LOAN NUMBER 2643-VIE(SF)

# LOAN AGREEMENT
(Special Operations)

(Health Human Resources Sector Development Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 7 SEPTEMBER 2010

LAS:VIE 40354

**LOAN AGREEMENT**
**(Special Operations)**

LOAN AGREEMENT dated 7 September 2010 between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a loan agreement of even date herewith between the Borrower and ADB ("Program Loan Agreement"), ADB has agreed to provide a loan equivalent to twenty million eighty six thousand Special Drawing Rights (SDR20,086,000) in support of the Health Human Resources Sector Development Program ("Program") as described in Schedule 1 to the Program Loan Agreement;

(B) the Borrower has applied to ADB for a loan for the purposes of financing the project described in Schedule 1 to this Loan Agreement ("Project");

(C) by a Grant Agreement of even date herewith between the Borrower and ADB ("Project Grant Agreement"), ADB has agreed to administer a grant equivalent to the amount of eleven million Dollars ($11,000,000) to be provided by the Government of Australia for the purpose of jointly financing the Project ("Grant"); and

(D) ADB, on the basis inter alia of the foregoing, has agreed to make a loan to the Borrower from ADB's Special Funds resources to finance the Project upon the terms and conditions set forth herein.

NOW THEREFORE the parties agree as follows:

## ARTICLE I

## Loan Regulations; Definitions

Section 1.01. All provisions of the Special Operations Loan Regulations of ADB, dated 1 January 2006 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Whenever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

(a) "Consulting Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2007, as amended from time to time);

(b) "Consulting Services" means the consulting services to be financed out of the proceeds of the Loan, but excluding any services provided in relation to Goods and Works, as such terms respectively defined hereunder;

(c) "DST" means the Department of Science and Training in the MOH, as defined hereunder, and any successor thereto;

(d) "FGIA" means a first generation imprest account to be established by the Borrower hereunder for the exclusive use of the Project;

(e) "Goods" means equipment and materials to be financed out of the proceeds of the Loan, including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding Consulting Services;

(f) "Grant" has the meaning given thereto in Recital (C) of this Loan Agreement;

(g) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2007, as amended from time to time);

(h) "MOH" means the Ministry of Health of the Borrower, and any successor thereto;

(i) "PAM" means the project administration manual for the Project dated 11 May 2010, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;

(j) "PIU" means a Project Implementation Unit to be established in a priority university, as more fully described in the PAM;

(k) "PMU" means a Project Management Unit to be established within MOH, as more fully described in the PAM;

(l) "Procurement Guidelines" means ADB's Procurement Guidelines (2007, as amended from time to time);

(m) "Procurement Plan" means the procurement plan for the Project dated 11 May 2010, as updated from time to time in accordance with Procurement Guidelines, Consulting Guidelines, and other arrangements agreed by ADB;

(n) "Program" has the meaning given thereto in Recital (A) of this Loan Agreement;

(o) "Program Loan Agreement" has the meaning given thereto in Recital (A) of this Loan Agreement;

(p) "Project" has the meaning given thereto in Recital (B) of this Loan Agreement;

(q) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means the MOH or any legal successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;

(r) "Project facilities" means the facilities, equipment and vehicles financed by or otherwise provided under the Project;

(s) "Project Grant Agreement" has the meaning given thereto in Recital (C) of this Loan Agreement;

(t) "SGIA" means a second generation imprest account to be established by a PIU hereunder for the exclusive use of the Project;

(u) "SOE" means a statement of expenditures; and

(v) "Works" means construction or civil works to be financed out of the proceeds of the Loan, including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services.

## ARTICLE II

## The Loan

Section 2.01. ADB agrees to lend to the Borrower from ADB's Special Funds resources an amount in various currencies equivalent to twenty million eighty six thousand Special Drawing Rights (SDR20,086,000).

Section 2.02. (a) The Borrower shall pay to ADB an interest charge at the rate of 1% per annum during the grace period, and 1.5% per annum thereafter, on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

(b) The term "grace period" as used in paragraph (a) of this Section means the period prior to the First Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.03. The interest charge and any other charge on the Loan shall be payable semiannually on 1 June and 1 December in each year.

