



University Financing Instruments: The Development Programme for the University of Latvia Campus

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Prof. Indriķis Muiznieks

Rector, University of Latvia

Latvia

Area	64 589 km ²
Population	1 957 200 (2017)
Longest river	Gauja (452 km)
Highest hill	Gaizins (311 m)
Capital	Riga
Founded	1918

Riga

Area	304 km ²
Population	641 423 (2017)
Founded	1201



Latvia, EU and NATO Member State since 2004,
OECD – since 2016

Charter: Comprehensive, Research Oriented, National

Slogan

Scientiae et Patriae

Vision:

Innovative and efficient research university

Mission

To back the development of the Country.
Providing internationally competitive higher education, fostering science,
nurturing Latvian language and culture, and promoting intercultural
communication through versatile research activities study programs and
innovation projects.

Legal status: derived public body

Key Player in National HE&R League

13 faculties, 2 colleges, 16 research institutes

18% of the total student number in Latvia*

17 100 in 2017

14% of PhD or equivalent degree holders in Latvia

1 100 in 2017

21% of total HE degrees awarded in Latvia*

28% of Master degrees awarded in Latvia*

40% of Doctoral degrees awarded in Latvia*

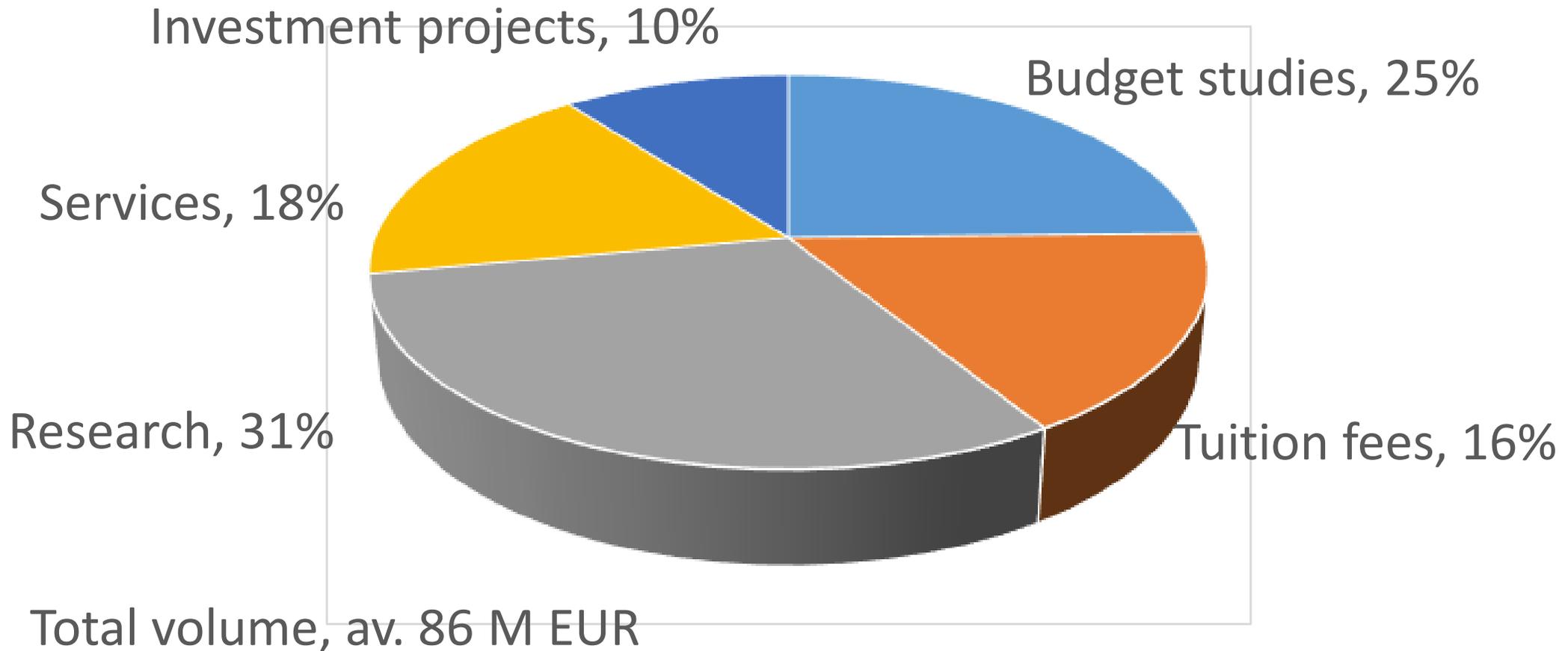
29% of total Scopus or WoS records from Latvia*

