

Signing of Japanese ODA Loan Agreement with Sri Lanka: Supporting improvements to health and medical services with Japanese technology

On July 11, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Democratic Socialist Republic of Sri Lanka (GOSL) in Colombo to provide a Japanese ODA loan of up to 10.639 billion yen for the Health and Medical Service Improvement Project.

The objective of the project is to improve medical services for the diagnosis and treatment of non-communicable diseases (NCDs) by improving the medical facilities and equipment at tertiary hospitals, providing equipment to training institutions for medical professionals, and strengthening the maintenance and management system for medical equipment at the Ministry of Health, Nutrition and Indigenous Medicine (MOH) and medical institutions in Central, Eastern, North Central, North Western, Western and Uva Provinces. The loan funds will be allocated to facility and equipment improvements, consulting services (detailed design work, bidding assistance, construction supervision, and technical assistance for medical equipment maintenance and management) and the like.



signing ceremony

The Special Terms for Economic Partnership (STEP)* apply to the Japanese ODA loan for this project. Japanese technology, including angiography systems, CT scanners and other advanced medical equipment, will be utilized in the project.

The GOSL has made remarkable achievements in basic health services such as for communicable diseases as well as maternal and child health over the past few decades. Despite these measures, however, Sri Lanka has faced an increase in NCDs, including cardiovascular diseases, since the 1980s, due to an aging population and lifestyle changes. Approximately 81 percent of deaths in Sri Lanka were caused by NCDs in 2015 compared to about 60 percent in the 1990s.

The GOSL has been working to improve NCDs and other medical services; however, improving medical facilities and equipment as well as training medical professionals to treat the increasing number of NCDs patients are priorities. Rural tertiary hospitals are not able to provide necessary diagnoses and treatments due in particular to a lack of medical facilities and equipment for cardiovascular diseases. The equipment at training institutions for medical laboratory technologists who carry out the tests needed for the diagnosis and treatment of NCDs and other diseases is either insufficient or in poor condition. Furthermore, there is inadequate equipment for maintaining and managing the existing medical equipment, and the maintenance and management system needs to be strengthened.

JICA has a record of supporting the efforts of the GOSL in the health sector by utilizing its various types of assistance: technical cooperation, ODA loans and ODA grants. This loan is expected to greatly contribute to the improvement of diagnosis and treatment services for NCDs in Sri Lanka.

* STEP refers to special assistance terms for promoting the visibility of Japanese aid through a transfer of outstanding Japanese technology and expertise to developing nations. The main contract is Japan tied and subcontracting is general untied. Although the main contract allows a joint venture with the borrowing country in addition to the Japanese company and its subsidiary with an overseas presence, the Japanese company must be the leading partner in such an arrangement.

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Health and Medical Service Improvement Project	10,639	0.10	0.01	40	12	Japan Tied/Bilateral Tied

* Special Terms for Economic Partnership (STEP) apply to the project.

2. Executing Agency

Ministry of Health, Nutrition and Indigenous Medicine

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Phone: +94-11-2694033, fax: +94-11-2675011

3. Planned Implementation Schedule

(i) Completion of project: June 2023 – when the facilities are put into service

(ii) Issuing of letters of invitation for consulting services: September 2018

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

Procurement package title: Medical equipment for medical laboratory technologist training institutions and Bio-medical Engineering Services

Release date: December 2019

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

Contact Point for Health Sector, JICA Sri Lanka Office,

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