

People's Committee of Nghe An Province
No. 3 Truong Thi Str., Vinh City
Nghe An Province

People's Committee of Thai Binh Province
No. 76 Ly Thuong Kiet Rd., Le Hong District,
Thai Binh City, Thai Binh Province

Government of the Socialist Republic of Viet Nam
Ministry of Finance
28 Tran Hung Dao Street
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Socialist Republic of Viet Nam

KfW Development Bank

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21.12.2021

**German Financial Cooperation with the Socialist Republic of Viet Nam
Programme Decentralised Health Care Systems 2013
EUR 6 million**

No.: 2013 65 931

Separate Agreement to the Loan Agreement dated Dec. 30, 2021

Dear Sir or Madam,

In accordance with the Loan Agreement entered into between the Government of the Socialist Republic of Vietnam, represented by the Ministry of Finance ("Borrower") and KfW ("KfW") dated Dec. 30, 2021, which is known to the Provincial People's Committees of Nghe An Province and the Provincial People's Committees of Thai Binh Province (hereinafter referred to as the "Programme-Executing Agencies" or "PEAs", each a "Programme-Executing Agency" or "PEA"). The PEAs herewith acknowledge that they each have received a copy of the Loan Agreement and confirm and agree that:

- i. they are aware of the obligations entered into by the Borrower thereunder to ensure that the Programme-Executing Agencies will perform and/or omit certain actions and/or comply with certain requirements in respect of the Programme or otherwise (each an "Indirect Obligation");
- ii. they shall fulfil, as their own direct obligation, each Indirect Obligation; and
- iii. they shall provide the Borrower with a copy of this Separate Agreement.

For the avoidance of doubt, the assumption of the Indirect Obligations by the Programme-Executing Agencies shall in no way limit or prejudice the Borrower's obligations under the Loan Agreement.

In accordance with the Loan Agreement the following shall be determined by separate agreement:

Pursuant to Article 1.2:

the details of the Programme as well as the services, works, plant and goods to be financed from the Loan;

Pursuant to Article 8.2:

the details pertaining to Article 8.1 (Programme Implementation).

We propose that the following be agreed upon:

1. Programme Design

1.1 Details of the Programme

The Programme concerns the provision of medical equipment, its installation and related instructions in selected district, regional and provincial health facilities in Nghe An and Thai Binh provinces. In addition, selected Community Health Care Centers in selected districts of the Nghe An province as well as the Thai Binh Medical College might receive support (the list of selected facilities will be reviewed in the inception phase). The purpose of the Programme is to improve access of the population (particularly poor and disadvantaged groups) to decentralised, needs-oriented and high quality care services as part of an efficient referral system. The criteria for reaching these objectives, the Programme results and the required Programme activities as well as the assumptions underlying the Programme purpose and the Programme results are contained in Annex 1.

The recent design of the Programme is based on (a) the documents of the previous programme "Strengthening Provincial Health Systems 2008" available to KfW, the Borrower and the PEAs as well as on (b) the Minutes of Meeting signed between the Department of Health of Thai Binh province and the implementation consultant for the previous Programme in Hanoi on 22 April 2014, (c) the agreement reached between KfW and the Provincial Administrations/ Department of Health of Nghe An and Thai Binh provinces during the local Programme Appraisal from 11 until 15 May 2015 and (d) on the Minutes of Meeting signed between KfW and the **Programme-Executing Agencies** on 20 May 2015.

The following Programme activities had been agreed upon to be financed from the loan and are subject to a comprehensive review in the inception phase:

Description

Procurement of medical Equipment (to be reviewed in inception phase)

Activities (to be reviewed in inception phase)

- Procurement of medical equipment for the Nghe An North West Regional General Hospital in Thai Hoa Provincial Town and to the district hospitals in Dien Chau, Do Luong, Quynh Luu and Tan Ky, all in Nghe An province
- Procurement of medical equipment for the Thai Binh Provincial O&G Hospital in Thai Binh City, the Thai Binh Medical College and the district hospitals in Dong Hung, Quynh Phu, Thai Thuy and Tien Hai, all in Thai Binh province.
- the above shall include user and maintenance instruction for the procured medical equipment.
- Support to commissioning, such as structured instruction measures and organizational implementation of

Organizational Implementation and Installation of medical Equipment



preventive and corrective maintenance of new medical equipment according to international standards.

Consulting Services

- Other measures if required (divergent to the Minutes of the Meeting to the Appraisal Mission, investment in Hospital management information systems, Training in health care waste and health care waste water management will not be financed from the loan).
- Consulting services to support the Programme planning, coordination, managing, supervision, monitoring, evaluation, reporting and quality assurance of the implementation and installation of the works under the Project; support the planning, tender preparation, execution of tender evaluation and award of contracts of equipment supply, support to elaborating and implementing maintenance concept (Details see below).

1.2 Time Schedule

The duration of the Programme is estimated to be 36 months. A detailed time schedule for the preparation, implementation and operation of the Programme will be drawn up by the PEAs and the "Implementation Consultant" (as defined in Section 2.1.3) during the inception phase. A preliminary time schedule for the preparation, implementation and operation of the Programme is contained in Annex 2.

1.3 Total Cost and Financing

The estimated total costs ("Total Cost") underlying the Programme appraisal are approximately EUR 7.5 million, out of which EUR 6 million will be financed by the loan and a counterpart contribution of at least 25% of the loan amount.

The counterpart contribution should amount to EUR 1.5 million and shall include:

- All required infrastructure improvement and civil works (including internal network installations for HMIS), where necessary to ensure that equipment can be properly installed and operated.
- Provision of required consumables and coverage of other operating cost to secure the continuous and sustainable operation of the newly installed medical equipment.
- Cost for the Programme Management Units.
- Cost and allowances for the attendance of the instruction measures.

- Elaboration of sustainable maintenance concept fulfilling the requirements as detailed below (see Section 2.5)
- Allocation of at least 3.5% of the cost of the newly installed medical equipment to the annual hospital maintenance budgets.
- Public charges – e.g. VAT or import duties – and any other fees occurring with the import, inspection and installation of the medical equipment not financed by the loan.
- Translation of important Project's documents in Vietnamese.
- Others costs according to Vietnamese regulations which are not covered by the loan.

The composition of Total Costs and the financing plan are contained in Annex 3.

1.4 **Changes in the Programme Design**

Any major changes in the Programme design (as set out above) shall require KfW's prior consent. The **Programme-Executing Agency** shall inform KfW thereof immediately, stating the reasons, the planned measures and the consequences of the change (including on Total Cost). Execution of such measures may commence only on the basis of revised planning and upon KfW's written consent.

2. **Programme Implementation**

2.1 **Responsibilities and Time, Cost and Financing Schedule**

2.1.1 The People's Committees (PPCs) of Nghe An and Thai Binh provinces shall be responsible for the implementation, supervision and monitoring of the Programme (the PEAs).

The PEAs shall assign a competent Programme Management Unit (PMU) in the Department of Health of each of the provinces, which will be responsible for the planning, implementation, monitoring and evaluation of all activities.

The PEAs ensure a synchronization of the Programme planning with the Mid-term Investment Plan and annual budget plan in order to prevent irritations between Programme's disbursement progress and the national budget allocation mechanisms.

2.1.2 The PEAs shall engage a consultant to support the **Programme-Executing Agencies** during the implementation of the Programme („Implementation Consultant“, henceforth IC) selected by International Competitive Bidding. The tasks of the IC will be



based on the preparatory work done by the PEAs (mainly FS according to national requirements). In detail, this means:

- (i) Major focus of IC's contract: Initializing and implementing the Tender Process, especially for International Competitive Bidding in close cooperation with the PEAs (as defined in the "*Guidelines for the Assignment of Consultants in Financial Cooperation with Partner Countries of September 2016*", attached in Annex 9 ("Procurement Guidelines")) in compliance with (a) the before mentioned Procurement Guidelines and (b) the Environmental and Social Standards as set out in Section 2.2 of the Separate Agreement (see below, A.); in detail:
 - i. The IC will support the filling of gaps, if any, to meet international standards and KfW reporting requirements in the preparatory work elaborated by the PEAs as starting point for implementation. The IC ensures the consolidation of the analysis results, the fulfillment of KfW standards and the linkage to the international competitive bidding.
 - ii. Reviewing the medical equipment list desired for each of the hospitals; in particular, to ensure that highly cost-efficient equipment will be included in a consolidated bill-of-quantity (BoQ) across PEAs. In close collaboration with the PEAs and taking pre-existing standards into account, the IC will pay special attention to the issue of easy operation, low maintenance and operational costs, adaptation to the local climate condition, prospective technologies and their applications, e. g. telemedicine, as well as to the integration / interface with the existing equipment.
 - iii. Finalizing itemized list of medical equipment for International Competitive Bidding and defining detailed technical specifications accordingly;
 - iv. Development of tendering and procurement documents and tender processes in coordination with involved contractual parties as required by rules and regulations of the Government of the Social Republic of Vietnam and the German Financial Cooperation / KfW;
 - v. Consulting services for the procurement process, including support of the preparation, conduct and evaluation of an International Competitive Bidding (ICB) procedure for medical equipment;
 - vi. Consulting services following the successful tendering, including contract negotiations, supporting the response to possible complaints, assess fulfillment of pre-installation requirements, supervision of delivery, installation, user training, and fulfillment of all contractual obligations (such as warranty and maintenance) by the suppliers;
 - vii. monitoring and supervision of implementation and installation as well as cost controlling;
- (ii) The IC ensures and performs the monitoring and reporting according to KfW requirements in collaboration with the PEAs, i. e.

- adequate indicators will be derived in collaboration with the PEAs on the basis on the preparatory results;
 - the overall communication, coordination, monitoring and supervision of all Programme activities with all stakeholders, partners and facilities are following effective and efficient project management standards, resulting in swift and cost-effective implementation (including regular communication between Consultant and PEAs);
 - the preparation of the inception, progress and final reports and the issuance of the acceptance certificates, translation of Programme documents;
 - monitoring all special implementation agreements with PEAs and reviewed counterpart contributions in a timeline as well as assessing the implementation status (e.g. all required civil works and infrastructure improvement incl. HMIS, allocation of at least 3.5% of the cost of the newly installed medical equipment to the future annual hospital maintenance budgets);
 - refining the monitoring and evaluation framework and the establishment of baseline data for M&E framework as well as the definition of the target values, and creating a feasible data assembling routine.
- (iii) The PEAs ensure that Programme activities consider ongoing and future developments in health, such as digitalization, telemedicine, etc. as well as the Programme is acting in line with the Ministry of Health's strategies, master plan or other relevant technical documents and regulations and will be supported by the Consultant.
- (iv) Another key task of the IC is to support the PEAs in the disbursement procedure such as acceptance, written confirmation of contractors'/suppliers' invoices and the assembling of all documents necessary for a successful processing of the disbursement requests to Ministry of Finance and KfW. For details, please see Annex 5.
- (v) Consulting services for providing expertise supporting the PEAs elaborating a feasible maintenance concept, especially with regard to potential budget shortage, establishment of professional maintenance concepts and processes to open potential in extending the life-time of high quality and expensive equipment.

2.1.3 The detailed time, cost, and financing schedule, regularly updated for the proper technical and financial implementation of the Programme, shall be prepared as soon as possible by the PEAs without undue delay in cooperation with the Implementation Consultant and submitted to KfW. Such schedule shall contain, by deadlines and amounts, the intended chronological interrelation of the Programme activities and the corresponding financial requirements. If any deviation from such schedule becomes necessary during the implementation of the Programme, KfW shall be furnished with a revised schedule and be subject to KfW's consent to the extent required according to Art. 1.4.

2.2 Environmental, Social and Health & Safety Compliance

- 2.2.1** The PEAs shall at all times carry out their businesses and operations in compliance with all applicable national environmental, occupational health & safety and social laws and regulations.
- 2.2.2** The PEAs shall assess regularly if the initial classification of the Programme within Environmental and Social Category C remains accurate, and inform KfW immediately in case of the Programme presents higher impacts/risks (Category B or Category A) and advise KfW of appropriate measures to manage the new Programme situation.
- 2.2.3** Since the ILO Fundamental Conventions have not been fully ratified in Vietnam the PEAs shall take appropriate measures to enable alternative means in the scope of the Programme to safeguard labour conditions in the intention of the Fundamental Conventions of the International Labour Organization (ILO).
- 2.2.4** The PEAs shall ensure that occupational and public health and safety provisions are consistent with national requirements and international good practice standards, and put forward to contractors, subcontractors, and to suppliers, in particular those for major supply items. The PEAs shall further ensure that Programme implementation is consistent with applicable occupational health and safety sections of the general World Bank Environmental Health and Safety Guidelines.
- 2.2.5** The PEAs shall provide the publicly available possibility for general inquiries and for the submission of suggestions or complaints from interested stakeholders and persons involved in Programme implementation. The PEAs' internal management for dealing with and the resolution of grievances shall be satisfactory to KfW.

2.3 Procurement and Contractual Provisions

- 2.3.1** All Tender Processes (as defined in the Procurement Guidelines: "Guidelines for Procurement of Goods, Works and associated Services in Financial Cooperation with Partner Countries" and "for Procurement of Consulting Services in Financial Cooperation with Partner Countries of September 2016 attached in Annex 8 and 9) to be conducted for any contract financed in part or in full through the Loan Agreement shall at all time follow:

- a) the Procurement Guidelines; and
- b) the procurement plan attached in Annex 7 as to be defined in the inception phase in agreement with KfW (the "Procurement Plan"), and
- c) the Vietnamese Bidding Law (Law No. 43/2013/QH13)

unless otherwise agreed between KfW and the **Programme-Executing** Agency in writing.

The Procurement Plan shall (i) cover the entire lifetime of the Programme and (ii) shall in its initial version provide details for at least the initial 18 months as of the date of the inception report. The Procurement Plan shall be reviewed and, if necessary, revised thereafter

annually and, in case of a revision, such revised version shall be submitted promptly to KfW for No-Objection.

2.3.2 The contracts for goods and all other services shall be awarded with the support of the Implementation Consultant for all contracts upon prior international competitive bidding of the equipment.

2.3.3 The cost estimates shall be developed with the support of the consultant.

2.3.4 The contractual provisions as outlined in the Procurement Guidelines shall be incorporated into each contract financed in part or in full through the Loan Agreement and, in addition thereto, the following principles shall be observed when concluding contracts financed under the Loan Agreement:

a. As taxes and import duties shall not be financed from the Loan pursuant to Article 1.3 of the Loan Agreement, such taxes and import duties, if part of the contract value, shall be stated separately in the contracts for the works, plant, goods and services and in the invoices.

b. If payments due under a contract for works, plant, goods and services are to be made from the Loan, such contract shall include a provision stipulating that any reimbursements, guarantee or similar claimable payments and any insurance payments shall be made to a special account of the Programme-Executing Agency and may only be disbursed further with the prior written consent of KfW. Such funds may be re-utilized for the execution of the Programme with KfW's prior written consent.

2.4 **Special Implementation Agreements**

For the implementation of the Programme the following agreement have to be fulfilled:

2.4.1 Prior to the signing of the consulting contract, each PEA respectively will have confirmed by letter that the provision of their counterpart contributions are ensured by local funds.

2.4.2 Prior to the conclusion of the supply contracts, the PEAs and the participating hospitals have to ensure that all required infrastructure improvement, civil works and pre-installation works, are properly installed and operated where necessary.

2.4.3 The PEAs and the participating hospitals will ensure the funding for the sustainable operation and maintenance of the medical equipment after completion of the Programme. Thus, prior to the start of tender processes, the hospitals will increase their annual maintenance budget by 3.5% of the costs of the respective new equipment to be delivered under this Programme.



2.4.4 The PEAs and the participating hospitals will ensure the availability of appropriately qualified medical and technical personnel to operate and maintain the equipment.

2.5 Provisions for the Proper Operation of the Programme

To secure the proper operation of the Programme, the PEAs shall assure that the participating hospitals revise their operation and maintenance concept in regard to the inclusion of the new medical equipment. Furthermore they shall submit an operational and maintenance concept, especially with regard to potential budget shortage, establishment of professional maintenance concepts and processes to open potential in extending the life-time of high quality and expensive equipment and including an operational environmental and social management plan drawn up.

The maintenance concepts of the PEAs shall contain the following:

- concept of organizational implementation,
- structured instruction measures for preventive and corrective maintenance according to international standards,
- an according definition of basic ESHS requirements for maintenance,
- exploration and, if feasible, initiation of maintenance services at provincial levels (i.e. not hospital level), including contracts.

With a common approach and **make-or-buy-decision** on provincial level, economies of scale can be achieved and reduce future costs for individual execution and replacement.

