PHẦN VĂN BẢN KHÁC

BỘ NGOẠI GIAO

BỘ NGOẠI GIAO	**CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM** **Độc lập - Tự do - Hạnh phúc**
Số: 92/2014/TB-LPQT	*Hà Nội, ngày 31 tháng 12 năm 2014*

THÔNG BÁO
Về việc điều ước quốc tế có hiệu lực

Thực hiện quy định tại khoản 3 Điều 47 của Luật Ký kết, gia nhập và thực hiện điều ước quốc tế năm 2005, Bộ Ngoại giao trân trọng thông báo:

Hiệp định tài chính giữa Chính phủ nước Cộng hòa xã hội chủ nghĩa Việt Nam và Liên minh Châu Âu cho dự án "Chương trình hỗ trợ chính sách ngành Y tế giai đoạn II: hướng tới công bằng và chất lượng của dịch vụ y tế", ký tại Hà Nội ngày 04 tháng 12 năm 2014, có hiệu lực kể từ ngày 04 tháng 12 năm 2014.

Bộ Ngoại giao trân trọng gửi Bản sao Hiệp định (ký bằng tiếng Anh) theo quy định tại Điều 68 của Luật nêu trên./.

TL. BỘ TRƯỞNG
KT. VỤ TRƯỞNG
VỤ LUẬT PHÁP VÀ ĐIỀU ƯỚC QUỐC TẾ
PHÓ VỤ TRƯỞNG

Nguyễn Văn Ngự

DCI-ASIE/2013/024-370

FINANCING AGREEMENT

between

THE EUROPEAN UNION

and

THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM

"EU Health Sector Policy Support Programme phase 2 (EU- HSPSP 2): Towards Equity and Quality of Health Services in Vietnam"

FINANCING AGREEMENT
SECTOR REFORM CONTRACT
SPECIAL CONDITIONS

The European Commission, hereinafter referred to as "**the Commission**", acting on behalf of the European Union, hereinafter referred to as "**the EU**",

of the one part, and

The Socialist Republic of Vietnam, represented by the Ministry of Finance, hereinafter referred to as "**the Beneficiary**",

of the other part,

have agreed as follows:

Article 1 - Nature of the action

1.1. The EU agrees to finance and the Beneficiary agrees to accept the financing of the following budget support action:

EU-HSPSP 2: EU Health Sector Policy Support Programme phase 2: Towards Equity and Quality of Health Services in Vietnam.

Ref: DCI-Asie 2013/24370

This action is financed from the EU Budget under the following basic act: Instrument for Development Cooperation under the Multiannual Financial Framework 2007-2013.

1.2. The total estimated cost of this action is EUR 114 million.

This budget support action is composed of:

(a) A budget support component to the health sector with a maximum EU contribution of EUR 100 million.

(b) A complementary support component with a total estimated cost of EUR 14 million and a maximum EU contribution of EUR 14 million.

1.3. The Beneficiary shall not co-finance the action.

Article 2 – Execution period

2.1. The execution period of this Financing Agreement as defined in Article 15 of Annex II (General Conditions) shall commence on the entry into force of this Financing Agreement and end 78 months after this date.

2.2. The duration of the operational implementation phase is fixed at 54 months.

2.3. The duration of the closure phase is fixed at 24 months.

Article 3 – Addresses

All communications concerning the implementation of this Financing Agreement shall be in writing, shall refer expressly to this action as identified in Article 1.1 of these Special Conditions and shall be sent to the following addresses:

a) **for the Commission**

Head of Delegation of the European Union to Vietnam

17th floor, 83B Ly Thuong Kiet, Hanoi, Vietnam

b) **for the Beneficiary**

The Ministry of Finance of Vietnam

28 Tran Hung Dao Street, Hanoi, Vietnam

Article 4 – OLAF contact point

The contact point of the Beneficiary having the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate OLAF's operational activities shall be:

Government Inspectorate

Address: D29 Lot Tran Thai Tong - Yen Hoa - Cau Giay - Hanoi

Email: ttcp@thanhtra.gov.vn

Article 5 - Annexes

5.1. This Financing Agreement is composed of:

(a) these Special Conditions;

(b) Annex I: Technical and Administrative Provisions, detailing the objectives, expected results, activities, description of the budget-implementation tasks entrusted and budget of this Action;

(c) Annex II: General Conditions;

5.2. In the event of a conflict between, on the one hand, the provisions of the Annexes and, on the other hand, the provisions of these Special Conditions, the latter shall take precedence. In the event of a conflict between, on the one hand, the provisions of Annex I (Technical and Administrative Provisions) and, on the other hand, the provisions of Annex II (General Conditions), the latter shall take precedence.

Article 6 – Provisions derogating from or supplementing Annex II (General Conditions)

The foreign exchange transfers will be accounted for under the value date of the notification of credit to the account of the State Centralized Fund for Foreign Currencies opened at the State Bank of Vietnam (SBV) for this purpose and held by the State Treasury of Vietnam (STV). The exchange rate will be the Reference rate at the SBV Operations Centre - buy rate - on the date of notification of credit and shall be notified by the Ministry of Finance to the Commission no later than 15 days after each instalment.

Article 7 – Entry into force

This Financing Agreement shall enter into force on the date on which it is signed by the last party.

Done in ~~four~~ three original copies in the English language, two being handed to the Commission and ~~two~~ one to the Beneficiary.

20/12/14

FOR THE COMMISSION

Dirk Meganck

Director

06 10 2014

Directorate Asia, Central Asia, Middle East/Gulf and Pacific

Directorate-General for Development and Co-operation – EuropeAid

Brussels, Belgium

FOR THE BENEFICIARY

Đinh Tiến Dũng

Minister of Finance

04. 12. 2014

ANNEX I TO FINANCING AGREEMENT NO 2013/24370
TECHNICAL AND ADMINISTRATIVE PROVISIONS

PARTNER COUNTRY	**VIETNAM**		
BUDGET HEADING	Budget Line 2013: 19 100 101		
TITLE/CRIS NR	EU-HSPSP 2: EU Health Sector Policy Support Programme phase 2: Towards Equity and Quality of Health Services in Vietnam. DCI-ASIE/2013/24370		
TOTAL COST	Total amount of EUR 114 million EU budget contribution of which: - EUR 100 million for budget support; - EUR 14 million for complementary support.		
BUDGET SUPPORT			
AID METHOD/ MANAGEMENT MODE AND TYPE OF FINANCING	Direct management implemented by the Commission as the Contracting Authority. Sector Reform Contract.		
DAC CODE	51010 – General Budget Support 12110	**SECTOR**	Health Policy
COMPLEMENTARY SUPPORT			
AID METHOD/ MANAGEMENT MODE AND TYPE OF FINANCING	• Direct management implemented by the Commission as the Contracting Authority: procurement of services "EU-Health Facility"; • Indirect management with the World Bank, as the Contracting Authority: "Health Professional Education and Training Project (HPET)".		
DAC CODE	12110	**SECTOR**	Health Policy

1. DESCRIPTION

1.1. Objectives

General objective:

The general objective of this programme is to sustain poverty alleviation and inclusive economic growth in Vietnam through the provision of support for the development of a Vietnamese health care system towards equity, efficiency and improved quality in line with the country's health sector strategy.

Specific objectives:

The specific objective of the programme is to support the timely achievement of key sector policy objectives, as laid out in particular in the 5-year plan for the health sector (2011-2015). It will also contribute to the development of health policy and planning for the period 2016-2020.The support will particularly focus on:

- Progress towards universal health coverage;
- Improvement of availability and quality of services at lower levels (district and communes), thereby contributing to the reduction of hospital overcrowding.

A specific emphasis on equity will be given by focusing on 10 Provinces considered to be the poorest: Lai Chau, Son La, Dien Bien, Kon Tum, Gia Lai, Ha Giang, Lao Cai, Cao Bang, Yen Bai and Dak Nong Provinces.

1.2. Expected results

The expected results of this programme will ensure the consolidation of macro-economic stability, continued improvement in Public Financial Management, increased public funds investment in the health sector, a high performance in achieving health sector plan (2011-2015) targets and a more operational and evidenced based health sector plan for the 2016-2020 period.

The specific following results would be expected:

1- Health financing

- The health insurance coverage of the near poor is increased, at least 2.5 million extra people from the near-poor will be covered by health insurance as of the end of 2015.
- The provider payment system at district and communes levels allows for a better quality of services while ensuring a controlled increase of costs.
- The capacity of Vietnam Social Security (VSS) is improved, specifically its Information Management System and data communication between Ministry of Health (MoH) and VSS, and monitoring costs control and quality of services.

2- Quality of services at lower levels

- The number of doctors posted at commune level is increased. The expertise and level of training of both doctors and nurses/midwifes at commune level is increased.
- A methodology for measuring health patient's satisfaction is developed and implemented.
- The use of health care services at district and commune levels increases.

3- Equity and gender

- The mother and child health status is improved (continued reduction of the infant mortality ratio and of the maternal mortality ratio).
- The number of births attended by skilled health personnel increases.
- The number of trained ethnic minority village midwifes is increased to a minimum of 2000.
- The progression of the sex ratio at birth in favour of males is curbed.

4- General capacity development

- Availability and reliability of health statistics is improved (Health Management Information system - HMIS) at all levels.
- The health sector plan 2016-2020 is more evidence based and includes the Medium-Term Perspective of Health Expenditure.

1.3. Main activities

The main activities to implement this programme will be health and PFM policy dialogue, financial transfers, performance assessments, reporting and capacity development.

These activities will take place throughout the implementation of the programme.

The Ministry of Finance, on behalf of the Government of Vietnam, will establish an inter-Ministerial management mechanism (i.e. Ministry of Health; Ministry of Finance; Ministry of Planning & Investment; Vietnam Social Security; etc.) to ensure the effective implementation of this programme, including but not limited to the above mentioned activities.

1.3.1. Budget Support

The main activities will include:

- Financial transfer of EUR 100 million (indicative) in three annual disbursements over the period 2015-17;
- Continued policy dialogue with the Government, jointly with other development partners contributing to the health sector reform and plans, specifically health financing reform, with a particular focus on areas reflected in the programme's objectives and expected results and through strengthened mechanisms of the Health Partnership Group (HPG), Technical Working Group (TWGs) and the Joint Annual Health Review (JAHR) to monitor policy developments and ensure they continue to be consistent with the agreed orientations. The EU Delegation is an active participant in the HPG, the JAHR and a number of TWGs;
- Continued dialogue between the EU Delegation and other donors to coordinate and further align development cooperation activities on Vietnamese policies;
- The yearly assessment of the fulfilment of disbursement conditions at national and provincial level is particularly important in this process. In this respect, regular monitoring and reporting of budget support eligibility criteria (including an annual formal assessment) and specific disbursement criteria will be conducted.

1.3.2. Complementary support

The complementary support, amounting up to EUR 14 million, is composed of two interventions: an EU-Health Facility and an Administrative Agreement with the World Bank to contribute to the "Health Professional Education and Training Project (HPET)"[1]

---

[1] The collaboration with the World Bank will be officialised through an Administrative Agreement signed directly between the World Bank and the European Commission.

In addition, an allocation of EUR 0.5 million is earmarked for the evaluation, reviews and audit of the EU-Health Facility.

1) EU-Health Facility

The Facility will be set-up to respond flexibly to the needs of short term expertise, capacity building needs and support to the reform of the Health sector, more specifically but not exclusively, in the following areas:

- Health financing reforms, in particular health insurance capacity development at both health insurance policy level (within the capacity of the Ministry of Health) and implementation level (within the capacity of the Vietnam Social Security);
- Health information systems, in particular the strengthening of links between VSS and MOH, and capacity related to data management and exchange between both institutions;
- Health budgeting and planning, in particular the introduction of the Medium-Term perspective of health expenditure in the sector, following the adoption of the new State Budget Law (2014).
- Health Policy Dialogue, including support to the HPG and reinforced participation of Civil Society Organisations;
- Health Services Quality;
- Health performance assessment, including support for the submission of the requests for disbursement and the related supporting documents.

