



## EFSI Operation Scoreboard<sup>1</sup>

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	Isala Hospital
<b><u>Promoter or financial intermediary</u></b>	Stichting Holding Isala Klinieken
<b><u>Country of implementation</u></b>	The Netherlands
<b><u>Summary project description</u></b>	<p>This would be the first operation with Stichting Isala Klinieken ("Isala") and the third single signature single risk operation, with a non-University Medical Centre hospital in the Netherlands. The purpose of the project is to finance the 2017-2022 Isala investment program aiming to retain its high level of quality and optimise its operational costs.</p> <p>The project supports the development plan of Isala and consists of: (i) the rehabilitation and modernisation of existing top clinical hospital facilities in Zwolle (including upgrading and replacement of the medical equipment); (ii) the construction and equipping of a new general community hospital in Meppel; (iii) the upgrade of the hospital management information system, especially in regard to the wide electronic medical records system. All parts of the project reinforce the strategy of Isala, the health insurance companies and the national policy.</p>

<sup>1</sup> 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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**

<b>EFSI</b>	
Contribution to EFSI	100.00%
EFSI: Human capital, culture and health	100.00%
Other human capital, culture and health	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 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 sustainability<sup>2</sup>;*
- (iv) "Employment" i.e. the project's direct employment effect.*

### **Pillar 3**

**EIB Technical and financial contribution to the project** **Significant**

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.*

<sup>2</sup> 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 finances Isala's rehabilitation and modernisation of existing top clinical hospital in Zwolle (including upgrading and replacement of the medical equipment), the construction and equipping of a new general community hospital in Meppel and the upgrade of the hospital management information system (especially in regards to the implementation of a performant electronic medical records system). The contribution of this operation is therefore in alignment with the EFSI objective of health and support of innovative health solutions and increases EFSI support towards social infrastructure.

This operation is additional in respect to the EFSI regulation and addresses a sub-optimal investment situation as can be demonstrated by the following aspects:

The Dutch authorities aimed at enhancing the healthcare sector and healthcare spending by introducing several regulatory reforms. These reforms triggered a switch from a budget to a performance based revenue system, the re-designing of the basic insurance packages and removed the Ministry of Health from investment decisions, determining healthcare providers to obtain adequate financing themselves. Due to a significant reduction of the availability of a loan guarantee by the WfZ obtaining adequate financing from commercial banks as well as from public authorities has become increasingly difficult.

The operation falls into the Special Activity category of the EIB. This is primarily due to the combination of the subordination of the EIB Loan due to its longer tenor compared to existing lenders and the general pressure on the revenues due to the reduced public budget in the healthcare sector, which makes the EIB loan dependent on the performance related revenues of the hospital.

While significantly enhancing the project's financing profile, the EIB loan will also contribute to the diversification of the funding structure in regard to the maturity profile and creditor base.

The EIB participation as an anchor investor will confer a strong signal to the market through its seal of approval. This signalling will give confidence to conservative, private sector investors and allows the operation to obtain the required financing.

Such a loan could not have been provided at the same terms and conditions by the EIB without the support of the EFSI guarantee. Isala will be a new client for the EIB and this operation will have a strong signalling effect for investments under EFSI in the social sector, demonstrating the availability of long-term non-guaranteed financing by the EIB and should have a strong stimulus impact on co-financiers for the sector at a time when financing options are experiencing constraints.

## Set of indicators related to the macroeconomic environment

### Netherlands - Economic environment

#### Economic Performance

	NL	EU	US	NL
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	37,509	29,440	42,815	37,307
GDP growth (%)	2.2	1.9	1.6	2.0
Potential GDP growth (%)	1.3	1.3	2.1	2.1
Output gap (% of potential GDP)	-0.76	-0.75	-0.03	-0.41
Unemployment Rate (%)	5.4	8.2	4.7	4.7
Unemployment Rate (%) - Y/Y change (% points)	-1.2	-0.8	-0.3	0.09
Bank-interest rates to non-financial corporations (%)	1.2	1.4	1.8	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	0.07	-0.21	-1.4	-0.06
Investment rate (GFCF as % of GDP) - Total	19.8	19.7	19.6	21.3
Investment rate (GFCF as % of GDP) - Public	3.4	2.7	3.4	4.0
Investment rate (GFCF as % of GDP) - Private	16.4	17.0	16.2	17.3

#### General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Human health activities (% of total)	--	--	--	--	5.3
Employment in Human health activities (% of total)	--	--	--	--	--

#### Health

	2013	2014	2015	2016	EU (latest available)
Life expectancy (years)	81.4	81.8	81.6	--	80.6
Healthy life years at birth (Males)	61.4	63.3	--	--	61.4
Healthy life years at birth (Females)	57.5	59.0	--	--	61.8
Old age dependency ratio (65+/ 15-64 years)	25.5	26.4	27.2	27.8	29.3
Perinatal mortality per 1,000 live births	3.8	--	--	--	--
Hospital beds per 100,000 inhabitants	--	--	--	--	550.3

- 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

### **Other indicators<sup>3</sup>**

#### **Key project characteristics**

	<b>Expected at PCR</b>
Start of works	01.06.2017
End of works	31.12.2022
Project investment cost	306.78 MEUR
EIB/EFSI eligible investment mobilised	306.78 MEUR
External EFSI multiplier	2.04
External EIB (non-EFSI) multiplier	
Amount of private financing	101.78 MEUR
Quick start (% of expenditure during 2015-2018)	43.00 %
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	
Employment during construction - temporary jobs	878 person years
Employment during operation - new permanent jobs	0 FTE

<sup>3</sup> 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.