The elaboration of the concepts will be driven by the PEAs and shall be reviewed by the Implementation Consultant in order to provide expertise and input on international state-of-the-art. The reviewed maintenance concepts shall be submitted by the PEAs to KfW after consultations during the inception phase for consent. At the same time the PEAs shall submit to KfW a financial forecast, drawn up in cooperation with the Implementation Consultant, for the participating health facilities. This forecast is to show that the financing of operation is ensured and the expenses calculated for each hospital within the Programme. The PEAs shall periodically update this forecast and ensure that any financing gaps shall be covered in due course. The PEAs shall transmit such budget forecast and its revised versions to KfW without any delay.

3. Contracts for Works, Goods, Plant and Services, Reservations and Disbursement

3.1 Contracts and Reservations

3.1.1 KfW will either reserve the loan amounts on the basis of the contracts concluded for works, goods, plant and services. Accordingly, KfW shall be furnished with a copy of each of said contracts and of any amendment to any of such contracts.

3.1.2 KfW shall inform the PEAs upon request of the amounts of the Loan that it has reserved for financing by providing a list of reservations (KfW- "LOGAS", KfW-List Of Goods And Services).

3.2 Disbursement Procedure

The disbursement of the Loan is subject to the procedures as stipulated in Annex 2 to the Loan Agreement (Disbursement Procedure), a copy of which is attached to this agreement as Annex 4 (Disbursement Procedure) for the convenience of the PEAs. For the avoidance of doubt, in case of any deviations the Annex 2 to the Loan Agreement shall prevail. This Disbursement Annex contains the legal provisions and standards concerning the procedures to be used, governing among others, obligations with regard to bank account details, liability in the payment process, exchange rates, specimen signatures, disbursement requests and the documentation to be provided for evidence of use of funds.

4. Reporting and Other Provisions

4.1 Reporting

4.1.1 Until further notice, the PEAs shall report to KfW quarterly on the progress of the Programme (progress reports), including the fulfilment of the covenants stipulated in the implementation agreements stipulated in Section 2.4. of this Agreement as well as on the development of all other important general conditions including environmental and social performance, topics of occupational health and safety and labour conditions, community relations and grievances which may have occurred. Hereby the PEAs shall make use of the data generated by the installed Hospital Management Information System. The reporting requirements are further defined in Annex 6.

In the case that the Separate Agreement needs to be amended, the PEAs shall report to the Borrower and the KfW for concurrence before taking any further action. For the avoidance of doubt, the foregoing shall not have any effect on the effectiveness of such amendment of the Separate Agreement.



4.1.2 In addition to the requirements under paragraph 4.1.1, the PEAs shall report on all circumstances that might jeopardize the achievement of the overall objective, the Programme purpose and the results.

a) With regard to environmental and social matters, including occupational and community health & safety and labor issues as well as impacts on adjacent population, the PEAs shall notify KfW promptly of any event, incident or accident in relation to the Programme execution, regarding details of

(i) any incident of an

- o environmental nature;
- o occupational health and safety nature;
- o public health and safety nature

(in particular, but not limited to, any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and - violence involving Programme workforce);

(ii) any incident of a social nature (including without limitation any violent labour unrest or dispute with local communities);

(iii) any other incident of an environmental or social nature occurring on or nearby any site, plant, equipment or facility of the Programme Executing Agency (the incidents mentioned in (i) to (iii), in the following the "Incidents")

which

- has, or is likely to have a material adverse effect; or
- has attracted or is likely to arouse substantial adverse attention of outside parties or to create substantial adverse media/press reports; or
- gives, or is likely to give rise to material potential liabilities.

b) Notification will comprise, in each case, (i) a specification of the nature of the Incidents and the on-site and off-site effects of such Incidents and (ii) details of any action the Programme-Executing Agency proposes to take in order to remedy the effects of these Incidents. The **Programme-Executing Agency** shall keep KfW informed about any progress in respect of such remedial action.

4.1.3 At the time of the physical completion and commissioning of the Programme, but before the expiry of the guarantee period at the latest, the PEAs shall submit a final report on the measures carried out. The inception report shall be submitted four months after

contracting of the Implementation Consultant but latest six months after start of the Programme. The reports must have been received by KfW not later than two weeks after the end of the period under review. The reports shall be countersigned by the Implementation Consultant.

4.1.4 If the PEAs have charged the Implementation Consultant to write the progress reports and/or the final report, the PEAs shall comment on the reports or acknowledge its approval of the content by countersigning the reports.

4.1.5 After completion of the Programme, the PEAs shall report on its further development (see Annex 6 for details). KfW shall in due course inform the PEAs about the end of the reporting period.

4.2 Other Provisions

4.2.1 The PEAs shall send KfW all such documents as are necessary for KfW to give the comments and approvals mentioned above or in the enclosed Procurement Guidelines early enough to allow reasonable time for examination.

4.2.2 The PEAs shall set up Programme sign boards that will contain at least the following message:

"A development Programme of the Social Republic of Vietnam, co-financed by the Federal Republic of Germany through KfW."

A Programme seal provided by the German Embassy shall be placed on the Programme sign board.

4.2.3 The above provisions may be amended or modified at any time by mutual consent if this should appear useful for the implementation of the Programme or the execution of the Loan Agreement.

4.2.4 In all other respects, the provisions of Articles 7.3 (Contractual Statements and Power of Representation), 9 (Publication and Transfer of Programme-related Information) and 10 (Miscellaneous Provisions), of the Loan Agreement shall apply to this Agreement accordingly but as for Articles 10.1 and 10.3 with the specification that the Indirect Obligations shall be read as direct obligations of the PEAs. Therefore, the Annex 1b (Compliance Covenants **Programme-Executing Agency**) to the Loan Agreement is also attached as Annex 12 to this Separate Agreement.

4.2.5 Please confirm your consent to the above Agreement by signing in a legally binding form and returning the enclosed copies.

Please forward a copy of the present letter in due course to the Implementation Consultant.

Yours sincerely,

KfW

Hartina Koch
HARTINA KOCH
TEAM HEAD

Laura Scherle
LAURA SCHERLE
PORTFOLIO MANAGER

Annexes

- Annex 1: Results Matrix
- Annex 2: Time Schedule
- Annex 3: Total Cost and Financing
- Annex 4: Copy of Disbursement Procedure
- Annex 5: Terms of Reference for Consultants in Connection with KfW's Simplified Direct Disbursement Procedure and Simplified Reimbursement Procedure
- Annex 6: Content and Form of Reporting to KfW
- Annex 7: Procurement Plan (form sheet)
- Annex 8: Guidelines for Procurement of Goods, Works and associated Services in Financial Cooperation with Partner Countries (version September 2016)
- Annex 9: Guidelines for Procurement of Consulting Services in Financial Cooperation with Partner Countries (version September 2016)
- Annex 10: Minutes of the meeting to the Appraisal Meeting
- Annex 11: Updates to Appraisal Mission (submitted by PEAs)
- Annex 12: Compliance Covenants Programme-Executing Agency

Read and agreed / Location. Date and Signature:

Provincial People's Committee of Nghe An



NGUYỄN ĐỨC TRUNG

Provincial People's Committee of Thai Binh



*CHỦ TỊCH
Nguyễn Khắc Thận*

Thái Bình, ngày 28/12/2021

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German Financial Cooperation with the Socialist Republic of Viet Nam: Programme Decentralised Health Care Systems 2013
Results Matrix (Status of Appraisal Mission in 2015 / to be reviewed and specified during the inception phase)

Summary	Indicators	Verification	Assumptions / Risks
Selected hospitals are equipped with additional, appropriate material.	Equipment and material is procured, installed, functioning and utilized within the Programme time frame. Base: / Target:	Stock lists, user statistics from stations / wards that received new equipment	Qualified personnel is available "on the market" for recruitment in the Programme area.
The hospitals have filled relevant positions with qualified personnel for (a) patient oriented utilization and (b) sustainable physical asset and maintenance management.	Staffing code for relevant positions shows full coverage of all positions Base: / Target:	Staff lists for relevant positions	Qualified personnel is retained at the hospitals
Maintenance of new equipment is ensured	Planned preventive maintenance (PPM) schedule is applied at >95% regularity at the end of the Programme timeframe. Base: / Target: >95%	Maintenance records of technical units of the hospitals	
Activities Identification of unmet demand for medical equipment and identification of criteria to priorities equipment need, Tender, procure and install the necessary equipment, Preliminary and final acceptance of goods and services, Identification and recruitment of relevant vacant positions, Instruction of personnel in application of new equipment, Conclusion of maintenance contracts, Instruction of technical hospital personnel in maintenance and planned preventive maintenance (based on the previous 2008 Programme).			

Programme Decentralised Health Care Systems 2013

Time Schedule for the Programme (Status of Appraisal Mission In 2015 / to be reviewed and specified during the inception phase)

Activities	1st year												2nd year											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
FC																								
Conclusion of Loan and Separate Agreement																								
Tendering and selection of Implementation Consultant																								
Review and verify the preliminary medical equipment list and definition of preinstallation requirements (inception phase)																								
Final procurement list/technical specifications																								
Definition of pre-installation requirements																								
Tender Documents and Prequalification																								
Tender																								
Tender evaluation and awarding of contracts																								
Verification of preinstallation works																								
Supply and installation of equipment																								
Concept and training measures for maintenance & hospital waste management																								
Inception Report (Implementation Consultant) and semi-annual Progress Reports by the PEs / Implementation Consultant																								

Annex 3

**Programme Decentralised Health Care Systems 2013: Total Cost and Financing
updated after the appraisal mission, to be reviewed in the Inception phase**

Project Activities	Cost		Financing	
	Foreign Exchange Cost in EUR	Local Currency in EUR	FC loan in EUR for Nghe An province	Executing Agency contribution in EUR for Nghe An province
1. Physical Investment (Equipment) for Nghe An province				
1.1 Dien Chau District General Hospital *	424.300,00		424.300,00	
1.2 Do Luong District General Hospital	355.000,00		355.000,00	
1.3 Nghe An Northwest Regional General Hospital	1.266.600,00		1.266.600,00	
1.4 Quynh Luu District General Hospital	532.600,00		532.600,00	
1.5 Tan Ky District Health Center I	506.500,00		506.500,00	
Total Cost Physical Investment	3.085.000,00		3.085.000,00	
2. Consulting Costs for Nghe An province				
2.1 Consulting Services for the procurement of the Equipment and Reporting	165.000,00		165.000,00	
Total Consulting Cost	165.000,00		165.000,00	
Total Physical Investment and Consulting Cost for Nghe An	3.250.000,00		3.250.000,00	
25% Partner Contribution for pre-Installation work, PMUs, allowances, maintenance etc.		812.500,00		812.500,00
Total Project Cost for Nghe An: Foreign Exchange + local costs	4.062.500,00		3.250.000,00	812.500,00
3. Physical Investment (Equipment) for Thai Binh province				
3.1 Thai Binh Provincial O&G Hospital	270.000,00		270.000,00	
3.2 Thai Binh Medical College	500.000,00		500.000,00	
3.3 Dong Hung District General Hospital	500.000,00		500.000,00	
3.4 Quynh Phu District General Hospital	500.000,00		500.000,00	
3.5 Thai Thuy District General Hospital	500.000,00		500.000,00	
3.6 Tien Hai District General Hospital	350.000,00		350.000,00	
Total Cost Physical Investment	2.570.000,00		2.570.000,00	
4. Consulting Costs for Thai Binh province				
4.1 Consulting Services for the procurement of the Equipment	130.000,00		130.000,00	
Total Consulting Cost	130.000,00		130.000,00	
Total Physical Investment and Consulting Cost for Thai Binh	2.750.000,00		2.750.000,00	
25% Partner Contribution for pre-Installation work, PMUs, allowances, maintenance etc.		687.500,00		687.500,00
Total Project Cost for Thai Binh	3.437.500,00		2.750.000,00	687.500,00
Total Physical Investment + Consulting Cost + Partner contribution for both provinces			Total FC loan	Total Partner contribution
	7.500.000,00		6.000.000,00	1.500.000,00

Annex 4

Copy of Annex 2 to loan agreement: Disbursement procedure

Handwritten signature and initials in blue ink at the bottom right of the page.

Officer in Charge: Holger Nohl
phone: 0049 69 7431 1761
email: Holger.Nohl@kfw.de

Disbursement Procedure

German Financial Cooperation with Socialist Republic of Viet Nam
Loan Agreement of KfW for EUR 6 million
Programme: Decentralised Health Care Systems

KfW-Reference Number (BMZ No.): 201365931

INTRODUCTION

This Annex stipulates the disbursement procedure for funds to be disbursed by KfW (the "**Funds**") under the above-mentioned Loan/ Grant Agreement (the "**Agreement**"). The agreed disbursement procedure allows KfW to monitor the contractual use of Funds and ensures that disbursements are only made in accordance with the progress of the **Project/Programme** financed.

In accordance with Article 7.2 of the Agreement, the party authorized to request disbursements shall be Ministry of Finance (the "Authorized Party"), represented by the Authorized Representative and duly appointed Authorized Signatories (each as defined in Article 1 below).

Subject to any express provision to the contrary in this Annex, terms used herein shall have the meaning ascribed thereto in the Agreement and the respective Separate Agreement.



Please contact the KfW-official indicated above (quoting KfW's reference number) if you have any questions about the disbursement procedure.

PART A – General Provisions

1 Disbursement Request

Any disbursement request (including in the case of a disposition fund procedure any pro forma disbursement request to be delivered to KfW in order to provide evidence on the use of Funds) together with such supporting documents as are required to be delivered to KfW as supporting documents to such disbursement requests pursuant to the provisions of Part B of this Annex (each a "**Supporting Document**") shall be submitted to KfW in each case by the individuals who have been authorized to do so by the formal representative of the Authorized Party ("**Authorized Representative**") and of whom KfW has received specimen original signatures according to the model provided in Attachment A-1 (the "**Authorized Signatory/Signatories**").

Disbursement requests

- shall be based on the models provided in Part B of this Annex,
- shall indicate the KfW reference number,
- shall be numbered consecutively throughout the Project/ Programme,
- shall be duly signed by the Authorized Signatory/Signatories,
- and shall be submitted in original to KfW's FC Disbursement and Loan Management department (BKf).

Exceptions shall be subject to KfW's prior consent. In case of such exceptions, the Authorized Party releases KfW from all liability regarding any damage resulting from false transmission, due in particular to transmission errors, abuse, **misunderstanding**, or mistakes.

Where Part B provides that any third party shall make any declaration of confirmation *vis-à-vis* KfW on, and/or countersign, a disbursement request or any Supporting Document, such third party (each a "**Certifying Party**") will do so through signature and company stamp and/or full name.



2 General Disbursement Provisions

2.1 Bank Details

It is the obligation of the Authorized Party to supply KfW with complete and correct bank details for disbursements including correspondent bank details if relevant. KfW shall not be liable for any damage, loss, costs or liability caused by failed bank transfers including, without limitation, if the amount requested by the Authorized Party cannot be credited to the bank account specified in the disbursement request in the currency requested, or if the Authorized Party fails to indicate complete and correct bank account details in the respective disbursement request unless such damage, loss, costs or liability was caused by KfW's gross negligence or wilful misconduct.

If KfW determines that the information provided in the disbursement request is incomplete or incorrect, KfW is, without incurring any liability (other than in the case of KfW's gross negligence or wilful misconduct), entitled to complete or replace the bank account details by using publicly available information (such as Bankers Almanac for determining the correspondent bank) and/or information set out in the underlying invoice. KfW is entitled to use said account details for all further disbursements, unless a subsequent disbursement request by the Authorized Party contains new complete and correct information.

2.2 Currency of Disbursement

Except to the extent that the Agreement, the Separate Agreement or this Annex contain any provision to the contrary, disbursements shall be made in the currency indicated in the disbursement request to the bank account specified in the disbursement request.

Notwithstanding the foregoing, if (i) the currency indicated in the disbursement request is not readily available to KfW in the amount requested, or (ii) the disbursement in the currency indicated would contravene any law or regulation applicable to KfW, KfW shall give notice to the Authorized Party and, without incurring any liability (other than in the case of KfW's gross negligence or wilful misconduct), be entitled to disregard the disbursement request. The foregoing shall be without prejudice to the Authorized Party's right to submit another disbursement request for a disbursement in Euro or the currency committed in the Agreement

If the Authorized Party requests a disbursement in a currency other than the currency committed in the Agreement (the "Foreign Currency"), KfW will debit the Project with the total equivalent in the currency committed of the amount expended by KfW for the procurement of the Foreign Currency (inclusive of incidental expenses). Notwithstanding the foregoing, KfW is entitled to request that the final disbursement request shall be for an amount in the currency committed in the Agreement.

If the Authorized Party requests a payment of the equivalent of an amount denominated in one currency (the "First Currency") in another currency (the "Second Currency") (e.g. equivalent of USD in EUR), KfW shall, unless a clear stipulation to the contrary exists either in the Agreement, the Separate Agreement, this Annex or the contract which forms the basis of the payment, be entitled to use a market-oriented exchange rate to convert the amount from the First Currency to the Second Currency.