The main beneficiaries/users of the Facility will be the Ministry of Health and its various departments (planning and finance, international cooperation, Health insurance, information technology), Vietnam Social Security selected provincial Health services, Health Public Institutes, related social security/Health agencies, Health Civil Society Organisations, the Ministry of Planning and Investment and the Ministry of Finance. The indicative budget foreseen for the Facility amounts to EUR 5.2 million. The Facility will be managed directly by the Delegation of the European Union to Vietnam (The EU Delegation).

The Facility will also be in charge of the communication and visibility of the whole programme.

A service contract will be concluded between the EU Delegation and a service provider which will field a team of technical assistance. This team will assist all the stakeholders involved in this programme to identify and formulate their needs for assistance. All the requests for support will have to be submitted for approval to the EU Delegation.

As the Facility will not be specifically and physically based in any specific institutions, it will be more flexible in its implementation than a traditional project technical assistance. Such set-up will also allow the promotion of more comprehensive reforms demanding collaboration of various departments of the Ministry of Health and/or Vietnam Social Security and/or other agencies/structures. The risk of low engagement from the institutions will be mitigated by selecting issues for support directly in line with the sector and institutions' priorities, the involvement of the inter-Ministerial management mechanism under the leadership of the Ministry of Finance and a solid technical assistance support.

2) Health Professional Education and Training Project (HPET)

Collaboration with the World Bank will be established to ensure a leveraged impact on the health sector, as the World Bank and the EU are now two of the most

important actors in the health sector with regard to overall systems strengthening and among the few important donors aiming at a sector wide policy dialogue. This strategic partnership will have a wider impact than the simple combination of resources, and will therefore ensure a strengthened stance and leverage in the policy dialogue.

The specific action that will be co-financed will focus on human resources and the quality of services at the lower levels, in particular communes. The World Bank intends to provide a loan of US$ 100 million for the project: "Health Professional Education and Training Project (HPET)" which aims at consolidating the health system organisation at grassroots level. The project will include several components ensuring quality of medical and nursing education, improving quantities and competencies of health professional at grassroots level, and strengthening the management capacity of health managers. It is directly complementary to the objective of the proposed sector reform contract as regard the improvement of availability and quality of services at lower levels. The World Bank project will give the opportunity to work on specific quality aspects of human resources development, for example, as regard medical staff behaviour and approaches to ethnic minorities. This project intervention at districts and communes will also allow the EU to continue to have a specific knowledge of realities in poorer Provinces which in return would contribute to the policy dialogue within the sector reform contract. The EU will co-finance the World Bank project with a grant of EUR 8.3 million. The EU funds will be earmarked for specific activities, in particular, the training of doctors, assistant doctors, and midwifes at commune level. Such training will support the implementation of a new primary health care approach which would ensure wider range of services at commune level. The EU funding will cover at least, but not exclusively, the 10 poor Provinces on which the sector reform contract is focusing.

2. IMPLEMENTATION

2.1. Indicative operational implementation period

The indicative operational implementation period of this action is as specified in Article 2 of the Special Conditions.

2.2. Amounts allocated for budget support

The total amount allocated to the health sector under the MIP 2011-2013 is EUR 114 million of which 92.71% (EUR 100 million) is to be delivered under this 2nd phase of the EU-Vietnam Sector Policy Support Programme (HSPSP-2) as budget support to the health sector, EUR 13.5 million as complementary support (EU-Health Facility EUR 5.2 million + Health Professional Education and Training Project (HPET) EUR 8.3) and EUR 0.5 million for the evaluation, reviews and audit of the EU-Health Facility.

2.3. Criteria and indicative schedule of disbursement of budget support

2.3.1. Budget Support details

Budget support is provided as direct untargeted budget support to the national Treasury. The crediting of the euro transfers disbursed into Vietnam Dong (VND) will be undertaken at the appropriate exchange rates in line with Article 6 of the Special Conditions.

2.3.2. Disbursement criteria

The general conditions for disbursement of all tranches are as follows:

a) Satisfactory progress in the implementation of the Health 5-year Plan (2011-2015) and continued credibility and relevance thereof;

b) implementation of a credible stability-oriented macroeconomic policy;

c) satisfactory progress in the implementation of the strategy for PFM reform for the period 2012-2020;

d) satisfactory progress with regard to the public availability of timely, comprehensive and sound budgetary information;

In case of a significant deterioration of fundamental values, budget support disbursements may be formally suspended in line with Article 27.1 of the general conditions of the financing agreement, or temporarily suspended or reduced.

The disbursement arrangements and timetable is described in Appendix 2 of these TAPs.

The specific conditions for the disbursement of variable tranches have been identified and consist of 8 indicators from the following policy/outcome areas:

1. Health insurance coverage, in particular for the near poor;
2. Provider payments systems reform, in particular introduction of an improved capitation system;
3. Access and use of Health services at lower levels (district and commune);
4. Health human resources at lower levels;
5. Proxy for Maternal Mortality, with an emphasis on outreach to ethnic Minorities: Proportion of deliveries assisted by skilled Health staff / deployment of trained Ethnic Minority Village Midwifes;
6. Mother and Child Health (MCH) indicator: infant mortality ratio;
7. Introduction of a feed-back system on patient's satisfaction about Health services;
8. Gender/human rights indicator: sex ratio at birth.

Some of these indicators will be sourced at the level of the selected provinces of: Lai Chau, Son La, Dien Bien, Kon Tum, Gia Lai, Ha Giang, Lao Cai, Cao Bang, Yen Bai and Dak Nong.

The performance indicators used for disbursements are described in Appendix 1 of these TAPs. The chosen performance targets and indicators specified in Appendix 1 will apply for the duration of the programme. However, in duly justified circumstances, the Ministry of Finance may submit a request to the European Commission for the targets and indicators to be changed. The changes agreed to the targets and indicators may be authorised by exchange of letters between the two parties.

2.4. Details on complementary support

2.4.1. Procurement (direct management implemented by the Commission as the Contracting Authority)

Subject	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
EU - Health Facility (HF)	services	1	Q2 -2014
Evaluation and audit of the EU-Health Facility	services	2	Q2 -2015
Communication and visibility	services	1*	Q2 -2014

*Will be integrated in the HF services contract.

2.4.2. Indirect management with the World Bank as the Contracting Authority -

A part of this action with the objective of consolidating the health system organisation at grassroots level relating to the Health Professional Education and Training Project (HPET) will be implemented in indirect management with the World Bank in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation mode is justified as the HPET, managed by the World Bank, will give the opportunity to work on quality aspects of human resources development, for example, as regard medical staff behaviour and approaches to ethnic minorities. This project intervention at districts and communes will also allow the EU to continue to have a specific knowledge of realities in poorer Provinces which in return would contribute to the policy dialogue within the sector reform contract.

The entrusted entity will be entrusted with budget-implementation tasks relating to the contract-management cycle, notably: launching calls for tenders and for proposals; definition of eligibility, selection and award criteria; evaluation of tenders and proposals; award of grants, contracts; acting as contracting authority concluding and managing contracts, carrying out payments, recovering moneys due.

The activities to be financed by the HPET include:

- Support for short-term and long-term clinical training of the primary health care teams;
- Technical assistance for the review of the available standardized competency-based curriculum for training programs;
- Technical assistance for the development of training curriculum for village health workers and pharmacy assistants; and
- Technical assistance for the training evaluation and performance monitoring of the primary health care teams.

The entrusted entity (the World Bank) is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. In anticipation of the results of this review, the Commission deems that, based on preliminary evaluation and on the long-standing and problem-free cooperation with

this entity, it can be entrusted with budget-implementation tasks under indirect management.

The change of management mode from indirect to direct management, whether partially or entirely is not considered a substantial change.

2.4.2. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act shall apply as established in the DCI regulation.

The Commission may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 (CIR) on the basis of urgency or of the unavailability of products and services in the markets of the countries concerned, or other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

2.5. Indicative budget

Module	Amount in EUR thousands	Third party contribution (indicative, where known)
Budget support	100,000	N.A.
Procurement (direct management implemented by the European Commission as the Contracting Authority): EU-Health Facility	5,000	N.A.
Indirect Management with the World Bank as the Contracting Authority: Health Professional Education and Training Project (HPET)	8,300	USD 100,000
Evaluation, reviews and audit	500	N.A.
Communication and visibility	200*	N.A.
Total	114,000	USD 100,000

**Will be integrated in the Health Facility services contract.*

2.6. Performance monitoring and donor coordination

Performance monitoring:

General conditions:

- **Health Policy**: The Joint Annual Health Review (JAHR) will be a key element for the assessment of the implementation of the Health 5-year Plan (2011-2015) and the overall credibility and relevance of the health policy. The JAHR has a large set of 56 indicators, including the 19 of the 5-year health sector plan (2011-2015). The JAHR process is led by the Ministry of Health and involves development partners and civil society representatives. The JAHR aims to establish the health sector's accountability for the objectives set out in national policies, plans and strategies. In addition, it facilitates a policy

dialogue around key stakeholders. It is published and available on the website of the Health Partnership Group[2].

Consultation, discussions and exchange of information with WHO, World Bank and other donors involved in the health sector as described in the donor coordination section below, will also be used for the overall assessment of the health policy.

- **Macroeconomic Stability**: the assessment of the implementation of a credible stability-oriented macroeconomic stability will be based on IMF Article IV annual report, Ministry of Planning and Investment's dedicated reports and any other source of information.
- **Public Finance Management & Budget transparency and Oversight**: under the forthcoming "EU Public Finance Modernisation Programme in Vietnam"[3], a special assistance will be provided to the Ministry of Finance to submit the requested reports to demonstrate the satisfactory progress in the implementation of the strategy for PFM reform as well as to improve public availability of budgetary information.

Specific conditions:

The assessment of the performance indicators for the disbursement of the variable tranches will be based on the information and data duly provided by the departments and/or provinces responsible for each indicator as described in Appendix 1.

It will be the responsibility of the concerned departments and/or provinces to report as required to the Ministry of Health (Department of Planning & Finance). The Ministry of Health will in turn report to the Ministry of Finance, who will centralise the information for timely submission to the EU Delegation. All the documents/reports will have to be transmitted in the English language to the EU Delegation.

In order to support the various stakeholders in the timely submission of reliable and high quality data and reports, a specific technical assistance will be provided to MoH and its decentralised services through the EU-Health Facility. The Facility will support the submission of specific information not included in the JAHR report to ensure a comprehensive review of the health policy.

Donor coordination:

The Policy Dialogue and donor coordination arrangements are defined in Vietnam Health Partnership Document[4] (VHPD), signed in December 2013 between the Ministry of Health and development partners. The official forum for policy dialogue and coordination is the Health Partnership Group (HPG), which meets quarterly and is often chaired by the Minister or a Vice-Minister and is attended by donor's representatives, civil society organizations and private sector representatives. The Ministry of Health and development partners usually agree on the topics to be discussed at the HPG. The key recommendations on main issues are often consolidated by WHO and transmitted to the appropriate agencies. The follow-up action is ensured through the international cooperation and key departments of the

---

[2] http://hpg.icdmoh.gov.vn
[3] DCI-ASIE 2013/024371
[4] http://hpg.icdmoh.gov.vn

Ministry. The HPG has Technical Working Groups[5] (TWG) to support technical discussions of the sector plan. The HPG is complemented by the JAHR which facilitates a policy dialogue around key stakeholders and aligns aid and support towards the needs of the country.

2.7. Evaluation and audit of the complementary support

The EU - Health Facility will be subject to a mid-term review and a final evaluation. An audit could be launched if deemed necessary.

The Beneficiary and the Commission shall analyse the conclusions and recommendations of the mid-term evaluation and jointly decide on the follow-up action to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. The reports of the other evaluation and monitoring missions will be given to the Beneficiary, in order to take into account any recommendations that may result from such missions.

In the case of the joint management with the World Bank, joint supervision and review mechanisms will be detailed in the Administrative Agreement with the World Bank[6].

2.8. Communication and visibility

A communication and visibility plan for the programme will be developed in the framework of the EU - Health Facility. Its aim will be to ensure the visibility of the EU support in Vietnam especially as regards its support to the health sector, with the production of relevant materials for communication with interested partners in Vietnam and in Europe on programme activities and results. This will be done with full recognition of the ownership of the sector's achievements by the Government and the Ministry of Health.

---

[5] The most recently established TWGs are the one on Planning & Finance and the other on Health Information System.

