

Ex-Ante Evaluation (for Japanese ODA Loan)

1. Name of the Project

Country: Socialist Republic of Viet Nam

Project: Regional and Provincial Hospital Development Project (II).

Loan Agreement: March 30, 2012

Loan Amount: 8,693,000,000 Yen

Borrower: The Government of the Socialist Republic of Viet Nam

2. Background and Necessity of the Project

(1) Current State and Issues of the Health and Medical Care Sector in Viet Nam

Various health indicators have improved in Viet Nam because of the health and medical reforms implemented by the Government as well as the assistance from donor countries. On the other hand, the improvement has been witnessed mainly in urban areas and disparities between urban and rural areas are considered as the current issue. For example, the child mortality rate under the age of 5 years old (per 1,000 births, as of 2008) was 18 in urban areas while 32 in rural areas, causing a disparity of more than 1.5 times. As for the Goal 4 : Reduce Child Mortality and Goal 5 : Improve Maternal Health out of the Millennium Development Goals (MDGs), they are expected to be achieved in urban areas and as a national average, while further efforts are needed in rural areas. In addition, diseases structure have changed, along with improved living environment because of economic development and so forth, resulting in increasing needs for high level of clinical consultation and treatment services to be responsive to non-infectious diseases including lifestyle-related diseases such as malignant tumor (cancer), heart disease, high blood pressure and diabetes.

Regional medical system (coordination network of medical organizations) in Viet Nam comprises three layers, including the 1st layer (commune and county levels), the 2nd layer (provincial level), and the 3rd layer (central level), which assigns upper-level hospitals to be responsible for the instruction and assistance to lower-level hospitals, not only to accept patients transferred from the lower-level hospitals located in the coverage areas of the upper-level hospitals. In reality, however, many of the provincial hospitals are suffering from the lack of facilities and equipment, and insufficient number of qualified medical workers, which has disabled the lower-level hospitals to meet local medical needs, and therefore, there is a continuous tendency that patients with even light level of diseases prefer to access the upper-level hospitals. As a result,

the occupancy rate in the main hospitals in urban areas exceeded 200%, causing excessive congestions, the decline of quality in medical services in each hospital, and serious malfunction as a whole medical system.

(2) Development Policies for the Health and Medical Care Sector in Viet Nam and the Priority for the Project

“Ten-Year Socio Economic Development Strategy (2010-2020)”, adopted in January 2011, has set the improvement of health medical services as one of the prioritized issues to deal with. “Five-Year Socio Economic Development Plan (2011-2015)”, announced in November 2011, has raised numerical targets such as the extension of the national average of lifetime (older than 74 years old before 2015), maternal mortality rate (60 cases per 100,000 births), infant mortality rates (less than 12 cases per 1,000 infants and babies; less than 20 cases for children under the age of 5 years old). The Plan articulates that achieving these targets requires enhancing medical facilities and equipment as well as strengthening human resources.

“Health and Medical Care Master Plan (2010-2020)”, approved in 2006, announces that, in order to achieve the aforementioned plan and strategy, 1) strengthening medical care organizations offering medical consultation, care and rehabilitation, and 2) consolidating the medical care network at local levels are essential. As concrete measures to be taken, it assumes the construction of new medical care facilities, the financial reinforcement for health and medical care, and the development of human resources are indicated.

(3) Japan and JICA’s Policy and Operations in the Health and Medical Care Sector in Vietnam

“Country Assistance Policy for Viet Nam (July 2009)” has set ‘enhancing social and living conditions and narrowing internal disparities’ as one of the 4 pillars for its cooperation policy. In addition, another pillar of ‘improving basic social services’ has positioned the consolidation of medical care facilities and equipment at central and provincial levels as a key issue. In terms of the Rolling Plan for Viet Nam, “Program for the improvement of health and medical care services” has intended to strengthen the regional health and medical care system through developing the human resources in the health and medical care sector as well as consolidating the local health and medical care facilities and equipment. Concretely, grant assistance cooperation and technical cooperation schemes have aimed at improving the quality of medical care services at 3 national central hospitals (Bach Mai Hospital in Hanoi City, Hue Central Hospital in Hue City, and Cho Rai Hospital in Ho Chi Minh City) as hubs for the

activities, through the improvement of the facilities and the training. In addition, the assistance was also provided to the human resources development conducted by these central hospitals to provincial hospitals. In 2006, Japanese ODA loan extending to 1.805 Billion Yen was provided to “Regional and Provincial Hospital Development Project” (hereinafter referred to as ‘Phase I’), which provided medical equipment and implemented the human resources development on the medical care technologies and hospital management to provincial general hospitals in Ha Tinh Province, Lang Son Province, and Tay Nguyen Province.