2.3 Liability Limitation

KfW shall not be liable for delays caused by transferring banking institutions in the disbursement or remittance of Funds or if the Authorized Party fails to provide a duly executed disbursement request in accordance with Articles 1, 2.1 and 2.2 above. If, however, KfW is responsible for any delay, its liability will, other than in cases of gross negligence or wilful misconduct, be limited to the payment of interest accrued.

2.4 Disbursement Advice

Following each disbursement, KfW shall send a disbursement advice to the Borrower/ Recipient. Provided that an e-mail address has been communicated to

Handwritten signature and initials in blue ink at the bottom right of the page.

KfW using the model in Attachment B, this disbursement advice shall be sent via e-mail on the payment date. If no e-mail address is provided, KfW shall send a summary of disbursement advices to the Borrower/Recipient by regular mail on a monthly basis.

2.5 Documentation

Without prejudice to any provisions to the contrary in the Agreement, the Separate Agreement or this Annex, any original documentation evidencing the proper expenditure of Funds disbursed according to the provisions of this Annex (including, but not limited to invoices, certificates, etc.) shall be kept for a minimum of five years after completion of the Project/ Programme, and shall be accessible for inspection by KfW or any third party instructed by KfW (e.g. auditors) at all times. Upon request, KfW or any third party instructed by KfW shall be furnished with copies of any such documentation.

To the extent a consultant is involved in the financial administration of a project in a supervisory role, this consultant shall be entitled to receive information directly from KfW with regard to all project related transactions effected by KfW on behalf of the Authorized Party. This includes KfW's list of contracts and amounts reserved for financing under the Agreement and disbursement advices.

3 Additional confirmations

In addition to specific confirmations required in Part B for specific disbursement procedures, each disbursement request shall in addition contain the following confirmations by the Authorized Party:

General confirmations

- The Authorized Signatory submitting the disbursement request on behalf of the Authorized Party is authorized to do so.
- The goods and/ or services and/or sub-loans to be financed have not already been financed from other grants or long-term loans.
- The facts, statements and representations contained in the disbursement request and any attachments thereto are true and correct.



Each disbursement request shall also repeat all the representations (if any) as are required to be repeated pursuant to the Agreement.

The foregoing is without prejudice to any additional confirmations and information which may be required to be provided on the disbursement request pursuant to Part B of this Annex.

Attachments

- A-1) Model of a Letter Designating Authorized Signatories
- A-2) Model for a letter requesting emailing of disbursement advices

A handwritten signature in blue ink, consisting of a large, stylized 'U' shape followed by a checkmark and the letters 'lit'.

MODEL FOR LETTER DESIGNATING AUTHORIZED SIGNATORIES

[Please use official letterhead]

KfW
Attn. LED2
Palmengartenstr. 5-9
60325 Frankfurt am Main
GERMANY

**German Financial Cooperation with Socialist Republic of Viet Nam
Loan Agreement of KfW for EUR 6 million
Programme: Decentralised Health Care Systems**

KfW-Reference Number (Project No./ BMZ No.): 201365931

Dear Sir/ Madam,

Reference is made to the Agreement. Capitalised terms used, but not defined herein, shall have the meaning ascribed thereto in the Agreement or, if not defined in the Agreement, in the Separate Agreement pertaining thereto.

We would like to inform you that any one¹ of the persons whose authenticated specimen signature appears below is authorized to sign any paper-based disbursement requests, in each case on behalf of the Borrower/ Recipient/Project-Executing Agency ("Authorized Signatory/ Signatories").

NAME	
FUNCTION	



SPECIMEN SIGNATURE	
--------------------	--

NAME	
FUNCTION	
SPECIMEN SIGNATURE	

NAME	
FUNCTION	
SPECIMEN SIGNATURE	

Any previous designations of Authorized Signatories are hereby revoked. To comply with KfW's identification requirements, we hereby enclose legible and certified copies of the identification papers of a) each Authorized Signatory and b) the Authorized Representative. Their authenticity must either have been confirmed by an employee of KfW or the copies must be certified by a notary public or person equivalently empowered.

Yours sincerely,

Date/ Signature/ Name/ Office of Authorized Representative as designated in Loan/ Grant Agreement



MODEL FOR LETTER REQUESTING DISBURSEMENT ADVICES VIA E-MAIL

[Please use official letterhead]

KfW
Attn. BKf
Palmengartenstr. 5-9
60325 Frankfurt am Main

GERMANY

Fax No.: +49 69 7431-3514

Dear Sir/ Madam,

We kindly request KfW to send disbursement advices to the following e-mail address on the payment date instead of sending a monthly summary of disbursement advices by regular mail.² We take note of the fact that this e-mail address will be used for all **Projects/ Programmes** in which we are Borrower/ Recipient/ Project-Executing Agency of KfW. Any e-mail address previously communicated to KfW for this purpose is hereby revoked.

(PLEASE ENTER ONE E-MAIL ADDRESS HERE)³

Yours sincerely,

Date/ Signature/ Name/ Office of Authorized Representative as designated in Loan/ Financing Agreement

PART B – Disbursement Procedures

The Funds will be disbursed pursuant to the following procedure(s), provided in each case that all conditions for the respective disbursement pursuant to the Agreement (including this Annex) and the Separate Agreement are fulfilled:

Disbursement Procedure	Measures / Contracts to be Financed	Separate Agreement (Annex "Cost & Financing") Article/Position will be according
Direct Disbursement Procedure Consultant	Consulting	Position 2 and 4 (Annex 3 to the Separate Agreement)
Simplified Direct Disbursement Procedure	Procurement of medical Equipment,	Position 1 and 3 (Annex 3 to the Separate Agreement)



1 Direct Disbursement Procedure (Consultant)

Within the framework of the **Direct Disbursement Procedure (Consultant)**, KfW pays the consultant directly based on the underlying consultant contract. Disbursements will be made upon receipt and after evaluation of a disbursement request submitted to KfW by the Authorized Party in accordance with the stipulations set forth in Part A of this Annex, provided that each disbursement request shall contain all the information and confirmations as are required by the model in **Attachment B-1**.

Within the framework of the Direct Disbursement Procedure (Consultant), each disbursement request must be accompanied - if applicable according to the underlying consulting contract - by the following Supporting Documents, in each case in accordance with the stipulations set forth in Part A of this Annex:

- copy of consultant's invoice,
- in case of time-based remuneration the invoice shall be accompanied by a performance list stating contract value, previous cumulative expenses, current expenses, cumulative expenses and remaining budget as well as, if applicable, the deduction for recovery of the advance payment as well as retention money. A model which may be used is provided in **Attachment B-1**.
- in case of price escalation: evidence for the calculation of the contractually agreed index,
- list of expenditures for ancillary expenses/ reimbursable costs including date, description of expenditure, amount and applied exchange rate.



2 Simplified Direct Disbursement Procedure

Within the framework of the **Simplified Direct Disbursement Procedure**, KfW pays the contractor directly based on the underlying contract for goods and/or services. Disbursements will be made upon receipt and after evaluation of a disbursement request submitted to KfW by the Authorized Party in accordance with the stipulations set forth in Part A of this Annex, provided that each disbursement request shall contain all the information and confirmations as are required by the model in **Attachment B-2**.

In accordance with the terms set forth in **Attachment B-2** which are to be included into the contract for consulting services, the consultant, acting as Certifying Party, shall certify the invoice(s) submitted by confirming for the benefit of KfW on or prior to the submission of the disbursement request that all obligations according to the underlying contract for goods and/ or services have been met and payment has fallen due, that all documents presented (including bank guarantees) comply with the conditions of the underlying contract for goods and/ or services and that the disbursement request meets the requirements of the Agreement, Separate Agreement and particularly this Annex. The confirmation shall be made in accordance with the stipulations set forth in Part A of this Annex.

Within the framework of the Simplified Direct Disbursement Procedure, each disbursement request must be accompanied - if applicable according to the respective underlying contract for goods and/or services - by the following Supporting Documents, in each case in accordance with the stipulations set forth in Part A of this Annex :

- copies of commercial invoice(s) for the goods and/ or services to be financed in accordance with the provisions of the underlying contract;
- Implementation Consultant's Payment Verification documenting essential verifications undertaken for the purposes of the Simplified Direct Disbursement Procedure according to requirements approved by KfW;

Handwritten signature and initials in blue ink at the bottom right of the page.

MODEL FOR DISBURSEMENT REQUEST (DIRECT DISBURSEMENT CONSULTANT)

Sender:

Authorized Party according to the Introduction of Annex

Date

KfW
Attn. BKf
Palmengartenstr. 5-9
60325 Frankfurt am Main

GERMANY

**German Financial Cooperation with Socialist Republic of Viet Nam
Loan Agreement of KfW for EUR 6 million
Programme: Decentralised Health Care Systems
KfW-Reference Number (Project No./ BMZ No.): 201365931**

Disbursement Request No.

DIRECT DISBURSEMENT PROCEDURE (CONSULTANT)

In conformity with the underlying contract(s) specified below, copies of which were forwarded to you, the following services were rendered and are to be paid:

Underlying contract and date	Invoice number/ date	Amount invoiced	Amount financed by KfW	Amount financed by ... ⁴



TOTAL AMOUNT REQUESTED FOR DISBURSEMENT^a:				

We kindly ask KfW to disburse the total amount requested for disbursement from the above-mentioned Agreement as follows:

Beneficiary (company name/ address)	
Account no./ IBAN (if applicable)	
Account-holding bank/ BIC	
Correspondent bank^a/ BIC	

In accordance with the provisions of Part B of the Annex "Disbursement Procedure", we enclose the following documents as supporting evidence:

- ☐ copy/ copies of consultant's invoice(s)
- ☐ if applicable: performance list
- ☐ in case of price escalation evidence for the calculation of the contractually agreed index
- ☐ list of expenditures for reimbursable costs (if applicable)

We hereby confirm that

- The Authorized Signatory submitting the disbursement request on behalf of the Authorized Party is authorized to do so.
- The goods and/ or services to be financed have not already been financed from other grants or long-term loans.
- The facts, statements and representations contained in the disbursement request and any attachments thereto are true and correct.

Authorized Signatory/ Signatories



MODEL FOR DISBURSEMENT REQUEST (SIMPLIFIED DIRECT DISBURSEMENT)

Sender:

Authorized Party according to the Introductio
of Annex "Disbursement Procedure"

Date

KfW

Attn. BKf

Palmengartenstr. 5-9

60325 Frankfurt am Main

GERMANY

German Financial Cooperation with Socialist Republic of Viet Nam
Loan Agreement of KfW for EUR 6 million
Programme: Decentralised Health Care Systems
KfW-Reference Number (Project No./ BMZ No.): 201365931

Disbursement Request No.

SIMPLIFIED DIRECT DISBURSEMENT PROCEDURE

In conformity with the underlying contract(s) specified below, copies of which were forwarded to you, the following goods/ services were duly supplied/ rendered and are to be paid:

Underlying contract and date	Invoice number/ date	Amount invoiced	Amount financed by KfW	Amount financed by ... ?

TOTAL AMOUNT REQUESTED FOR DISBURSEMENT⁵:		
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We kindly ask KfW to disburse the total amount requested for disbursement from the above-mentioned Agreement as follows:

Beneficiary (company name/ address)	
Account no./ IBAN (if applicable)	
Account-holding bank/ BIC	
Correspondent bank⁶/ BIC	

We enclose the following documents as supporting evidence:

- ☐ copies of commercial invoice(s)
- ☐ Payment verification by Implementation Consultant (Attachment B-2 a)

Authorized Signatory/ Signatories



MODEL FOR DISBURSEMENT REQUEST (SIMPLIFIED DIRECT DISBURSEMENT) / Payment Verification

Sender:

Authorized Party according to the Introduction of Annex "Disbursement Procedure"

Date

KfW
 Attn.
 Palmengartenstr.
 60325 Frankfurt am Main
 GERMANY

BKf
 5-9

German Financial Cooperation with Socialist Republic of Viet Nam
 Loan Agreement of KfW for EUR 6 million
 Programme: Decentralised Health Care Systems
 KfW-Reference Number (Project No./ BMZ No.): 201365931

Payment Verification for Disbursement Request No.
SIMPLIFIED DIRECT DISBURSEMENT PROCEDURE

In conformity with the underlying contract(s) specified below, copies of which were forwarded to you, the following goods/ services were duly supplied/ rendered and are to be paid:

Underlying contract and date	Invoice number/ date	Amount invoiced	Amount financed by KfW	Amount financed by ... ¹⁰
TOTAL AMOUNT REQUESTED FOR DISBURSEMENT¹¹:				

The Beneficiary's account information is as follows:

Beneficiary (company name/ address)	
Account no./ IBAN (if applicable)	
Account-holding bank/ BIC	
Correspondent bank ¹² / BIC	

The Consultant hereby declares that
 - the payment requested in this disbursement request has fallen due, the respective Invoice(s) correspond(s) to the underlying contract(s) and all documents required have been presented and

comply with the requirements stipulated by the Agreement, the Separate Agreement and the Disbursement Annex.
the facts and – to our best knowledge – statements and representations contained in the disbursement request and any attachments thereto are true and correct.

Documenting the payment verification:

	Checked / Comment (if necessary)
Goods/Services as presented in the invoice have been performed	
The payment is in line with the payment conditions and the payment schedule	
If applicable: Financing Shares as stipulated in the Separate Agreement are correct	
Goods/Services invoiced are in line with contractual bills of quantities/unit costs; cumulative expenditures are in line with contractual amounts - If not: Project manager approved the respective overrun(s)	
If applicable: price adjustment complies with the contract	
Amounts and calculations are correct	
Documents as required in the contractual payment conditions have been submitted	
Performance and Advance Payment Guarantees (if foreseen) are correct in form and amount as well as valid for at least 6 weeks.	

Consultant's company name/ Signature of
Representative

**Terms of Reference for Consultants
in Connection with KfW's Simplified Direct Disbursement Procedure and Simplified Reimbursement
Procedure**

The Consultant will examine whether the invoice(s) and additional documents for the disbursement request are complete and whether contractual requirements to receive payments have been fulfilled.

In particular, the Consultant will:

- determine whether the supplies and services invoiced have been performed according to the respective contract.
- (in case of supply contracts) examine, based on random sampling, whether amounts and budget lines as stated in the invoice correspond to those as stipulated in the contract;
- In case the contractor has submitted a Statement of Expenditure (SoE) or bill of quantities, the Consultant will examine whether cumulative expenditures do not exceed budget lines and whether cumulative expenditures are in coherence with the SoE or bill of quantities previously submitted.
- (in case of construction contracts) examine, whether main budget lines as presented in the invoice correspond to those as stipulated in the contract, whether cumulative expenditures do not exceed budget lines and whether cumulative expenditures are in coherence with previously submitted SoEs based on the bill of quantities.
- If the SoE or bill of quantities submitted by the contractor does not fulfil the requirements as mentioned in 1.b) and 1.c), the Consultant will request a non-objection to the disbursement of the responsible project manager at KfW, and will attach related documentation to the invoice.
- check whether advances have been cleared / worked off and retention money has been deducted according to contract.
- examine whether price adjustments are applicable and are calculated in line with the contract.
- examine whether further documentation, such as transport and/or delivery certificates, is required, whether such documentation meets the formal requirements as stipulated in the contract(s) and whether the items and amounts presented on the respective documents are correct.
- examine whether guarantees have been presented by the contractor in accordance with contractual requirements.

If applicable, the Consultant will:

- ensure that the form and amount of all guarantees meet the requirements of the construction or supply contract(s).
- monitor the validity of all guarantees and ensure, if required, that the guarantee period is being extended in due time.
- examine whether the disbursement request meets the requirements as stated in the underlying agreement between KfW and the Employer, (such as the Separate Agreement, and particularly in the Annex "Disbursement Procedure", hereafter defined as the "Underlying Agreement").

In particular, the Consultant will ensure that:

- each disbursement request corresponds to the form provided in the Underlying Agreement.
- the amount of the disbursement request only includes expenditures/costs to be financed by KfW, e.g. with regard to eligibility of financing taxes.
- in case of joint financing of the respective programme, the financing share to be delivered by the Borrower/Recipient/Project Executing Agency has been considered.
- bank details provided on the disbursement request and on the invoice are the same, and if applicable, correspond to those as stated in the contract.

in case the simplified reimbursement procedure is being applied, examine in addition to items 1. to 3. whether

a) evidence on the use of funds has been presented in the form of an SoE as stipulated in the Underlying Agreement;



b) cumulative expenditures do not exceed budget lines as stipulated in the contract and that cumulative expenditures are in coherence with previously submitted SoEs;

c) expenditures as presented in the SoE correspond to services due/invoices submitted by the contractors.

d) expenditures as presented in the SoE have already been disbursed to contractors / service providers.

If the SoE submitted by the contractor does not fulfil the requirements mentioned above, the Consultant will request a non-objection to the disbursement of the responsible project manager at KfW, and will attach related documentation to the SoE.