Section 2.04. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.05. The currency of repayment of the principal of the Loan and the currency of payment of the interest charge for the purposes of Sections 4.03(a) and 4.04 of the Loan Regulations shall be Dollars.

## ARTICLE III

## Use of Proceeds of the Loan

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement.

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Except as ADB may otherwise agree, the Borrower shall procure or cause to be procured items of expenditures in accordance with the applicable provisions of Schedule 4 to this Loan Agreement.

Section 3.04. Withdrawals from the Loan Account in respect of Goods, Works, and Consulting Services shall be made only on account of expenditures relating to:

(a) Goods which are produced in and supplied from, and Works and Consulting Services which are supplied from, such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement; and

(b) Goods, Works, and Consulting Services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.05. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 June 2016 or such other date as may from time to time be agreed between the Borrower and ADB.

## ARTICLE IV

## Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in (a) Schedule 5 to this Loan Agreement and (b) the Project Grant Agreement.

Section 4.02. (a) The Borrower shall: (i) maintain, or cause to be maintained, separate accounts for the Project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are

acceptable to ADB; (iii) furnish to ADB, as soon as available but in any event not later than 6 months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Loan proceeds and compliance with the financial covenants of this Loan Agreement as well as on the use of the imprest accounts and SOE procedures), all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.

(b) The Borrower shall enable ADB, upon ADB's request, to discuss the Borrower's financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by the Borrower pursuant to subparagraph (a) hereabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB, provided that any such discussion shall be conducted only in the presence of an authorized officer of the Borrower unless the Borrower shall otherwise agree.

Section 4.03. The Borrower shall enable ADB's representatives to inspect the Project, Goods and Works, and any relevant records and documents.

## ARTICLE V

## Suspension; Acceleration of Maturity

Section 5.01. The following is specified as an additional event for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 8.01(m) of the Loan Regulations: the Borrower shall have failed to perform any of its obligations under the Program Loan Agreement or the Project Grant Agreement.

Section 5.02. The following is specified as an additional event for acceleration of maturity for the purposes of Section 8.07(d) of the Loan Regulations: the event specified in Section 5.01 of this Loan Agreement shall have occurred.

## ARTICLE VI

## Effectiveness

Section 6.01. The following are specified as additional conditions to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the Loan Regulations:

(a) the Program Loan Agreement shall have been duly executed and delivered on behalf of, and shall have become legally binding upon, the Borrower, and all conditions precedent to its effectiveness, other

than a condition requiring the effectiveness of this Loan Agreement, shall have been fulfilled; and

(b) the Project Grant Agreement shall have been duly executed and delivered on behalf of, and shall have become legally binding upon, the Borrower, and all conditions precedent to its effectiveness, other than a condition requiring the effectiveness of this Loan Agreement, shall have been fulfilled.

Section 6.02. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of the Loan Agreement for the purposes of Section 9.04 of the Loan Regulations.

## ARTICLE VII

## Miscellaneous

Section 7.01. The Governor of the State Bank of Vietnam is designated as the representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the Loan Regulations:

For the Borrower

State Bank of Vietnam
47 – 49 Ly Thai To
Hanoi, Viet Nam

Facsimile Numbers:

(84-4) 38250-612
(84-4) 38258-385.

For ADB

Asian Development Bank
P.O. Box 789
0980 Manila, Philippines

Facsimile Numbers:

(632) 636-2444
(632) 636-2305.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

SOCIALIST REPUBLIC OF VIET NAM

By _____
Nguyen Van Giau
Governor
State Bank of Vietnam

ASIAN DEVELOPMENT BANK

By _____
Ayumi Konishi
Country Director
Viet Nam Resident Mission

## SCHEDULE 1

## Description of the Project

1. The objective of the Project is to support the implementation of certain policy actions that are designed to address human resources constraints facing the Borrower in its health sector through enhancing the quality, efficiency and equity in health workforce and health service delivery.

2. The Project shall comprise:

Part 1: Improvement of Planning and Management of Human Resources in the Health Sector

(a) strengthening human resources policy development, planning and implementation; and
(b) establishing systems for the registration and licensure of health professionals.

