



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	INSEAD RENOVATION CAMPUS EUROPE
<u>Promoter and financial intermediary</u>	Institut Européen d'Administration des Affaires de Fontainebleu ('INSEAD')
<u>Country of implementation</u>	France
<u>Summary project description</u>	<p>The project supports the demolition and reconstruction as well as the rehabilitation and expansion of buildings at the campus of Institut Européen d'Administration des Affaires ("INSEAD") at Fontainebleau in France from 2018 to 2022.</p> <p>The School's Estate Strategy sets the template for the works under the project. A substantial programme of building and refurbishment will be implemented over the coming years to ensure that the buildings are of high quality and enhance the research, teaching and social learning space at the School. The objectives are to:</p> <ul style="list-style-type: none"> • Deliver a high quality student experience; • Invest to provide a consistently good, fit for purpose estate; • Support research, enterprise and sustainability; • Conserve and enhance the University's heritage. <p>The project concerns INSEAD's historic campus at Fontainebleau in France. The campus is located some 50km south-east of Paris in the Ile-de-France region. The project is currently in its planning phase, with civil works expected to commence in 2018 and to complete in 2022.</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 the 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	Moderate
Cross-cutting objectives	
Climate Action	58.91%
EFSI	
Contribution to EFSI	
EFSI: Research, development and innovation	20.00%
Support to academia including collaboration with industry	10.00%
Other research, development and innovation	10.00%
EFSI: Human capital, culture and health	
Education and training	80.00%

Pillar 2

Quality and soundness of the project	Excellent
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	Moderate
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), by assisting the promoter, a higher education non-profit business school, by improving its teaching facilities, in particular to accommodate new students. Secondly, the project addresses the EU and EFSI objectives of research, development and innovation, by improving the facilities required to develop research activities in business administration and management science. Finally, the project will make a substantial contribution to the objectives of environment, resources efficiency and climate change action by improving the energy efficiency (EE) of buildings, which are designed and planned to be constructed as nearly zero-energy buildings (NZEB), leading to a reduced energy consumption and lower CO2 emissions.

The higher education sector is a financially underserved market in Europe, while such projects create positive externalities to society and the broader economy. This operation is moreover addressing a specific sub-optimal investment situation by providing financing to a non-profit business school with a strategic and sizeable investment need common to this type of real estate operations. Keeping the overall financing burden as low as possible and spreading it over a long period of time will be an essential ingredient for the financial viability of the project. Such features are highly unlikely to be provided by commercial banks for this particular operation. Absent of the EIB support under EFSI, the project would have to be reduced, and the costs of the investment would have to be passed on to students.

The proposed EIB operation, falling under Special Activity Risk category due to the counterparty risk and the high level of debt required for the investment, satisfactorily meets the required funding needs of the promoter as it provides for the necessary flexibility in terms of long tenor, repayment profile, in combination with a sizeable financing volume.

The EFSI financing is also expected to give additional comfort to commercial co-financiers with regard to the strategy and future credit worthiness of the business school. Commercial banks shall be crowded-in, offering a shorter tenor in order to maximise the affordability of the operation for the promoter. The EIB/EFSI loan will therefore be subordinated to the loans of commercial lenders.

The project will also have a strong employment impact, with a large number of jobs created for the renovation of the campus and in the long term through the creation of new high skilled job positions for education and research activities.

Set of indicators related to the macroeconomic environment

France - Economic environment

Economic Performance

	FR 2016	EU 2016	US 2016	FR 2001-2007
GDP per capita (EUR, PPS)	30,910	29,440	42,615	30,572
GDP growth (%)	1.2	1.9	1.6	1.9
Potential GDP growth (%)	1.1	1.3	2.1	1.8
Output gap (% of potential GDP)	-1.3	-0.75	-0.03	1.9
Unemployment Rate (%)	10.1	8.2	4.7	8.5
Unemployment Rate (%) - Y/Y change (% points)	-0.1	-0.8	-0.3	-0.19
Bank-interest rates to non-financial corporations (%)	1.2	1.4	1.8	3.5
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.19	-0.21	-1.4	0
Investment rate (GFCF as % of GDP) - Total	21.9	19.7	19.6	21.7
Investment rate (GFCF as % of GDP) - Public	3.4	2.7	3.4	3.9
Investment rate (GFCF as % of GDP) - Private	18.4	17.0	16.2	17.8

Education

	2013	2014	2015	2016	EU (latest available)
Early leavers from education (% of population aged 18-24)	9.7	9.0	9.2	8.8	10.7
Tertiary education attainment (% of population aged 30-34)	44.0	43.7	45.0	43.6	39.1
Education expenditure per pupil/student (EUR) - Pre-primary education	6,175	--	--	--	--
Education expenditure per pupil/student (EUR) - Primary and lower secondary education (levels 1 and 2)	7,074	--	--	--	--
Education expenditure per pupil/student (EUR) - Upper secondary and post-secondary non-tertiary education (levels 3 and 4)	11,447	--	--	--	--
Education expenditure per pupil/student (EUR) - Tertiary education (levels 5-8)	13,771	--	--	--	--

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Education (% of total)	--	--	--	--	5.3
Value added in Scientific research and development (% of total)	--	--	--	--	0.5
Employment in Education (% of total)	--	--	--	--	6.7
Employment in Scientific research and development (% of total)	--	--	--	--	--

- 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

Research, development and innovation

	2013	2014	2015	2016	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	2.2	2.2	2.2	--	2.0
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	0.76	0.76	0.77	--	0.97
Research and development expenditure - Government (% of GDP)	0.29	0.29	0.29	--	0.24
Research and development expenditure - Higher education (% of GDP)	0.47	0.46	0.45	--	0.47
Research and development expenditure - Business (% of GDP)	1.5	1.5	1.5	--	1.3
Research and development expenditure - Private non-profit sector (% of GDP)	0.03	0.03	0.03	--	0.02
Eco-innovation index (EU =100)	108.0	112.0	115.0	--	100.0

Other indicators³

Key project characteristics

	Expected at PCR
Start of works	[...]
End of works	[...]
Project investment cost	82.79 MEUR
EIB/EFSI eligible investment mobilised	68.09 MEUR
External EFSI multiplier	1.82
External EIB (non-EFSI) multiplier	
Amount of private financing	47.79 MEUR
Quick start (% of expenditure during 2015-2018)	4.70 %
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 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	58.91% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs	830 person years
Employment during operation - new permanent jobs	44 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.