In so far as the above mentioned conditions are met, the Consultant will

- provide a confirmation for the benefit of, and addressed to, KfW that the contractual obligations have been met and payment has fallen due; such confirmation to be provided on or prior to the submission of each disbursement request and in such form as the Employer may request in accordance with the Underlying Agreement.
- hand over all relevant documentation to the Employer/Authorised Party. However, as long as documents remain with the Consultant, KfW reserves the right to obtain originals and copies of such documents.

The Consultant may also refer to the Checklist attached to the ToR (cf. Annex "Consultant Checklist"), which can also be submitted with the request for disbursement in order to facilitate KfW's verification.

Annex: Consultant Checklist

	Checked / Comment (if necessary)
Goods/Services as presented in the invoice have been performed	
The payment is in line with the payment conditions and the payment schedule	
If applicable: Financing Shares as stipulated in the Separate Agreement are correct	
Goods/Services invoiced are in line with contractual bills of quantities/unit costs; cumulative expenditures are in line with contractual amounts - if not: Project manager approved the respective overrun(s)	
If applicable: price adjustment complies with the contract	
Amounts and calculations are correct	
Documents as required in the contractual payment conditions have been submitted	
Performance and Advance Payment Guarantees (if foreseen) are correct in form and amount as well as valid for at least 6 weeks.	



Content and Form of Reporting to KfW

Standard reporting framework of German FC projects, will be concretized and probably reduced in the project inception phase:



1. General

In projects financed by KfW the **Borrower/Recipient/Project** Executing Agency (PEA) commits to provide substantial reporting to KfW. This document, the "KfW Reporting Requirements", represents a collection of particular reporting requirements stated in various guidelines and documents of KfW. To such an extent the "KfW Reporting Requirements" are a standard Annex to the Separate Agreement to Financing Agreements (Loan or Grant Agreements) and to the Terms of Reference (ToR) for Consultancy Services.

The "Reporting Requirements" are the general and basic Reporting Requirements of KfW towards the **Borrower/Recipient/PEA**. The reports shall be countersigned by the Implementation Consultant, if applicable. In case another party (e.g. Implementation Consultant) is charged to write the necessary reports, any report not drafted by the **Borrower/Recipient/PEA** itself but delegated to another party, shall be commented on or approved by countersigning of the **Borrower/Recipient**.

It is the purpose of this attachment to give guidance for any type of reporting towards KfW, so it should be tailored to any particular project and type of services. It needs to be used as appropriate, i.e. the chapters are to be utilised to the extent to which they may be applicable. This document is a recommendation on what to include and how to structure reports. It consists of a standard table of content, with essential aspects per chapter, a list of possible annexes and examples for graphical illustrations. More specific requirements of the following types of reports are covered in particular sections:

- Application/ Offer Opening and Evaluation Report;
- Inception Report;
- Project Planning Report;
- Progress Report;
- Incident Report

This document's structure and main contents and items shall remain unchanged. If the requirements stipulated in this document are deemed insufficient, necessary additional and more detailed requirements and limitations may be specified in the Separate Agreement/ ToR/ ... (as applicable).

2. Common Requirements

A Report is to be understood as documented information being distributed to all relevant stakeholders. Its preparation shall follow basic documentation quality as stated in ISO 9001 Clause 7.5 Documented Information. All reports shall be prepared in a highly professional manner, in terms of content, comprehension, conciseness and format.

Reports shall contain at least a cover sheet, a table of content, a list of abbreviations and an executive summary.

A cover sheet shall contain key information and data as applicable:

- Client/ Partner and Financier (name, contact person);
 - Project Title;
 - Project No./ BMZ No.;
 - Consultant (name, contact person);
 - Contractor/ Supplier/ Subcontractor (name, contact person);
 - Reporting title, report number and reporting period;
- 

- Main contractual dates (date of Contract Agreement, start of construction works, completion date, [if applicable]);
- Time elapsed/ remaining;
- Header/ Footer;
- Revision Index, date of issuance, prepared/ approved by.

All subsequent pages including any annexes shall be provided with header and footer containing the following minimum information:

- Legal owner;
- Document reference;
- Revision index;
- Page number;
- Number of pages.

A report shall be laid out and formatted in a neat and uniform manner. Readability is of utmost importance.

- Reports shall generally be formatted onto DIN A4 size portrait format. If the Client's country commonly uses other portrait paper formats (e.g., US Legal), those formats may be used;
- Illustrations and Annexes may use DIN A4 or DIN A3 size portrait and landscape formats;
- Any colours used for formatting shall give sufficient contrast for monochrome printing, main text shall be in deep black colour;
- The text shall have left-and-right justification together with hyphenation;
- Text font size should be 11-12 points. For foot-/end notes, headers and footers, 9 point font size may suffice;
- Character spacing other than Normal should be avoided;
- Left and right page borders should not be less than 2.5 cm on each side. With the amount of data to be put into headers and footers, 3 cm are advisable for the top and bottom borders;
- Line spacing shall generally be 1.15 lines. Paragraphs shall be visibly separated by adequate spacing;
- Common typefaces shall be used to ensure readability across platforms; alternatively all fonts used in the document shall be embedded.

Submission of reports shall be done preferably in MS-Word format for easier annotation; submission in pdf-format shall have enabled text capture functionality.

3. Application/ Offer Opening and Evaluation Report

The minimum requirements of the content and structure of the Application/ Offer Opening and Evaluation Reports are defined in Appendix 6 of the Procurement Guidelines "Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner Countries". These are described in more detail below.

The PEA (supported by Consultant/ Tender Agent) shall provide KfW with a report of the opening (minutes of Application/ Offer opening) and of the evaluation of Applications (Prequalification evaluation report) and Offers (Proposal/ Bid evaluation report) as defined in the Guidelines.

These reports contain in general the following information and shall be provided for No-Objection:

3.1 Minutes of Application/ Offer Opening

1. Names of persons in charge of Application/ Offer opening (Application/ Offer opening committee);
2. Names of other participants (e.g. representatives of Applicants/ Bidders);
3. Date, time and venue of Offer opening;
4. Statement on the status of the envelopes:
 - Timely or delayed delivery;
 - Number of Application/ Offer originals/ copies;
 - Envelope(s) sealed properly;
5. Short description of opening procedure:
 - Which envelope has been opened? Outer/ inner envelope? Envelope containing qualification documents, Technical Offer and/ or Financial Offer?;
 - Which envelopes remaining closed?;
 - For Financial Offer opening: price as per price sheet to be stated;
6. Date of preparation of the report and signature of all members of the Application/ Offer opening committee.

For paperless e-procurement Tender Processes equivalent evidence of Offer opening needs to be provided.

3.2 Prequalification and Offer Evaluation Reports

On completion of the Application/ Offer evaluation KfW shall be furnished with a detailed report on the evaluation and comparison of the Applications/ Offers. This shall include substantiated recommendation for the invitation of prequalified Applicants (Request for Proposal/ Instruction to Bidders [RfP/ ITB]) or Award of Contract. If appropriate this must be coordinated with the respective government agencies of the Partner Country who may be involved.

3.2.1 Table of Contents

The general table of contents of evaluation reports looks as follows:

Chapters to be included in the report	
	Cover Page
1.	Introduction
2.	Results of Preliminary Evaluation
3.	Application/ Offer Evaluation Process
4.	Conclusion
	Annexes



3.2.2 Sample of Content

Disclaimer: The list of issues to be presented in the reporting sections mentioned below is to be read as a minimum requirement and shall be adapted according to the needs of the Project and the recipients of the report.

Cover Page: Key Data

- Content as indicated above under Common Requirements.
1. Introduction
 - Short information on project and Contract content;
 - Tender Procedure (e.g. International- National Competitive Bidding [ICB, NCB]), Single- or Two-Stage Selection, One- or Two-Envelope Submission undertaken;
 - What/ which stage/ envelope is being evaluated in the present report (e.g. Prequalification evaluation, technical Offer evaluation, financial Offer evaluation, combined evaluation);
 - Names of persons in charge of Application/ Offer evaluation (members of Application/ Offer evaluation committee);
 - Start and end of Application/ Offer submission period, including any extensions thereof with reasoning and proof of its publication;
 - Date and medium of publication of tender notice and in the case of Two-Stage Selection PQ-result notice, or when and how took place the invitation to interested/ preselected Persons (evidence of publication to be attached as annex to the report in the case of an ICB and an NCB);
 - In the case of a pre-bid meeting: date, time and venue; participants and minutes of discussion (minutes of meeting to be attached as annex to the report);
 - Clarifications/ addenda to Tender Documents during the Application/ Offer submission period (any clarifications with Applicants/ Bidders during the Application/ Offer submission period and during the evaluation phase to be attached as annex to the report).
 2. Results of Preliminary Examination
 - Names of all Applicants/ Bidders (minutes of Application/ Offer opening to be attached as annex to the report);
 - If the Application/ Offer fails preliminary acceptance, the reasons must be clearly explained and comprehensible (since rejection at this stage puts the Application/ Offer out of any further considerations, it has to be ensured that the decision to be rejected is justifiable);
 - Applications/ Offers which have been considered for further evaluation.
 3. Application/ Offer Evaluation Process
 - Basis for evaluation (e.g. KfW's Guidelines, Tender Documents, Public Procurement Regulations);
 - Results of evaluation (usually a summary is provided in the report and details are provided as annex to the report)
 - Pass/ fail criteria: have they been met or not?;
 - Scoring criteria: every score needs to be justified in accordance with the evaluation criteria and matrix.
 4. Conclusion
 - List of Applicants proposed to be invited to submit an Offer (Prequalification evaluation report), or which Bidders have submitted a technically responsive Offer and can be considered for financial evaluation (technical Offer Evaluation



Report), or which Bidders have submitted a responsive financial offer (financial Offer Evaluation Report);

- List of identified errors, omissions, deficiencies or other subject matter for each Offer substantially compliant with the requirements of the RfP/ ITB and which will be subject to clarifications before Award of Contract;
- Which Applicants/ Bidders are rejected and for what reason;
- Final ranking (final/ financial Offer Evaluation Report), which Offer is first ranked/ has the lowest evaluated price and thus is proposed for Award of Contract;
- Issues (technical and financial) to be handled during Pre-Award Discussion;
- Signature of all members of the Application/ Offer evaluation committee.

In order to assess the provided reports KfW reserves the right to ask the PEA for further documents, e.g. complete Offers or extracts thereof.

4. Inception Report

The inception report is to be prepared by the Consultant to document the activities of the Consultant during the inception phase of a project, but it also shall give a preview how the project is intended to be managed and executed. The inception report shall include:

- A detailed Work Plan for the implementation of the project;
- An outline of Section 1 of a Project Planning and Design Report (PPR, see below), if applicable;
- Suggestions for changes that would enhance and improve performance of the system and/ or project;
- Project schedule and detailed cost estimates;
- Identification of additional required studies if necessary;
- Condition assessment of existing equipment/ facilities;
- Outline specifications for all plant and equipment for PEA review/ approval.

5. Project Planning Report

A project planning report shall be a continuation of the inception report. Therein, the concept and the technical solutions shall be described in all necessary details to allow preparation of Tender Documents in the next step of a project. The project planning report shall include as a minimum:

- A validation of the project concept, including measures to improve the performance of the system and/ or project;
 - Detailed project schedules and cost estimates, which shall include post-commissioning maintenance requirements, if any;
 - Proposals for additional studies, if necessary;
 - An assessment of the existing equipment;
 - An outline of the specifications for all new and replacement equipment, including post-commissioning maintenance requirements, if any;
 - Review of PEA's overall Procurement Plan, Environmental and Social Commitment Plan (if applicable), showing the structure of Project Contracts/ Lots, budget lines, ESHS classifications for the different lots (according to the standards bidding documents), ...;
- 

- Review of the timeline of the Environmental and Social Commitment Plan - ESCP (if applicable).

6. Progress Report

Progress Reports are prepared to document the implementation of a project during a certain period. Generally the reports shall be submitted quarterly – depending on the type of project additional monthly and/or (bi-) annual submissions are possible if stipulated in the respective ToR - from the date of contract effectiveness until the completion of the consulting services.

The Progress Report for the final reporting period shall be replaced by a Project Completion Report. Nonetheless, it is important that all content required for a shorter-period progress report is included in a longer-period progress report, as these reports may have different focus.

A progress report shall override the respective progress reports of the shorter reporting period (e.g. quarterly report replaces monthly reports of that period).

The frequency of reporting should be adapted to the needs of the partners and co-financing institutions, but generally quarterly reports would be sufficient during Project implementation. Thus, not all of the reports presented in the table below eventually will be required. The requirements for reporting should also be in line with the stipulations of the Separate Agreement defining the information needs of KfW.

If not determined otherwise in the ToR, the main text of monthly reports should be limited to 1-2 pages, of quarterly reports to maximum 10 pages and annual reports to maximum 20 pages. Additional and more detailed information is to be presented in annexes. The main text should not be a copy and paste of the previous report with some amendments, but a concise report of the key information required.



6.1 Table of Contents

The table of contents of Progress Reports shall include the items listed in the chapters below. Not all items might be applicable, depending on the type of Consulting Services and ToR:

Chapters to be included in report	Monthly*	Quarterly	Annual	Feasibility	Implementation
Cover Page		x	x	x	x
1. Executive Summary		x	x	x	x
2. Project Background		x	x	x	x
3. Sector Environment/ Borrower/ PEA			x		x
4. Consultant's Activities, Staffing and Time Schedule	x	x	x	x	x
5. Progress of Services and Works		x	x		x
6. Financial Information	x	x	x	x	x
7. Quality Management		x	x		x
8. ESHS Performance	x	x	x		x
9. Deviations from Project Concept and Contracts	x	x	x	x	x
10. Risk Assessment and prospect of Achieving the Overall Project Goals		x	x	x	x
11. Monitoring of Achievements and Impacts			x		x
12. Outlook/ Recommendations	x	x	x	x	x
Specific requirements to be reported by PEA to KfW, e.g. financial status, capacity development, etc.				x	x

* If applicable the specific template of a monthly progress report is presented at the end of the document.

6.2 Sample of Content

Disclaimer: The list of issues to be presented in the below-mentioned reporting sections is to be read **as a general guidance**, in no way concluding and shall be adapted according to the needs of the respective Project and the recipients of the reports.

Cover Sheet: Key Data

- Content as indicated above under Common Requirements.
1. **Executive Summary:**
to be written in an easily understandable and non-technical language, understandable also to non-experts
 - Max. 2-3 pages;
 - Status of design/ planning and (if applicable) construction progress;
 - Contract Value and disbursement status/ cash-flow level (in %);
 - Listing of important project milestones, compliance with time schedules and planned completion date, state of estimated costs/ current costs and expected costs at completion;
 - Major changes to project concept or main components;
 - Specific problems/ highlights.
 2. **Project background**
to be the only copy and paste chapter for all time quick project reference with a short description of:
 - Objectives of the Project;
 - Main measures;
 - Construction site description with e.g. map, coordinates, general layout plan, ... (if applicable);
 - Target group;
 - Involved parties (Financing institute(s), PEA, Consultant, Contractor(s), Main Subcontractor(s), ...) with
 - contact person;
 - organization chart;
 - Short description on the institutional set up of the environmental, social, occupational health and safety organisation.

Any reported items of earlier reports should be shifted/ stated here to form a project history.
 3. **Sector Environment/ Borrower/ Recipient/ PEA**
 - Information on developments/ changes of the general economic and sector conditions which are relevant for the successful implementation of the Project;
 - E.g. changes in regulations of the sector; changes in the national sector strategy, e.g. planning of high voltage transmission lines and construction of power plants; development of prices and tariff reforms; further data depending on the individual case: sector-specific or project-type related data (e.g. regional population development, market share, development of world market price), etc.;
 - Assessment of PEA's capability to implement and operate the project. Touch upon financial and organisational aspects (liquidity, outstanding accounts, losses, production costs, new fields of operation).
 4. **Consultant's Activities, Staffing and Time Schedule**
 - Staffing, on-site/ back-office staffing, reporting of man months in actual period & next period, comparison of actual with target figures, remaining man-months;
 - Main activities (e.g. of construction supervision, performed services);
 - Target/ actual comparison of activities;



- Time Schedule;
- Preparation and approval of documents, together with a listing of concerned documents including submission and approval dates;
- Listing of meetings prepared (with project executing agency, construction meetings) and brief narration of content;
- Table of letter correspondence concerning time, cost and ESHS issues;
- Report on audits performed.