[6] DCI-ASIE/2014/341-635

APPENDICES

1 - Performance criteria and indicators used for disbursement
2 - Disbursement arrangements and timetable

Appendix 1: Performance indicators used for disbursements

The following performance indicators have been selected after frequent discussions with the inter-ministerial Task Force established under the leadership of the Ministry of Health to prepare this programme. These indicators will be used to determine the level of disbursement of the variable tranches, as detailed in Appendix 2, point 4, table C. Indicators will be monitored either at National level and/or at Provincial level in the 10 Provinces considered to be the poorest: Lai Chau, Son La, Dien Bien, Kon Tum, Gia Lai, Ha Giang, Lao Cai, Cao Bang, Yen Bai and Dak Nong Provinces.

Indicator No 1

Indicator: Health insurance coverage of the near poor.
Objective: This indicator measures the progress towards universal health insurance coverage, with an emphasis on the near poor, as the poor are already covered.
Department responsible: Vietnam Social Security (VSS).

Description of the Indicator
Type of indicator: Output indicator.
Measurement unit: Number of the near poor population covered by health insurance.
Periodicity of measurement: Yearly.
Last known result in thousands *Year: 2012 = 1913*

Targets in thousands: 2013 = 2100
2014 = 3000
2015 = 4000

Development and quality of the indicator
Method of data collection: Administrative collection.
Departments responsible for collection: VSS.
Method of calculation: *NA*

Means of interpretation
Known limits and bias: The figures published by VSS are fairly accurate.
Means of interpretation: The indicator measures the number of people from the near poor group having a health insurance card, and therefore being eligible to services covered by health insurance.

Documentation schedule
Delivery date: VSS publishes figures for year n from March of year n+1, but final approved figures are not annually available before September.

Indicator No 2

Indicator: Progress of health insurance payments systems reform.

Objective: Measures progress towards improved health financing, necessary for the sustainability of universal health coverage, and with possible positive impacts on quality of services.

Departments responsible: Department of Planning & Finance (DPF), Department of Health Insurance (DHI) and VSS.

Description of the Indicator
Indicator type: A mix of process and output.

Measurement unit: Finalisation of a circular, piloting and rolling out of an improved capitation methodology.

Periodicity of measurement: Yearly.

Last known result for piloting of new capitation method: in 2011-2012 piloting was taking place in 2 provinces and was then extended to 5 provinces in 2013.

Proposed targets:
In the year 2014, additional pilots are being conducted in at least 4 provinces.
In the year 2015, a well-documented report is produced on these pilots, and a circular with guidelines on the implementation of an improved capitation system is finalised (see below the interpretation of "improved") based on these lessons learned.
In the year 2016, the Circular is formally issued and implemented.

Development and quality of the indicator
Method of data collection: Administrative collection.
Departments responsible for collection: DPF and VSS.
Method of calculation: *NA*

Means of interpretation
Known limits and bias: It is not expected that there would be any inaccuracy in the information provided on these issues, as the information is easy to verify.
Means of interpretation: The quality of the indicator depends on the quality of the new methodology introduced. The new methodology will be deemed "improved" if in addition to controlling costs (limiting the overuse of costly services and unnecessary referrals to higher levels) it ensures sufficient resources at grassroots levels and provides some level of incentive for the staff to improve the quality of service.

Documentation schedule
Delivery date: DPF should report on the implementation of the pilots by October 2014. The documented report on the pilots should be available by October 2015. Evidence on the issuance of the circular and its implementation should be provided by DPF and VSS by October 2016.

Indicator No 3

Indicator: Use of health services at grassroots level in 10 Poor Provinces.
Objective: This indicators measures access to and use of services at lower levels, which reflects progress on equity and quality of services at lower levels, thereby contributing also to the reduction of hospital overcrowding at higher levels
Department responsible: Provinces, DPF and Medical Service Administration (MSA).

Description of the Indicator
Indicator type: output indicator.
Measurement unit: Number of visits at commune and/or district level, (including regional clinics below the district covering a number of communes).
Periodicity of measurement: yearly
Last known results and proposed targets:

Province	2008	2009	2010	2011	2012	2013	2014	2015
Lai Chau	645,092	739,644	806,283	833,723	944,306	1,012,562	1,049,650	1,094,611
Son La	953,183	958,296	1,089,314	1,084,721	1,095,568	1,106,524	1,123,122	1,151,200
Dien Bien	699,737	804,958	802,098	823,542	831,777	840,095	852,697	874,014
Kon Tum	577,119	556,902	521,966	522,783	528,011	533,291	541,290	554,823
Gia Lai	719,944	847,320	930,894	984,798	994,646	1,004,592	1,019,661	1,045,153
Ha Giang	898,538	1,027,476	841,411	969,231	978,923	988,713	1,003,543	1,028,632
Lao Cai	1,376,348	1,460,320	1,456,588	1,543,280	1,558,713	1,574,300	1,597,914	1,637,862
Cao Bang	881,145	979,329	965,828	1,034,727	1,045,074	1,055,525	1,071,358	1,098,142
Yen Bai	1,400,146	1,414,248	1,445,992	1,449,626	1,464,122	1,478,763	1,500,945	1,538,469
Dak Nong	504,203	594,975	568,184	602,525	608,550	614,636	623,855	639,452

Development and quality of the indicator
Method of data collection: Administrative collection, part of the standard reporting of provinces to MOH.
Departments responsible for collection: Provinces.
Method of calculation: Total number of visits at health centres at district level and below.

Means of interpretation
Known limits and bias: Figures are expected to be fairly accurate, but a long stay in the hospital is counted as one visit, so it emphasises outpatients compared to inpatients.
Means of interpretation: An increase in this indicator is expected to reflect an increased availability and quality of services. The progression in some provinces has been fast in recent years due to health insurance, in particular for the poor, becoming more operational. It is expected that the progression should be slower in the coming years.

Documentation schedule
Delivery date: Provinces report to MOH by mid-year of year n+1 on progress in year n.

Indicator No 4

Indicator: Rate of Commune Health Stations having a doctor.
Objective: This is a 5-year plan indicator, capturing availability and quality of services at commune level. This reflects also equity, as in mountainous provinces, essentially the poor use Commune Health Centres (CHC) services.
Department responsible: DST.

Description of the Indicator
Indicator type: Input indicator.
Measurement unit: Percentage of CHC where at least a doctor is posted or a doctor from higher level working at CHC at least 5 days per week.
Periodicity of measurement: Yearly for both national level and provincial level (10 poor provinces).
Last known result: Year: 2012 Value = 74% for the national level.
Last three years if available: 2009 = 67.7% 2010 = 70% 2011 = 71.9%
Targets at national level: 2013= 76% 2014 = 78% 2015 = 80%
For provinces see below:

Province	2008	2009	2010	2011	2012	2013	2014	2015
Lai Chau	0	1.0	3.1	3.1	3.9	5.8	7.8	9.7
Son La	34.5	41.7	52.5	52.5	56.4	56.9	57.4	57.8
Dien Bien	3.8	4.5	4.5	5.4	6.3	6.9	8.5	10.8
Kon Tum	14.4	14.4	19.6	46.4	77.3	80.0	85.0	87.0
Gia Lai	32.6	28.8	32.9	45.0	45.9	46.4	46.8	47.3
Ha Giang	29.2	32.8	32.8	34.9	34.9	35.4	35.9	36.4
Lao Cai	9.7	11.1	13.9	17.4	17.4	18.1	18.8	19.4
Cao Bang	30.4	38.2	52.3	66.8	70.4	70.9	71.4	71.9
Yen Bai	43.9	52.2	53.9	55.0	55.6	57.2	58.9	61.1
Dak Nong	32.4	32.4	40.8	45.1	47.9	53.5	59.2	64.8

Development and quality of the indicator
Method of data collection: administrative reporting from provinces.
Departments responsible for collection: Dept. of Personnel and Organization.
Method of calculation: Number of CHC with at least a doctor / total number of CHC.

Means of interpretation

Known limits and bias: The national figure may be misleading, because the communes where doctors are not available might be precisely where they are most needed, in the most remote areas. This is why the indicator is also monitored for the 10 poorest Provinces.

Means of interpretation: It measures the posting of doctors (full doctors, not assistant doctors), but not their actual attendance, their level of expertise, nor the quality of their work. Complementary support has been designed to address these issues.

Documentation schedule

Delivery date: Data for year n are available by mid-year n+1.

Comments: If the implementation of the new grassroots health resolution leads to different categories of CHC, some of them without doctors, the targets of this indicator would have to modify by exchange of letter between MOF and the EUD.

Indicator No 5a

Indicator: Number of Trained Ethnic Village Birth Attendant (TEVA).

Objective: This refers to MDG 5, with an emphasis on equity and ethnic minorities, as at the moment in Vietnam, the high maternal mortality ratio are among ethnic minorities essentially. Moreover the Maternal Mortality ratio data are not available annually.

Department responsible: Department of Maternal and Child health (DMCH).

Description of the Indicator

Indicator type: Output.

Measurement unit: Number of TEVA having completed a six months training during the year.

Periodicity of measurement: Yearly.

Last known result (national): 2012 = 183

Targets: at National level:

2013: 165 TEVA trained.
2014: 270 TEVA trained.
2015: 360 TEVA trained.

Provincial targets: see below

Province	2008	2009	2010	2011	2012	2013	2014	2015
Lai Chau	0	0	20	20	15	30	30	30
Son La	0	0	20	20	15	15	30	30
Dien Bien	0	0	30	0	14	30	45	45
Kon Tum	60	15	11	0	0	15	30	30
Gia Lai	118	NA	21	25	15	0	30	30
Ha Giang	0	0	14	15	31	15	15	30
Lao Cai	0	0	0	14	0	0	15	30
Cao Bang	0	20	0	20	14	15	15	30
Yen Bai	0	0	0	0	20	15	30	30
Dak Nong	56	9	12	19	13	0	0	30

Indicator No 5b

Indicator: Percentage of deliveries attended by trained health staff.
Objective: Proxy to Maternal Mortality rate.
Department responsible: Department of Maternal and Child health (DMCH).

Description of the Indicator

Indicator type: Output.
Measurement unit: Percentage of deliveries attended by trained health staff.
Periodicity of measurement: Yearly.
Last known result (national): 2011 = 97.2% of deliveries attended by trained health staff.
Targets: Only Provincial targets, as national figures are already close to 100%.

Proportion of deliveries attended by trained health staff:

Province	2008	2009	2010	2011	2012	2013	2014	2015
Lai Chau	51.1	52.3	52.7	51.7	58.0	59	60	61
Son La	79.9	78.3	79.9	88.9	83.0	84.0	84.5	86
Dien Bien	63.1	62.7	65.2	66.5	72.2	73	74	74.5
Kon Tum	69.3	73.1	72.3	87.8	86.3	87	87.5	88
Gia Lai	78.9	79.1	79.3	80.8	84.0	84.5	85	86
Ha Giang	80.5	78.1	81.7	82.1	83.5	84.3	85.1	86
Lao Cai	58.8	57	60.3	62.1	71.2	72.0	73.5	75.0
Cao Bang	73.5	76.2	78.8	77.5	79.9	80.9	81.9	82.9
Yen Bai	87.7	88.8	89.3	92.6	85.4	86.6	88.0	90.0
Dak Nong	84.1	86.8	85.3	87.8	86.1	87.1	88.0	89.0

Development and quality of the indicator

Method of data collection: report from Provinces to MCHD.
Departments responsible for collection: MCHD.
Method of calculation: The data will be monitored both a national level and at the level of 10 poor provinces for TEVA, and only at Provincial level for the other indicator.

Means of interpretation

Known limits and bias: The TEVA indicator measures the number of trained birth attendants, not if they are effective in their work. The other indicator is deemed to be slightly inflated by over-reporting, however the historical trends are considered to be correct.

Means of interpretation: The long term policy is to have all women delivering in a health facility. However many ethnic minority women want to deliver at home, and this is why the safe motherhood efforts of the government based on delivery at the health centre could not reach yet many ethnic minority communities. The cultural barrier is also an important issue. Both these constraints are addressed by the TEM approach.

Documentation schedule

Delivery date: September-October of year n+1 for year n.