67% of research articles in Scopus or 58% in WoS*

80% of research articles in Q1 or Q2 journals in WoS

* av. 2014-2017

UL Budget Income Structure, average 2014-2017



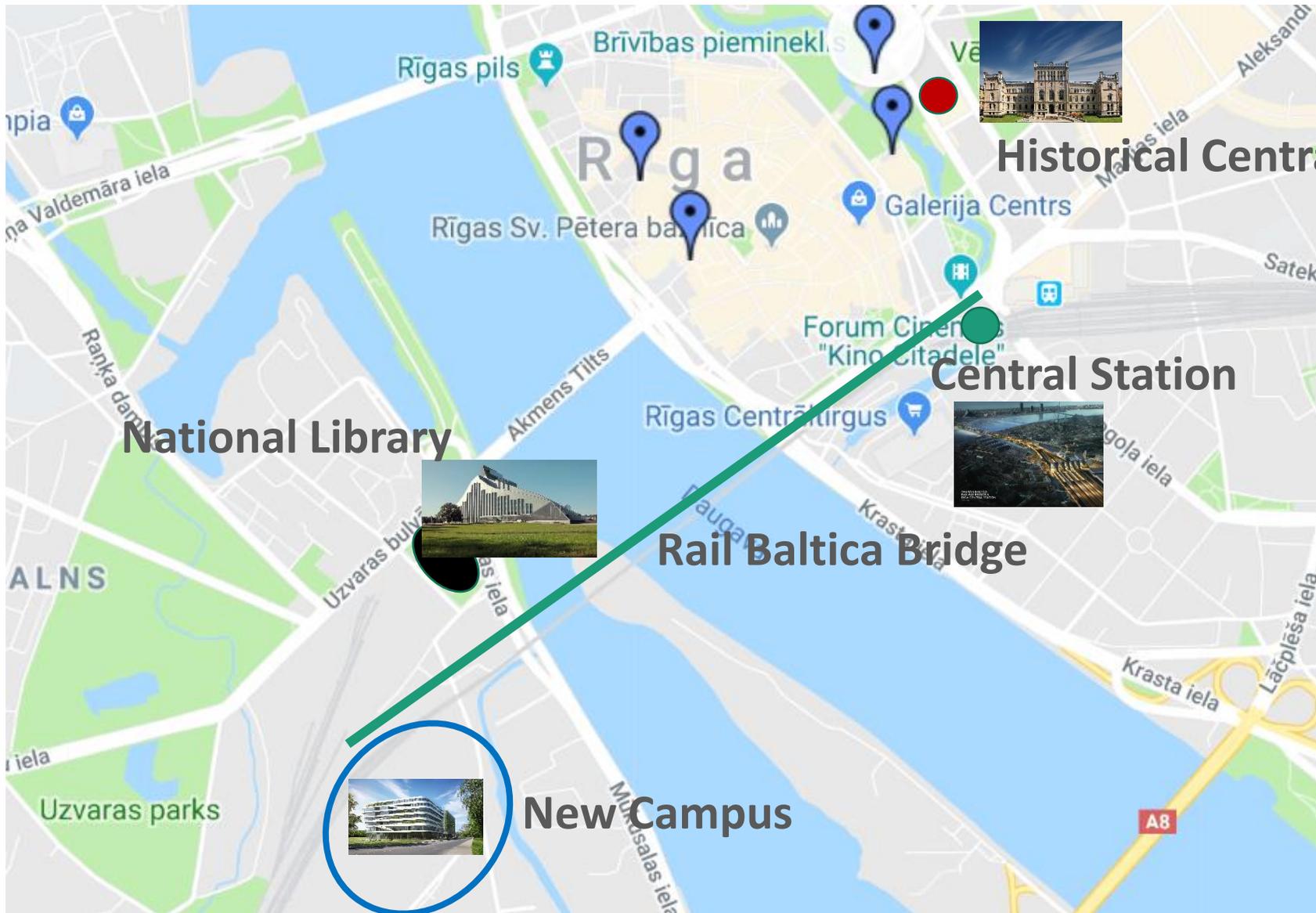
The Challenge of Out-Dated Infrastructure