5. Progress of Services and/ or Construction Works (per lot/ component)

To be presented per services/ lot/ component. In case of Joint Ventures (JV) and in case of Subcontractors items are applicable to any related party

- Contractual Information (e.g. Consultants Services, list of Contractor(s) and Subcontractors incl. brief description of each Contractor's tasks, contract volume and results, appendices);
- Consultant's/ Contractor's Resources (Staff and Equipment);
- Progress update on rendering of services and/ or supply of goods as applicable:
 - Goods:
 - type and volume, delivery times, guarantees given, final inspection by manufacturer, acceptance;
 - Transports:
 - type and volume; duration; insurance; storage on construction site;
 - Construction work:
 - type and volume, machinery used, manpower employed; acceptance of construction work;
 - Installation work:
 - type and volume, machinery used, manpower employed, personnel of suppliers;
 - Staff instruction:
 - type and scope, number, qualification of operating staff, advanced training at the equipment supplier's;
 - Commissioning:
 - final acceptance, test runs, operating results; rectifications. Guarantee events (type and scope, consequences);
 - Other activities:
 - preliminary studies, awarding, type and scope, deadlines, personnel, material, external training, acceptance.
- Progress of Works/ Time Schedule (give details to above-listed items wherever applicable)
 - Comparison of contractual schedule and actual performance dates (start of construction, date of completion) (visualized in a tableau);
 - Information on the stage of completion for the main services/ components of the project;
 - Percentage progress of the works compared with the latest approved program schedule, together with a description and percentage estimate of the work programmed for the following periods;
 - Reasons for deviations/ delays, assessment of impact of deviations on time of commissioning and/ or financial planning and project completion;
 - Updated time schedule, including expected completion date by component;
 - Description of risks to meet the planned/ updated time schedule;

- Claim management:
pending/ settled/ potential claims by the contractor.

6. Financial Information

- Cash Flow:
 - State of disbursements by the end of the reporting period per service/ contract;
 - Table with the billing report, summarizing:
 - Invoices from all services/ contracts (identification number, date, amount, currency, payment status);
 - Total amount of each contract including amendments (if applicable);
 - Remainder of each contract (incl. amendments, including the difference between the total amount of the contracts and the sum of all invoices being paid, per currency [if applicable]).
- Table with overall state of disbursements of total project volume by the end of the reporting period;
- Table with forecast of disbursements for the next reporting period(s), with estimated time and amount of disbursement requests, as well as a preview of the payment schedule until the end of the project;
- In case of Disposition Fund: Table with total volume, remaining funds, state of disbursements, required funds for the next reporting period;
- In case of Interest Differential Funds: report on accrued amount and usage;
- Report on any circumstances jeopardizing the full financing of the project throughout its duration resp. maximum budget available;
- Status of Advance Payment and Performance Guarantees.

7. Quality Management (as applicable)

- Description of (services/ construction) quality issues during reporting period including all details and measures taken, Consultant's assessment and recommendation;
- Status of other open quality issues;
- Recommendation for improving overall construction quality.

8. ESHS Performance

- Short description of compliance with:
 - i. the Environmental and Social Commitment Plan (ESCP) *[if applicable]*;
 - ii. local and international occupational health and safety standards and ILO core Conventions were met;
 - iii. whether environmental and social management plans (and relevant sub-plans) were adhered to during construction and which additional measures were taken where necessary.

Describe requirements, incl. any changes or difficulties and corrective actions the Borrower/ Recipient/ PEA may have taken; in case corrective actions were identified for the previous reporting period, report on implementation progress/ completion status.

- Status of and compliance with relevant permits;
- Description of any required changes in ESHS measures/monitoring due to changes in project design/implementation;
- Detailed reporting on ESHS Performance during
 - Construction (Contractors incl. contractual and daily wage labourers) and;
 - Ongoing/ extended Operation and Maintenance.

Each of these subsections shall contain the following information below, commensurate with the environmental and social risks:

- i. Human Resources Management status, tables with project staff and Contractors, other contractual labourers, ESHS responsible(s) (month, number of employees, number of H&S Staff) (tables to be presented in the Annex);
- ii. Table with training and qualification

Trainings (examples, please adapt accordingly)	No. of employees	Hours
Induction Training		
Environmental trainings		
Waste Management		
Spillage contingency		
etc.		
OH&S		
1st aid training		
scaffolding		
crane operation		
welding		
etc.		

- iii. Key indicator figures, statistics and summaries
 - Number of inspections carried out per day/ week/ month;
 - Number of near misses;
 - First aid;
 - Incidents with up to 3 days of absences;
 - Incidents with more than 3 days of absence;
 - Fatalities;
 - Work hours lost;
 - Accident frequency rate.

Present the main reasons for the accidents (e.g. falling from height, struck by objects, contact with machinery, electrical accidents, no PPE, etc.) and provide a table containing the main categories of accidents and the no. of people. Describe the corrective actions which have been taken for severe accidents. Incident reports of the accidents shall be stated and enclosed in the Annex (see separate section of this document);

- iv. Documented grievances (workforce, project affected persons) and conflict resolution activities;
- v. Report on stakeholder engagement activities;
- vi. Report on Corporate Social Responsibility (CSR)/ Community Development Activities (provide a brief summary of activities, as applicable).

9. Deviations from Project Concept and Services/ Contracts

Consequences have to be considered on project schedule and project costs

- Description and reasons for major deviations from original project concept during appraisal;
- Description and reasons for major deviations from planned man-months/ quantity structure of the main components;
- **Recommendations** and reasoning for future changes/ modifications and deviations from the project concept;



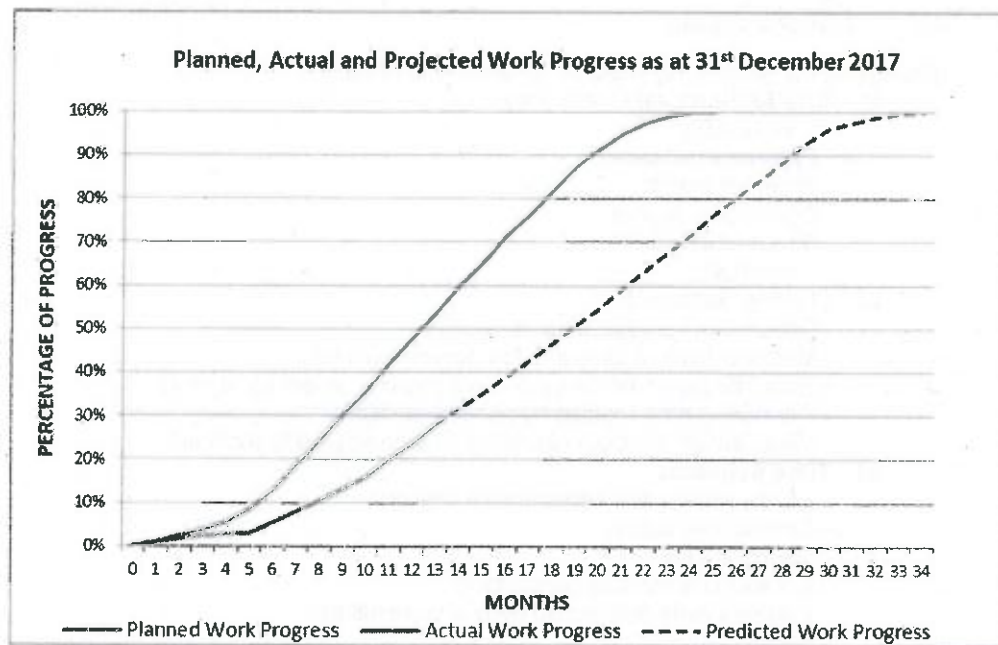
- Claim/ Cost variation management: pending/ settled/ potential claims by the contractor.
- 10. Risk Assessment and Prospect of Achieving the Overall Project Goals**
 - Analysis of (potential) risks;
 - Information on progress and status of achieving the financial, schedule and technical project goals and project objectives as well as outputs (as defined in LogFrame (if applicable));
 - Reasons for deviations or current problems (if any);
 - Assessment of consequences for sustainable project success, and measures to be taken/ proposed solutions, information on any developments that might jeopardize the success of the project; if so, proposition of additional activities which should be included into the project;
 - Assessment of the occurrence and the management of risks envisaged at the start of the project;
 - State of solutions of previous problems;
 - Table with Project Indicators and their achievability, as defined in the Separate Agreement.
- 11. Monitoring of Achievements and Impacts**
 - Indicator baseline (according to indicators defined in Separate Agreement/ LogFrame) and progress/ achievements;
 - Monitoring of impacts.
- 12. Outlook and Recommendations**
 - Outlook for the next reporting period (planned activities and results);
 - **Recommendations** and need for action to be taken by project participants.
- 6.3 List of Annexes**

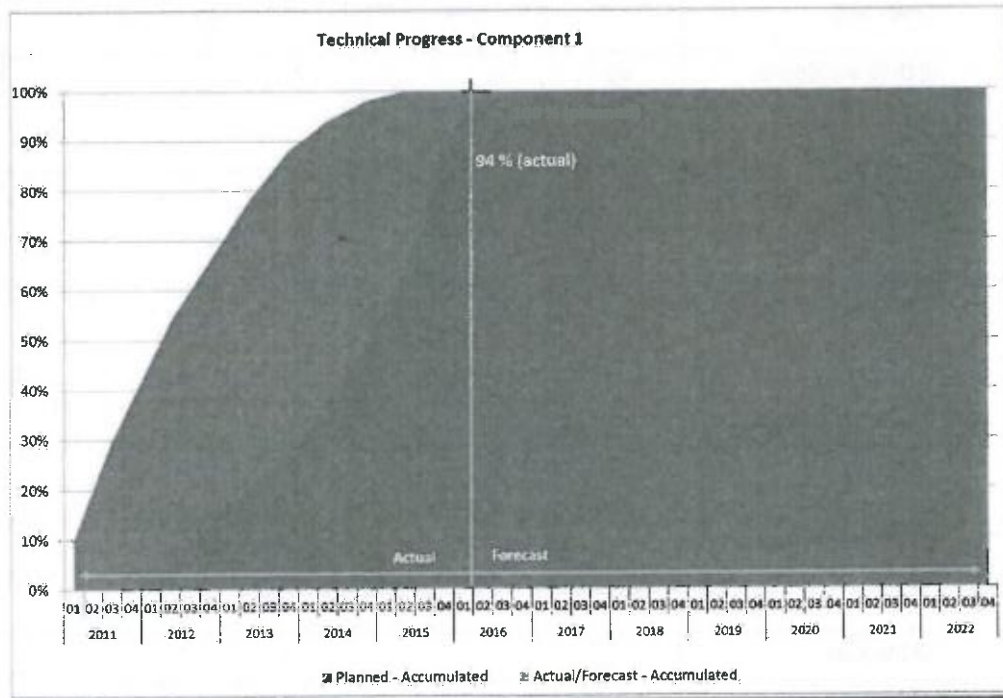
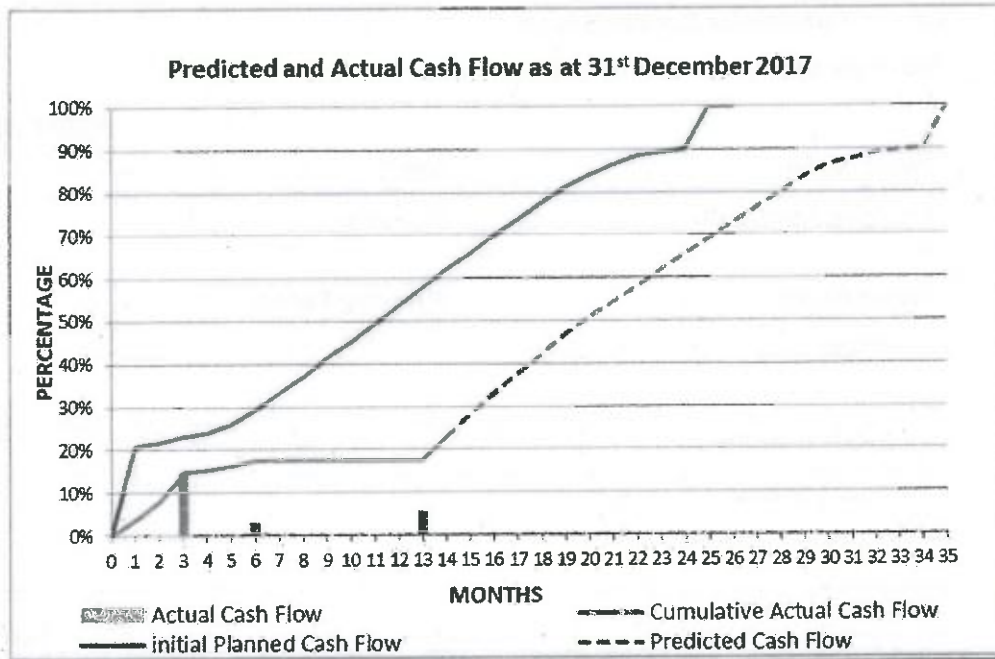
(Examples, not necessarily required for each kind of report)

- a) Tool for financial monitoring**
 - Tool funding;
 - Expenses per term;
 - Financial details;
 - Details of execution;
 - Status of indicators;
 - Timeframe.
- b) Staffing Schedule**
 - Description for each person/ position;
 - Man-months available of each person/ position;
 - Required man-months by person/ position so far/ up to now;
 - Remaining man-months by person/ position;
 - Visualization of actual operating time compared to planned.
- c) Time Schedule**
 - For consulting and construction/ delivery;
 - Contractual/ actual.
- d) Milestone List**
 - For each contractual component;
 - planned/ expected/ actual date of completion;
 - delays.
- e) Contracts**
 - List of construction and supply contracts;
 - Short description of deliveries and services;
 - Contract volume;
 - Contractual dates: start of works, planned/ actual overall completion.

- f) **Cost Control/ Cash Flow**
 - List of main components/ contracts;
 - Estimated costs;
 - Contract value;
 - Forecasted billing sum (incl. expected addenda);
 - State of disbursement and forecast;
 - Short reason for deviations.
- g) **Disposition Fund**
 - Total funds available;
 - Funds transferred;
 - Sum of disbursements;
 - Expected disbursements and transfer of funds required for next reporting period.
- h) **ESHS instruction and site inspection protocols**
- i) **Minutes of Meeting**
- j) **Important Correspondence**
- k) **Photo Documentation**
About 10 photos resp. 5 photos per construction site, additionally small incident photos (if applicable).
- l) **Photos of Accident and Incident Reports**
- m) **For annual reports:**
Detailed documentation of the implementation status of the ESCP/ESMP/ESAP as applicable shall be presented in table format

6.4 Examples for Figures:





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6.5 Template for Monthly Report

One or two pages, to be sent by email.

Month/Year

Project Name		Client	
Financing Agreement No.		Financing	
Project Region		Reporting Period	
Consultant			

Personnel in the Field			
Principal Activities	• •		
Progress of Works			
Funds disbursed (approx.)	Principal Items	Reporting Period €	Total €
ESHS Incidents	a) b)		
Problems Encountered	a) b)		
Suggested Solutions	a) b)		
Status of Previous Problems	a) b)		
Activities Planned	• •		
Schedule			
Other			



7. Incident Report

7.1 General

An Incident Report shall be promptly provided to KfW, but in any case within three working days of the occurrence of any of the events as set out in this Sub-clause.

i. Details of

- a) any incident of an environmental or occupational health and safety nature including (without limitation) any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/ local communities, resulting in death or serious or multiple injuries, sexual harassment and -violence involving project workforce);
- b) or any incident of a social nature including (without limitation) any labour strike or violent labour unrest or dispute with local communities, occurring on or nearby any site, plant, equipment or facility of the **Project-Executing Agency** which has or is reasonably likely to have a material negative impact on the environment, the health, safety and security situation, or the social and cultural context, together with, in each case, a specification of the nature of the incident or accident and the on-site and off-site effects of such events or;
- c) or any incident in relation to severe threats to public health and safety, allegations on inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to Free, Prior and Informed Consent), any allegation that require intervention by the police/other law enforcement authorities, such as loss of life, sexual violence or child abuse;
- d) any actions by the competent authorities/ regulators leading to partial or complete stop of project activities, and;

ii. Details of any action the **Project-Executing Agency** proposes to take in order to remedy the effects of these events, and shall keep KfW informed about the progress in respect of such remedial action.

After becoming aware of material complaints and grievances addressed to the Project Executing Agency or significant social grievance or protest, promptly notify KfW of any significant complaints, community or worker-related protest directed to the Project which can potentially have a material adverse effect on the Project or can potentially result in national or international media attention.

A particular guidance for an Immediate Incident Notification is attached (Attachment 1).

7.2 Types of Reportable Injury

The death of any person

All deaths to workers and non-workers, with the exception of suicides, must be reported if they arise from a work-related accident, including an act of physical violence to a worker.

Specified injuries to workers

- Fractures, other than to fingers, thumbs and toes;
- Amputations;

- Any injury likely to lead to permanent loss of sight or reduction in sight;
- Any crush injury to the head or torso causing damage to the brain or internal organs;
- Serious burns (including scalding) which:
 - Covers more than 10% of the body;
 - Causes significant damage to the eyes, respiratory system or other vital organs;
- Any scalping requiring hospital treatment;
- Any loss of consciousness caused by head injury or asphyxia;
- Any other injury arising from working in an enclosed space which:
 - Leads to hypothermia or heat-induced illness;
 - Requires resuscitation or admittance to hospital for more than 24 hours.

