



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	LONG TERM CARE DEVELOPMENT INFRASTRUCTURE
<u>Promoter or financial intermediary</u>	VITALIA PLUS SA
<u>Country of implementation</u>	Spain
<u>Summary project description</u>	<p>The provision of long-term care services is a difficult challenge for the social system in Spain. Demographic and social changes that are arising from an ageing population, declining fertility rates, increasing dependency ratios and new family patterns have created a substantial demand overhang for formal long-term care services. The Autonomous Communities are responsible for organising and financing such services for their population, including long-term care services as regulated in the 2006 “Dependency Care Act” (Law 39/2006 of 14 December). The law outlines the structures for cooperation between the public and private sectors, based on the principles of equity of access and fundamental human rights.</p> <p>The promoter, <i>Vitalia Plus S.A.</i>, is a leading private sector provider of long-term care services in Spain with an established track record that includes cooperation with the public sector under concessions or long-term lease arrangement for care services financed from public sources. The company’s core capacity lies in the urban centres where population density, and consequently the demand for services, is highest. The centres typically have a capacity of 100 to 250 residential and 30 to 50 day care places, which allows still for a personalized care whilst providing a reasonably efficient configuration for service delivery and management. The promoter has developed a service model that is centred in the patient’s needs, with integrated assistance to maintain the quality of life, clear care principles and a strong commitment to promoting innovation as well as patient and staff satisfaction.</p> <p>The project will support the expansion of centres following the established service model with a planned additional capacity of 3,175 inpatient and 536 day-care places. The investments will be concentrated in urban areas in five Autonomous Regions with the highest established need (<i>Madrid, Cataluña, Castilla y León, Valencia and Murcia</i>). The project will thereby contribute to substantially increasing the access to, and availability of, long-term care services to meet the rapidly growing demand from an ageing population.</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 [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
Climate Action	73.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	6.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities	15.00%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)	15.00%
EFSI: Human capital, culture and health	85.00%
Other human capital, culture and health	85.00%

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

Pillar 3

EIB Technical and financial contribution to the project	Moderate
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 objectives of supporting human capital, culture and health the operation supports the construction and equipment of 19 new Long Term Care (“LTC”) centres in five different Autonomous Communities in Spain. This will significantly increase the supply of high quality residential beds as well as day-centre places for elderly people. The operation also supports the EFSI objective of energy efficiency and savings because most of the buildings will follow Near Zero Energy Buildings (NZEB) standards.

Financing the proposed project will generate positive externalities through the provision of health services that benefit the society at large and the broader economy. Equally, through saving demand for electricity and heat, energy efficiency the operation will reduce carbon and air pollution externalities. The operation addresses a market failure in the effective access to LTC centres with estimates of 250,000 persons on waiting lists throughout Spain. The promoter is facing a sub-optimal investment situation, where public funding for long-term care is uncertain given the past budgetary difficulties of the Spanish social services. This had lead operators in the market to postpone new major investments in the social care segment despite the strong demand for long-term care.

The operation is expected to fall under the EIB Special Activity category. This is mainly due to the structural subordination of the EIB loan to other lenders, its regulatory risk exposure due to the Company’s share of the revenues from public sector and various risks inherent to a large construction project. 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 support is expected to provide a signalling effect of the quality of the project and allow the promoter to attract financing from commercial banks.

This will be the first operation for the EIB with the promoter. Equally, it will be the first direct operation supporting the private nursing home sector in Spain.

Additionally, the EIB has provided specific technical advisory guidance to the promoter concerning the NZEB standards.

Set of indicators related to the macroeconomic environment

Spain - Economic environment

Economic Performance

	ES	EU	US	ES
	2017	2017	2017	2001-2007
GDP per capita (EUR, PPS)	27.719	29.998	43.470	28.708
GDP growth (%)	3,0	2,4	2,2	3,8
Potential GDP growth (%)	1,0	1,8	2,0	3,8
Output gap (% of potential GDP)	-0,35	0,08	0,04	2,7
Unemployment Rate (%)	16,5	7,3	4,1	10,0
Unemployment Rate (%) - Y/Y change (% points)	-2,0	-0,9	-0,6	-0,34
Bank-interest rates to non-financial corporations (%)	1,8	1,3	2,4	3,8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	0	-0,04	0,4	-0,05
Investment rate (GFCF as % of GDP) - Total	20,5	20,2	20,5	28,7
Investment rate (GFCF as % of GDP) - Public	2,0	2,7	3,3	4,1
Investment rate (GFCF as % of GDP) - Private	18,5	17,4	17,2	24,6

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Residential care activities and social work activities without accommodation (% of total)	--	--	--	--	2,3
Employment in Residential care activities and social work activities without accommodation (% of total)	--	--	--	--	4,2

Health

	2013	2014	2015	2016	EU (latest available)
Life expectancy (years)	83,2	83,3	83,0	--	80,6
Healthy life years at birth (Males)	64,7	65,0	--	--	61,4
Healthy life years at birth (Females)	63,9	65,0	--	--	61,8
Old age dependency ratio (65+/ 15-64 years)	26,3	27,2	27,9	28,3	29,3
Perinatal mortality per 1,000 live births	4,5	--	--	--	--
Hospital beds per 100,000 inhabitants	296,3	296,8	--	--	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	01.01.2019
End of works	31.12.2022
Project investment cost	141.08 MEUR
EIB/EFSI eligible investment mobilised	118.60 MEUR
External EFSI multiplier	2.06
External EIB (non-EFSI) multiplier	
Amount of private financing	83.58 MEUR
Quick start (% of expenditure during 2015-2018)	
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	9,395.00 MWh/a
Climate Action indicator	73.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs	989 person years
Employment during operation - new permanent jobs	1,386 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.