

Case 4

Belarus

Health Sector

Hrodna City Clinical Hospital no. 3

Alexander Zaborovsky

Name of project: Redevelopment of The Public Health Care Institution “City Clinical Hospital No. 3” In Hrodna into the Hrodna Regional Clinical Oncologic Dispensary as a Separate Legal Entity

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Public Organization, managing the public interest: Hrodna Regional Executive Committee

Private Organization, developing the project: TRANSPROEKT GROUP

Capital Providers, financing the project: None (prefeasibility study phase)

Why is this project a Case Study for PPPs:

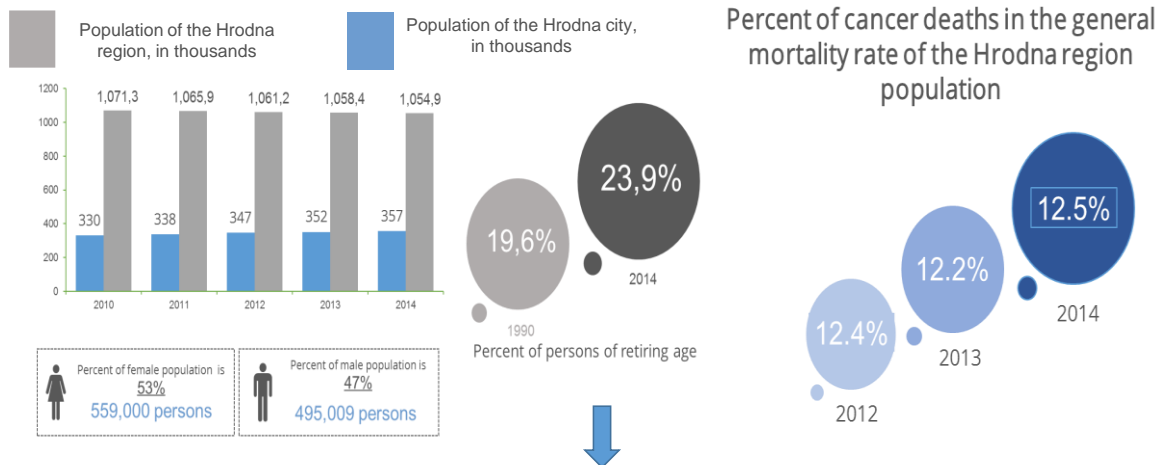
The project illustrates how infrastructure healthcare PPP type can be effectively used for the creation of modern healthcare facilities in countries, where legal restrictions do not allow the provision of medical services by private operators.

Why is this project a Case Study for PPPs based on SDGs:

Currently the Hrodna region is experiencing the absence of specialized facilities aimed at provision of the whole range of diagnostics, cancer surgery, chemotherapy, and X-ray therapy, which leads to the rapid growth of mortality rate of the Hrodna region residents due to cancer.

Through the creation of innovative healthcare facilities and the use of cutting-edge medical technology, the new Oncology Center will reduce cancer incidence by implementing radiological diagnosis, which is essential for the realization of SDGs № 3, 9 and 17.

Context



Redevelopment of the Public Health Care Institution “City Clinical Hospital No. 3” includes the creation of Inpatient units with 392 beds, Surgery, Radiologic diagnosis, X-ray, and Targeted therapy units.