The University spends too much for the maintenance of more than 130 buildings in 60 addresses scattered over Riga and vicinities

The Plan of Strategic Development 2010 – 2020

The University of Latvia shall build Academic Campus in Riga, Tornakalna district, which will accommodate up to date infrastructure (buildings, facilities, equipment) compliant to the standards of the World's leading research universities.



National Library



Rail Baltica Bridge

Central Station



Historical Central Building



New Campus

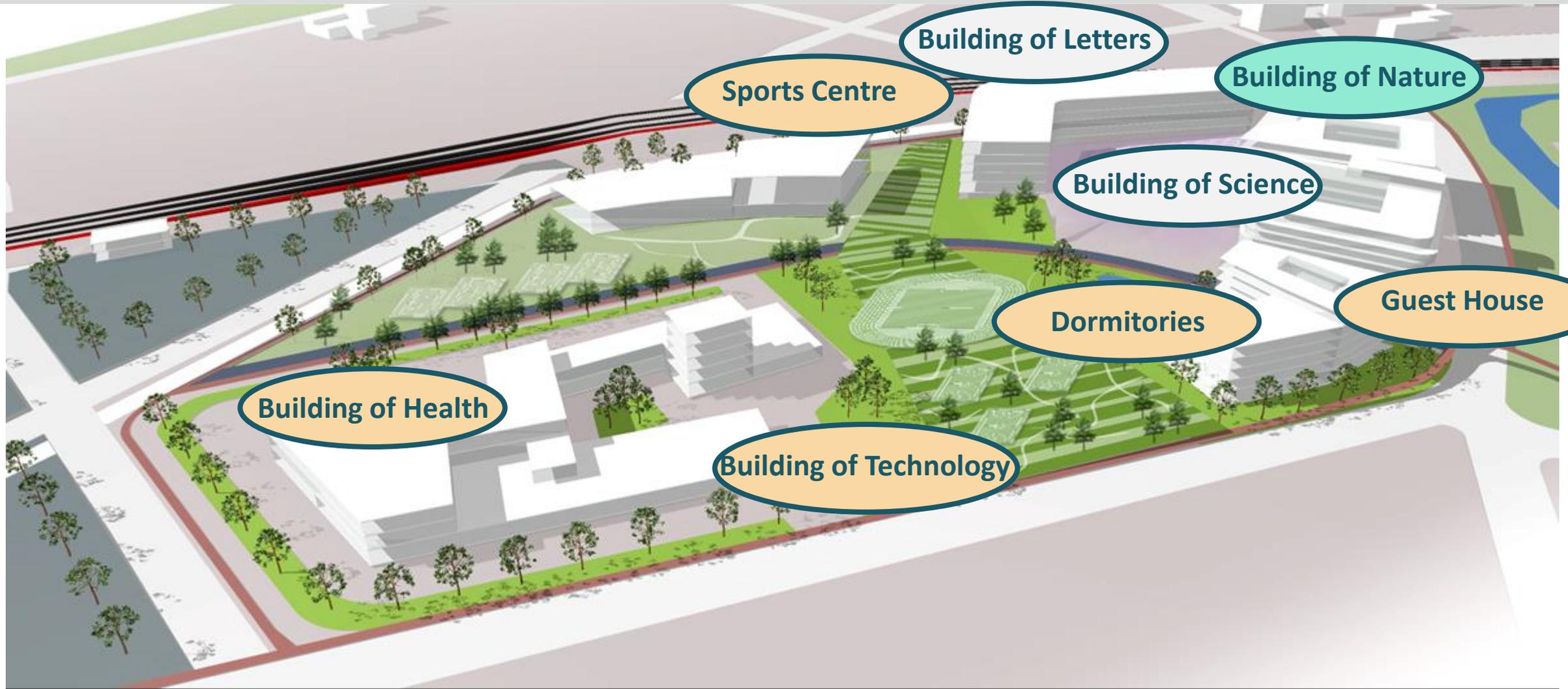




Critical mass of academicians and students from different fields will promote joint studies and team science, foster innovation with the support of modern and efficiently managed infrastructure and internationally competitive environment

UL Academic Centre Development Program

- ✓ A set of synergistic projects aiming at fostering of the international competitiveness of the University and providing the momentum for the economic and social growth of the Country.
- ✓ The Projects can be on different phases of development and implementation.
- ✓ Each project has or will have tailored Business Plan and Funding Scheme



Phase I

Phase II

Phase III

Phase I - The Building of Nature

The Building of Nature was opened in September 2015

It houses the Faculty of Geography and Earth Sciences, the Faculty of Chemistry and the Faculty of Biology, as well as research institutes of Chemical Physics and Microbiology and Biotechnology, Departments of Pharmacy and Optometry.



Total funding of the project	- 36 M EUR,
state budget	- 2,3 M EUR,
ERDF funding	- 29 M EUR,
own funds	- 4,7 M EUR.
Total floor space	- 18'800 sq.m.
30 lecturing halls,	
73 teaching and 65 research laboratories.	





European Fund for Strategic Investments

aims to mobilize at least €315 billion in private and public investment by 2018.

EFSI focuses on investment in a broad range of sectors, including infrastructure, energy, research and innovation, broadband and education.

Long term loans for strategically important projects.

Decisions are made on the basis of sound evaluation of the project's ERR:
fair – 5-7%; good – 7-10%; excellent > 10%.

UNIVERSITY of LATVIA RESEARCH AND STUDY CENTRE

Release date: 16/02/2017

Promoter – Financial Intermediary

LATVIJAS UNIVERSITATE

Description

Construction of a new research and technology centre and a new study centre as part of the development of the university campus

Proposed EIB finance (Approximate amount)

EUR 30 million

Total cost (Approximate amount)

