large and the broader economy. This project supports the strengthening of the EU's economic, social and territorial cohesion. This project equally addresses the incomplete markets for the provision of skills, which lead to a mismatch between skills demand and skills supply. Finally, due to its nature as a public good, new scientific knowledge generates externalities to the benefit of society and the broader economy, in terms of knowledge creation that can lead to innovation and productivity growth. PUMS receives only limited investment grants from the State and cannot obtain appropriate financing solutions from commercial banks. It is thus facing a sub-optimal investment situation where its lack of access to financing prevents it from deploying its investment projects under the scale and timeline that would be appropriate.

The project presents higher risk than normally accepted by the EIB for this type of operation and is expected to be classified one notch above the EIB's Special Activities category, in particular due to the unsecured structure, long tenor and the limited portion of revenues PUMS can allocate to debt service. Due to the expected riskiness of the operation, the loan could not have been provided to the same extent by the EIB without EFSI support.

The EIB will be providing long term financing with an unsecured structure and is expected to become a cornerstone lender to PUMS, becoming the first long-term lender for the university. This will result in a quality stamp on the project that is expected to crowd-in private sector and NPB financing. EIB financing is expected to increase the commercial lenders' confidence in the operation and confirm their own engagement in the financing.

The EIB financing will also allow to leverage the ESIF and national grants provided to the operation.

The operation will be the first for the EIB with the Promoter and will allow the EIB to provide support to the Polish university sector, which is not a typical borrower due to the legal limitations on Polish public universities access to financing.

PUMS is benefiting from support and capacity-building advice from the European Investment Advisory Hub ("EIAH"). The EIAH engaged an external financial advisor to work with the university and with the EIB to prepare a financial model that has helped structuring the project and the corresponding financing in the most efficient and sustainable way. Simultaneously, the model facilitates the credit assessment of the project by the potential lenders (the EIB included).

Set of indicators related to the macroeconomic environment

Poland - Economic environment

Economic Performance

| | PL | EU | US | PL |
|---|--------|--------|--------|-----------|
| | 2016 | 2016 | 2016 | 2001-2007 |
| GDP per capita (EUR, PPS) | 20,385 | 29,440 | 42,615 | 14,639 |
| GDP growth (%) | 2.7 | 1.9 | 1.6 | 4.1 |
| Potential GDP growth (%) | 2.7 | 1.3 | 2.1 | 3.8 |
| Output gap (% of potential GDP) | -0.29 | -0.75 | -0.03 | -1.9 |
| Unemployment Rate (%) | 5.5 | 8.2 | 4.7 | 16.4 |
| Unemployment Rate (%) - Y/Y change (% points) | -1.4 | -0.8 | -0.3 | -1.2 |
| Bank-interest rates to non-financial corporations (%) | 3.7 | 1.4 | 1.8 | 6.3 |
| Bank-interest rates to non-financial corporations (%) - Y/Y change (% points) | -0.05 | -0.21 | -1.4 | 0.47 |
| Investment rate (GFCF as % of GDP) - Total | 18.1 | 19.7 | 19.6 | 19.6 |
| Investment rate (GFCF as % of GDP) - Public | 3.3 | 2.7 | 3.4 | 3.3 |
| Investment rate (GFCF as % of GDP) - Private | 14.7 | 17.0 | 16.2 | 16.3 |

General Sector Indicators

| | 2013 | 2014 | 2015 | 2016 | EU (latest available) |
|---|------|------|------|------|-----------------------|
| Value added in Education (% of total) | -- | -- | -- | -- | 5.3 |
| Value added in Human health activities (% of total) | -- | -- | -- | -- | 5.2 |
| Employment in Education (% of total) | -- | -- | -- | -- | 6.7 |
| Employment in Human health activities (% of total) | -- | -- | -- | -- | 5.7 |

Health

| | 2013 | 2014 | 2015 | 2016 | EU (latest available) |
|--|-------|-------|------|------|-----------------------|
| Life expectancy (years) | 77.1 | 77.8 | 77.5 | -- | 80.6 |
| Healthy life years at birth (Males) | 59.2 | 59.8 | -- | -- | 61.4 |
| Healthy life years at birth (Females) | 62.7 | 62.7 | -- | -- | 61.8 |
| Old age dependency ratio (65+ / 15-64 years) | 20.4 | 21.2 | 22.2 | 23.1 | 29.3 |
| Perinatal mortality per 1,000 live births | 3.7 | 3.5 | -- | -- | -- |
| Hospital beds per 100,000 inhabitants | 660.8 | 662.7 | -- | -- | 521.2 |

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms
 - EU value for "Bank-interest rates to non-financial corporations" 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 at PCR |
|---|--------------------|
| Start of works | 01.01.2017 |
| End of works | 31.12.2021 |
| Project investment cost | 54.94 MEUR |
| EIB/EFSI eligible investment mobilised | 40.21 MEUR |
| External EFSI multiplier | 1.49 |
| External EIB (non-EFSI) multiplier | |
| Amount of private financing | 7.79 MEUR |
| Quick start (% of expenditure during 2015-2018) | 38.60 % |
| Co-financing with national promotional banks | 0.00 MEUR |
| Co-financing with structural funds (ESIF) | 12.94 MEUR |
| Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) | |
| Energy efficiencies realised | 0.00 MWh/a |
| Climate Action indicator | |
| Employment during construction - temporary jobs | 1,140 person years |
| Employment during operation - new permanent jobs | 193 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.