Attachment 1: Guidance for Accident and Incident Reporting

Attachment 2: Immediate Incident Notification Template



Attachment 1: Guidance for Accident and Incident Reporting

Basic Information

- Date, time, weather/ lighting/ conditions;
- Statement of facts;
- Details of deaths, injuries, damage, immediate losses;
- Details of witnesses;
- Details of whether scene was secured/ photographed;
- Details of any item tested/ sampling/ sent for testing/ removed from scene;
- Details of person leading investigation;
- Time lapse between accident and investigation.

Basic data should be clear, unambiguous, and factual (i.e. free from interpretation). Any gaps in the data should be highlighted and addressed in the investigation.

Investigation

- Reconstructed timeline of events, with the **incident/accident** in the mid-point, and linked events streamed either side, with clear identification of **individuals/teams/third parties** (e.g. contractors) that are linked and therefore require interviewing;
- Robust but sensitive questioning of witnesses and individuals/third parties linked to;
- Clarify facts, assist with timeline reconstruction and advance the investigation. Statements/ notes of interviews to be included.

The investigation must follow the facts, witnesses and linked individuals/third parties and the timeline, and not be constrained by the **incident/accident** event in isolation. In case publications on the event are available, these should be attached to the report (e.g. press articles, online articles, radio and TV- **spots**).

Analysis

- Using basic data, interview outcomes and reconstructed timeline, identification of:
 - Immediate causes;
 - Underlying causes (actions in the past that have allowed or caused undetected unsafe conditions/acts);
 - Root causes (generally organisational/**management** failings, sometimes not **directly/obviously** in relation to **accident/incident** regarding location/time);
 - Identification of **absent/inadequate/failed/unused** risk identification, management and control measures, reference/gap analysis against relevant national legislation and against the international standards as applicable and agreed upon for the Project.
- Conclusions and summary of root causes and underlying causes for the **accident/incident**.

Analysis must be sufficiently rigorous to go wherever the investigation has led. Identification of root, underlying and immediate causes must be **sufficiently** credible and robust to withstand third-party scrutiny.

Way forward

- For EACH root cause, underlying and immediate cause, a **corrective/preventive** action is required (these may be numerous and interlinked);
- For EACH action, a named person with sufficient resource to deliver upon it and a clear timeline (action plan) is required. In addition, a named person should have overall responsibility for monitoring/ reporting on progress (with timelines);
- Demonstration, that all actions together will prevent recurrence; evidence that current risk **assessments/procedures** have been revised to reflect this;

- Details of communications to stakeholders, to include a concise summary of the investigation, including the action plan, and lessons learned;
- Details of ongoing support and assistance to those impacted directly or indirectly by the accident.

Attachment 2: Immediate Incident Notification Template

IMMEDIATE INCIDENT NOTIFICATION					
1. Incident Details					
Project Company		Date of Incident			
		Time of Incident			
Location of incident		Type of Incident	Environmental	☐	
			Injury	<i>Workforce</i>	☐
				<i>Public/Local community</i>	☐
		Social Incident (e.g. violent labour unrest)	☐		

2. WHAT HAPPENED
<i>Brief description of incident</i>

3. INJURED WORKERS						
Employee/ Contractor	Sex	Age	Job Title/ Description	Time with company	Cause	Injury Type (Major/ Fatal)

4. INJURED MEMBERS OF PUBLIC						
Name	Sex	Age	Community	Place of Residence	Cause	Injury Type (Major/ Fatal)

5. ENVIRONMENTAL INCIDENT			
Type (Spill/ Gas Release)	Total Loss (Litres /kG)	Cause	Damage

6. WITNESSES TO INCIDENT			
Name	Sex	Place of Residence	Description of incident

7. OTHER RELEVANT INFORMATION				
Have the authorities been informed?		Yes	☐	No ☐
Please provide further information here				
Media attention?		Yes	☐	No ☐
Please provide further information here				
Any effects off-site?		Yes	☐	No ☐
Please provide further information here				
Photographs taken? (please include them in this report)		Yes	☐	No ☐
Date				
Which immediate corrective actions have been taken after the accident? By whom?				
Please describe here if the accident lead to changes into the works organisation or process, if specific equipment has been acquired/mobilised, if protection measures were implemented, if works have stopped etc.				
Person completing form:				
Name and position:				
Contact details:				
Phone		Email		

Annex 6

Procurement Plan: Format

(Version No. _____, dated _____)

Serial No.	Procurement No. ¹³	Type ¹⁴	Short Description of Contract Content	Estimated Contract Amount ¹⁵	Source of Funds ¹⁶	Tender Procedure ¹⁷	Stages ¹⁸	Tender Documents ¹⁹	Review by KfW ²⁰	ESHS risk level ²¹	Estimated Tender Publication	Comments ²²
1												
2												
...												

Agreement(s):List of other procurement related general arrangements or exceptions, if any.



Annex 8

Guidelines for Procurement of Goods, Works and associated Services in Financial
Cooperation with Partner Countries (version August 2016)

[https://www.kfw-entwicklungsbank.de/Download-Center/PDF-Dokumente-
Richtlinien/Vergabe-E.pdf](https://www.kfw-entwicklungsbank.de/Download-Center/PDF-Dokumente-Richtlinien/Vergabe-E.pdf)

Annex 9

Guidelines for Procurement of Consulting Services in Financial Cooperation with Partner Countries (version August 2016)

<https://www.kfw-entwicklungsbank.de/Download-Center/PDF-Dokumente-Richtlinien/Consulting-E.pdf>

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Minutes of the meeting to the Appraisal Meeting

Separate Volume

✓

Minutes of Meeting for KfW Appraisal Mission
May 08 – 22, 2015
Programme Decentralised Health Care Systems 2013

80329

Introduction

During the 2013 Government Negotiations on Development Cooperation between the Federal Republic of Germany and the Socialist Republic of Viet Nam a new commitment to the health sector was agreed: A total of EUR 6 million was committed in form of a soft loan for the financing of additional equipment to the provinces Nghe An and Thai Binh, for the "Programme Decentralised Health Care Systems 2013" (the "Project"). The Project is considered an extension of the "Strengthening Provincial Health Systems 2008 Project" which did provide support to the provincial health system in the two provinces Nghe An and Thai Binh.

During the first project the hospitals that received support were selected with the help of a set of criteria such as population size and density, poverty levels and share of minorities, support from other development partners, human resources and infrastructure absorption capacity, utilization rates and current level of medical equipment, jointly agreed upon by the German and Vietnamese site. These hospitals, the Nghe An Provincial Friendship General Hospital in Vinh, the Nghe An Northwestern Regional General Hospital in Thai Hoa Provincial Town, the Dien Chau District General Hospital, the Do Luong District General Hospital, the Quynh Luu District General Hospital and Tan Ky District General Hospital, all in Nghe An province; and the Thai Binh Provincial O&G Hospital, the Dong Hung District General Hospital, the Quynh Phu District General Hospital, the Thai Thuy District General Hospital, the Tien Hai District General Hospital and the Thai Binh Medical College, all in Thai Binh province, will receive further support during the new Project. Furthermore, selected communal health facilities in Nghe An and the Thai Binh Medical College will be supported.

From May 11th to 15th, 2015, KfW carried out a local appraisal mission to Nghe An and Thai Binh provinces to discuss with the Vietnamese partners on the results of the previous project and agree on the implementation of this project, summarized in these Minutes of Meeting. The mission was composed of Ms Regina Maria Schneider (head of mission), Senior Project

Manager, KfW Frankfurt, Dr. Joost Butenop, Senior Health Expert, KfW Frankfurt, and Ms Linh Khuong, Project Coordinator, KfW-Office Hanoi (the "Mission"). During the Mission, all district and provincial health facilities taking part in the previous project in Nghe An and Thai Binh, have been visited. The Mission likes to express its appreciation and gratitude to the representatives of all facilities visited, to the Provincial People's Committees (PPC) and the Departments of Health (DoH) for the open and constructive discussion as well as for the time and hospitality extended. The results of the Mission were discussed and agreed during a final meeting with the representatives of the PPCs and DoHs of Nghe An and Thai Binh provinces.

The KfW Mission pointed out that any statement made by the Mission and within the Minutes of Meeting will be subject to further approval by KfW's management. Further on, the Mission would like to highlight the following points with regard to the Project.

I. Project Design

1. Details of the Project

The Project concerns the provision of medical equipment and training in preventive maintenance (refresher training) and waste and waste water management to selected district, regional and provincial hospitals in Nghe An and Thai Binh provinces. In addition, selected Community Health Care Centers in the "Project-Districts" of Nghe An province and the Thai Binh Medical College will also receive support.

The objective of the German Development Cooperation in the health sector with Vietnam is to improve the access of the population (particular poor and disadvantaged groups) to decentralised, needs-oriented and high-quality health care services as part of an efficient referral system.

The purpose of the Project (Module objective) is as follows: "The population (including the poor and disadvantaged groups) in the catchment area of the selected hospitals in the provinces Nghe An and Thai Binh utilise decentralised, needs-oriented and high quality health services."

The criteria for reaching these objectives, the Project results and the required Project activities as well as the assumptions underlying the Project purpose and the Project results, are contained in Annex 1.

The design of the Project is based on (a) the previous project "Strengthening Provincial Health Systems 2008 " and (b) the Minutes of Meeting signed between the Departments of Health of Nghe An and Thai Binh provinces and the Implementation Consultant for the previous project, in Hanoi on 22nd April 2014, and (c) the agreement reached between KfW and the Provincial Administrations / Department of Health of Nghe An and Thai Binh provinces during the local Project Appraisal from 11th till 15th of May 2015.

The following Project activities shall be financed from the Loan:

Description	Activities
Procurement of medical Equipment	□ Provision of medical equipment for the Nghe an Provincial Friendship Hospital in Vinh and the Thai Binh Provincial O&G Hospital in Thai Binh City □ Provision of medical equipment for the Nghe An North Western Regional General Hospital in Thai Hoa Provincial Town and to the district hospitals in Dien Chau, Do Luong, Quynh Luu and Tan Ky, all in Nghe An province and in Dong Hung, Quynh Phu, Thai Thuy and Tien Hai, all in Thai Binh province

	☐ Provision of medical equipment to the Thai Binh Medical College ☐ Provision of medical equipment for selected Community Health Care Centers in the "Project-Districts" of Nghe An province ☐ Provision of further software for the Hospital Management Information System (Dien Chau District General Hospital only) ☐ Provision of technical user training for the medical equipment
Human Resources Development	☐ Training for the clinical users of medical equipment (supplied under the previous project as well as under this Project) ☐ Training in preventive maintenance ☐ Training in health care waste and health care waste water management ☐ Other training measures if required
Consulting Services	☐ Consulting services for procurement ☐ Consulting services for the provision of training in preventive maintenance ☐ Consulting services for the provision of training in waste and waste water management training

Details of the Project implementation and the composition of training activities shall be elaborated during the inception phase of the programme. This includes refining the monitoring and evaluation framework and the establishment of baseline data for some of the indicators as well as the definition of the target values.

2. Time Schedule

The duration of the Project is estimated to be 24 months. A detailed time schedule for the preparation, implementation and operation of the Project will be drawn up by the Project-Executing-Agencies and the Implementation Consultant during the Inception Phase. A preliminary time schedule for the preparation, implementation and operation of the Project is contained in Annex 2.

3. Total Cost and Financing

The estimated total Project costs ("Total Cost") underlying the Project appraisal is approximately EUR 7.5 million, out of which EUR 6 million will be financed by the FC loan and a counterpart contribution of at least 25% of the FC loan.

The counterpart contribution should amount to EUR 1.5 million and shall include:

- All required infrastructure improvement and civil works (including the internal network installation for HMIS if needed in Dien Chau), where necessary to ensure that equipment can be properly installed and operated.
- Provision of required consumables and coverage of other operating cost to secure the continuous and sustainable operation of the newly installed medical equipment.
- Cost for the Project Management Units.
- Cost and allowances for the attendance of the training courses

- Allocation of at least 3.5% of the cost of the newly installed medical equipment to the annual hospital maintenance budgets.
- Any other fees occurring with the import, inspection and installation of the medical equipment not covered under the supply contracts.
- Translation of important Project's documents in Vietnamese

The composition of Total Costs and the financing plan are contained in Annex 3.

II. Project Implementation

1. Responsibilities and Time, Cost and Financing Schedule

The Provincial Administrations i.e. the Provincial People's Committees ("PPC"s) of Nghe An and Thai Binh provinces will be the **Project-Executing Agencies (PEA)s** and shall be responsible for Project implementation, supervision and monitoring.

The PEAs shall install a Project Management Unit (PMU) in each of the provinces comprising of the Provincial People's Committee and the Provincial Department of Health. The PMUs will be responsible for the planning, implementation, monitoring and evaluation of all activities.

The detailed time, cost, and financing schedule, regularly updated for the proper technical and financial implementation of the Project, shall be prepared as soon as possible by the Project Executing Agencies in cooperation with the Implementation Consultant within the early course of implementation and submitted to KfW.

2. Assignment of a Consultant

The Project is supported by a consultant, who is financed from the Loan. The duties of the consultant shall comprise assistance to the PEA in the detailed preparation, implementation, coordination, monitoring and reporting of the Project after conclusion of the loan agreement until the Project's final completion (the "Implementation Consultant"). The detailed scope of services is as following:

- Assistance to the PEAs in the overall coordination, monitoring and supervision of all Project activities;
- Assistance to the process of reviewing and verifying the preliminary medical equipment list desired for each of the hospitals. Hereby special attention to be given to the issue of easy operation and low maintenance costs as well as to the integration/ interface with the existing equipment.
- Assistance to the PEAs in elaborating tender specifications and tender requirements for the supply, delivery and installation of the selected medical equipment, which have to consider life-cycle cost including cost for operation and maintenance of the

respective equipment. In addition to that, the results of the review process have also to be taken into account.

- Assistance to the PEAs in conducting the tender processes including the preparation of tender documentation, the evaluation of the respective tenders and the preparation of contracts. The contract for the provision of further software for the Hospital management Information System will be directly awarded to the local OneNet company¹;
- Assistance to the PEAs in the supervision of the installation of the equipment;
- Assistance to the PEAs in the supervision of the user training provided by the supplier of the equipment;
- Assistance to the PEAs in the provision – if not conducted by the Implementation Consultant himself or herself – and monitoring of all training activities for human resource development under the Project;
- Assistance to the PEAs in the financial management of the Project including the approval of **contractors'/suppliers'** invoices and the processing of the disbursement requests to Ministry of Finance and KfW;
- Assistance to the PEAs in the fulfilment of the reporting requirements towards KfW, in particular the preparation of the inception, progress and final reports and the issuance of the acceptance certificates;
- Assistance to the PEAs in monitoring of rectification measures as well as of the preventive maintenance activities.

Following pre-selection and international public competitive bidding, the contract for the Implementation Consultant shall be awarded to an independent qualified consulting company. The contract awarding procedure shall be governed by the "Guidelines for the Assignment of Consultants in Financial Cooperation with Partner Countries" to be found at the official KfW website. The pre-selection shall start after the approval of the PDO, the internal Feasibility Study as well as bidding plan (required by the Vietnamese Government, foreseen for end of September 2015). The international public competitive bidding (qualification) shall start after the Terms of Reference for the Implementation Consultant have been agreed upon between KfW and the PEAs. The PEAs will request the necessary advance action in the Project Outline.

KfW shall assist the PEAs in the selection of the consultant and the award of the contract and during the tendering of the consulting services. On request of the PEAs KfW will employ a tender agent to assist the PEAs in this process. The cost will be borne by a special fund provided by the German Government.

3. Award of Contracts for Goods and other Services

The contracts for goods and all other services financed from the loan shall be awarded in cooperation with the Implementation Consultant by way of international competitive bidding.

¹ The local company Onenet has developed the hospital management information system which was procured and installed in all the hospitals under the previous project.

The contracts shall be split into two lots, one for Nghe An province and one for Thai Binh province.

The Hospital Management Information System (HMIS) component for Dien Chau District Hospital shall be directly awarded in cooperation with the Implementation Consultant.

The tender documents shall be submitted to KfW for comment in due course prior to publication of the invitation to tender.

The bidding period shall be fixed in a way that allows the bidders sufficient time to prepare their bids.

The remaining details concerning the awarding procedure and contractual provisions are explained in the "Guidelines for Procurement of Goods, Works and associated Services in Financial Cooperation with Partner Countries", which are available at the official KfW website.

Prior to the conclusion of a contract for goods and services KfW shall be furnished for comment with the draft contract as agreed upon, duly endorsed by the Implementation Consultant. The same applies to any subsequent modifying or amending agreements.