Part 2: Enhancement of the Quality of Human Resources Training in the Health Sector

(a) strengthening the capacity and effectiveness of training institutions;
(b) strengthening the networking to support institutional development;
(c) strengthening the mechanisms for quality improvement and assurance; and
(d) strengthening the mechanisms for training and utilization of medical staff in remote areas.

Part 3: Improvement of Management Systems in Health Service Delivery

(a) improving methods of organizing clinical work in hospitals;
(b) improving management method and structures in hospitals;
(c) improving funding mechanisms of hospitals; and
(d) strengthening policy framework and human resources capacity to implement pathway-based approaches.

3. The Project is expected to be completed by 31 December 2015.

## SCHEDULE 2

### Amortization Schedule
### (Health Human Resources Sector Development Project)

| Date Payment Due | Payment of Principal (expressed in Special Drawing Rights)* |
|---|---|
| 1 December 2018 | 418,458 |
| 1 June 2019 | 418,458 |
| 1 December 2019 | 418,458 |
| 1 June 2020 | 418,458 |
| 1 December 2020 | 418,458 |
| 1 June 2021 | 418,458 |
| 1 December 2021 | 418,458 |
| 1 June 2022 | 418,458 |
| 1 December 2022 | 418,458 |
| 1 June 2023 | 418,458 |
| 1 December 2023 | 418,458 |
| 1 June 2024 | 418,458 |
| 1 December 2024 | 418,458 |
| 1 June 2025 | 418,458 |
| 1 December 2025 | 418,458 |
| 1 June 2026 | 418,458 |
| 1 December 2026 | 418,458 |
| 1 June 2027 | 418,458 |
| 1 December 2027 | 418,458 |
| 1 June 2028 | 418,458 |
| 1 December 2028 | 418,458 |
| 1 June 2029 | 418,458 |
| 1 December 2029 | 418,458 |
| 1 June 2030 | 418,458 |
| 1 December 2030 | 418,458 |
| 1 June 2031 | 418,458 |
| 1 December 2031 | 418,458 |
| 1 June 2032 | 418,458 |
| 1 December 2032 | 418,458 |
| 1 June 2033 | 418,458 |
| 1 December 2033 | 418,458 |
| 1 June 2034 | 418,458 |
| 1 December 2034 | 418,458 |
| 1 June 2035 | 418,458 |
| 1 December 2035 | 418,458 |
| 1 June 2036 | 418,458 |
| 1 December 2036 | 418,458 |
| 1 June 2037 | 418,458 |
| 1 December 2037 | 418,458 |
| 1 June 2038 | 418,458 |
| 1 December 2038 | 418,458 |
| 1 June 2039 | 418,458 |
| 1 December 2039 | 418,458 |
| 1 June 2040 | 418,458 |

Schedule 1

| | |
|---|---|
| 1 December 2040 | 418,458 |
| 1 June 2041 | 418,458 |
| 1 December 2041 | 418,458 |
| 1 June 2042 | 418,474 |
| Total | 20,086,000 |

* The figures in this column represent SDR equivalents determined as of the respective dates of withdrawal. The arrangements for payment of each maturity are subject to the provisions of Sections 3.04 and 4.03 of the Loan Regulations.

## SCHEDULE 3

## Allocation and Withdrawal of Loan Proceeds

General

1. The table attached to this Schedule (as shown in Attachment hereto) sets forth the Categories of items of expenditure to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Categories of the Table.)

Percentages of ADB Financing

2. Except as ADB may otherwise agree, each items of the expenditure shall be financed out of the proceeds of the Loan on the basis of the percentages set forth in the Table.

Interest Charge

3. The amount allocated to Category 7 is for financing the interest charge on the Loan during the implementation period of the Project.

Reallocation

4. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table,

(a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Borrower, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Loan then allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Borrower, reallocate such excess amount to any other Category.

