

EUROPEAN INVESTMENT BANK

Call for proposals — The European Investment Bank Institute proposes three new EIBURS sponsorships under its Knowledge Programme

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The European Investment Bank Institute channels most of its institutional relations with universities through its Knowledge Programme, consisting of three different programmes:

- **EIBURS**, the **EIB University Research Sponsorship Programme**,
- **STAREBEI (STAgés de REcherche BEI)**, a programme for financing young researchers working on joint EIB-university projects, and
- **EIB University Networks**, a cooperation mechanism for university networks displaying characteristics that are of particular relevance to supporting the objectives of the EIB Group.

EIBURS provides grants to university research centres working on research topics and themes of major interest to the Bank. EIB sponsorships, of up to EUR 100 000 per year for a period of three years, are awarded through a competitive process to interested university departments or research centres associated with universities in EU, candidate or potential candidate countries, with recognised expertise in EIB-selected areas, so that they can expand their activities in these areas. Successful proposals entail the delivery of a variety of outputs (research, organisation of courses and seminars, networking, dissemination of results, etc.) that will be the subject of a contractual agreement with the Bank.

For the academic year 2012/2013, the **EIBURS** programme has selected three new lines of research:

Measuring impact beyond financial return

Since the global financial crisis started in 2008, 'impact investing' has attracted a great deal of attention in public debate, focusing on the question of how financial markets can better serve society's needs and create value in a sustainable way. However, as much as there seems to be consensus on the fact that social impact has to play a more prominent role in investment decision-making, little progress has been made so far in defining the impact investing space and developing concepts for integrating social and environmental impact criteria into the investment process and measuring impact-related results.

The aim of the project is to explore ways of measuring and expressing the social impact generated by an investment activity in the areas of social entrepreneurship, sustainability-focused business models, and microfinance. The research should suggest ways of how to integrate social and/or environmental impact objectives into the investment decision approach of policy-driven investors.

The research work should include an empirical study on how impact-focused investors, with both institutional and non-institutional backgrounds, formulate impact objectives in their investment activities and at what stage such formulation of objectives occurs. It should further analyse the dynamics such impact objectives generate in the investment decision process and in the monitoring and management of the investment once the investment has been made. Of particular interest is the dynamics of the relationship between the social/environmental impact and the financial return and how impact results obtained at divestment compare with the impact thesis pursued in the initial investment decision.

Based on such empirical analysis the study should develop market evidence for the compatibility of social/environmental and financial objectives and describe in what circumstances such dynamics apply.

Proposals should specify in detail the research approach suggested by the university centre which, alongside the empirical study, may also involve courses, seminars/conferences, surveys and the creation of project-relevant databases. Research proposals should also show evidence how they can leverage practical insights

from the operational activity of the European Investment Bank group (and in particular the European Investment Fund) in this space. Given the emergence of this market segment, cross-border university collaboration is encouraged and would constitute an asset in the selection process.

Financial literacy

The recent global economic crises have highlighted the importance of financial literacy, i.e. the set of skills and knowledge that allows individuals to make informed and effective decisions through their understanding of finance. Evidence suggests that insufficient financial literacy may have contributed to the sub-prime and related crises. This has given impetus to a number of State-run programmes in various countries in Europe and elsewhere.

The university research centre receiving support under the EIBURS would be expected to set up a research programme focused on reviewing existing initiatives in a critical manner, with the objective of identifying factors of success and best practice. To this end, alternative methodologies could be employed to assess the impact of such initiatives, such as econometric testing or impact evaluation frameworks. In addition, it would undertake a gap analysis for a selected number of EU countries.

The regional focus of the proposals would be on, but not limited to, OECD member countries. The applicants are encouraged to establish partnerships with other universities and research centres to undertake the research. The project may involve any additional activity that the university research centre would be ready to undertake with the sponsorship in the line of research, including:

- Organisation of courses, summer schools, conferences and seminars
- Creation of databases
- Surveys

Cost/Benefit analysis in the research, development and innovation sector

The measurement or assessment of the cost/benefit of research, development and innovation (RDI) infrastructure is notoriously difficult. And yet global policy discussions increasingly focus on innovation and the knowledge economy as a driver for long-term sustainable growth. A multitude of methods and indicators are used to study socio-economic impacts. The current methodology within the Bank is conservative and aligned to DG Regio's 'Guide to cost/benefit analysis of investment projects'. However, this document is itself deficient in its explanation of the RDI sector.

To fill the gap initially, the JASPERS team commissioned a consultant to work with the Czech authorities on development of a CBA Guide for R&D infrastructure. A couple of years of practical experience using this guidance has enabled the development of a good database, an overview of trends in the sector and an understanding of the value and limitations of the current guide.

An internal review of the guidance has further developed the understanding of the range of appropriate monetised values associated with the guidance, but has also revealed what is needed to further develop the guidance.

At the same time, the global interest in CBA in the sector has rocketed and there are many more studies of the sector than when the first guide was developed, carried out by both the management of major research facilities and specially developed forums on the subject (a good example would be FenRIAM (<http://www.fenriam.eu/> or <http://www.fenriam.eu/doc/FenRIAM%20full%20guide.pdf>)).

The aim of the project is to build on the current internal review and produce a model which is academically credible, robust but at the same time easy to apply and easy to assess. In order to achieve this, the research team will have to review the current state-of-the-art literature in the field, assess willingness-to-pay models from Member States in relation to the various benefits which typically accrue from such projects, develop an understanding of market values where applicable associated with such potential benefits, and develop an understanding of the typical type of RDI infrastructure projects that come forward for funding. All of this will be within an appropriate theoretical framework.

Deliverables:

The university research centre receiving support under the EIBURS would be expected to set up a research programme focused on reviewing existing methodologies and forecasts of infrastructure investment needs, and to develop a unified methodology for forecasting cost/benefits for use within the Bank and by others

(ideally project proposers). As this is a three-year study, the applicants are encouraged to propose timelines for the delivery of interim data. The project may involve any additional activity that the university centre would be ready to undertake with the sponsorship in the line of research, including:

- Organisation of courses, summer schools, conferences and seminars
- Creation of databases
- Surveys

This project should be complementary to any CBA guidance developed or updated by the major European institutions.

Proposals should be submitted in English or French and the deadline for presentation of proposals is 14 September 2012. Proposals submitted after this date will not be considered. Proposals should be sent to:

Electronic copy:

universities@eib.org

and

Hard copy:

EIB Institute
98-100, boulevard Konrad Adenauer
2950 Luxembourg
LUXEMBOURG

For the attention of Ms Luísa FERREIRA, Co-ordinator.

*For more exhaustive information on the **EIBURS** selection process and on the other programmes and mechanisms, please visit: <http://institute.eib.org/>*
