

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
Project name	NOUVEL HOPITAL DE LENS
Promoter and financial intermediary	CENTRE HOSPITALIER DOCTEUR SCHAFFNER DE LENS
Country of implementation	France
Summary project description	<p>At the beginning of the 2010 decade, it became clear that the current Centre Hospitalier de Lens (CHL) infrastructure was, on one hand, creating increasing and significant financial and operational problems, and on the other hand, that no restructuring and/ or rehabilitation long term plans of the current premises would be sufficient to provide efficient and quality health services to the population. The CHL operates about 20 buildings, for a total of 94,000 m², with an obsolescence average ratio of 77% (up to 100% for some buildings). The existing location no longer allows integrated and modern care to be provided in a coherent and safe way, and the construction of a new hospital (NHL - "Nouvel Hôpital de Lens") on a new greenfield site was therefore considered a must.</p> <p>The French Ministry of Health (MOH) decided to provide the promoter with financial support (raising the total national and regional financial support to EUR 160m).</p> <p>The CHL is the leading coordinator of the Groupement Hospitalier du Territoire (GHT) Artois, which is the first French hospital operational group set up in 2016, in line with the MOH strategy to promote the creation of hospital regional networks that would coordinate their resources and activities so that an extended package of hospital services (diagnostic, treatment, outpatient, medium and long term, geriatrics etc.) can be delivered to the patients in a certain region. The GHT Artois covers the Artois area and includes four hospitals, including the Lens hospital, the hospital of Hénin-Beaumont, the hospital of Béthune-Beuvry and the hospital of La Bassée.</p> <p>The project will contribute to re-inforce the positioning of the Lens hospital in its leading and support function of the GHT.</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 [...].

The new hospital will have a total area of 80,000 m² and a capacity of 571 beds for acute care. The activity of the hospital will be organised within a standalone building, composed of four main modules: The Mother and Child module/unit, the medical and surgical module/unit, the technical platform and the administration module/unit.

The NHL project's main ambition is to position the hospital as the first French full digital hospital (hospital 2.0) adopting leading edge automation technologies and advanced digitalisation concepts; this should also be the first French "0-paper" hospital. From this perspective, NHL will be a first-of-akind in France and in Europe. Implementing such an ambitious project in a hospital that is, at the same time, in a difficult operational and financial situation is particularly challenging; subsequently, the risks of the project are also unusually high.

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy		High
Cross-cutting objectives		
EIB Cohesion Priority Regions / Economic and Social Cohesion		100.00%
Climate Action		26.80%
EFSI		
Contribution to EFSI		100.00%
EFSI: Human capital, culture and health		100.00%
Innovative health solutions		100.00%

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 up to four indicators, as relevant, among which:

- (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;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

Pillar 3

EIB Technical and financial contribution to the project		High
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 up to 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

In line with the EFSI objective of supporting human capital, culture and health and in particular innovative health solutions, the operation will allow the construction of a new full digital public hospital on a single site in the city of Lens. It will replace the existing obsolete hospital spread out between multiple buildings. The operation will lead to significant energy efficiency improvements, consequently c. 26.8% of the operation will count against EIB's Climate Action objectives. The operation will equally address the objective of supporting less-developed regions and transition regions as 100% of the operation will be deployed in Cohesion regions. The operation will thus also contribute to the Union priorities on convergence and social cohesion, helping reduce regional disparities by supporting investment.

The project addresses market failures in the healthcare sector. The project generates positive externalities through the provision of health services that benefit society at large and the broader economy. The borrower cannot obtain appropriate financing solutions from commercial banks for the full investment amount due to the significant size of the investment required, the borrower's small size as well as its creditworthiness. The borrower is thus facing a sub-optimal investment situation where its lack of access to financing prevents it from deploying the investment project under the scale and timeline that would be appropriate.

The project is expected to be classified immediately above the EIB Special Activities category limit, in particular due to the unsecured format of the loan and a longer tenor in comparison to other lenders, creating structural subordination. Equally the promoter benefits from a limited budgetary flexibility. The EIB would not be able to provide such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The EIB will be providing long term financing with an unsecured structure and is expected to become a cornerstone lender to the borrower. This will result in a quality stamp on the project that is expected to crowd-in private sector finance as well as financing from the Caisse des depots et consignations, the French National Promotional Bank. EIB financing is expected to increase the other lenders' confidence in the operation and confirm their own engagement in the financing.

This will be the first operation for the EIB with the promoter.

Set of indicators related to the macroeconomic environment

France - Economic environment

Economic Performance

	FR 2018	EU 2018	US 2018	FR 2001-2007
GDP per capita (EUR, PPS)	31,988.40	30,935.11	43,569.11	31,052.71
GDP growth (%)	1.58	1.97	2.86	1.90
Potential GDP growth (%)	1.21	1.60	2.24	1.78
Output gap (% of potential GDP)	0.36	0.62	0.74	1.69
Unemployment Rate (%)	8.90	6.60	3.90	8.50
Unemployment Rate (%) - Y/Y change (% points)	-0.20	-0.60	-0.20	-0.19
Bank-interest rates to non-financial corporations (%)	1.37	1.26	--	3.53
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.03	-0.06	--	0.00
Investment rate (GFCF as % of GDP) - Total	22.92	20.54	20.84	21.76
Investment rate (GFCF as % of GDP) - Public	3.39	2.86	3.31	3.91
Investment rate (GFCF as % of GDP) - Private	19.53	17.68	17.53	17.84

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Human health activities (% of total VA)	5.88	5.88	5.94	5.93	5.10
Employment in Human health activities (% of total employment)	6.90	6.97	7.00	6.96	6.06

Health

	2014	2015	2016	2017	EU (latest available)
Life expectancy (years)	82.90	82.40	82.70	82.70	80.90
Healthy life years at birth (Males)	63.40	62.60	62.60	62.50	63.50
Healthy life years at birth (Females)	64.20	64.60	64.10	64.90	64.00
Old age dependency ratio (65+/ 15-64 years)	28.40	29.20	30.00	--	29.30
Perinatal mortality per 1,000 live births	--	--	--	--	4.02
Hospital beds per 100,000 inhabitants	619.68	613.46	605.88	598.02	504.30

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial cooperations" 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 value at PCR
Start of works	01.01.2018
End of works	31.07.2025
Project investment cost [MEUR]	335.30 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	278.61 MEUR
External EFSI multiplier	3.28
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	5.30 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	85.00 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	
Energy efficiencies realised [MWh/a]	8,454.00 MWh/a
Climate Action indicator	26.80% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs [person years]	1,534 person years
Employment during operation - new permanent jobs [FTE]	0 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. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.