Indicator No 6

Indicator: Infant Mortality rate.
Objective: This is an indicator very close to MDG4 (under 5 mortality), the infant mortality rate was chosen because it reflects more precisely the impact of mother and child care measures of the Government.
Department responsible: DMCH and DPF.

Description of the Indicator
Indicator type: Impact indicator
Measurement unit: Mortality of children under 1 year old per 1000 live births.
Periodicity of measurement: Yearly, at national and provincial level (10 Provinces).
Last known result: At national level, 15.4 in 2012, for provinces, see below
Targets at National level: 2013 = 15.2 2014 = 15 2015 = 14.8

Province	2009	2010	2011	2012	average 2009-2012	2013 target	2014 target	2015 target
Lai Châu	47.7	46.1	43.5	44.2	45.4	44.7	44.0	43.4
Sơn La	27.5	25.6	24.1	24.5	25.4	25.0	24.7	24.3
Điện Biên	39.7	37.3	35.2	35.8	37.0	36.4	35.9	35.4
Kon Tum	38.2	38.1	40.7	40.0	39.3	40.0	39.2	38.2
Gia Lai	25.8	25.7	27.0	30.8	27.3	30.6	28.9	26.9
Hà Giang	37.5	37.1	35.0	35.8	36.4	35.8	35.3	34.7
Lào Cai	32.0	31.6	29.8	30.3	30.9	30.5	30.0	29.6
Cao Bằng	28.7	28.2	24.8	25.2	26.7	26.3	25.9	25.5
Yên Bái	28.7	26.5	26.1	29.6	27.7	29.4	28.3	27.1
Đăk Nông	26.8	26.6	26.1	28.5	27.0	28.5	27.1	26.4

Development and quality of the indicator
Method of data collection: Annual Population survey.
Departments responsible for collection: General Statistics Office (GSO).
Method of calculation: Mortality of children under 1 year old per 1000 live births.
Means of interpretation
Known limits and bias: The figure is considered as fairly accurate.
Means of interpretation: Reflects the impact of safe motherhood activities as well as child care programmes, including preventive actions.

Documentation schedule
Delivery date: September of year n+1 for data of year n.

Indicator No 7

Indicator: Introduction of patients' feedback system and its roll-out.
Objective: This relates to the objective of reduction of overcrowding of hospitals, as part of this overcrowding originates from distrust about the quality of services at lower level.
Department responsible: MSA.

Description of the Indicator
Indicator type: Output.
Measurement unit: The indicator will measure the level of implementation of circular 19, which foresees a number of measures to ensure a better quality of care in hospitals. This includes the creation of quality management systems within hospitals and the collection of opinions from patients and their relatives. The indicator will measure the number of hospitals, at central and provincial levels, which have implemented these guidelines.
Periodicity of measurement: Yearly, at National level.

Targets:
Year 2013 – The Ministry of Health issued the instruction for the implementation of quality management systems. The Ministry of Health issued assessment criteria for the service quality, including the patients' feedback system, is built and approved.
Year 2014 - 50% of hospitals implements the quality management systems including patients feedback in 2014.
Year 2015 - 70% of hospitals implements the quality management systems including patients feedback in 2015.
Development and quality of the indicator
Method of data collection: Reporting of Hospitals to MSA department.
Departments responsible for collection: MSA – Unit for examination and treatment management.
Method of calculation: For this indicator, a "hospital" means public hospitals from Provincial level to central level.
Means of interpretation
Known limits and bias: Independent treatment and follow-up to complaints not fully guaranteed.
Means of interpretation: The official introduction of a quality management system including the use of patients' feedback is considered as a major step forward in the context of Vietnam. Imperfections in the system put in place should therefore not be given too much importance at this stage.
Documentation schedule
Delivery date: September-October of year n+1 for year n.

Indicator No 8

Indicator: Sex ratio at birth.
Objective: This is an indicator of the five-year plan, measuring the efforts of the government to curb the progression of this ratio in favour of male births as a result of sex selective abortions.
Department responsible: General Office for Population Family Planning (GoPFP).

Description of the Indicator
Indicator type: Outcome indicator.
Measurement unit: Number of boys/100 girls born in 2015.
Periodicity of measurement: for the year 2015 only.
Last known result: Year 2012 = 112.3
(last three years if available): /
Target: year 2015 = 113.

Development and quality of the indicator
Method of data collection: Annual Population survey.
Departments responsible for collection: GSO.
Method of calculation: Number of boys/100 girls born in 2015 in Vietnam.

Means of interpretation
Known limits and bias: The figure is based on a sample survey, therefore with a potential margin of error. Exhaustive information on this from health centres is not yet available. There are yearly fluctuations of this indicator, which make yearly targets difficult to use. This is why this indicator will be used for the last variable tranche only, covering progress over 3 years.
Means of interpretation: The indicator has grown spectacularly in recent years for a number of reasons. The government has taken measures, but a large part of them involve communication, trying to influence perceptions, which cannot be achieved overnight. It would not be realistic at all to aim at a reduction of the indicator over a span of 3 years. At this stage only curbing the progression is possible.

Documentation schedule
Delivery date: September of 2016

Appendix 2: Disbursement arrangements and timetable

1. Responsibilities

On the basis of the disbursement conditions stipulated in the Financing Agreement, the Ministry of Finance will send a formal request to the European Commission for the disbursement of each tranche in accordance with the timetable specified in table A below. The request must include: (i) a full analysis and justification for payment of the funds, with the required supporting documents attached in the English language; (ii) a financial information form, duly signed, to facilitate the corresponding payment.

2. Indicative disbursement timetable

An indicative timetable is given below:

Table A: Indicative disbursement timetable

fiscal year	Year 2015				Year 2016				Year 2017				
Type of tranche	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Total
fixed tranches			20				10				10		40
Variable tranches			10				20				30		60
Total			30				30				40		100

In order to allow a disbursement in the third quarter of each year, the Ministry of Finance should submit the request for payment and all the necessary documents by the end of January of the same year.

3 General conditions for the tranche release

The general conditions for tranche release set out below shall apply to the disbursement of all tranches and all requests for tranche release shall be accompanied by all appropriate information and documents.

Table B: General conditions for the release of tranches

Area	Conditions	Verification source
Public Policy	Satisfactory progress in the implementation of the health Five year Plan 2011-2015) and continued credibility and relevance of that or any successor strategy.	JAHR report - MOH
Macroeconomic stability	Implementation of a credible stability-oriented macroeconomic policy.	MPI report to CG (consultative

		group). Article IV IMF report.
Public finance management	Satisfactory progress in the implementation of the programme to improve public finance.	MOF report to CG
Budget Transparency	Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.	MOF specific reporting.

4. Specific conditions for the disbursement of variable tranches

The specific conditions for the disbursement set out in table C shall apply to the disbursement of a specific variable tranche. Tranche release requests must be accompanied by all appropriate information and documents on the specific conditions.

The disbursement conditions for the variable tranches are set for the first year and may be amended for the following years in accordance with Article 25 of the Financing Agreement.

To each indicator in each tranche a specific amount is attributed, and will be fully disbursed if fully met. In case it is not fully met the amount disbursed will be a part of that amount, following the formula specified for each indicator. In the case of insufficient progress, no disbursement takes place for that indicator.

The total disbursement for each variable tranche is the sum of the amounts calculated for each indicator.

In exceptional cases, where exceptional events or changing circumstances have prevented meeting previously agreed targets, it may be possible to waive or neutralise an indicator or a condition. In this case, the related amount can either be transferred to the next tranche or reallocated to the other indicators of the same tranche. Such cases must be requested by the Ministry of Finance to the EU Delegation and can be authorised by the latter through an exchange of letters between the two parties.

Table C: Specific conditions for the release of tranches

Tranche	Amount	Conditions for disbursement	Financial weight and calculation of the indicator
1- First variable tranche	€10 m	Specific condition 1 – Based on the progress of indicator 1. Target: See target for 2013 in Appendix 1	Target met: €2 million. Significant Progress: reaching at least 1.7 million people: €1 million. Insufficient progress: below 1.7 million: no disbursement for this indicator.
1		Specific condition 2 – Based on indicator 2. Target: See target for 2014 in Appendix 1	Target met: €1.2 million. Significant Progress: additional pilots are being conducted in at least 3 provinces: €0.6 million. Insufficient progress: additional pilots are conducted in less than 3 provinces.
1		Specific condition 3– Based on indicator 3. Target: See target for 2013 in Appendix 1	Target is met if all Provinces have met the target: € 1.6 million. Significant progress if at least 6 of the provinces have met the target: 0.8 million.

			Insufficient progress: less than 6 provinces meet the target: no disbursement for this indicator.
1		Specific condition 4– Based on indicator 4 See target for 2013 in Appendix 1	Target met at national level and in all provinces: €1.2 million. Significant progress: target reached in at least 6 provinces, even if not reached at national level: €0.6 million. Insufficient progress: less than 6 provinces meet the target: no disbursement for this indicator, even if national target is met.
1		Specific condition 5a– Based on indicator 5a See target for 2013 in Appendix 1	Target met at national level and in all provinces: €1 million. Significant progress: target reached in at least 6 provinces, even if not reached at national level, or target reached at national level, even if not in all provinces: 0.5 million. Insufficient progress: less than 6 provinces meet the target and national target not met: no disbursement for this indicator.
1		Specific condition 5b– Based on indicator 5b See target for 2013 in Appendix 1	Target met in all provinces: €1 million. Significant progress: target reached in at least 6 provinces: €0.6 million. Insufficient progress: less than 6 provinces meet the target: no disbursement for this indicator.
1		Specific condition 6– Based on indicator 6 See target for 2013 in Appendix 1	Target met at national level and in all provinces: €1 million. Significant progress: target reached in at least 6 provinces, even if not reached at national level, or target reached at national level, even if not in all provinces: €0.5 million. Insufficient progress: less than 6 provinces meet the target and national target not met: no disbursement for this indicator.
1		Specific condition 7– Based on indicator 7 See target for 2013 in Appendix 1	Target met: €1 million. Significant progress: patient satisfaction feedback system designed but not approved: €0.5 million. Insufficient progress: patient satisfaction feedback system is not submitted for approval (and therefore not designed yet): no disbursement for this indicator.
2- Second variable tranche	€20 m	Specific condition 1 – Based on the progress of indicator See target for 2014 in Appendix 1	Target met: €4 million Significant Progress: reaching at least 2.6 million people: €2 million. Insufficient progress: below 2.6 million: no disbursement for this indicator.