(4) Other Donor’s Activities

The World Bank has been implementing a project to strengthen the medical care organizations focusing on the Central High Land and the Mekong Delta Area (mainly county hospitals, but including provincial hospitals as well), in addition to the infectious diseases control at the national level and the consolidation of health fund for the poor group. Asian Development Bank has provided the assistance to the policy level regarding the reconstruction of nurse training system, the strengthening of basic medical care covering wider areas, and the assistance focusing on the poverty reduction.

(5) Necessity of the Project

Strengthening the medical care services in provincial hospitals is vital for the improvement of local medical care systems, especially for the purpose of the protection of health of rural residents, the mitigation of congested conditions in upper-level hospitals, and the development of human resources in lower-level hospitals. The Project is in accordance with the development policies in the Government of Viet Nam and the assistance policy of the Government of Japan and JICA, in addition to its expected contribution to achieving MDGs, and therefore, its necessity and relevance are considered to be high.

3. Project Description

(1) Project Objectives

The objective of the Project is to improve the quality of medical service at provincial level thorough development capacity of provincial hospitals with sustainability, developing human resource in rural health service, and consolidating regional healthcare system with particular focus on referral system and thereby to contribute to enhancement of people’s health.

(2) Project Sites/Target Areas

Hospitals in the 10 provinces/cities across the country of Viet Nam are to be selected, taken into account the degree of emergency requiring the enhancement of medical care services. They include Bac Giang Province, Hanoi City, Thai Binh Province, Nam Dinh Province, Nghe An Province, Da Nang City, Binh Dinh Province, Lam Dong Province, Tay Ninh Province, and Ninh Thuan Province.

(3) Project Components

- 1) Medical equipment procurement (medical operation/consultation equipment, diagnostic imaging device, sanitation control machine, etc)
- 2) Training programs (medical care skills, equipment maintenance/management, hospital management, etc)
- 3) Consulting services (detailed design, construction management, and assistance to the implementation of training programs)

(4) Estimated Project Cost (Loan Amount)

10,184,000,000 Yen (including targeted Japanese ODA Loan Amount 8,693,000,000 Yen)

(5) Schedule

From February 2012 to November 2016 (58 months in total).

Completion of the Project: November 2016- when the facilities are placed in service

(6) Project Implementation Structure

- 1) Borrower: The Government of the Socialist Republic of Viet Nam
- 2) Executing Agency: the Ministry of Health, each People's Committee (Bac Giang Province, Hanoi City, Thai Binh Province, Nam Dinh Province, Nghe An Province, Da Nang City, Binh Dinh Province, Lam Dong Province, Tay Ninh Province, Ninh Thuan Province)
- 3) Operation and Management/Maintenance and Control Structure: Ditto

(7) Environmental and Social Consideration/Poverty Reduction/Social Development

- 1) Environmental and Social Consideration
 - (1) Category: C
 - (2) Reason for Categorization: The project is likely to have minimal adverse impact on the environment under the JICA guidelines for environmental and

social considerations (April, 2010).

- 2) Promotion of Poverty Reduction: The target provinces include some provinces with higher poverty lines compared to the national level, such as Bac Giang Province, Nghe An Province, and Ninh Thuan Province), and therefore, it is expected to contribute to the improvement of medical care services in the poor areas.
- 3) Promotion of Social Development (e.g. gender perspective, measures for infectious diseases including HIV/AIDS, participatory development, consideration for the person with disability, etc.) : None in particular

(8) Collaboration with Other Donors

The Project will utilize the 3 hub hospitals, which had been supported by the Government of Japan through its schemes of grant aid as well as technical cooperation, as training and instructing organizations for the target hospitals of the Project. In addition, as for the instruction of lower-level medical care organizations by the target hospitals and the consolidation of the referral system, a grant aid technical cooperation project, tentatively named as “the Project for Local Medical Care Services Enhancement” (2014~2017), is planned to be implemented in order to apply a local medical care system improvement model formulated by technical cooperation project, “The Project for Strengthening Health Services Provision in Hoa Binh Province (2004~2009)” as well as human resources policies and system formulated by another technical cooperation project, “Project for Improvement of the Quality of Human Resources in the Medical Service System (2010~2015)” in the target hospitals of the Project.