EUR 90 million

Status

Approved - 06/04/2017

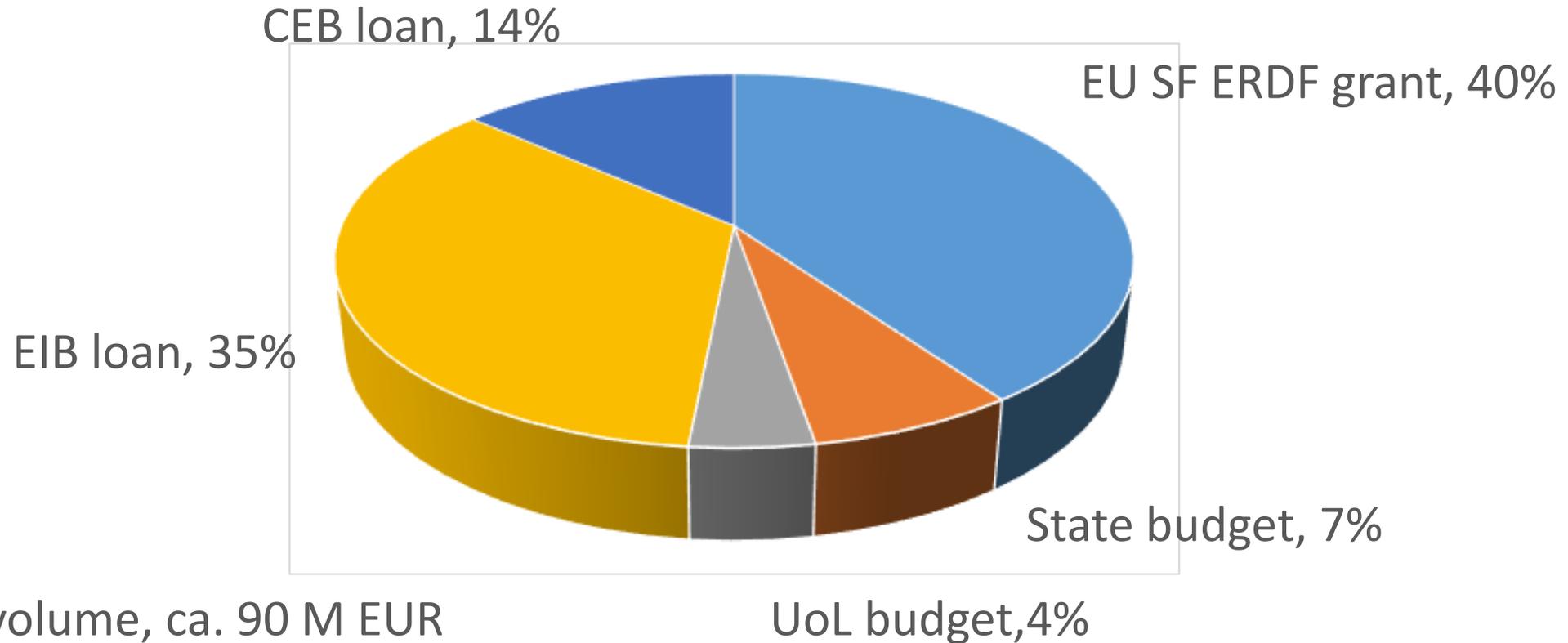
Loan Conditions

- ✓ No collaterals, governmental warranties, mortgages;
- ✓ Total term - 25 years;
- ✓ Grace period - 4 years;
- ✓ Interest rate, e.g. 3 month EURIBOR + 0.5%;
- ✓ Interest rate fixed for all the loan term.

Credit service

- ✓ Savings from infrastructure maintenance;
- ✓ Increased income from services and contracts;
- ✓ Income from RE alienation.

Phase II, Structure of Funding



Phase II - The Building of Science

The Building of Science is expected to be opened in January 2019. This building will house several institutes and two faculties: Faculty of Medicine and Faculty of Physics and Mathematics. Outstanding features of the Building will be anti-vibration floors for the needs of the Laser Centre, wide indoor atrium and central hall which can be used as an open auditorium.



2017

Total funding of the building	- 36,2 M EUR,
ERDF	- 28.3 M EUR,
state budget	- 3.6 M EUR,
European finance institutions	- 3.1 M EUR,
own funds	- 1.2 M EUR.