2		Specific condition 2 – Based on indicator 2 See target for 2015 in Appendix 1	Target met: €2.4 million. Significant Progress: the report is produced but the circular with the guidelines on the implementation of an improved capitation system is not finalised: €1 million. Insufficient progress: the report is not produced and the circular is not finalised: no disbursement for this indicator.
2		Specific condition 3 – Based on indicator 3 See target for 2014 in Appendix 1	Target is met if all Provinces have met the target: €3.2 million. Significant progress if at least 6 of the provinces have met the target: €1.6 million. Insufficient progress if less than 6 provinces meet the target: no disbursement for this indicator.
2		Specific condition 4– Based on indicator 4 See target for 2014 in Appendix 1	Target met at national level and in all provinces: €2.4 million. Significant progress: target reached in at least 6 provinces, even if not reached at national level: €1.2 million. Insufficient progress: less than 6 provinces meet the target: no disbursement for this indicator, even if national target is met.
2		Specific condition 5a– Based on indicator 5a See target for 2014 in Appendix 1	Target met at national level and in all provinces: €1 million. Significant progress: target reached in at least 6 provinces, even if not reached at national level, or target reached at national level, even if not in all provinces: €0.5 million. Insufficient progress: less than 6 provinces meet the target and national target not met: no disbursement for this indicator.
2		Specific condition 5b– Based on indicator 5b See target for 2014 in Appendix 1	Target met in all provinces: €2 million. Significant progress: target reached in at least 6 provinces: €1 million. Insufficient progress: less than 6 provinces meet the target: no disbursement for this indicator.
2		Specific condition 6– Based on indicator 6 (See target for 2014 in Appendix 1	Target met at national level and in all provinces: €3 million. Significant progress: target reached in at least 6 provinces, even if not reached at national level: €1.5million. Insufficient progress: less than 6 provinces meet the target: no disbursement for this indicator, even if national target is met.
2		Specific condition 7– Based on indicator 7 See target for 2014 in Appendix 1	Target met: € 2 million. Significant progress: Quality Management systems including Patients feedback applied in at least 40% of hospitals: €1 million. Insufficient progress: less than 40% of hospitals apply Quality Management systems

			including Patients feedback: no disbursement for this indicator.
3- Third variable tranche	€30 m	Specific condition 1 – Based on the progress of indicator 1. See target for 2015 in Appendix 1	Target met: € 4 million. Significant progress: at least 3.6 million people covered: €3 million. Moderate progress: at least 3.4 million people covered: €2 million. Insufficient progress: less than 3.4 million people covered: no disbursement for this indicator.
3		Specific condition 2 – Based on indicator. See target for 2016 in Appendix 1	Target met: €3 million. Moderate progress: the circulation is formally issued but not fully implemented: €0.7 million. Insufficient progress: the circulation is not formally issued: no disbursement for this indicator.
3		Specific condition 3– Based on indicator 3. See target for 2015 in Appendix 1	Target is met if all Provinces have met the target: € 4 million. Significant progress: at least 7 of the provinces have met the target: €2.5 million. Moderate progress: at least 5 of the provinces have met the target: €1 million. Insufficient progress if less than 5 provinces meet the target: no disbursement for this indicator.
3		Specific condition 4– Based on indicator 4. See target for 2015 in Appendix 1	Target met at national level and in all provinces: € 4 million. Significant progress: target reached at national level and in at least 7 provinces : € 3 million. Moderate progress: target reached in at least 5 provinces, even if not reached at national level: € 1 million. Insufficient progress: less than 5 provinees meet the target: no disbursement for this indicator, even if national target is met.
3		Specific condition 5a– Based on indicator 5a. See target for 2015 in Appendix 1	Target met at national level and in all provinces: €1 million. Significant progress: target reached at national level and in at least 7 provinces : € 0.5 million Moderate progress: target reached in at least 5 provinces, even if not reached at national level: €0.3 million. Insufficient progress: less than 5 provinces meet the target and national target not met: no disbursement for this indicator.

3		Specific condition 5b– Based on indicator 5b . See target for 2015 in Appendix 1	Target met in all provinces: € 4 million. Significant progress: target reached in at least 7 provinces: € 2 million. If Lai Chau, Dien Bien & Lao Cai provinces are among the lot of (minimum) 7 provinces to meet the target € 3 million will be disbursed. Moderate progress: target reached in at least 5 provinces: €1 million. Insufficient progress: less than 5 provinces meet the target and national target not met: no disbursement for this indicator.
3		Specific condition 6– Based on indicator 6. See target for 2015 in Appendix 1	Target met at national level and in all provinces: € 4 million. Significant progress: target reached at national level and in at least 7 provinces: € 2.5 million. Moderate progress: target reached in at least 5 provinces even if not reached at national level: €1 million. Insufficient progress: less than 5 provinces meet the target: no disbursement for this indicator, even if national target is met.
3		Specific condition 7– Based on indicator 7. See target for 2015 in Appendix 1	Target met: € 2 million. Significant progress: Quality Management systems including Patients feedback applied in at least 67% of hospitals: € 1.5 million. Moderate progress: Quality Management systems including Patients feedback applied in at least 63% of hospitals: € 1 million. Insufficient progress: less than 63% of hospitals apply Quality Management systems including Patients feedback: no disbursement for this indicator.
3		Specific condition 8– Based on indicator 8. See target for 2015 in Appendix 1	Target met : € 4 million Significant progress: sex ratio not higher than 113.5: € 2.5 million. Moderate progress: sex ratio not higher than 114.5: € 1 million. Insufficient progress: sex ratio higher than 114.5: no disbursement for this indicator.

ANNEX II - GENERAL CONDITIONS

Contents

Part One: Provisions Applicable to Activities for which the Beneficiary is the Contracting Authority .....
Article 1 - General principles .....
Article 2 - Deadline for the signature of the procurement and grant contracts by the Beneficiary .....
Article 3 - Visibility .....
Article 4 - Provisions on payments made by the Commission to contractors and grant beneficiaries on behalf of the Beneficiary .....
Article 5 - Programme estimate .....
Article 6 - Payments to the Beneficiary implementing the imprest component of a programme estimate .....
Article 7 - Publication of information on procurement and grant contracts by the Beneficiary .....
Article 8 - Recovery of funds .....
Article 9 - Financial claims under procurement and grant contracts .....
Article 10 - Cost overruns and ways of financing them .....
Part Two: Provisions Applicable to Budget Support .....
Article 11 - Policy dialogue .....
Article 12 - Verification of conditions and disbursement .....
Article 13 - Transparency of budget support .....
Article 14 - Recovery of budget support .....
Part Three: Provisions Applicable to This Action as a Whole, Irrespective of the Management Mode .....
Article 15 - Execution period and contracting deadline in direct management .....
Article 16 - Verifications and checks by the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors .....
Article 17 - Tasks of the Beneficiary in fighting irregularities, fraud and corruption .....
Article 18 - Suspension of payments .....
Article 19 - Allocation of funds recovered by the Commission to the action .....
Article 20 - Right of establishment and residence .....
Article 21 - Tax and customs provisions .....
Article 22 - Confidentiality .....
Article 23 - Use of studies .....
Article 24 - Consultation between the Beneficiary and the Commission .....
Article 25 - Amendment of this Financing Agreement .....
Article 26 - Suspension of this Financing Agreement .....
Article 27 - Termination of this Financing Agreement .....
Article 28 - Dispute settlement arrangements .....

Part One: Provisions Applicable to Activities for which the Beneficiary is the Contracting Authority

Article 1 - General principles

1.1 The purpose of Part One is to define the budget-implementation tasks entrusted to the Beneficiary in indirect management as described in Annex I (Technical and Administrative Provisions) and to define the rights and obligations of the Beneficiary and of the Commission in carrying out these tasks.

Part One shall apply to the budget-implementation tasks related to the EU contribution alone or in combination with the funds of the Beneficiary or of a third party where such funds are implemented in joint co-financing, i.e. where they are pooled. These tasks encompass the implementation by the Beneficiary as contracting authority of procurement and grant award procedures, and the awarding, signing and enforcing the resulting procurement and grant contracts.

As a rule, the Commission shall carry out related payments to contractors and grant beneficiaries. However, the Beneficiary shall carry out certain payments including to its own staff on the basis of a programme estimate as defined in Article 5 of these General Conditions.

Where the Beneficiary is an ACP State and the action is financed by the EDF pursuant to Article 1.1 of the Special Conditions, the tasks entrusted shall be those listed in points (c) to (k) of the sixth subparagraph of Article 35(1) and in Article 35(2) of Annex IV to the ACP-EC Partnership Agreement.

Where the Beneficiary is an OCT and the action is financed by the EDF pursuant to Article 1.1 of the Special Conditions, the exercise of tasks entrusted shall also respect the conditions of Article 86(3) of Council Decision 2013/755/EU of 25 November 2013 on the association of the overseas countries and territories with the European Union (Overseas Association Decision) .

1.2 The Beneficiary shall remain responsible for the fulfilment of the obligations stipulated in this Financing Agreement even if it designates other entities identified in Annex I (Technical and Administrative Provisions) to carry out certain budget-implementation tasks in the context of the implementation of a programme estimate referred to in Article 5 of these General Conditions. The Commission, in particular, reserves the right to suspend payments, and to suspend and/or terminate this Financing Agreement on the basis of the acts, omissions and/or situations of any designated entity.

1.3 The tasks identified in Article 1.1 of these General Conditions shall be carried out by the Beneficiary in accordance with the procedures and standard documents laid down and published by the Commission for the award of procurement and grant contracts, in force at the time of the launch of the procedure in question.

1.4 The Beneficiary shall set up and ensure the functioning of an effective and efficient internal control system. The Beneficiary shall respect the principles of sound financial management, transparency and non-discrimination and avoid situations of conflict of interest.

A conflict of interest exists where the impartial and objective exercise of the functions of any responsible person is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with a tenderer or applicant, or contractor or grant beneficiary.

Internal control system is a process aimed at providing reasonable assurance that operations are effective, efficient and economical, that the reporting is reliable, that assets and information are safeguarded, that fraud and irregularities are prevented, detected-and corrected, and that risks relating to the legality and regularity of the financial operation are adequately managed, taking into account the multiannual character of the activities as well as the nature of the payments concerned.

In particular, where the Beneficiary carries out payments pursuant to a programme estimate, the functions of the authorising and accounting officers shall be segregated and mutually incompatible and the Beneficiary shall operate an accounting system that provides accurate, complete, reliable and timely information. The Beneficiary shall also reasonably protect data enabling the identification of a natural person (personal data).

1.5 Where made a part of this Financing Agreement pursuant to Article 5 of the Special Conditions, the report on the implementation of the tasks entrusted to the Beneficiary shall follow the template provided in Annex III. However, where programme estimates are used pursuant to Article 5 of these General Conditions, the report shall follow the requirements stipulated in the standard documents referred to in Article 5.3 of these General Conditions. Where made a part of this Financing Agreement pursuant to Article 5 of the Special Conditions, the management declaration shall follow the template provided in Annex IV.

1.6 An independent external audit opinion on the management declaration, performed in accordance with internationally accepted auditing standards, does not have to be provided in this case as the Commission shall conduct the audits for this action. These audits will verify the truthfulness of the assertions made in the management declaration and the legality and regularity of the underlying transactions made.

1.7 The Beneficiary shall conduct the procurement and grant award procedures and conclude the resulting contracts in the language of this Financing Agreement.

1.8 The Beneficiary shall inform the Commission when a candidate, tenderer or applicant is in a situation of exclusion from participating in procurement and grant award procedures referred to in Article 1.3 and when a contractor or grant beneficiary has been guilty of making false declarations or has made substantial errors or committed irregularities and fraud, or has been found in serious breach of its contractual obligations.

In such cases, without prejudice to the power of the Commission to take measures against such entity according to the applicable Financial Regulation, financial penalties mentioned in the provisions on administrative and financial penalties of the General Conditions of procurement and grant contracts concluded by the Beneficiary pursuant to standard documents referred to in Article 1.3 may be imposed on the contractors and grant beneficiaries by the Beneficiary if this is allowed by its national law. Such financial penalties shall be imposed following an adversarial procedure ensuring the right of defence of the contractor or grant beneficiary.

The Beneficiary may take into account, as appropriate and on its own responsibility the information contained in the Central Exclusion Database when awarding procurement and grant contracts. Access to the information can be provided through the liaison point(s) or via consultation to the Commission[1] (European Commission, Directorate- General for Budget, Accounting Officer of the Commission, BRE2-13/505, B-1049 Brussels, Belgium and by email to BUDG-C01-EXCL-DB@ec.europa.eu in copy to the Commission address identified in Article 3 of the Special Conditions). The Commission may refuse payments to a contractor or grant beneficiary in an exclusion situation.

1.9 The Beneficiary shall keep all relevant financial and contractual supporting documents from the date of the entry into force of this Financing Agreement or as from an earlier date which is stipulated as the start date of cost eligibility in Article 6 of the Special Conditions for five years as from the end of the execution period, in particular, the following:

Procurement procedures:

a. Forecast notice with proof of publication of the procurement notice and any corrigenda

b. Appointment of shortlist panel

c. Shortlist report (incl. annexes) and applications

d. Proof of publication of the shortlist notice

e. Letters to non-shortlisted candidates

[1] The Beneficiary shall be allowed to have direct access to the Central exclusion database through a liaison point when the Beneficiary certifies to the Commission service responsible that it applies the adequate data protection measures as provided in the Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1).

f. Invitation to tender or equivalent

g. Tender dossier including annexes, clarifications, minutes of the meetings, proof of publication

h. Appointment of the evaluation committee

i. Tender opening report, including annexes

j. Evaluation / negotiation report, including annexes and bids received[2]

k. Notification letter

l. Supporting documents

m. Cover letter for submission of contract

n. Letters to unsuccessful candidates

o. Award / cancellation notice, including proof of publication

p. Signed contracts, amendments, riders and relevant correspondence

Calls for proposals and direct award of grants:

a. Appointment of the evaluation committee

b. Opening and administrative report including annexes and applications received[3]

c. Letters to successful and unsuccessful applicants following concept note evaluation

d. Concept note evaluation report

e. Evaluation report of the full application or negotiation report with relevant annexes

f. Eligibility check and supporting documents

g. Letters to successful and unsuccessful applicants with approved reserve list following full application evaluation

h. Cover letter for submission of grant contract

1. Award/cancellation notice with proof of publication

j. Signed contracts, amendments, riders and relevant correspondence

In case of programme estimates: In addition to the above, all relevant documentation relating to payments, recoveries and operating costs.