4. Special Implementation Agreements

For the implementation of the Project the following agreement have to be fulfilled:

- Prior to the signing of the consulting contact, the PEAs of Nghe An and Thai Binh province respectively will have ensured the provision of their respective counterpart contributions.
- Prior to the conclusion of the supply contracts the PEAs and the participating hospitals have to ensure that all required infrastructure improvement, civil works and pre-installation works (including the internal network installation for HMIS in Dien Chau if needed), are properly installed and operated where necessary.
- The PEAs and the participating hospitals will ensure the funding for the sustainable operation and maintenance of the medical equipment after completion of the Project. Thus, prior to the start of tender process, the hospitals will increase their annual maintenance budget by 3.5% of the costs of the respective new equipment to be delivered under this Project.
- The PEAs and the participating hospitals will ensure the availability of appropriately qualified medical and technical personnel to operate and maintain the equipment.

5. Provisions for the Proper Operation of the Project

To secure the proper operation of the Project, the PEAs shall assure that the participating hospitals revise their operation and maintenance concept in regard to the inclusion of the new medical equipment. These revision can built upon the concepts, drawn up in cooperation with the Implementation Consultant under the previous project, and shall be submitted to KfW at least three months prior to commissioning of the Project (sites).

At the same time the PEAs shall submit to KfW a financial forecast for the participating hospitals, drawn up in cooperation with the Implementation Consultant. This forecast is to show the expenses calculated for each hospital within the Project. The PEAs shall periodically update this forecast and ensure that any financing gaps shall be covered in due course.

III. Disbursement Procedure

1. Disbursement Procedure

The funds will be disbursed by the direct disbursement procedure:

Upon request of the Ministry of Finance ("Authorized Party" for disbursement requests), KfW disburses funds directly to the contractors whose goods and services are to be financed by KfW.

IV. Reporting and Other Provisions

1. Reporting

Until further notice, the PEAs shall report to KfW semi-annually on the progress of the Project (progress reports) and on the implementation of the special implementation agreements and on the provision for the proper functioning of the Project (see II. 4. and 5.) as well as and on the development of all other important general conditions. Hereby, the PEAs shall make use of the data generated by the installed Hospital Management Information System.

In addition, the PEAs shall report on all circumstances that might jeopardize the achievement of the overall objective, the Project purpose and the results. The reports must have been received by KfW not later than 6 weeks after the end of the period under review. The reports shall be countersigned by the Implementation Consultant.

The inception report shall be submitted 4 months after the mobilisation of the Implementation Consultant. At the time of the commissioning of the Project, but before the expiry of the guarantee period at the latest, the PEAs shall submit a final report on the measures carried out. The reports shall be countersigned by the Implementation Consultant.

If the PEAs have charged the Implementation Consultant to write the progress reports and/or the final report, the PEAs shall comment on the reports or acknowledge its approval of the content by countersigning the reports.

After completion of the Project, reporting on its further development is to be continued until KfW informs about the end of the reporting period.

V. Next steps

For completion of the next steps prior to loan signing the following time schedule has been discussed and proposed.

No.	Activities	Responsibility	Time
1	Local Project Appraisal	KfW/PEAs	May 2015
2	Submission of the PDOs by the Departments of Health of Nghe An and Thai Binh provinces, including advance action for procurement of Implementation Consultant.	PPC/ DoH to Ministry of Planning and Investment	End of June 2015
3	Submission of Appraisal Report to the German Government	KfW	End of August 2015
4	Approval of the PDOs (Close follow-up on the progress of PDO approval by PPC/DOH required)	Government Office	End of September 2015
5	Preparation of the Project Feasibility Studies, Bidding Plan	DOH	End of August 2015
6	Approval of the Project Feasibility Studies, Bidding Plan by the PPCs	PPCs/DoH	1 week after PDO approval
7	Submission of draft Loan and Separate Agreement	KfW to MoF + PEAs	End of Sept. 2015
8	Loan Negotiation	KfW/MoF	Novem. 2015
9	Signing Loan and Separate Agreement	KfW/MoF/PEAs	Decem. 2015
10	Drafting Terms of Reference for the Implementation Consultant	KfW/PEAs	July 2015
11	Starting tendering for the Implementation Consultant	KfW/PEAs	after approval of PDO, Feasibility Studies and Bidding plan

The mission expresses again its sincere gratitude for the hospitality and support extended to its members during their stay in Vietnam.

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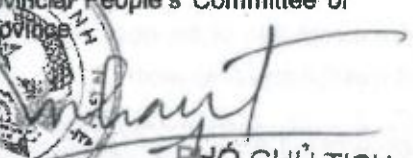
Hanoi, 20th of May 2015

For the KfW-Mission


Regina Maria Schneider
(Head of Mission)



For the Provincial People's Committee of
Nghe An Province


PHÓ CHỦ TỊCH

ĐINH THỊ LỆ THANH

For the Provincial People's Committee of
Thái Bình Province




KT. CHỦ TỊCH
PHÓ CHỦ TỊCH

Cao Thị Hải

Annexes

- Annex 1: Objectives and Results of the Project and Assumptions for their Achievement
- Annex 2: Preliminary Time Schedule
- Annex 3: Total Cost and Financing

Annex 1

Code	Objective / Result / Activity	Indicator / Intermediate Result	2016	2017	Responsible	Assumptions / comments
R2	The hospitals have filled relevant positions with qualified personnel for (a) patient oriented utilization and (b) sustainable physical asset and maintenance management.	Staffing code for relevant positions shows full coverage of all positions Baseline: Target:			PEAs and Hospital Directorates / Implementation Consultant	Qualified personnel is available "on the market" for recruitment in the project area. Qualified personnel is retained at the hospitals
A2.1	Identification of HR need and recruitment of qualified personnel		X	X	PEAs / Hospitals / Implementation Consultant	
A2.2	Training of personnel in application of new equipment (medical and technical)		X	X	PEAs / Hospitals / Implementation Consultant	
R3	Maintenance of new equipment is ensured	Planned preventive maintenance (PPM) schedule for new equipment is applied at >95% regularity at the end of the project timeframe. Baseline: Target: >95%			PEAs / Hospitals / Implementation Consultant	
A3.1	(Refresher) training of technical hospital personnel in maintenance and planned preventive maintenance (based on the previous 2008 project)	Training sessions conducted Nr of staff trained Nr of staff training days	X	X	PEAs / Hospitals / Implementation Consultant	
A3.2	Planned preventive maintenance (PPM) schedule for new equipment established and implemented		X	X	PEAs / Hospitals / Implementation Consultant	
R4	Waste management is improved				PEAs / Hospitals / Implementation Consultant	
A4.1	(Refresher) training of technical hospital personnel in hospital waste management	Training sessions conducted Nr of staff trained Nr of staff training days	X	X	PEAs / Hospitals / Implementation Consultant	Coordination with the "Decentralised Health Care Systems 2010", Component 2 is needed

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Objectives and Results of the Project and Assumptions for their Achievement¹⁾

Annex 1

Code	Objective / Result / Activity	Indicator / Intermediate Result	2016	2017	Responsible	Assumptions / comments
OO	Overall Objective The population, particularly poor and disadvantaged groups, in the selected provinces, has improved access to decentralized, needs-oriented and high-quality health services as part of an efficient referral system.	Rates of maternal and child mortality are reduced.	X X X X X X	X X X X X X		
OS	Module Objective The population (including poor and disadvantaged groups) in the catchment area of the selected hospitals in the provinces of Nghe An and Thai Binh utilise decentralised, needs-oriented and high quality health services.	Increase of inpatient numbers utilising the new equipment by x% compared to baseline statistics, including an increase of patients with 100% health insurance coverage (poor, near poor and disadvantaged groups) within the project timeframe	X X X X X X	X X X X X X	PEAs / Hospital Directorate / Implementation Consultant / KfW	Patients with 100% health insurance coverage (poor, near poor and disadvantaged groups) utilise the improved services. Poor, near poor and disadvantaged groups obtain health insurance cards in sufficient numbers
R1	Results and Activities Participating hospitals are equipped with additional appropriate and quality assured medical equipment.	Equipment and material is procured, installed, functioning and utilised within the project time frame.				
A1.1	Identification of unmet demand for medical equipment and identification of criteria to prioritise equipment need		X X		PEAs / Hospitals / Implementation Consultant	
A1.2	Update cost estimates for equipment budget		X		PEAs / Hospitals / Implementation Consultant	
A1.3	Establish technical and tender documents for the procurement of equipment		X X		PEAs / Hospitals / Implementation Consultant	
A1.4	Manage the tender and procurement processes		X X		PEAs / Hospitals / Implementation Consultant	Contracts to be approved by PEAs and KfW
A1.5	Conclusion of maintenance contracts with suppliers			X X	PEAs / Hospitals / Implementation Consultant	
A1.6	Supervise installation and supplier training of new equipment			X X	PEAs / Hospitals / Implementation Consultant	
A1.7	Preliminary and final acceptance of goods and services			X X	PEAs / Hospitals / Implementation Consultant	
A1.8	Monitoring use of equipment			X X X	PEAs / Hospitals / Implementation Consultant Hospital Directorates	HMIS system from previous project phase is generating the required data
A1.9	Regular maintenance monitoring			X X	Hospital Directorates	

1) The activities and the respective indicators for the module objective as well as for the results will be reviewed and if necessary, adjusted by the PEAs and the Implementation Consultant during the inception phase.

Project Time Schedule

Annex 2

Activities	1st year												2nd year											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Month of project implementation																								
FC																								
Conclusion of Loan and Separate Agreement																								
Tendering and selection of Implementation Consultant																								
Review and verifying the preliminary medical equipment list and definition of pre-Installation requirements (inception phase)																								
Final procurement list/technical specifications																								
Tender Documents and Prequalification																								
Tender																								
Tender evaluation and awarding of contracts																								
Verification of preinstallation works																								
Supply and installation of equipment																								
Concept and training measures for maintenance & hospital waste																								
Inception Report (Implementation Consultant) and semi-annual Progress Reports by the PEAs / Implementation Consultant																								
Reporting to BMZ (jointly with German Technical Cooperation (GIZ))																								

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Total Cost and Financing Schedule

Annex 3

Project Activities	Cost		Financing	
1. Physical Investment (Equipment) for Nghe An province	Foreign Exchange Cost in EUR	Local currency in EUR	FC loan in EUR for Nghe An province	Executing Agency contribution in EUR for Nghe An province
1.1 Nghe An Provincial General Hospital	1,685,000.00		1,685,000.00	
1.2 Dien Chau District General Hospital*	175,000.00	25,000.00	200,000.00	
1.3 Do Luong District General Hospital	200,000.00		200,000.00	
1.4 Nghe An Northwest Regional General Hospital	300,000.00		300,000.00	
1.5 Quynh Luu District General Hospital	220,000.00		220,000.00	
1.6 Tan Ky District General Hospital	120,000.00		120,000.00	
Total for hospitals	2,725,000.00		2,725,000.00	
1.7 Selected Communal Health Care Centers in the "Project-Districts"	300,000.00		300,000.00	
Total Cost Physical Investment	3,025,000.00		3,025,000.00	
2. Consulting Costs for Nghe An province				
2.1 Consulting Services for the procurement of the Equipment	165,000.00		165,000.00	
2.2 Consulting Services for Training	60,000.00		60,000.00	
Total Consulting Cost	225,000.00		225,000.00	
Total Physical Investment and Consulting Cost for Nghe An	3,250,000.00		3,250,000.00	
25% Partner contribution for pre-installation work, PMUs, allowances, maintenance etc.		812,500.00		812,500.00
Total Project Cost for Nghe An: Foreign Exchange + local costs	4,062,500.00		3,250,000.00	812,500.00
3. Physical Investment (Equipment) for Thai Binh province	Foreign Exchange Cost in EUR	Local currency in EUR	FC loan in EUR for Thai Binh province	Executing Agency contribution in EUR for Thai Binh
3.1 Thai Binh Provincial O&G Hospital	270,000.00		270,000.00	
3.2 Thai Binh Medical College	500,000.00		500,000.00	
3.3 Dong Hung District General Hospital	500,000.00		500,000.00	
3.4 Quynh Phu District General Hospital	500,000.00		500,000.00	
3.5 Thai Thuy District General Hospital	450,000.00		450,000.00	
3.6 Tien Hai District General Hospital	350,000.00		350,000.00	
Total Cost Physical Investment	2,570,000.00		2,570,000.00	
4. Consulting Costs for Thai Binh province				
4.1 Consulting Services for the procurement of the Equipment	130,000.00		130,000.00	
4.2 Consulting Services for Training	50,000.00		50,000.00	
Total Consulting Cost	180,000.00		180,000.00	
Total Physical Investment and Consulting Cost for Thai Binh	2,750,000.00		2,750,000.00	
25% Partner contribution for pre-installation work, PMUs, allowances, maintenance etc.		687,500.00		687,500.00
Total Project Cost for Thai Binh	3,437,500.00		2,750,000.00	687,500.00
Total Physical Investment + Consulting Cost + Partner contribution for both provinces	7,500,000.00		6,000,000.00	1,500,000.00

* The total amount proposed for Dien Chau which is EUR 200,000.00 will consist of EUR 25,000.00 for HMIS software (to be procured locally) and EUR 175,000.00 for equipment.

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Updates to the Appraisal Meeting (submitted by the PEAs)

Vietnamese Versions in Separate Volume Annex 11a

Nghe An English Version

Nghe An PPC

No. 6007/UBND-VX

Socialist Republic of Vietnam

Independence – Freedom – Happiness

Nghe An, 19/08/2021

Ref: Finalization of the Separate Agreement for the project “Programme Decentralised Health Care Systems 2013”

Attn.: KfW

In response to KfW's letter dated 01/07/2021 on finalization of the Separate Agreement for the project “Programme Decentralised Health Care Systems 2013” to be signed between KfW and the PPC of Nghe An and Thai Binh, PPC Nghe An would like to response as follows:

PPC Nghe An in general agrees with the content of the Separate Agreement. However, since the project implementation has been delayed for several years, some of the project investment activities which were agreed earlier between KfW and the PEAs on 20/5/2015 have been adjusted as follows:

- (i) The provincial General Hospital withdrew from the project
- (ii) HMIS in Dien Chau was already invested

Based on the Prime Minister's Decision No. 540/QĐ-TTg dated 20/4/2020 approving the Investment Proposal Policy of the mentioned project financed by German ODA and the PPC's decision no. 643/QĐ-UBND approving the project Feasibility Study Report (- *the internal FS*-) dated 30/12/2020, Nghe An PPC would like to make the following comments on the draft Separate Agreement:

1. Scope of Investment under the project:
 - Procurement of medical equipment for the following hospitals, namely: Nghe An Northwest Regional General hospital and 04 general district hospitals of Quynh Luu, Dien Chau, Do Luong and Tan Ky together with training on utilization of the equipment
 - Consulting services for procurement of equipment.

2. ODA Budget allocation among the investment activities

#	Health Facilities and investment activities	Revised allocation (in EURO)	Fund
1	Procurement of medical equipment and user training	3,085,000	

1.1	Nghe An Northwest Regional General hospital	1,266,600
1.2	Quynh Luu General District hospital	532,600
1.3	Dien Chau General District Hospital	424,300
1.4	Do Luong General District Hospital	355,000
1.5	Tan Ky General District Hospital	506,500
2	International Consulting Services for Procurement of Equipment	165,000
	Total (1) + (2)	3,250,000

PPC Nghe An kindly ask KfW to consider and adjust the budget allocation, report to MOF to complete the next steps as defined by relevant regulations timely.

PPC Nghe An would like to thank you for the continuous support and cooperation from KfW.

Signed and stamped
Nghe An PPC Vice Chairman
Bui Dinh Long

Distribution:

- As above
- MOF
- PPC Chairman
- Vice Chairman for Social Affairs
- Dept.: Health, DPI, Finance
- Chief and deputy chief of PPC Office, Social Affairs Division
- Archives

**ỦY BAN NHÂN DÂN
TỈNH NGHỆ AN**

**CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc**

Số: 6007/UBND-VX
V/v ý kiến hoàn thiện dự thảo Thỏa
thuận riêng Dự án "Tăng cường hệ
thống y tế tuyến tỉnh 2013".

Nghệ An, ngày 19 tháng 8 năm 2021

Kính gửi: Ngân hàng Tái thiết Đức (KfW)

Phúc đáp Công thư đề ngày 01/7/2021 của Ngân hàng Tái thiết Đức về việc góp ý dự thảo Thỏa thuận riêng Dự án "Tăng cường hệ thống y tế tuyến tỉnh 2013" dự kiến ký giữa Ngân hàng Tái thiết Đức và Ủy ban nhân dân hai tỉnh Thái Bình và Nghệ An, UBND tỉnh Nghệ An báo cáo như sau:

Thông nhất với các nội dung cơ bản của dự thảo Thỏa thuận riêng dự án. Tuy nhiên, do tiến độ triển khai dự án chậm nên một số hoạt động cụ thể được ký giữa KfW và các Cơ quan thực hiện chương trình vào ngày 20/5/2015 đã được điều chỉnh như: Bệnh viện đa khoa tỉnh Nghệ An xin rút khỏi dự án; Đầu tư phần mềm HMIS cho Bệnh viện đa khoa huyện Diễn Châu đã được đầu tư.

