Early Warning System

ADB-49200-001

Healthcare Finance in Underdeveloped Regions

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Quick Facts

Countries	China
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2015-09-29
Borrower	State Grid International Leasing Company Ltd. (formerly Yingda International Leasing)
Sectors	Education and Health
Investment Type(s)	Loan
Investment Amount (USD)	$ 75.00 million
Loan Amount (USD)	$ 75.00 million
Project Cost (USD)	$ 75.00 million

Project Description

A senior secured loan of up to $75 million (or CNY equivalent) with 5 years tenor to Yingda International Leasing (YIL) in the PRC is proposed. The proceeds will be used to finance hospital facilities in counties or lower tier cities (i.e., excluding provincial capital cities) in the central and western regions of the PRC. The project will finance the direct lease of modern medical equipment as well as hospital fixed assets investments through sale and lease back transactions. According to the latest WHO data, the total health care expenditure accounted for 5.4% of the GDP in the PRC in 2012, significant lower than the global average of 9.2%. The healthcare investments are lower in the less developed central and western regions, leading to poorer facilities. There are 2.96 and 3.10 hospital beds per thousand populations in the central region and western region respectively, while the ratio was 3.17 in the eastern region. In the central and western regions, the average assets per hospital were CNY79.9 million and CNY68.9 million, respectively, significantly lower than the average of CNY122.6 million in the eastern region.

Early Warning System Project Analysis

The ADB categorized the project risks as follows:

Environment - FI;
Involuntary Resettlement - FI-C;
Indigenous Peoples - FI-C.

Investment Description

- Asian Development Bank (ADB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- State Grid International Leasing Co Ltd (Financial Intermediary)

Private Actors Description

As stated by Bloomberg, State Grid International Leasing Company Ltd. (formerly Yingda International Leasing) operates financial leasing businesses. The Company provides equipment direct leasing, operating leasing, leveraged leasing, trust leasing, and other related services. State Grid International Leasing provides services for telecommunication, transportation, engineering, and other areas.

Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- Healthcare Finance in Underdeveloped Regions: Initial Poverty and Social Analysis [Original Source]
- Project Disclosure PDF
- Qian Fa Da Di Qu Yi Liao Rong Zi : Xiang Mu Shu Ju Biao [Original Source]
- Yingda International Leasing for Healthcare Finance in Underdeveloped Regions: Report and Recommenda [Original Source]