



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	HEALTHCARE COOPERATION GROUP BAHIA
<u>Promoter or financial intermediary</u>	MAISON DE SANTE PROTESTANTE DE BORDEAUX - BAGATELLE
<u>Country of implementation</u>	France
<u>Summary project description</u>	<p>The partnership between Maison de Santé Protestante de Bordeaux Bagatelle (MSPB) and Hôpital d'Instruction des Armées Robert Picqué (HIARP) is the result of a strategic review and is part of the Service de Santé des Armées (Military Health Services) restructuring project (SSA 2020), which includes pooling the operations of some military hospitals with public or private sector civilian hospitals. It is also based on several convergence points: the same patient catchment area, synergies in terms of activities and expertise, possible pooling of on-call services and continuity of care, the salary method for medical personnel falling exclusively under sector 1 , a culture focused on quality and risk management, and a desire to maintain economic equilibrium.</p> <p>The "BAHIA" operation consists in bringing all of the healthcare activities of Maison de Santé Protestante de Bordeaux-Bagatelle (MSPB) and Hôpital d'Instruction des Armées Robert Picqué (HIARP) together onto a single site, i.e. that of the MSPB in France. This will require all of HIARP's activities (currently located in the municipality of Villenave-d'Ornon) to be transferred to the MSPB site occupying a total area of around 6.1 ha in the neighbouring municipality of Talence.</p> <p>This project entails the following measures on the MSPB site: (i) the construction of a new building (administration and consultation hub) – the "BAHIA 1" sub-project – on a plot of around 3 500 m²; (ii) the extension and partial renovation of MSPB's existing premises – the "BAHIA 2" sub-project – covering an area of around 7 000 m².</p> <p>This civilian and military hospital will be fully able to cover the area's public health needs, as well as those of the defence community and personnel, by keeping and maintaining the ability to forecast the military personnel involved in overseas operations.</p> <p>The operating body for the project is the new Groupement de Coopération Sanitaire (GCS – healthcare cooperation grouping), with the project promoter being MSPB. HIARP will contribute to the total cost of the project by way of</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 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 [...].

	<p>annual capital payments via the GCS. This GCS is unique, as it is the first and only operational civilian-military GCS in France.</p> <p>This project is also subject to the approval process applicable to hospital investments in France, which involves the Interministerial Committee on the Performance and Modernisation of Hospital Care Services (Copermo). It received this approval on 23 May 2017.</p>
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PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
Climate Action	12.00%
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 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 sustainability²;*
- (iv) "Employment" i.e. the project's direct employment effect.*

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 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),*

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.

(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.

Pillar 4 – Complementary indicators

Additionality

This operation addresses the EFSI objective of innovative health solutions through the support offered to a unique pilot re-organisational effort aimed at aligning the provision of services to medical state-of-the-art practices for military and non-military medical activities, de-hospitalisation and integration of care, rationalisation of the healthcare network and cost-containment. The operation will facilitate the integration of services from the two existing sites into one. By allowing the reorganisation and upgrade of service delivery, efficiency, quality and safety improvements are expected to materialise. In addition, the energy efficiency measures included in the project will contribute to the Climate Action target of EFSI.

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. In general, the French hospital sector is suffering from a significantly decreased level of investment since the end of the massive investment plan Plan Hôpital 2012. 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 the unusual regulatory and legal context due to the dual civilian-military nature of the operation. 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 presents high risk and is expected to be classified in the EIB Special Activities category, in particular due to the unsecured structure, long tenor and subordination to the commercial banks and the French NPB, CDC. Due to the expected riskiness of the operation, the loan could not have been provided to the same extent by the EIB without EFSI support.

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 and NPB financing. EIB financing is expected to increase the commercial lenders’ confidence in the operation and confirm their own engagement in the financing.

The operation will be the first for the EIB with the promoter and will also represent the first operation in the French healthcare sector under EFSI.

The EIB is expected to provide significant advice to the operation through the operational and project teams supporting the structuring of a complex operation given the “pilot” status of the operation.

Set of indicators related to the macroeconomic environment

France - Economic environment

Economic Performance

	FR	EU	US	FR
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	30,910	29,440	42,615	30,572
GDP growth (%)	1.2	1.9	1.6	1.9
Potential GDP growth (%)	1.1	1.3	2.1	1.8
Output gap (% of potential GDP)	-1.3	-0.75	-0.03	1.9
Unemployment Rate (%)	10.1	8.2	4.7	8.5
Unemployment Rate (%) - Y/Y change (% points)	-0.1	-0.8	-0.3	-0.19
Bank-interest rates to non-financial corporations (%)	1.2	1.4	1.8	3.5
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.19	-0.21	-1.4	0
Investment rate (GFCF as % of GDP) - Total	21.9	19.7	19.6	21.7
Investment rate (GFCF as % of GDP) - Public	3.4	2.7	3.4	3.9
Investment rate (GFCF as % of GDP) - Private	18.4	17.0	16.2	17.8

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)	82.4	82.9	82.4	--	80.6
Healthy life years at birth (Males)	63.0	63.4	--	--	61.4
Healthy life years at birth (Females)	64.4	64.2	--	--	61.8
Old age dependency ratio (65+/ 15-64 years)	27.5	28.4	29.2	30.0	29.3
Perinatal mortality per 1,000 live births	11.7	--	--	--	--
Hospital beds per 100,000 inhabitants	628.5	621.2	--	--	521.2

- 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 indicators³

Key project characteristics

	Expected at PCR
Start of works	01.01.2018
End of works	31.08.2022
Project investment cost	84.00 MEUR
EIB/EFSI eligible investment mobilised	82.70 MEUR
External EFSI multiplier	2.36
External EIB (non-EFSI) multiplier	0.00
Amount of private financing	31.00 MEUR
Quick start (% of expenditure during 2015-2018)	14.15 %
Co-financing with national promotional banks	18.00 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	12.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs	1,050 person years
Employment during operation - new permanent jobs	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.