

Conclusions

Cork Business School

INVEU-ICR-0014-2023 – Social Investment and Skills Window

Short description of the financing or investment operation and its objectives

Name of financial recipient	University College Cork
Type of the final recipients	Public sector entity / Public-sector type entity
Countries of implementation	Cork, Ireland
Implementing partner	European Investment Bank (EIB)

The operation involves a 30-year senior unsecured loan to part finance the construction of a new 15 000m² building for the Cork University Business School (CUBS) at University College Cork (UCC) in the centre of the city of Cork in southern Ireland. The project will support the consolidation of the business school departments into one site in modern facilities to enhance the teaching and learning environment. The project involves the demolition of an existing unused former industrial building and construction of a new business school building onto one site by providing modern academic teaching and learning spaces and facilities to support expansion. The building will be a highly energy performing building and includes climate adaptation measures.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 23 March 2023 for the above-mentioned operation.

Public higher education has the nature of a public good for which the operator cannot capture sufficient financial benefits. The project addresses a demography-driven investment gap with regard to the provision of places in higher education in Ireland. By addressing this investment gap, the project creates positive externalities, which benefit society and broader economy.

In the scope of this project, the funding needs would be difficult to fulfil only via traditional banking due to the high capital expenditure foreseen and limited flexibility offered by commercial lenders, particularly in terms of tenor and repayment terms. Providing a substantially long tenor loan allows for the investment to go ahead in a timely and sustainable manner, in line with its economic life and the repayment is designed to meet the annual cash flows of UCC.

The project also highlights a welcome tendency for public universities starting to diversify their financial tools with loans in addition to grants.



Investment Committee of the InvestEU Fund
Meeting no. 13
23 – 24 March 2023

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