1.10 The Beneficiary shall ensure an appropriate protection of personal data. Personal data means any information relating to an identified or identifiable natural person. Any involving the processing of personal data, such as collection, recording, organisation, storage, adaption or

[2] Elimination of unsuccessful bids five years after the closure of the procurement procedure
[3] Elimination of unsuccessful applications three years after the closure of the grant procedure.

alteration, retrieval, consultation, use, disclosure, erasure or destruction, shall be based on rules and procedures of the Beneficiary and shall only be done as far as it is necessary for the implementation of this Financing Agreement.

In particular, the Beneficiary shall take appropriate technical and organisational security measures concerning the risks inherent in any such operation and the nature of the information relating to the natural person concerned, in order to:

a) Prevent any unauthorised person from gaining access to computer systems performing such operations, and especially unauthorised reading, copying, alteration or removal of storage media; unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored information;

b) Ensure that authorised users of an IT system performing such operations can access only the information to which their access right refers;

c) Design its organisational structure in such a way that it meets the above requirements.

Article 2 - Deadline for the signature of the procurement and grant contracts by the Beneficiary

2.1 The procurement and grant contracts shall be duly signed by both parties during the operational implementation phase of this Financing Agreement and at the latest within three years of the entry into force of this Financing Agreement. Additional procurement and grant contracts resulting from an amendment of this Financing Agreement that adds new activities and increases the EU contribution shall be duly signed by both parties during the operational implementation phase of this Financing Agreement and at the latest within three years of the entry into force of that amendment of this Financing Agreement.

Where this action is financed from the EDF, programme estimates referred to in Article 5 of these General Conditions shall also be endorsed by the Commission within that three-year deadline.

That three-year deadline may not be extended, except when the action is financed by the EDF. The extension shall be stipulated in Article 6 of the Special Conditions.

2.2 However, the following transactions may be signed at any time during the operational implementation phase.

a. procurement and grant contracts implementing the imprest component of a programme estimate financed under the EDF;

b. amendments to procurement and grant contracts already signed;

c. individual procurement contracts to be concluded after early termination of an existing procurement contract;

d. amendment of this Financing Agreement resulting from the change of the entity charged with the entrusted tasks, referred to in Article 1.2 of these General Conditions; the amendment shall also stipulate a new period within which procurement and grant contracts shall be concluded by this new entity in accordance

with Article 2.1:

e. Contracts relating to audit and evaluation, which may also be signed during the closure phase.

2.3 After expiry of the three years of the entry into force of this Financing Agreement, any financial balance for activities entrusted to the Beneficiary for which contracts have not been duly signed shall be decommitted by the Commission.

2.4 Article 2.3 shall not apply to any financial balance of the contingency reserve or to funds available again after early termination of a contract. This balance or funds may be used to finance contracts referred to in Article 2.2.

2.5 A procurement or grant contract which has not given rise to any payment within three years of its signature shall be automatically terminated and its funding shall be decommitted.

Article 3 - Visibility

The Beneficiary shall take the necessary measures to ensure the visibility of EU funding for the activities entrusted to it or for other activities under this action. These measures shall either be defined in Annex I (Technical and Administrative Provisions) or shall be agreed later between the Beneficiary and the Commission.

These communication and information measures shall comply with the Communications and Visibility Manual for EU External Actions laid down and published by the Commission, in force at the time of the measures.

Article 4 - Provisions on payments made by the Commission to contractors and grant beneficiaries on behalf of the Beneficiary

4.1 The Beneficiary shall provide the Commission with the approved payment requests within the following deadlines, starting from the date of receipt of the payment request, not counting the periods of suspension of the time-limit for payment:

(a) for pre-financing specified in the procurement or grant contract:

(i) 15 calendar days for an action financed under the Budget;

(ii) 30 calendar days for an action financed under the EDF;

b) 45 calendar days for other payments.

The Commission shall act in accordance with Articles 4.6 and 4.7 within the period amounting to the time-limit for payment provided for in the procurement and grant contracts minus the above deadlines.

4.2 Upon receipt of a payment request from a contractor or grant beneficiary, the Beneficiary shall inform the Commission of its receipt and shall immediately examine whether the request is admissible, i.e. whether it contains the identification of that contractor or grant beneficiary, the contract concerned, the amount, the currency and the date. If the Beneficiary concludes that the request is inadmissible, it shall reject it and inform the contractor or grant beneficiary of this rejection and of its reasons within 30 days of receipt of the request. The Beneficiary shall also

inform the Commission of this rejection and its reasons.

4.3 Upon receipt of an admissible payment request, the Beneficiary shall examine whether a payment is due, i.e. whether all contractual obligations justifying the payment have been fulfilled, including examining a report, where applicable. If the Beneficiary concludes that a payment is not due, it shall inform the contractor or grant beneficiary thereof and of the reasons. The dispatch of this information suspends the time-limit for payment. The Commission shall receive a copy of the information so dispatched. The Commission shall also be informed of the reply or corrective action of the contractor or grant beneficiary. That reply or action aimed at correcting the non-compliance with its contractual obligations shall restart the time-limit for payment. The Beneficiary shall examine this reply or action pursuant to this paragraph.

4.4 If the Commission disagrees with the Beneficiary's conclusion that a payment is not due, it shall inform the Beneficiary thereof. The Beneficiary shall re-examine its positions and, if it concludes that the payment is due, it shall inform thereof the contractor or grant beneficiary. The suspension of the time-limit for payment shall be lifted upon dispatch of this information. The Beneficiary shall also inform the Commission. The Beneficiary shall further proceed as provided for in Article 4.5.

If disagreement between the Beneficiary and the Commission persists, the Commission may pay the undisputed part of the invoiced amount provided that it is clearly separable from the disputed amount. It shall inform the Beneficiary and the contractor or grant beneficiary of this partial payment.

4.5 Where the Beneficiary concludes that the payment is due, it shall transfer the payment request and all necessary accompanying documents to the Commission for approval and payment. It shall provide an overview of how many days of the time-limit for payment are left and of all periods of suspension of this time-limit.

4.6 After transfer of the payment request pursuant to Article 4.5, if the Commission concludes that the payment is not due, it shall inform the Beneficiary and, in copy, the contractor or grant beneficiary thereof and of the reasons. Informing the contractor or grant beneficiary shall have the effect of suspending the time-limit for payment, as provided for in the contract concluded. A reply or corrective action of the contractor or grant beneficiary shall be treated by the Beneficiary in accordance with Article 4.3.

4.7 Where the Beneficiary and the Commission concludes that the payment is due, the Commission shall execute the payment.

4.8 Where late-payment interest is due to the contractor or grant beneficiary, it shall be allocated between the Beneficiary and the Commission pro rata to the days of delay in excess of the time limits stipulated in Article 4.1, subject to the following:

(a) the number of days used by the Beneficiary is calculated from the date of the registration of an admissible payment request referred to in Article 4.3 to the date of the transfer of the request to the Commission referred to in Article 4.5 and from the date of information by the Commission referred to Article 4.6 to the following transfer

of the request to the Commission referred to in Article 4.5. Any period of suspension of the time-limit for payment shall be deducted.

(b) the number of days used by the Commission is calculated from the date following that of transfer of the request by the Beneficiary referred to in Article 4.5 to the date of payment and from the date of transfer to the date of informing the Beneficiary pursuant to Article 4.6.

4.9 Any circumstances unforeseen by the above procedure shall be solved in a spirit of cooperation between the Beneficiary and the Commission by analogy to the above provisions while respecting the contractual relations of the Beneficiary with the contractor or grant beneficiary.

Where feasible, one party shall cooperate at the request of the other party in providing useful information for the assessment of the payment request, even before the payment request is formally transferred to or returned from the first party.

Article 5 - Programme estimate

5.1 When the Beneficiary is additionally entrusted with making payments to contractors, grant beneficiaries and/or in the context of direct labour, it shall do so on the basis of a programme estimate agreed by the Beneficiary and the Commission beforehand.

5.2 The programme estimate is a document laying down the programme of activities to be carried out and the human and material resources required, the corresponding budget and the detailed technical and administrative implementing arrangements for the execution of these activities over a specified period by means of procurement, grants and/or direct labour.

The programme estimate shall have an imprest component and a component of specific commitments.

Under the imprest component of a programme estimate, the Beneficiary shall be entrusted with implementing the procurement and grant award procedures and carry out the related payments and the payments for direct labour.

Under the component for specific commitments, the Beneficiary shall carry out tasks as referred to in the second subparagraph of Article 1.1 of these General Conditions; the Commission shall carry out related payment to contractors and grant beneficiaries. Certain identified activities, including audits, evaluations and recourse to the framework contract, shall be implemented directly by the Commission.

Where the action is financed under the EDF, the tasks described in Annex I may be implemented by a body governed by private law on the basis of a service contract, awarded by the Beneficiary in accordance with the procedures and standard documents referred to in Article 1.3.

5.3 All programme estimates implementing the Financing Agreement must respect the procedures and standard documents concerning programme estimates and laid down by the Commission, in force at the time of the adoption of the programme estimate in question.

Ordinary operating costs incurred by the entity in charge of the tasks entrusted to the Beneficiary referred to in Articles 1.1 and 5.1 of these General Conditions shall be eligible for EU financing under the imprest component of a programme estimate during the entire duration of the execution period of this Financing Agreement, unless an earlier start of cost eligibility is stipulated in Article 6 of the Special Conditions. These costs are incurred in carrying out budget-implementation tasks and include local staff, utilities (e.g. water, gas, and electricity), rental of premises, consumables, maintenance, short-term business trips and fuel for vehicles. They shall not include purchase of vehicles or of any other equipment, or any operational activity. Article 1.3 and 2.1 of these General Conditions shall not apply to these ordinary operating costs.

5.4 The Beneficiary shall submit to the Commission annually, by the date stipulated in Article 6 of the Special Conditions, a management declaration signed by the Beneficiary at the appropriate level using the template in Annex IV.

Article 6 - Payments to the Beneficiary implementing the imprest component of a programme estimate

6.1 The Commission shall transfer funds no later than 30 calendar days after the date on which it registers an admissible payment request for pre-financing from the Beneficiary which contains the date, the amount and the currency; the time-limit shall be 90 calendar days for a payment request for replenishment or closure. Late-payment interest shall be due pursuant to the applicable Financial Regulation. The time-limit for the payment may be suspended by the Commission by informing the Beneficiary, at any time during the period referred to above, that the payment request cannot be met, either because the amount is not due or because the appropriate supporting documents have not been produced. If information which puts in doubt the eligibility of expenditure appearing in a payment request comes to the notice of the Commission, the Commission may suspend the time-limit for the payment for the purpose of further verification, including an on-the-spot check, in order to ascertain, prior to payment, that the expenditure is indeed eligible. The suspension and the reasons for it shall be communicated to the Beneficiary as soon as possible. The time-limit for the payment shall resume once the missing supporting documents have been provided or the payment request has been corrected.

6.2 The Commission shall make payments to a bank account opened at a financial institution accepted by the Commission.

6.3 The Beneficiary shall guarantee that funds paid by the Commission can be identified in this bank account.

6.4 Transfers in euro shall, if necessary, be converted into the Beneficiary's national currency as and when payments have to be made by the Beneficiary, at the bank rate in force on the day of payment by the Beneficiary.

6.5 The imprest component of a programme estimate which has not given rise to any payment to the Beneficiary within three years of the conclusion of the programme estimate shall be automatically terminated, and the corresponding committed amount shall be decommitted.

