

Signing of Japanese ODA Loan Agreements with Vietnam: Building infrastructure to strengthen international competitiveness

On June 6, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Socialist Republic of Vietnam in Tokyo to provide a Japanese ODA loan of up to a total of 12.865 billion yen for the Hoa Lac Science and Technology City Development Project (II).

The Hoa Lac Science and Technology City Development Project (II) will provide assistance for basic infrastructure for an integrated science and technology center in the Hoa Lac area on the outskirts of Hanoi, promoting human resource education and advancing science and technology, areas where Vietnam lags behind, advanced ASEAN countries, and advancing the level of industry. The loan funds will be allocated to building the infrastructure in Hoa Lac High-tech Park, as well as consulting services.

Vietnam has set a goal of becoming a modern industrialized country by an early stage, and to do so, has set a development goal of accumulating advanced science and technology, which includes having high-tech products compose 45 percent of the gross domestic product .

The Government of Vietnam increases its budget for science and technology annually, but a large gap separating Vietnam from advanced ASEAN nations persists in terms of science and technology indicators issued by international agencies. It is thought that constructing a collaborative system for research institutions, educational institutions, and industry while promoting advanced, practical technological development will be key to address these issues, and to do so, infrastructure is needed in the form of bases that can integrate science and technology.

Under this project, basic infrastructure will be built for an integrated science and industrial technology center named Hoa Lac High-Tech Park, which will provide research, development, education, and training in the Hoa Lac area on the outskirts of Hanoi. This will encourage research and education institutions to come together, and promote private investment, forming the first anchor for science and technology in Vietnam while promoting economic growth and building international competitiveness.

This is the second loan for this project. Previously, Japan provided 15.218 billion yen for the first ODA loan for this project (loan agreement signed in March 2012).

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

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Hoa Lac Science and Technology City Development Project (II)	12,865	1.4	0.01	30	10	General untied

2. Executing Agency

Hoa Lac Hi-Tech Park Management Board

Address: Hoa Lac Hi-tech Park, Km 29 Thang Long Boulevard, Hanoi, Vietnam

Phone: +84-4-6326-9292, fax: +84-4-6326-9295

3. Planned Implementation Schedule

(i) Completion of project: March 2019 – when the facilities are put into service

(ii) Consulting Services (including construction supervision): Already employed

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

Construction Packages: Already contracted