



Republic of Korea

28 Medical Facilities Expansion Project (2)

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The objective was, by providing medical equipment to the existing hospitals, to expand treatment facilities, and to correct the regional gap in the medical system, and thereby contribute to the development of advanced and regional medical care, keeping pace with the economic growth of South Korea.

Loan Amount/Disbursed Amount: 12,300 million yen / 7,580 million yen

Loan Agreement: December 1985

Terms and Conditions: Interest rate, 5.0%; Repayment period, 25 years (grace period, 7 years); General untied

Final Disbursement Date: December 1993

External Evaluator: Takeshi Yamashita (KRI International Corp.)

Field Survey: August 2003



Evaluation Result

In this project, medical equipment was provided to 44 hospitals, and civil works were implemented to add a total of more than 4,500 beds which were more than planned. The project period took much longer than planned because of the opposition against the construction of mental hospitals by the residents living near the planned construction sites. The project cost was lower than the estimate as a result of efficient contracting through competitive bidding. In the private Yonsei University Hospital, which has a center for special diseases, cardiovascular angiography systems, etc. were installed in the newly constructed ward specializing in the treatment of cardiovascular diseases. The hospital performed the first heart transplant operation and the first operation of encephalomeningitis in South Korea using the equipment procured under the project. Also in this project, 11 branch mental hospitals were constructed, and a total of 2,789 beds were installed. This is equivalent to 13.8% of the total number of beds added in mental hospitals in South Korea in the 10 years from 1984 to 1993. At a mental hospital in Anyang in a suburb of Seoul, the procured patient monitoring system, electroencephalograph, etc. are used for examination and treatment of patients as well as rehabilitation to help patients return to social life. Thus, as the advanced medical

system was developed and medical equipment was provided to hospitals suffering from fund shortages, a nation-wide well-balanced medical system was established. Most of the hospitals provided with medical equipment under the project have no problem with their technical capacity, operation and maintenance system, or financial condition. However, some hospitals are in arrears with loan repayments to the South Korean Government due to worsened financial conditions. Therefore, the Ministry of Health and Welfare conducted a survey to analyze management conditions of the target hospitals of this project. Based on the result, it is considering various measures.

Third-Party Evaluator's Opinion

There were hospitals that had financial difficulties due to the share of population in the rural area has decreased and so on, as shown in the case of Severance Hospital which became one of the leading centers in cardiovascular treatment, the project contributes to strengthen the treatment system in Korea.

Third-Party Evaluator: Mr. Joon-Mo Yang

Obtained a doctorate in economics from University of California. Presently holds the post of Associate Professor of Economics, Yonsei University, specializing in overall economy.

Strengthening Treatment System at Centers for Special Diseases



Biplane cardiovascular angiography system

Special film projector

The biplane cardiovascular angiography system procured under the project is indispensable for examining patients with heart disease, and is used for 3,000-4,000 patients a year. Images on the film can be examined using the special film projector (the photo shows the equipment of the same type as procured under the project).

Increase in Number of Beds in Mental Hospitals

		1984	1993	2001
Mental Hospital	National/Public	1,930	4,284	7,551
	Private	1,022	5,763	20,640
Psychiatry Department of General Hospital		3,155	6,872	18,587
Sanatorium		8,349	17,696	13,960
Social Rehabilitation Facilities		0	0	301
Total		14,456	34,615	61,039
No. of Beds per 10,000 Population		0.358	0.786	1.280

Source: Ministry of Health and Welfare, Yearbook of Health and Welfare Statistics

The number of beds in mental hospitals increased from 14,456 at appraisal time (1984) to 34,615 at project completion (1993), and then to 61,039 in 2001. As a result, the number of hospital beds per 10,000 people has increased from 0.358 (1984) to 1.280 (2001).