Article 7 - Publication of information on procurement and grant contracts by the Beneficiary

7.1 The Beneficiary undertakes to publish each year in a dedicated and easily accessible place of its internet site, for each procurement and grant contract for which it is contracting authority under the programme estimates referred to in Article 5, its nature and purpose, the name and locality of the contractor (contractors in case of a consortium) or grant beneficiary (grant beneficiaries in case of a multi-beneficiary grant), as well as the amount of the contract.

The locality of a natural person shall be a region at NUTS2 level. The locality of a legal person shall be its address.

If such internet publication is impossible, the information shall be published by any other appropriate means, including the official journal of the Beneficiary.

Article 6 of the Special Conditions shall stipulate the location, on the internet or otherwise, of the place of publication; reference shall be made to this location in the dedicated place of the internet site of the Commission.

7.2 Scholarships to, and direct financial support of natural persons most in need shall be published anonymously and in an accumulated manner by category of expenditure.

Otherwise, names of natural persons shall be replaced by "natural person" two years after publication. The name of a legal entity containing that of a natural person involved in this entity shall be treated as a natural person's name.

Publication of names of natural persons shall be waived if such publication risks violating their fundamental rights or damaging their commercial interests.

The Beneficiary shall present a list of data to be published on natural persons with any justifications for proposed waivers of publication to the Commission which must grant prior approval to this list. Where necessary, the Commission shall complete the locality of the natural person limited to a region at NUTS2 level.

7.3 Publication of the procurement and grant contracts concluded (i.e. signed by the Beneficiary and the contractor or grant beneficiary) during the reporting period shall take place within six months following the date for submitting the report pursuant to Article 6 of Special Conditions.

7.4 Publication of contracts may be waived if such publication risks harming the commercial interests of contractors or grant beneficiaries. The Beneficiary shall present a list with such justifications to the Commission which must grant prior approval to such publication waiver.

7.5 Where the Commission carries out payments to contractors and grant beneficiaries, it shall ensure the publication of information on procurement and grant contracts according to its rules..

Article 8 - Recovery of funds

8.1 The Beneficiary shall take any appropriate measures to recover the funds unduly paid.

Amounts unduly paid and recovered by the Beneficiary, amounts from financial guarantees

lodged on the basis of procurement and grant award procedures, amounts from financial penalties imposed by the Beneficiary on candidates, tenderers, applicants, contractors or grant beneficiaries, as well as damages awarded to the Beneficiary shall be returned to the Commission.

8.2 Without prejudice to the above responsibility of the Beneficiary to recover funds unduly paid, the Beneficiary agrees that the Commission may, in accordance with the provisions of the Financial Regulation applicable and this Financing Agreement, formally establish an amount as being unduly paid under procurement and grant contracts financed under Part One and proceed to its recovery by any means on behalf of the Beneficiary, including by offsetting the amount owed by the contractor or grant beneficiary against any of his claims against the EU and by forced recovery before the competent courts.

8.3 To this end, the Beneficiary shall provide to the Commission all the documentation and information necessary. The Beneficiary hereby empowers the Commission to carry out the recovery in particular by calling on a guarantee of a contractor or grant beneficiary of which the Beneficiary is the contracting authority or by offsetting the funds to be recovered against any amounts owed to the contractor or grant beneficiary by the Beneficiary as contracting authority and financed by the EU under this or another Financing Agreement or by forced recovery before the competent courts.

8.4 The Commission shall inform the Beneficiary that the recovery proceedings have been initiated (including where necessary before a national court).

8.5 Where the Beneficiary is a sub-delegatee of an entity with which the Commission concluded a delegation agreement, the Commission may recover funds from the Beneficiary which are due to the entity but which the entity was not able to recover itself.

Article 9 - Financial claims under procurement and grant contracts

The Beneficiary undertakes to confer with the Commission before taking any decision concerning a request for compensation made by a contractor or grant beneficiary and considered by the Beneficiary to be justified in whole or in part. The financial consequences may be borne by the EU only where the Commission has given its prior approval. Such prior approval is also required for any use of funds committed under the present Financing Agreement to cover costs arising from disputes relating to contracts.

Article 10 - Cost overruns and ways of financing them

10.1 Individual overruns of the budget headings of the activities implemented by the Beneficiary shall be dealt with by reallocating funds within the overall budget, in accordance with Article 25 of these General Conditions.

10.2 Wherever there is a risk of overrunning the amount foreseen for the activity implemented by the Beneficiary, the Beneficiary shall immediately inform the Commission and seek its prior approval for the corrective activities planned to cover the overrun, proposing either to scale

down the activities or to draw on its own or other non-EU resources.

10.3 If the activities cannot be scaled down, or if the overrun cannot be covered either by the Beneficiary's own resources or other resources, the Commission may, at the Beneficiary's duly substantiated request, decide to grant additional EU financing. Should the Commission take such a decision, the excess costs shall be financed, without prejudice to the relevant EU rules and procedures, by the release of an additional financial contribution to be set by the Commission. This Financing Agreement shall be amended accordingly.

Part Two: Provisions Applicable to Budget Support

Article 11 - Policy dialogue

The Beneficiary and the EU commit to engage in a regular constructive dialogue at the appropriate level on the implementation of this Financing Agreement.

Where the Beneficiary is an ACP State and this action is financed under the EDF pursuant to Article 1.1 of the Special Conditions, this dialogue may form a part of the broader political dialogue provided for in Article 8 of the ACP-EC Partnership Agreement.

Article 12 - Verification of conditions and disbursement

12.1. The Commission shall verify the conditions for the payment of the tranches of the budget support component, as identified in Annex I (Technical and Administrative Provisions).

Where the Commission concludes that the conditions for payment are not fulfilled, it shall inform the Beneficiary thereof without undue delay.

12.2. Disbursement requests submitted by the Beneficiary shall be eligible for EU financing provided that they are in accordance with the provisions set out in Annex I (Technical and Administrative Provisions) and that they are submitted during the operational implementation phase.

12.3. The Beneficiary shall apply its national foreign exchange regulations in a nondiscriminatory manner to all disbursements of the budget support component.

Article 13 - Transparency of budget support

The Beneficiary hereby agrees to the publication by the Commission, of this Financing Agreement and any amendment thereof, including by electronic means, and of such basic information on the budget support which the Commission deems appropriate. Such publication shall not contain any data in violation of the EU laws applicable to the protection of personal data.

Article 14 - Recovery of budget support

All or part of the budget support disbursements may be recovered by the Commission, with due respect to the principle of proportionality, if the Commission establishes that payment has

been vitiated by a serious irregularity attributable to the Beneficiary, in particular if the Beneficiary provided unreliable or incorrect information, or if corruption or fraud was involved.

Part Three: Provisions Applicable to This Action as a Whole, Irrespective of the Management Mode

Article 15 - Execution period and contracting deadline in direct management

15.1 The execution period of this Financing Agreement shall comprise two phases:

- an operational implementation phase, in which the principal operational activities of the action are carried out. This phase shall start on the entry into force of this Financing Agreement and end with the opening of the closure phase;
- a closure phase, during which final audits and evaluation are carried out and contracts and programme estimates for the implementation of this Financing Agreement are technically and financially closed. The duration of this phase is stipulated in Article 2.3 of the Special Conditions. It starts after the end of the operational implementation phase. Only expenditure necessary for the closure shall be eligible.

These periods shall be reflected in the agreements to be concluded by the Beneficiary and by the Commission in the implementation of this Financing Agreement, in particular in delegation agreements and procurement and grant contracts.

15.2 Costs related to the principal operational activities shall be eligible for EU financing only if they have been incurred during the operational implementation phase; the costs incurred by the Beneficiary before the entry into force of this Financing Agreement shall not be eligible for EU financing unless provided otherwise in Article 6 of the Special Conditions. Costs related to final audits and evaluation, and to closure activities shall be eligible until the end of the closure phase.

15.3 Any balance remaining from the EU contribution will be automatically decommitted no later than six months after the end of the execution period.

15.4 In exceptional and duly substantiated cases, a request may be made for the extension of the operational implementation phase and correlatively of the execution period. If the extension is requested by the Beneficiary, the request must be made at least three months before the end of the operational implementation phase and approved by the Commission before that end. This Financing Agreement shall be amended accordingly.

15.5 In exceptional and duly substantiated cases, and after the end of the operational implementation phase, a request may be made for the extension of the closure phase and correlatively of the execution period. If the extension is requested by the Beneficiary, the request must be made at least three months before the end of the closure phase and approved by the Commission before that end. This Financing Agreement shall be amended accordingly.

15.6 Article 2 of these General Conditions shall apply to activities implemented by the Commission as contracting authority (direct management) with the exception of the second

and third subparagraph of Article 2.1.

Article 16 - Verifications and checks by the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors

16.1 The Beneficiary shall assist and support the verifications and checks carried out by the Commission, OLAF and the European Court of Auditors at their request.

The Beneficiary agrees to the Commission, OLAF and the European Court of Auditors conducting documentary and on-the-spot controls on the use made of EU financing under the activities under this Financing Agreement and carrying out a full audit, if necessary, on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of the activities, throughout the duration of this Financing Agreement and for five years from the end of the execution period.

16.2 The Beneficiary also agrees that OLAF may carry out on-the-spot checks and verifications in accordance with the procedures laid down by EU law for the protection of the EU's financial interests against fraud and other irregularities.

To that end, pursuant to Regulation (EC, Euratom) No 2185/96 and to Regulation (EC, Euratom) No 883/2013, the Beneficiary shall grant officials of the Commission, OLAF and the European Court of Auditors and their authorised agents access to sites and premises at which operations financed under this Financing Agreement are carried out, including their computer systems, and to any documents and computerised data concerning the technical and financial management of those operations, and to take every appropriate measure to facilitate their work. Access by authorised agents of the Commission, OLAF and the European Court of Auditors shall be granted on conditions of strict confidentiality with regard to third parties, without prejudice to public law obligations to which they are subject. Documents must be accessible and filed in a manner permitting easy inspection, the Beneficiary being bound to inform the Commission, OLAF or the European Court of Auditors of the exact location at which they are kept.

16.3 The checks and audits described above shall also apply to contractors and grant beneficiaries, and subcontractors who have received EU financing.

16.4 The Beneficiary shall be notified of on the spot missions by agents appointed by the Commission, OLAF or the European Court of Auditors.

Article 17 - Tasks of the Beneficiary in fighting irregularities, fraud and corruption

17.1 The Beneficiary shall immediately inform the Commission of any element brought to its attention which arouses suspicions of irregularities, fraud or corruption and of any measure taken or planned to deal with them.

17.2 The Beneficiary shall ensure and check regularly that the actions financed from the budget are effectively carried out and implemented correctly. It shall take appropriate measures to prevent, detect and correct irregularities and fraud and where necessary, bring prosecutions and recover funds unduly paid.

"Irregularity" shall mean any infringement of this Financing Agreement, implementing contracts and programme estimates or of EU law resulting from an act or omission by anyone who has, or would have, the effect of prejudicing the funds of the EU, either by reducing or losing revenue owed to the EU, or by an unjustified item of expenditure.

"Fraud" shall mean any intentional act or omission concerning:

- the use or presentation of false, incorrect or incomplete, statements or documents which has as its effect the misappropriation or wrongful retention of funds from the general budget of the EU or the EDF;
- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misapplication of such funds for purposes other than those for which they are originally granted.

17.3 The Beneficiary undertakes to take every appropriate measure to prevent, detect and punish any practices of active or passive corruption during the implementation of the Financing Agreement.

"Passive corruption" shall mean the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or for a third party, or accepts a promise of such an advantage, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the EU's financial interests.

"Active corruption" shall mean the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official, for himself or for a third party, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the EU's financial interests.

17.4 The Beneficiary shall immediately inform the Commission (contacts pursuant to the third subparagraph of the Article 1.8 of the General Conditions) of the name of the entity that has been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity detrimental to the EU's financial interests.

17.5 If the Beneficiary does not take appropriate measures to prevent fraud, irregularities and corruption, the Commission may adopt precautionary measures including the suspension of this Financing Agreement.