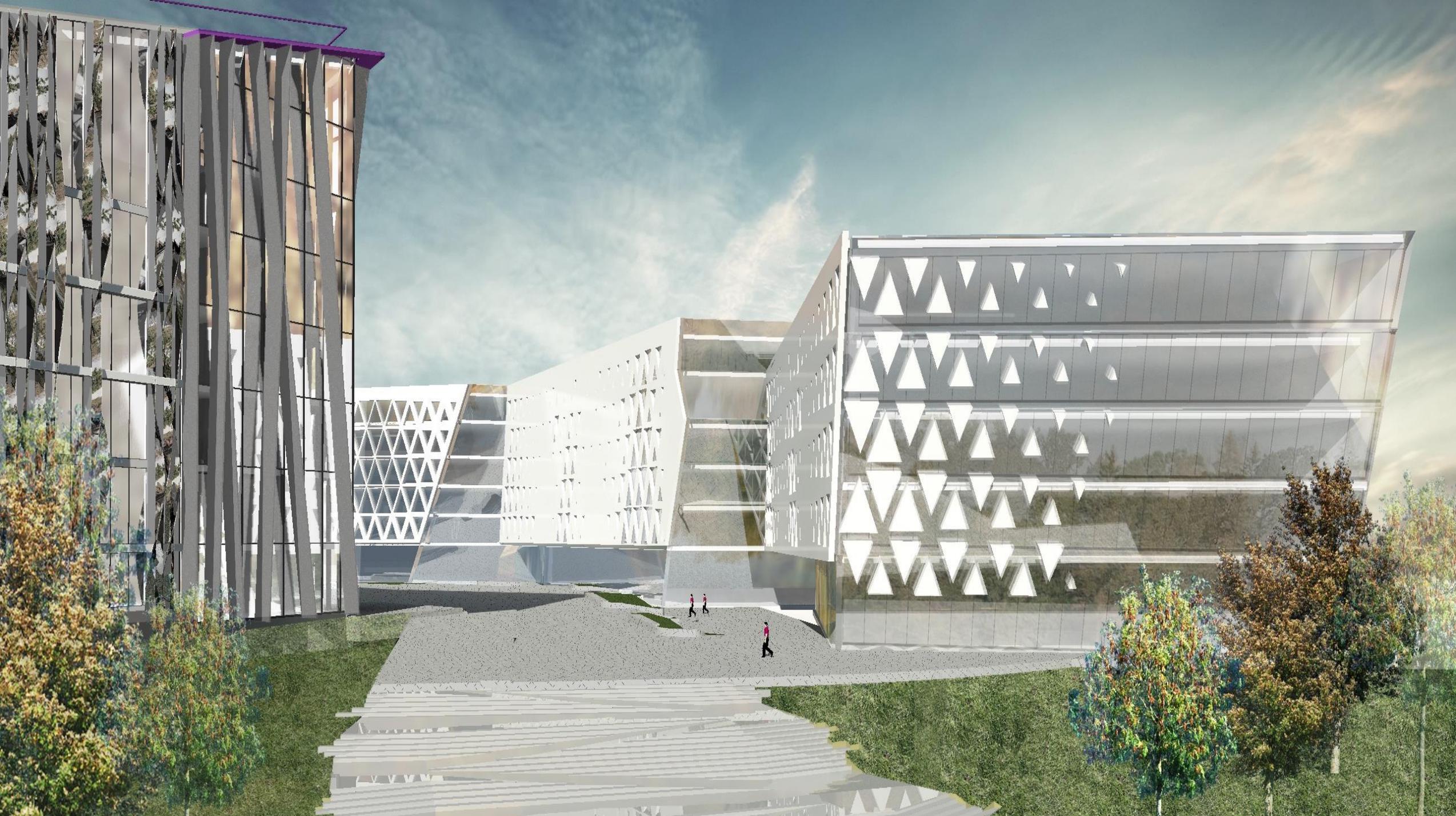
Phase II – The Building of Letters

Work on the Building of Letters, has started in 2018 and will be finished by the end of 2021. It will be home to several institutes, library and five faculties: Faculty of History and Philosophy, Faculty of Social Sciences, Faculty of Education, Psychology and Art, Faculty of Humanities and Faculty of Business, Management and Economics.

Total funding of the project – 49.5 M EUR
European finance institutions – 38.5 M EUR,
ERDF funding – 7.5 M EUR,
own funds – 2,4 M EUR,
state budget funding – 1.1 M EUR.

2021

Total floor space of the building will be 26,000 m². The six- story Building of Letters will accommodate 7,000 full time students as well as 1,000 researchers and professors