Căn cứ Quyết định số 540/QĐ-TTg ngày 20/4/2020 của Thủ tướng Chính phủ về việc phê duyệt chủ trương đầu tư Dự án "Tăng cường hệ thống y tế tuyến tỉnh, tỉnh Nghệ An giai đoạn 2021-2023" vốn vay ODA của Chính phủ Đức và Quyết định số 4896/QĐ-UBND ngày 30/12/2020 của UBND tỉnh Nghệ An về việc phê duyệt Báo cáo nghiên cứu khả thi Dự án "Tăng cường hệ thống y tế tuyến tỉnh, tỉnh Nghệ An giai đoạn 2021-2023" vốn vay ODA của Chính phủ Đức, UBND tỉnh Nghệ An góp ý kiến điều chỉnh vào bản Dự thảo Thỏa thuận riêng dự án "Tăng cường hệ thống y tế tuyến tỉnh 2013", cụ thể như sau:

1. Các hoạt động của Chương trình được thỏa thuận tài trợ từ khoản vay

- Mua sắm trang thiết bị y tế cho các bệnh viện: Bệnh viện đa khoa khu vực Tây Bắc, 04 Bệnh viện đa khoa huyện: Quỳnh Lưu, Diễn Châu, Đô Lương, Tân Kỳ và cung cấp đào tạo kỹ thuật hướng dẫn sử dụng trang thiết bị y tế.
- Dịch vụ tư vấn mua sắm trang thiết bị.

2. Tổng chi phí đầu tư của Chương trình

STT	Đơn vị thụ hưởng và Nội dung đầu tư	Chi phí thay đổi (EUR)
1	Mua sắm và Đào tạo kỹ thuật hướng dẫn sử dụng trang thiết bị y tế	3.085.000,0
1.1	Bệnh viện Đa khoa khu vực Tây Bắc	1.266.600,0
1.2	Bệnh viện Đa khoa huyện Quỳnh Lưu	532.600,0
1.3	Bệnh viện Đa khoa huyện Diễn Châu	424.300,0
1.4	Bệnh viện Đa khoa huyện Đô Lương	355.000,0
1.5	Trung tâm y tế huyện Tân Kỳ	506.500,0
2	Chi phí tư vấn quốc tế mua sắm thiết bị	165.000,0
	Tổng (1) + (2):	3.250.000,0

Ủy ban nhân dân tỉnh Nghệ An kính đề nghị Ngân hàng Tái thiết Đức xem xét điều chỉnh các hoạt động của Chương trình và cơ cấu nguồn vốn; báo cáo Bộ Tài chính để sớm hoàn thành các thủ tục tiếp theo đúng quy định (Gửi kèm Dự thảo Thỏa thuận riêng dự án "Tăng cường hệ thống y tế tuyến tỉnh 2013" do Ngân hàng Tái thiết Đức gửi UBND tỉnh Nghệ An).

Ủy ban nhân dân tỉnh Nghệ An trân trọng cảm ơn và mong tiếp tục nhận được sự quan tâm hỗ trợ của Quý cơ quan. /

Nơi nhận:

- Như trên;
- Bộ Tài chính (B/c);
- Chủ tịch UBND tỉnh (B/c);
- PCT VX UBND tỉnh;
- Các Sở: Y tế, KH&ĐT, Tài chính;
- Chánh VP, PCVP VX UBND tỉnh;
- Lưu VT, KGVX (TP, P).

TM. ỦY BAN NHÂN DÂN

KT. CHỦ TỊCH

PHÓ CHỦ TỊCH



Bùi Đình Long

Thai Binh English Version

Thai Binh PPC
No. 3552/UBND-KT
Happiness

Socialist Republic of Vietnam
Independence – Freedom –

Thai Binh, 13/08/2021

Ref: Finalization of the Separate Agreement for the project "Programme Decentralised Health Care Systems 2013"

Attn.: - MOF
- KfW

Thai Binh PPC received the Draft Separate Agreement for the project "Programme Decentralised Health Care Systems 2013" which is planned to be signed between KfW and the PPC of Nghe An and Thai Binh, submitted by KfW on 01/07/2021.

After having reviewed the request of Thai Binh DOH at letter no/ 1646/SYT_KHTC dated 10/8/2021, Thai Binh PPC in general agrees with the mentioned Draft. However, in consideration of:

- (iii) MOF's opinion at letter no. 9689/BTC_QLN dated 20/7/2017 providing comments on the Project Investment Proposal Policy of the project "Strengthening Provincial Health System in Thai Binh province 2020-2023" which indicated that foreign loans shall only be used for investment but not for recurrent expenditures (e.g. capacity building, training) and
- (iv) The user training, technology transfer and guidance on utilization of equipment is the responsibility of the equipment supplier which should be one of the regulated in the tender document,

Thai Binh PPC would like to request KfW to allocate the ODA funds i.a.o. EUR 50,000 which was originally foreseen for those capacity building and training activities to Thai Thuy General District hospital additionally for medical equipment. In details, the budget allocation for the project hospitals in Thai Binh will be as follows:

Thai Binh O&G hospital:	EUR 270,000
Thai Binh Medical College	EUR 500,000
Dong Hung Genral District Hospital	EUR 500,000
Quynh Phu General District Hospital	EUR 500,000
Thai Thuy Genrerel District Hospital	EUR 500,000
Tien Hai General District Hospital	EUR 350,000

Implementation for Procurement of Equipment EUR 130,000

Total EUR 2,750,000

The above budget allocation has been approved by Prime Minister at the Decision no. 381/QĐ-TTg dated 16/3/2020 approving the Investment Proposal Policy and the accordingly reflected in the PPC's decision no. 643/QĐ-UBND approving the project Feasibility Study Report. *(-the internal FS-)*.

Thai Binh PPC would like to report to the concerned parties and kindly ask MOF to instruct Thai Binh PPC the next steps.

Signed and stamped
Thai Binh PPC Chairman
Nguyen Khac Than

Distribution:

- As above
- PPC Chairman, all Vice Chairmen
- Dept.: DPI, Finance, Health
- PPC Office
- Archives



**ỦY BAN NHÂN DÂN
TỈNH THÁI BÌNH**

**CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc**

Số: **3552**/UBND-KT

Thái Bình, ngày **13** tháng 8 năm 2021

V/v hoàn thiện dự thảo Thỏa thuận
riêng Dự án "Tăng cường hệ thống y
tế tuyến tỉnh 2013"

Kính gửi:

- Bộ Tài chính;
- Ngân hàng Tái thiết Đức (KfW).

Ủy ban nhân dân tỉnh Thái Bình nhận được bản Dự thảo Thỏa thuận riêng Dự án "Tăng cường hệ thống y tế tuyến tỉnh 2013" dự kiến ký giữa Ngân hàng Tái thiết Đức và Ủy ban nhân dân hai tỉnh: Thái Bình, Nghệ An do Ngân hàng Tái thiết Đức gửi ngày 01/7/2021;

Sau khi xem xét đề nghị của Sở Y tế (Văn bản số 1646/SYT-KHTC ngày 10/8/2021); Ủy ban nhân dân tỉnh Thái Bình cơ bản nhất trí với nội dung Dự thảo nêu trên. Tuy nhiên, tiếp thu ý kiến của Bộ Tài chính tại văn bản số 9689/BTC-QLN ngày 20/7/2017 về việc góp ý báo cáo đề xuất chủ trương đầu tư Dự án "Tăng cường hệ thống y tế tuyến tỉnh tại Thái Bình, giai đoạn 2017-2020" sử dụng vốn vay ODA của Chính phủ Đức: "... chỉ sử dụng vốn vay nước ngoài cho mục tiêu đầu tư phát triển, không sử dụng vốn vay cho chi hành chính sự nghiệp (các hoạt động đào tạo)"; mặt khác việc đào tạo, chuyển giao, hướng dẫn sử dụng trang thiết bị là trách nhiệm của đơn vị cung cấp nên sẽ được đưa vào là một trong những yếu tố bắt buộc khi xây dựng hồ sơ mời thầu. Vì vậy, Ủy ban nhân dân tỉnh Thái Bình đề nghị kết cấu lại phần vốn vay ODA, theo đó 50.000 Euro dành riêng cho hoạt động đào tạo sẽ được bổ sung vào mua sắm trang thiết bị cho Bệnh viện Đa khoa huyện Thái Thụy. Như vậy cơ cấu nguồn vốn vay của Thái Bình đề nghị điều chỉnh lại như sau:

- Bệnh viện Phụ sản:	270.000 Euro
- Trường Cao đẳng Y tế:	500.000 Euro
- Bệnh viện Đa khoa huyện Đông Hưng:	500.000 Euro
- Bệnh viện Đa khoa huyện Quỳnh Phụ:	500.000 Euro
- Bệnh viện Đa khoa huyện Thái Thụy:	500.000 Euro
- Bệnh viện Đa khoa huyện Tiền Hải:	350.000 Euro
- Tư vấn mua sắm trang thiết bị:	130.000 Euro
Tổng cộng:	2.750.000 Euro

Mức điều chỉnh này đã được phê duyệt tại Quyết định 381/QĐ-TTg ngày 16/3/2020 của Thủ tướng Chính phủ phê duyệt chủ trương đầu tư Dự án "Tăng cường hệ thống y tế tuyến tỉnh tại Thái Bình, giai đoạn 2020 - 2023" sử dụng vốn vay ODA của Chính phủ Đức và Quyết định số 643/QĐ-UBND ngày 26/02/2021 của Ủy ban nhân dân tỉnh Thái Bình phê duyệt Báo cáo nghiên cứu khả thi Dự án.



✓

Ủy ban nhân dân tỉnh Thái Bình xin trân trọng báo cáo và đề nghị Bộ Tài chính hướng dẫn triển khai các bước tiếp theo để Dự án sớm được thực hiện./. *HT*

Nơi nhận:

- Như trên;
- CT, các PCT UBND tỉnh;
- Các Sở: KHĐT, TC, Y tế;
- LĐVP;
- Lưu: VT, KTKH *HT*

CHỦ TỊCH



Nguyễn Khắc Thận
Nguyễn Khắc Thận



Compliance Covenants Programme-Executing Agency

a) Definitions

Coercive Practice: the impairing or harming, or threatening to impair or harm, directly or indirectly, any person or the property of the person with a view to influencing improperly the actions of a person.

Collusive Practice: an arrangement between two or more persons designed to achieve an improper purpose, including to influence improperly the actions of another person.

Corrupt Practice: the promising, offering, giving, making, insisting on, receiving, accepting or soliciting, directly or indirectly, of any illegal payment or undue advantage of any nature, to or by any person, with the intention of influencing the actions of any person or causing any person to refrain from any action.

Designated Categories of Offences: the following categories of offences as defined by the FATF Recommendations and the respective interpretative note: participation in an organised criminal group and racketeering; terrorism, including financing of terrorism; trafficking in human beings and migrant smuggling; sexual exploitation, including sexual exploitation of children; illicit trafficking in narcotic drugs and psychotropic substances; illicit arms trafficking; illicit trafficking in stolen and other goods; corruption and bribery; fraud; counterfeiting currency; counterfeiting and piracy of products; environmental crime; murder, grievous bodily injury; kidnapping, illegal restraint and hostage-taking; robbery or theft; smuggling (including in relation to customs and excise duties and taxes); tax crimes (related to direct taxes and indirect taxes); extortion; forgery; piracy; insider trading and market manipulation.

FATF Recommendations: such recommendations as defined from time to time by the Financial Action Task Force (FATF). FATF is the inter-governmental body whose purpose is the development and promotion of national and international policies to combat money laundering and the financing of terrorism.

Fraudulent Practice: any action or omission, including misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a person to obtain a financial benefit or to avoid an obligation.

Illicit Origin: the origin of funds obtained through

- a) any offence listed in the Designated Categories of Offences;
- b) any Corrupt Practice;
- c) any Fraudulent Practice; or
- d) money laundering.

Obstructive Practice: (i) deliberately destroying, falsifying, altering or concealing evidence material to the investigation or the making of false statements to investigators, in order to materially impede an official investigation into allegations of a Corrupt Practice, Fraudulent Practice, Coercive Practice or Collusive Practice, or threatening, harassing or intimidating any person to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) any act intended to materially impede the exercise of KfW's access to contractually required information in connection with an official investigation into allegations of a Corrupt Practice, Fraudulent Practice, Coercive Practice or Collusive Practice.

Person: any natural person, legal entity, partnership or unincorporated association.

Sanctionable Practice: any Coercive Practice, Collusive Practice, Corrupt Practice, Fraudulent Practice or Obstructive Practice (as such terms are defined herein), which (i) is unlawful under German or other applicable law, and (ii) which has, or potentially could have, a material legal or reputational effect on the Loan Agreement between the Borrower and KfW or its implementation.

Sanctions: the economic, financial or trade sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctioning Body.

Sanctioning Body: any of the United Nations Security Council, the European Union and the Federal Republic of Germany.

Sanctions List: any list of specially designated persons, groups or entities which are subject to Sanctions, as issued by any Sanctioning Body.

b) Information Undertaking

The Programme-Executing Agency shall

- a) promptly make available to KfW all relevant "know your customer" or similar information about the Programme-Executing Agency and any of its (direct and/or indirect) shareholders, subsidiaries and/or any other affiliates (if any), as KfW may request;
- b) promptly furnish to KfW on demand all Programme-related information and documents of the Programme-Executing Agency and its (sub)contracting and other related parties which KfW requires to fulfil its obligations to prevent any Sanctionable Practice, money laundering and/or terrorism financing as well as for the continuous monitoring of the business relationship with the Programme-Executing Agency which is necessary for this purpose;
- c) inform KfW, promptly and of its own accord, as soon as it becomes aware of or suspects, any Sanctionable Practice, act of money laundering or/and terrorism financing by the Programme-Executing Agency, any member of its management bodies or other governing bodies or any of its shareholders;



- d) furnish to KfW any and all such information and reports on the Programme and its further progress as KfW may request for the purposes of this Annex;
- e) enable KfW and its agents at any time to inspect all other Programme-related documentation of the Programme-Executing Agency and its (sub)contracting and other related parties, and to visit the Programme and all installations related thereto for the purposes of this Annex.
- f) inform KfW, promptly and of its own accord, of any event which results in any of the Programme-Executing Agency, any member of its management bodies or other governing bodies or any of its shareholders, being or becoming a specially designated national, blocked person or entity maintained on any Sanctions List.

c) **Representations and Warranties**

- a. With regard to German law or the law of the country of incorporation of the Programme-Executing Agency, the Programme-Executing Agency represents and warrants that the following is true and correct:
 - a) In entering into and implementing the Separate Agreement the Programme-Executing Agency acts in its own name and for its own account.
 - b) To the best of its knowledge and only in relation to the shareholders known to the Programme-Executing Agency pursuant to applicable stock market regulations, neither the Programme-Executing Agency's equity nor the funds invested in the Programme are of Illicit Origin.
 - c) None of the Programme-Executing Agency, its affiliates, subsidiaries or any other Person acting on its or their behalf has committed or is engaged in any Sanctionable Practice, money laundering or financing of terrorism.
 - d) The Programme-Executing Agency has not (i) entered into any business relationship with specially designated nationals, blocked persons or entities maintained on any Sanctions List; or (ii) engaged in any other activity that would constitute a breach of Sanctions.
- b. The representations and warranties set forth in this Article are made for the first time by execution of the Separate Agreement. They will be deemed to be repeated upon each drawing of the Loan and on each interest payment date, in each case by reference to the circumstances prevailing at that date.



d) **Positive Undertakings**

The Programme-Executing Agency undertakes

- a) to fully comply with anti-money laundering and terrorism financing standards in accordance with the FATF **Recommendations**, and implement, maintain and, if necessary, improve its internal standards and guidelines (including without limitation in relation to customer due diligence) appropriate to avoid any Sanctionable Practice, act of money laundering or financing of terrorism; and
- b) as soon as the Programme-Executing Agency or KfW becomes aware of or suspects any Sanctionable Practice, act of money laundering or financing of terrorism, to fully cooperate with KfW and its agents, in determining whether such compliance incident has occurred. In particular, the Programme-Executing Agency shall respond promptly and in reasonable detail to any notice from KfW and shall furnish documentary support for such response upon KfW's request.

e) **Negative Undertakings**

The Programme-Executing Agency undertakes

- a) to ensure that its equity and other funds it invests will not be of Illicit Origin;
- b) to ensure that its business will not give rise to any Sanctionable Practice, money laundering or financing of terrorism; and
- c) not to enter into or continue any business relationship with specially designated nationals, blocked persons or entities maintained on any Sanctions List and not to engage in any other activity that would constitute a breach of Sanctions.