
ELAZIĞ FETHİ SEKİN CITY HOSPITAL TURKEY

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Elazığ Fethi Sekin City Hospital

Project Description

- A landmark example of Turkey's ambitious PPP program.
- To improve the quality and inclusiveness of healthcare services.
- Turkey will invest 4.3% of its total fixed capital in the healthcare sector during the 2019-2023 period.
- Innovative financing methods, most notably PPPs, contribute achieving such ambitious targets.
- Elazığ Fethi Sekin City Hospital stands out in many ways among similar projects in the World.
- Brings together a range of healthcare service disciplines and high-technology specialty hospitals into a single campus (e.g, cardiology, neurology, orthopedics, oncology, maternity, pediatrics and physical medicine and rehabilitation hospitals).
- Serves not only the local people but also a wide regional area of neighboring cities (total population of approximately 3.4 million).



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Investment Size and Financing Model

- €360 million total investment.
- Debt/equity ratio: 80/20.
- €288 million raised through green and social bonds.
- First green and social project bond in Turkey.
- First long-term project bond in Turkish PPP market.
- First investment grade project bond.
- First project with enhanced credit by EBRD and the MIGA, following the COP21 global commitment to support emerging countries' SDGs.
- Project bond's payment mechanism: Availability payments from the Ministry of Health with quarterly installments.



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People-First Elements

- Strongly committed to sustainability and resilience as reflected in clear contractual provisions among project stakeholders.
- Services provided are easily accessible to all, including those most vulnerable and disadvantaged: Free-of-charge high-quality healthcare services to everyone.
- Risks on affordability, accessibility and equitability were assessed during the feasibility study.
- Service performance and quality being monitored strictly by the public authority, with penalties and financial deductions where necessary.
- Jobs created: 5000 new jobs during construction, 4500 during operation. 35-40% of them are women.
- All project-relevant documents include gender equality and non-discrimination clauses for women.
- Project's positive impacts extend to a regional population of 4.3 million.
- 5-fold increase in the number of qualified beds in the region (from 211 to 1038).
- Trigeration units are being used in the hospital to reduce GHG emissions.
- Project has zero-waste certificate from the Ministry of Environment.
- Hospital Disaster Plan in place and being implemented, identifying preventive/recovery measures and preparatory actions before/after possible disasters.



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Some Lessons Learned

- If structured properly, PPPs have potential in bringing:
 - innovation to financing,
 - quality to service provision,
 - increased accessibility and equity to essential services.
- Achieving a reasonable balance of affordability among main stakeholders (public authority, the SPV and service users) is key.
- Stakeholder engagement is a critical success factor.
- PPPs can contribute climate change policy actions and women empowerment efforts.



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