Article 18 - Suspension of payments

18.1 Without prejudice to the suspension or termination of this Financing Agreement according to Articles 26 and 27, respectively, the Commission may suspend payments partially or fully, if:

a) the Commission has established that or has serious concerns, on the basis of information it received, and needs to verify, whether the Beneficiary has committed substantial errors, irregularities or fraud in the procurement and grant award procedure or in the implementation of the action, or the Beneficiary has failed to comply with its

obligations under this Financing Agreement, including obligations regarding the implementation of the Communications and Visibility plan;

b) the Commission has established that or has serious concerns, on the basis of information it received, and needs to verify, whether the Beneficiary has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under this or other Financing Agreements, provided that those errors, irregularities, fraud or breach of obligations have a material impact on the implementation on this Financing Agreement or call into question the reliability of the Beneficiary's internal control system or the legality and regularity of the underlying expenditure;

c) the Commission suspects that the Beneficiary committed substantial errors, irregularities, fraud or breach of obligations in the procurement and grant award procedure or in the implementation of the action and needs to verify whether they have occurred.

d) it is necessary to prevent significant damage to the financial interests of the EU.

18.2 The Commission shall immediately inform the Beneficiary about the suspension of payments and of the reasons for this suspension.

18.3 The suspension of payments shall have the effect of suspending payment time-limits for any payment request pending.

18.4 In order to resume payments the Beneficiary shall endeavour to remedy the situation leading to the suspension as soon as possible and shall inform the Commission of any progress made in this respect. The Commission shall, as soon as it considers that the conditions for resuming payments have been met, inform the Beneficiary thereof.

Article 19 - Allocation of funds recovered by the Commission to the action

Where the action is financed under the EDF, amounts unduly paid and recovered by the Commission, amounts from financial guarantees lodged on the basis of procurement and grant award procedures, amounts from financial penalties imposed on candidates, tenderers, applicants, contractors or grant beneficiaries, as well as damages awarded to the Commission shall be allocated to this action.

Article 20 - Right of establishment and residence

20.1 Where justified by the nature of the procurement or grant contract, the Beneficiary shall entitle natural and legal persons participating in invitations to tender for works, supply or service contracts or calls for proposals and entities expected to be entrusted with budget-implementation tasks identified in Annex I with a provisional right of establishment and residence in the Beneficiary's territory(ies). This right shall remain valid for one month after the contract is awarded.

20.2 The Beneficiary shall also entitle procurement contractors and grant beneficiaries, entities entrusted with budget-implementation tasks identified in Annex I (Technical and

Administrative Provisions), natural persons whose services are required for the performance of this action and members of their families with similar rights during the implementation of the action.

Article 21 - Tax and customs provisions

21.1 The Beneficiary shall apply to procurement contracts and grants financed by the EU the most favoured tax and customs arrangements applied to States or international development organisations with which it has relations.

Where the Beneficiary is an ACP State, account shall not be taken of arrangements applied by it to the other ACP States or to other developing countries for the purpose of determining the most-favoured-State treatment.

21.2 Where a Framework Agreement is applicable, which includes more detailed provisions on this subject, these provisions shall apply as well.

Article 22 - Confidentiality

22.1 The Beneficiary agrees that its documents and data held by an entity with which the Beneficiary is in a contractual relationship regarding them may be forwarded to the Commission by that entity for the sole purpose of implementing this or another Financing Agreement. The Commission shall respect all confidentiality arrangements agreed between the Beneficiary and that entity.

22.2 Without prejudice to Article 16 of these General Conditions, the Beneficiary and the Commission shall preserve the confidentiality of any document, information or other material directly related to the implementation of this Financing Agreement that is classified as confidential.

22.3 The Parties shall obtain each other's prior written consent before publicly disclosing such information.

22.4 The Parties shall remain bound by the confidentiality until five years after the end of the execution period.

Article 23 - Use of studies

The contract related to any study financed under this Financing Agreement shall include the right for the Beneficiary and for the Commission to use the study, to publish it and to disclose it to third parties.

Article 24 - Consultation between the Beneficiary and the Commission

24.1 The Beneficiary and the Commission shall consult each other before taking any dispute relating to the implementation or interpretation of this Financing Agreement further pursuant to Article 29 of these General Conditions.

24.2 Where the Commission becomes aware of problems in carrying out procedures relating to management of this Financing Agreement, it shall establish all necessary contacts with the Beneficiary to remedy the situation and take any steps that are necessary.

24.3 The consultation may lead to the amendment, suspension or termination of this Financing Agreement.

24.4 The Commission shall regularly inform the Beneficiary of the implementation of activities described in Annex I which do not fall under Part One of these General Conditions.

Article 25 - Amendment of this Financing Agreement

25.1 Any amendment of this Financing Agreement shall be made in writing, including an exchange of letters.

25.2 If the request for an amendment comes from the Beneficiary, the latter shall submit that request to the Commission at least three months before the amendment is intended to enter into force, except in cases which are duly substantiated by the Beneficiary and accepted by the Commission. In the exceptional cases of an adjustment of the objectives of the action and/or an increase in the EU contribution, such request shall be submitted at least six months before the amendment is intended to enter into force.

25.3 If the adjustment both does not significantly affect the objectives of the activity implemented pursuant to Part One of these General Conditions, and if it concerns matters of detail which do not affect the technical solution adopted, and if it does not include the reallocation of funds, or if it concerns reallocations of funds within the limit of the contingency reserve, the Beneficiary shall inform the Commission of the adjustment and its justification in writing as soon as possible and may apply that adjustment.

25.4 The use of contingency reserve provided for an action shall be subject to the Commission's prior written approval.

25.5 Where the Commission considers that the Beneficiary ceases to perform satisfactorily the tasks entrusted pursuant to Article 1.1 of these General Conditions and without prejudice to Articles 26 and 27 of these General Conditions, the Commission may decide to retake the tasks entrusted from the Beneficiary in order to continue the implementation of the activities on behalf of the Beneficiary after informing the latter in writing.

Article 26 - Suspension of this Financing Agreement

26.1 The Financing Agreement may be suspended in the following cases:

- The Commission may suspend the implementation of this Financing Agreement if the Beneficiary breaches an obligation under this Financing Agreement.
- The Commission may suspend the implementation of this Financing Agreement if the Beneficiary breaches any obligation set under the procedures and standard documents referred to in Article 1.3 and 5.3 of these General Conditions.

- The Commission may suspend this Financing Agreement if the Beneficiary breaches an obligation relating to respect for human rights, democratic principles and the rule of law and in serious cases of corruption.
- This Financing Agreement may be suspended in cases of force majeure, as defined below. "Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their obligations, not attributable to error or negligence on their part (or the part of their contractors, agents or employees) and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A party shall not be held in breach of its obligations if it is prevented from fulfilling them by a case of force majeure of which the other party is duly informed. A party faced with force majeure shall inform the other party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage.
- Neither of the Parties shall be held liable for breach of its obligations under this Financing Agreement if it is prevented from fulfilling them by force majeure, provided it takes measures to minimise any possible damage.

26.2 The Commission may suspend this Financing Agreement without prior notice.

26.3 The Commission may take any appropriate precautionary measure before suspension takes place.

26.4 When the suspension is notified, the consequences for the on-going procurement and grant contracts, delegation agreements and programme estimates and for such contracts, delegation agreements and programme estimates to be signed shall be indicated.

26.5 A suspension of this Financing Agreement is without prejudice to the suspension of payments and termination of this Financing Agreement by the Commission in accordance with Article 18 and 27 of the General Conditions.

26.6 The parties shall resume the implementation of the Financing Agreement once the

conditions allow with the prior written approval of the Commission. This is without prejudice to any amendments of this Financing Agreement which may be necessary to adapt the action to the new implementing conditions, including, if possible, the extension of the implementation period, or the termination of this Financing Agreement in accordance with Article 27.

Article 27 - Termination of this Financing Agreement

27.1. If the issues which led to the suspension of this Financing Agreement have not been resolved within a maximum period of 180 days, either party may terminate this Financing Agreement at 30 days' notice.

27.2. This Financing Agreement shall be automatically terminated, if within the period of three years of its signature:

a) it has not given rise to any payment;

b) no implementing contract or delegation agreement has been signed;

c) and where this action is financed under the EDF, no programme estimate has been signed;

27.3 When the termination is notified, the consequences for the on-going procurement and grant contracts, delegation agreements and programme estimates and for such contracts, delegation agreements and programme estimates to be signed shall be indicated.

Article 28 - Dispute settlement arrangements

28.1 Any dispute concerning this Financing Agreement which cannot be settled within a six-month period by the consultations between the parties provided for in Article 24 of these General Conditions may be settled by arbitration at one of the parties' request.

Where the Beneficiary is an ACP State or an ACP regional body or organisation and this action is financed under the EDF, the dispute shall be submitted, prior to arbitration and after the consultations provided for in Article 24 of these General Conditions, to the ACP-EC Council of Ministers, or, between its meetings, to the ACP-EC Committee of Ambassadors, pursuant to Article 98 of the ACP-EC Partnership Agreement. If the Council or Committee does not succeed in settling the dispute, either party may request settlement of the dispute by arbitration in accordance with Articles 28.2, 28.3 and 28.4.

28.2 Each party shall designate an arbitrator within 30 days of the request for arbitration. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration (The Hague) to designate a second arbitrator. The two arbitrators shall in their turn designate a third arbitrator within 30 days. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration to designate the third arbitrator.

28.3 Unless the arbitrators decide otherwise, the procedure laid down in the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States shall apply. The arbitrators' decisions shall be taken by a majority within a period of three months.

28.4 Each party shall be bound to take the measures necessary for the application of the arbitrators' decision.

EUROPEAN UNION
DELEGATION TO VIETNAM

Ambassador / Head of Delegation

Hanoi, 10 October 2014
Ares (2014) 3367282

HE Mr Truong Chi Trung
Vice Minister
Ministry of Finance
Hanoi

Subject: **Financing Agreement for the second phase of the EU Health Sector Budget Support Programme (EU-HSPSP 2) DCI-Asie2013/243730: submission of The Fiancing Agreement for signature.**

Ref.: Our letter Ares(2014)2468775 dated 25 July 2014

Your Excellency,

With reference to our previous correspondence on the second phase of the EU Health Sector Budget Support Programme (EU-HSPSP 2), I am delighted to send you **3 originals** of the Financing Agreement concerning the abovementioned project, duly signed by Mr D. Meganck, Director EuropeAid – Directorate General for Development and Co-operation (Asia, Central Asia, Middle East/Gulf and Pacific).

In accordance with our previous agreement that the Ministry of Finance is to be the Signatory Party of this Financing Agreement on behalf of the Vietnamese Government, I would be very grateful if you could ensure that these documents are signed and dated, with the name and administrative status of the signatory clearly legible.

Ideally this signature should take place on 19 November 2014 on the occasion of the Cooperation Working Group. In any case, the signature should take place before 1 December 2014.

Please keep one signed original for your records and return the two other signed originals to the EU Delegation in Hanoi.

Đã nhận 3 bản gốc
Nguyễn Lan Hương

Yours sincerely,

Franz Jessen

Enclosure: Three original copies of the Financing Agreement N°2013/243730

Cc.: Dr Pham Le Tuan – Vice Minister, Dr Tran Giang Huong – Director General ICD, Mr Nguyen Nam Lien – Deputy Director DPF, Mrs Dao Thi Khanh Hoa – MOH Canine, MOH
Mr Le Quang Manh – Director General DEER, Mr Le Viet Anh – Deputy Director DEER, Mrs. Phan Thu Hang – EU Desk Officer, MPI

17th Floor, Pacific Place, 83B Ly Thuong Kiet Street, Hanoi, Vietnam
Tel: (84-4) 3941 00 99 - Fax: (84-4) 3946 17 01
e-mail: delegation-vietnam@eeas.europa.eu
Website: http://eeas.europa.eu/delegations/vietnam/index_en.htm

VĂN PHÒNG CHÍNH PHỦ XUẤT BẢN

Địa chỉ:	Số 1, Hoàng Hoa Thám, Ba Đình, Hà Nội
Điện thoại liên hệ:	
- Nội dung:	080.44417; Fax: 080.44517
- Phát hành:	080.48543
Email:	congbao@chinhphu.vn
Website:	http://congbao.chinhphu.vn
In tại:	Xí nghiệp Bản đồ 1- Bộ Quốc phòng

Giá: 10.000 đồng