Phase III

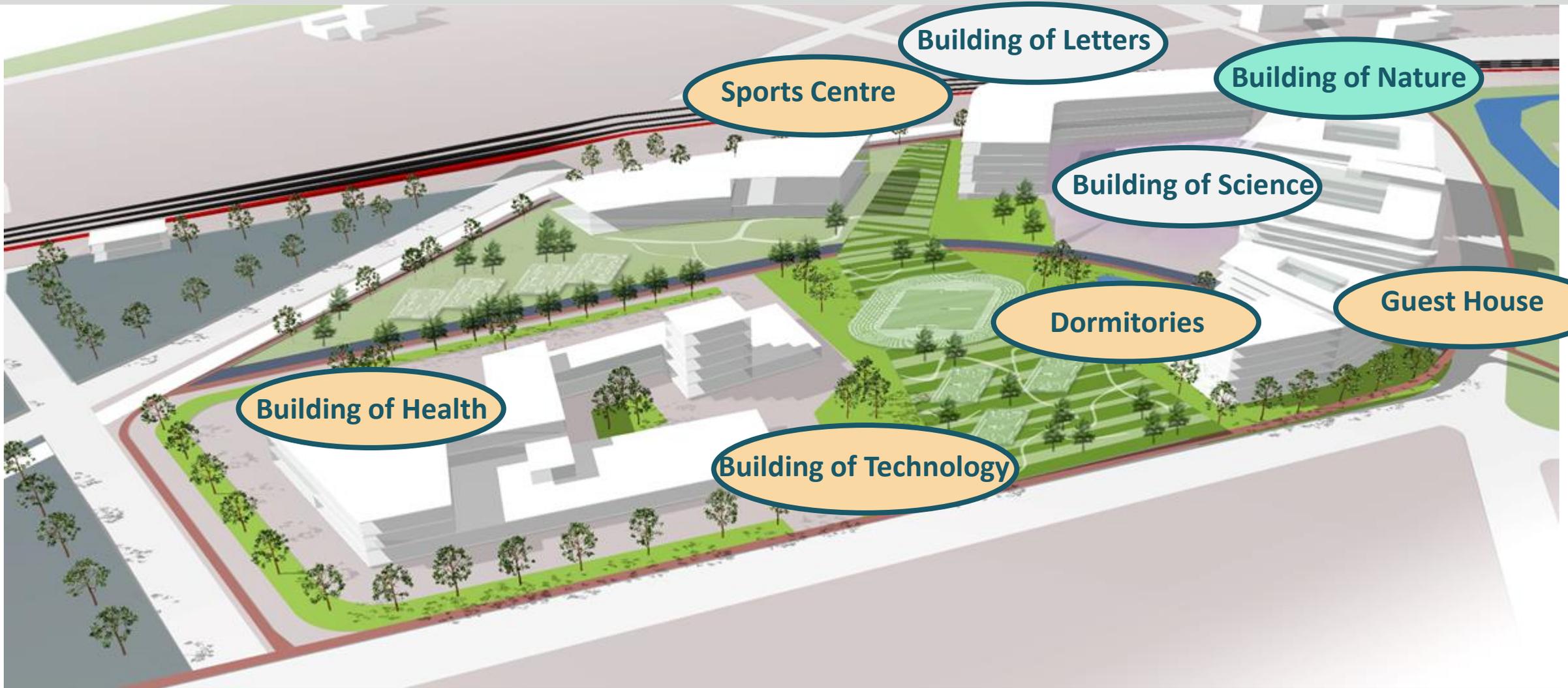
This will include five buildings providing Open Access infrastructure for research, technology transfer, social and health services.

Estimated construction and equipment costs:

- Building of Technologies – 42.9 M EUR,
- Multimodal sports center – 15 M EUR,
- Building of Health/Ambulance – 27 M EUR,
- Student hostels – 13 M EUR,
- Apartments for lecturers – 17,9 M EUR.

The projects are supposed to be developed as Public-Private Partnership activities.





On March 27, 2018 the University of Latvia and Advisory Hub of the European Investment Bank concluded an agreement on cooperation at the development of Phase III projects

Apart of the money direct dealing with international financial institutions

- ✓ Gives more freedom for the implementation of the strategy`of the university and escape from birocratical over-regulation by national authorities.
- ✓ Makes the budgeting and budget monitoring procedures more sensible, brings in more responsibility for achieving the KPIs and securing credit service liabilities.
- ✓ Brings valuable international expertise into the university and supports sound re-evaluation of the development projects.
- ✓ Renders the credibility to the assessed projects and helps to find partners and investors for them.
- ✓ Supports the outreach of the projects and university in general.

Reveals discrepancies in accounting systems and bookkeeping practices among university, state authorities and the Bank.

Thank You !