Disbursement Procedures

5. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

Imprest Accounts; SOE

6. (a) Except as ADB may otherwise agree, the Borrower shall: (i) establish immediately after the Effective Date an FGIA exclusively for the utilization of the Loan

proceeds at a commercial bank acceptable to ADB, which shall be administered by the PMU; and (ii) cause each PIU to establish an SGIA exclusively for the utilization of the Loan proceeds at the commercial bank, or branch thereof, where the imprest account is to be established. The imprest accounts established hereunder shall be separate from the imprest accounts established for the utilization of the Grant proceeds. All imprest accounts hereunder shall be established, managed, replenished and liquidated in accordance with the Loan Disbursement Handbook and detailed arrangements agreed upon between the Borrower and ADB. The currency of each imprest account shall be Dollar. The maximum amount to be deposited by ADB into the FGIA at any given time shall not exceed the lower of (i) the estimated 6 month's expenditure to be paid out of the FGIA, or (ii) the equivalent of $2,000,000. The maximum amount to be deposited by the PMU into an SGIA at any given time shall not exceed the lower of (i) the estimated 6 month's expenditure to be funded from the SGIA for the PIU to whom such SGIA relates, or (ii) the equivalent of $100,000.

(b) The SOE procedure may be used for reimbursement of eligible expenditures and to liquidate advances provided into the FGIA and SGIAs in accordance with the Loan Disbursement Handbook and detailed arrangements agreed upon between the Borrower and ADB. Any individual payment to be reimbursed or liquidated under the SOE procedures shall not exceed the equivalent of $100,000 per payment.

Attachment to Schedule 3

**TABLE**

| ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS<br>(Health Human Resources Sector Development Project) | | | |
|---|---|---|---|
| **CATEGORY** | | | **ADB FINANCING** |
| **Number** | **Item** | **Total Amount Allocated for ADB Financing SDR Category** | **Percentage and Basis for Withdrawal From the Loan Account** |
| 1 | Works | 736,000 | 90 percent of total expenditure |
| 2 | Equipment | 10,873,000 | 90 percent of total expenditure |
| 3 | Workshop and Studies | 2,203,000 | 100 percent of total expenditure* |
| 4 | Education and Training | 2,290,000 | 100 percent of total expenditure* |
| 5 | Health Professional Registration System Establishment – Operational Funding | 663,000 | 98 percent of total expenditure |
| 6 | Project Management | 830,000 | 92 percent of total expenditure |
| 7 | Interest Charge | 495,000 | 100 percent of amount due |
| 8 | Unallocated | 1,996,000 | |
| | Total | 20,086,000 | |

* Exclusive of taxes and duties imposed within the territory of the Borrower.

## SCHEDULE 4

## Procurement of Goods and Works, and Consulting Services

### A. General

1. The procurement of Goods, Works and Consulting Services shall be subject to and governed by the Procurement Guidelines and the Consulting Guidelines, respectively.

2. All terms used and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.

### B. Procurement for Goods and Works

3. Except as ADB may otherwise agree, Goods and Works shall only be procured on the basis of the methods of procurement set forth below:

| |
|---|
| International Competitive Bidding |
| National Competitive Bidding |
| Shopping |

4. The methods of procurement are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower may only modify the methods of procurement or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

5. National Competitive Bidding. The Borrower shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Borrower's national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between the Borrower and ADB shall be set out in the Procurement Plan. Any subsequent change to the agreed modifications and clarifications shall become effective only after approval of such change by the Borrower and ADB.

### C. Selection of Consulting Services

6. Quality- and Cost-Based Selection. Except as ADB may otherwise agree, and except as set forth in the paragraph below, the Borrower shall apply quality- and cost-based selection for selecting and engaging Consulting Services.

7. The Borrower shall apply the following methods for selecting and engaging the specified Consulting Services, in accordance with, among other things, the procedures set forth in the Procurement Plan:

| |
|---|
| Consultants' Qualifications Selection: for national consulting services for website, audit and design accounting software |

8. The Borrower shall recruit the individual consultants for the Consulting Services contracts for: medical equipment specialist, gender and social development

specialist, financial management specialist, and equipment purchasing specialist; and all relevant procurement shall be carried out in accordance with procedures acceptable to ADB for recruiting individual consultants.

**D. Conditions for Award of Contracts for International Training**

9. The Borrower shall ensure that no contract for international training will be awarded unless, in each case:

(a) ADB has been provided with a list of (i) candidates nominated for the relevant training, (ii) the qualifications of such candidates, (iii) justification for and relevance of the proposed training, and (iv) detailed costs of the proposed training; and

(b) ADB's approval has been duly obtained.