Strategy

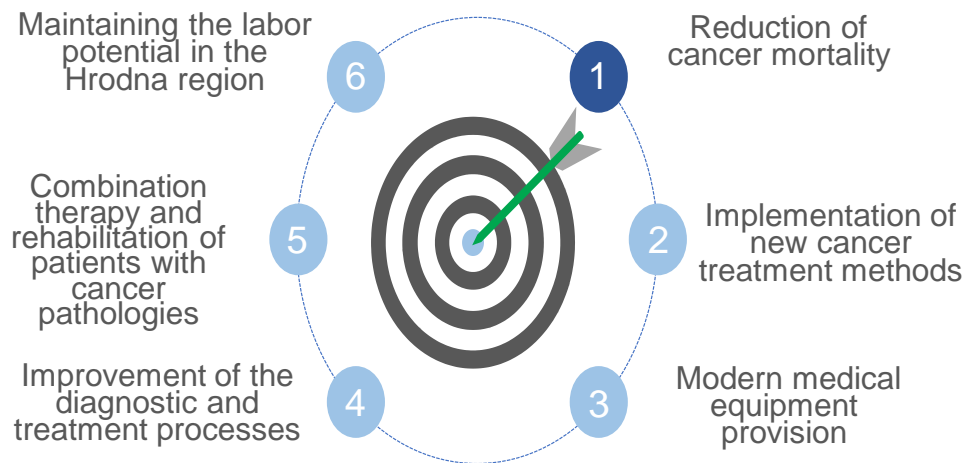
- 1) The project concept was designed by the conduction of a number of appraisal studies as well as prefeasibility analysis performed by the private consulting company, Transproekt Group, and approved both by Hrodna Regional Executive Committee and the Interministerial Infrastructure Coordination Board of the Republic of Belarus.
- 2) Main technical, legal, and financial issues were analyzed in the prefeasibility study resulting in the delivery of basic needs analysis, indicative output specification as well as capex and opex costs, Legal Viability and Stakeholders Assessment, Preliminary Financial model and Affordability Assessment, and Preliminary Risk Assessment. The PPP option was chosen on the basis of qualitative analysis of the potential for realization of project based on PPP principles.
- 3) The recommended model for the realization of the project is concession agreement, which is accompanied by land rental agreement, transfers of possession, and use rights on the object to the private party. In order to achieve the financial closure of the project the direct agreement with step-in rights for financial institutions should be signed.
- 4) Quality of Service will be insured through service level agreements, bonus-malus system, creation of the helpdesk, and strict contract management.

Project KPI's

1. The area of land - 2.6 hectares. Hospital territory is fenced. Site is flat, the area is planted and landscaped
2. Capex – 165,5 mln. USD, annual ; Opex – 1,7 mln. USD, annual
3. The finance structure: 80% - equity; 20% - debt
4. Main project milestones: Feasibility study - 7 months, tendering procedures - 10 months; Construction and equipping period - 36 months
5. Communication plan is under development

Impact on People & Planet

Potential effects from project realization include:



SDGs	Sustainable Development Goals	No impact	Some impact	High impact	Describe impact
1	End poverty	↳			
2	End hunger	↳			
3	Well being-health lives			↳	Creation of new and effective medical facilities
4	Quality education		↳		Possibilities for education of medical staff
5	Gender equality	↳			
6	Water and sanitation for all	↳			
7	Affordable and sustainable energy	↳			
8	Economic growth & decent jobs for all		↳		High amount of construction works, Significant operational component
9	Resilient infrastructure, sustainable industrialization, foster innovation			↳	Use of cutting edge technology, which can drive the innovation across healthcare sector
10	Reduce inequality within and among countries			↳	Enabling access to a high quality medical services for the community
11	Cities inclusive, safe, resilient and sustainable		↳		Raising the effectiveness of healthcare services provision within the City
12	Responsible consumption by all	↳			
13	Combat climate change	↳			
14	Protect the ocean	↳			
15	Take care of the earth	↳			
16	Peaceful and inclusive societies, justice for all, accountable insitutions at all levels	↳			
17	Mechanisms and partnerships to reach the goals			↳	Use of PPPs as a primary model for project realization

Escalating the (Case Study) project:

- 1) The project can be replicated within the country's healthcare sector
- 2) Healthcare PPPs are widespread across many countries of the world and could be used for the effective creation of medical facilities
- 3) Extrapolation of project to other sectors is limited
- 4) Political will and dedication of project implementation team are among key success factors for escalation of project

People First is also about “those” that made it happen:

The main drivers for project realization are:

- 1) The main public organizations involved in the project realization are – Hrodna regional executive committee; Ministry of Healthcare of the Republic of Belarus, PPP Unit of the Ministry of Economy of the Republic of Belarus, Interministerial Infrastructure Board (IIB) of the Republic of Belarus
- 2) The main private organizations involved in project preparation – privately owned consulting company Transpoekt Group
- 3) The management team of the project is under formation
- 4) Sustainable Development Goals underline all the activities of UNDP in Belarus to enable the Republic of Belarus to achieve more and help the world to successfully reach the new era.