Early Warning System

FMO-50198

ELZ SAGLIK YATIRIM A.S.

Quick Facts

Countries	Turkiye
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-12-06
Sectors	Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	$ 21.44 million
Loan Amount (USD)	$ 21.44 million

Project Description

According to FMO website, The project addresses lower quality and inefficient healthcare services in Elazig, Turkey. At present, nation-wide provision of hospital beds is low (currently 2.6 beds/ 1000 people vs 4.8 beds/ 1000 people in the OECD), and hospital space per bed is limited (currently 55m2 vs 175 m2 in line with international standards) in Turkey. Furthermore, the proposed transaction fits with FMO's strategy since FMO finances a "green" hospital in a UMIC country: as confirmed by the second party opinion of Vigeo. Additionally, FMO stimulates private sector in healthcare which is traditionally state-dominated: as private sector will provide 19 different services during the operation period of 25 years under the concession. e.g. supply of medical equipment and clinical support services such as laboratory/ imaging/ sterilization services, furnishing/ maintenance/ repair of the facilities, waste management, catering, linen and laundry services, security services. Hence, the project entails more than only real-estate development, with substantial job creation impacts (during construction 3,200 direct and 300 indirect jobs supported under EPC contracts,during operation period more than 3,800 direct and indirect jobs supported under O&M contracts). FMO derives additionality through stamp of approval and long-term financing for one of the major PPP projects in Turkey: FMO derives its additionality by boosting investor confidence weakened after the recent turmoil in the country. FMO contributes to one of the first healthcare PPP projects of the country where the legal infrastructure took nearly 8 years to develop.

Investment Description

- Netherlands Development Finance Company (FMO)

The sponsors of the project are Ronesans Saglik Yatirimlari and Ronesans Holding (44 percent), Meridiam Infrastructure Fund (36 percent) and Sila Group, TTT, Sam Yapi (20 percent).

Contact Information

No contact information provided at the time of disclosure.

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism