

Signing of Japanese ODA Loan Agreement with the Socialist Republic of Vietnam: Building the Cho Ray Viet Nam-Japan Friendship Hospital

On November 10, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Socialist Republic of Vietnam to provide ODA loans of up to a total of 28.612 billion yen for the Cho Ray Viet Nam-Japan Friendship Hospital Development Project.

Since the 1990s, Vietnam has maintained robust economic growth. By 2010, Vietnam achieved status as a lower middle-income country, which had been a national goal, and successfully reduced poverty ratio from 37.4 percent in 1998 to 14.2 percent in 2010.* To continue achieving sustainable economic growth, the investment environment must be developed through infrastructure improvements, the macroeconomy stabilized through economic structural and administrative reforms, and international competitiveness strengthened. Furthermore, in order to promote social development with balanced economic development, it is necessary to alleviate the effects of and adapt to climate change, as well as addressing vulnerabilities by improving the level of public sanitation that has worsened with urbanization, and strengthening the health care system.

The public health care system of Vietnam has a three-level structure, in which communes and districts are at the first level, provinces at the second level and the nation at the third level. Top-rank hospitals not only receive patients referred from lower-level hospitals, but also bear the responsibility of providing guidance and support to lower-level hospitals. Given this system in which lower-level hospitals refer patients to a higher-level hospital when unable to provide proper treatment, a large number of patients seek treatment at higher-level hospitals in cities without visiting the health care institutions at the lower-level, resulting in a lower service quality and dysfunction in the health care system overall. Even at Cho Ray Hospital, the top-level medical center in southern Vietnam located in Ho Chi Minh City, the hospital bed utilization rate stays consistently at about 140 percent, further lowering the service quality and causing dysfunction.

This project will construct a new Viet Nam-Japan Friendship Cho Ray Hospital as a second Cho Ray Hospital to expand the number of third-level hospital beds, alleviate the overload, promote advanced medical and preventative health care, and strengthen the functions as a base for health care human resource development and training, including for lower-level hospitals. The project will also strengthen hospital quality management, thereby contributing to the enhancement of the health care system in Vietnam. The loan funds will be allocated to constructing the hospital facilities, installing the medical device and health care information system, and consulting services.

Special Terms for Economic Partnership apply to the loans for this project, and Japanese technology will be used for the hospital facilities, medical devices and other aspects to be introduced in this project.

JICA's policy is to dynamically implement cooperation that addresses development issues in Vietnam while coordinating JICA's various types of assistance, which include Japanese ODA loans, technical cooperation and grant aid.

* Source: General Statistics Office "Vietnam Living Standards Survey"

Reference: Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Cho Ray Viet Nam-Japan Friendship Hospital Development Project	28,612	0.1	0.01	40	10	Japan tied

Notes:

1. Special Terms for Economic Partnership (STEP) apply to this project.
2. To ensure the procurement process is fair and competitive, the Government of Vietnam and JICA will consult together and specify items for which Vietnam will implement post-project monitoring by a third party agency with procurement procedures. The expenses for this monitoring are not included in the Japanese ODA loans.

Executing Agency

Cho Ray Hospital

Address: 201 B Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh City, Viet Nam

Phone: +84-8-38563525, fax: +84-8-38557267

Planned Implementation Schedule

(i) Completion of project: November 2020 – when all of the facilities are put into service

(ii) Issuing of letters of invitation for consulting services (including procurement assistance, construction monitoring and hospital administration assistance): May 2016

(iii) Tender announcement of initial procurement package for international competitive bidding on project construction:

Procurement package title: Hospital Facility Construction Package

Release date: July 2017

(iv) JICA Contact Information

For further information about the procurement schedule, please contact the party listed below.

Contact Point for the Cho Ray Viet Nam-Japan Friendship Hospital Development Project, JICA Vietnam Office

Address: 11th Floor, Corner Stone Building, 16 Phan Chu Trinh Street, Hoan Kiem District, Hanoi, Vietnam

Phone: +84-4-3831-5005, fax: +84-4-3831-5009