**E. Industrial or Intellectual Property Rights**

10. (a) The Borrower shall ensure that all Goods and Works procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.

(b) The Borrower shall ensure that all contracts for the procurement of Goods and Works contain appropriate representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters referred to in subparagraph (a) of this paragraph.

11. The Borrower shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the Consulting Services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.

**F. ADB's Review of Procurement Decisions**

12. All contracts procured under international competitive bidding procedures and contracts for Consulting Services shall be subject to prior review by ADB, unless otherwise agreed between the Borrower and ADB and set forth in the Procurement Plan.

## SCHEDULE 5

## Execution of Project; Safeguards and Other Matters

Implementation Arrangements

1. The Borrower shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

Teaching Equipment

2. The Borrower shall ensure that MOH, prior to preparing the relevant bidding documents, has finalized an assessment of teaching equipment lists for each teaching institution nominated to receive equipment under the Project by taking into account the needs of each such teaching institution and its existing inventory of equipment. The Borrower shall also ensure that MOH receives from each of the universities receiving new equipment under the Project, including those under the management of the Ministry of Education and Training, an assurance that a suitable increase in the annual allocation for operations and maintenance budget of teaching-related equipment will be made in order to support the increase in equipment inventory under the Project.

Gender and Indigenous People

3. The Borrower shall cause MOH to ensure that the Gender and Ethnic Minority Strategy agreed between the Borrower and ADB is fully implemented and that all of the Project activities are designed and implemented in accordance with ADB's Policy on Gender and Development (1998) and Policy on Indigenous Peoples (1998). This includes, but not limited to, ensuring that: (a) women's representation in training programs supported by the Project is at least proportionate to their representation in the relevant trainee pool and not less than 40%; (b) ethnic minority representation in trainings supported by the Project is at least proportionate to their representation in the training pool and not less than 10%; and (c) all monitoring and evaluation data is disaggregated by sex and ethnicity.

Labor Standards

4. The Borrower shall ensure that each of the civil works contractors of the Project complies with all applicable labor, health, and safety laws and regulations of the Borrower. In particular, the Borrower shall cause MOH to ensure that: (a) all relevant civil works contracts contain provisions prohibiting use of child labor and differentiation in wages between male and female workers for work of equal value; (b) such contracts also include mandatory provisions on health, sanitation and appropriate working conditions; and (c) contractors and their workers observe local protocols concerning acceptable behavior toward the local population.

Schedule 5

Anticorruption

5. The Borrower shall comply, and shall cause the Project Executing Agency, the PMU, each PIU, any and all other government offices, organizations and entities involved in implementing the Project to comply, with ADB's Anticorruption Policy (1998, as amended to date). The Borrower (a) acknowledges ADB's right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices relating to the Project; and (b) agrees to cooperate, and shall cause the Project Executing Agency, the PMU, each PIU, any and all other government offices, organizations and entities involving in implementing the Project to cooperate, fully with any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as may be necessary for the satisfactory completion of any such investigation.

6. Without limiting the generality of the preceding paragraph, the Borrower shall: (a) ensure that the Project Executing Agency, the PMU and each PIU conduct periodic inspections on the contractors' activities related to fund withdrawals and settlements; and (b) ensure, and cause the Project Executing Agency, the PMU and each PIU to ensure, that all contracts financed by ADB in connection with the Project include provisions specifying the right of ADB to audit and examine the records and accounts of all contractors, suppliers, consultants and other service providers as they relate to the Project.

7. The Borrower shall cause MOH to disclose on the Borrower's website information on how the proceeds of the Loan and the Grant are used respectively. For each procurement contract, the Borrower shall also cause MOH to disclose on the Borrower's website information on, among others: (a) the list of participating bidders; (b) name of the winning bidder; (c) basic details on bidding procedures and procurement methods adopted; (d) the amount of contract awarded; (e) the list of Goods/services, including Consulting Services, procured; and (f) the intended and actual utilization of the proceeds of the Loan and/or the Grant, as the case may be, under each contract. In addition to the web-based disclosure, stakeholders, which include civil society and non-governmental organizations, shall be provided by the Borrower with detailed procurement-related information through public notice boards in their respective areas.