(9) Other Important Issues:

None in particular

4. Targeted Outcomes

(1) Quantitative Effects

1) Performance Indicators (Operation and Effect Indicators)

Indicators	Baseline (Actual Value in 2009)	Target (2018) 【Expected value 2 years after the project completion】
Annual number of surgical operations (cases)	As detailed in the appendix	Increase by 20%
Annual number of inpatients (persons)		Increase by 20%
Annual number of outpatients (persons)		Increase by 20%

Number of patients referred to upper level hospitals (cases)	Reduce by 10%
Number of medical personnel of the target hospitals who attend training courses provided by upper level hospitals (persons)	Increase by 10%
Number of trainees from lower level hospitals who attended training (persons)	Increase by 5%

2) Internal Rate of Return

The internal rate of return (IRR) is not to be calculated due to difficulties in converting benefits to monetary or quantified values.

(2) Qualitative Effects

It is expected, through the implementation of the Project, that the improvement of local medical care systems are to enhance the health conditions of residents as well as strengthened preventive measures for in-hospital infections are to control infectious risks.

5. External Factors and Risk Control

None in particular

6. Lessons Learned from Past Projects

(1) Assessment results of similar projects:

An ex-post evaluation on the previous project in the health and medical care field indicated the importance of the matching between procured equipment and training contents. In addition, during Phase I, the implementation was delayed due to the lack of experiences of the target hospitals regarding the Japanese ODA loan procedures. This provides a lesson to learn for the Project that implementation capacity in the Vietnamese stakeholders need to be strengthened.

(2) Lessons for the Project:

The Project has set the equipment plan, with an emphasis on the matching between the contents of equipment and training as well as their schedule. Furthermore, the implementation capacity of the Vietnamese stakeholders will be strengthened through training programs on the Japanese ODA loan project management. The support by the consultants will facilitate the smooth implementation of the Project. It is noteworthy that a contract on the project implementation will be signed between the Ministry of Health and the people' committees to clarify scopes of work and responsibilities expected to each organization.

7. Plan for Future Evaluation

(1) Indicators to be Used

- 1) Annual number of surgical operations (cases)
- 2) Annual number of inpatients (persons)
- 3) Annual number of outpatients (persons)
- 4) Number of patients referred to upper level hospitals (cases)
- 5) Number of medical personnel of the target hospitals who attended training courses provided by upper level hospitals (persons)
- 6) Number of trainees from lower level hospitals who attended training (persons)

(2) Timing

Two years after project completion

END

Appendix

List of target hospitals and operation and effect indicators (actual values in 2009)

	Name of Hospitals	Annual number of surgical operations (cases)	Annual number of inpatients (persons)	Annual number of outpatients (persons)	Number of patients referred to upper level hospitals (cases)	Number of medical personnel of the target hospitals who attended training courses provided by upper level hospitals (persons)	Number of trainees from lower level hospitals who attended training (persons)
1	Bac Giang Provincial General Hospital	4,168	29,057	36,015	5,310	68	104
2	Son Tay Inter-District General Hospital	3,227	27,461	25,921	7,689	11	18
3	Thai Binh Provincial Pediatrics Hospital	-	17,014	26,292	2,740	23	18
4	Nam Dinh Provincial Obstetric Hospital	3,603	13,949	13,488	860	11	15
5	Nghe An Provincial Pediatrics Hospital	4,018	27,791	18,074	2,143	28	68
6	C Da Nang Central General Hospital	2,051	12,617	230,314	1,910	30	25
7	Binh Dinh Provincial General Hospital	15,022	55,217	474,252	2,065	98	98
8	Lam Dong Provincial General Hospital	6,256	30,314	31,047	5,069	32	34
9	Tay Ninh Provincial General Hospital	11,903	39,549	36,650	1,972	93	88
10	Ninh Thuan Provincial General Hospital	2,393	34,192	35,421	4,249	64	29