

# **FUNDING AND GOVERNANCE AGREEMENT (FGA)**

FINANCE, BUILD, OWN, OPERATE AND TRANSFER OF INFRASTRUCTURES

BETWEEN


**UNIVERSITY OF CUENCA**

Republic of Ecuador

AND

  
  
**THE BRIDGIN FOUNDATION**

Date: May 6, 2020

Reference: *BF/EC.UoC/20200506.01*

## FGA Control Information:

Settings	Value
Document Title:	FUNDING AND GOVERNANCE AGREEMENT (FGA)
Document Author:	BRIDGIN Foundation
FGA Date:	May 6, 2020
<b>Project(s) Information:</b>	
Programme/Project (full name):	Centro de Innovacion de la Salud
Programme/Project (short name):	CISP
Pilot Project (Concession - years):	25 years
Type of Bank Guarantee (BG):	Standby Letter of Credit SLC amount: USD 8,000,000
Pilot Project CAPEX:	USD 200,000,000 (Two Hundred Million) (reference: Signed Solicitation Letter 11-11-2019)
<b>Country Information:</b>	
Country (full name):	Republic of Ecuador
Country (short name):	Ecuador
Country (abbreviation):	EC
<b>Programme Owner (PO):</b>	
PO Name:	University of Cuenca
PO Abbreviation:	UoC
PO Physical Office Location/Address:	Av. 12 de Abril y Av. Loja, Cuenca, Ecuador
PO Represented by:	Dr. Pablo Fernando Vanegas PERALTA, Rector of the University of Cuenca
<b>Off-Taker (OT):</b>	
OT Name:	Instituto Ecuatoriano de Seguridad Social
OT Abbreviation:	IESS
OT Physical Office location Address:	Av. 12 de Abril y Av. Loja, Cuenca, Ecuador
OT Represented by:	Magister Carlos Orellana BARROS, Director Provincial del Azuay, IESS
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LC Abbreviation:	TBC
LC Physical Office location Address:	TBC
LC Represented by:	TBC
<b>Business Manager (BM):</b>	
BM Name:	TBC
BM Abbreviation:	TBC
BM Physical Office location Address:	TBC
BM Represented by:	TBC
<b>Bank(s) Information:</b>	
Issuing Bank (full name):	TBC
Issuing Bank (full address):	TBC
Issuing Bank-Officer Name & Contact:	TBC
Correspondent Bank (full name):	TBC
Correspondent Bank (full address):	TBC
Correspondent Bank (swift code):	TBC
<b>Information inserted automatically:</b>	
Signatory (PO or OT) Representative:	University of Cuenca
Signatory abbreviation:	UoC

UOC:

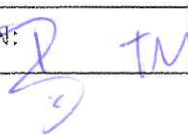


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SP Registration Number:	TBC
SP Physical Office Location/Address:	TBC
SP Represented by:	TBC
<b>Solution Provider Project 02 (SP.02):</b>	<b>Focal point Solution Provider (Contractor) for the Project 02</b>
SP Name:	Legally, Solution Provider can be appointed only when funds are transferred into the account of the Issuing bank: paragraph (98)
SP Registration Number:	TBC
SP Physical Office Location/Address:	TBC
SP Represented by:	TBC
<b>Local PCT/EPC SPOC 01 (EPC.01):</b>	<b>Local EPC Single Point of Contact for the Project 01</b>
EPC (subcontractor) Name:	Legally, EPCs (both local and international) can be appointed only when funds are transferred into the account of the Issuing bank: paragraph (98)
EPC Registration Number:	TBC
EPC Physical Office Location/Address:	TBC
EPC Represented by:	TBC
<b>Local PCT/EPC SPOC 02 (EPC.02):</b>	<b>Local EPC Single Point of Contact for the Project 02</b>
EPC (subcontractor) Name:	Legally, EPCs (both local and international) can be appointed only when funds are transferred into the account of the Issuing bank: paragraph (98)
EPC Registration Number:	TBC
EPC Physical Office Location/Address:	TBC
EPC Represented by:	TBC
<b>Programme Support Team SPOC (PST)</b>	<b>Single Point of Contact (SPOC) of the PST</b>
PST Name:	Legally, PST (both local and international) can be appointed only when funds are transferred into the account of the Issuing bank: paragraph (98)
PST Registration Number:	TBC
PST Physical Office Location/Address:	TBC
PST Represented by:	TBC
<b>Programme Appointed B4 Cabinet</b>	
B4 Name:	Legally, B4 Cabinet can be appointed only when funds are transferred into the account of the Issuing bank: paragraph (98)
B4 Registration Number:	TBC
B4 Physical Office Location/Address:	TBC
B4 Represented by:	TBC
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Project Bank (full name):	Legally, Project Bank(s) can be appointed only when funds are transferred into the account of the Issuing bank: paragraph (98)
Project Bank (full address):	TBC
Project Bank (swift code):	TBC
Project Bank Represented by:	TBC



**Document Approver(s) and Reviewer(s):**

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TBC	TBC	Review	dd-mm-yyyy
Magister Carlos Orellana BARROS	Director Provincial del Azuay, IESS	Approve	dd-mm-yyyy
Dr. Pablo Fernando Vanegas PERALTA	Rector of the University of Cuenca	Approve	dd-mm-yyyy
Prof. Tanko MOUHAMADOU	President BRIDGIN Foundation	Approve	dd-mm-yyyy

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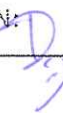

Changes to this document are summarized in the following table in reverse chronological order (latest version first).

Revision	Date	Created by	Short Description of Changes
V01(28/01/2020)	28/01/2020	BRIDGIN Foundation	Document creation (draft)
V02(28/04/2020)	28/04/2020	BRIDGIN Foundation	Including comments from Programme Owner
V03(06/05/2020)	06/05/2020	BRIDGIN Foundation	Including comments from Programme Owner

**Configuration Management: Document Location:**

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**BETWEEN**

The **UNIVERSITY OF CUENCA (UoC)**, in the Republic of Ecuador, located at Av. 12 de Abril y Av. Loja, Cuenca, Ecuador,

**Represented by: Dr. Pablo Fernando Vanegas PERALTA**, Rector of the University of Cuenca

Hereinafter referred to as: "**UoC**"

On the one part,

**AND**

The **BRIDGIN Foundation**, based in the European Quarter, Schuman Roundabout 2-4/Floor6, B-1040 Brussels, Kingdom of Belgium, legally registered at the Ministry of Justice, under the number **BE.0567.911.442**.

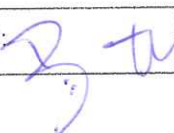
**Represented by Prof. Tanko MOUHAMADOU**, President and Chief Executive Officer and Mr. **Sébastien BOURGYS**, Executive Officer,

Hereinafter referred to as: "**BRIDGIN**"

On the other part.

The UoC and BRIDGIN are hereinafter jointly referred to as the "**Parties**", and individually as a "**Party**".

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BRIDGIN: 

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**PREAMBLE**

- (1) WHEREAS the University of Cuenca legally represented by its Rector of the University of Cuenca **Dr. Pablo Fernando Vanegas PERALTA**, from the Republic of Ecuador solicits the BRIDGIN Foundation in supporting the Government of Ecuador ("GoE") for the following Programme : the **Centro de Innovación de la Salud** Programme, hereinafter referred to as "**CISP**". The CISP was developed by the University of Cuenca as an academic and research project, and as a development project which seeks to generate a technology and knowledge transfer process for better health management in Ecuador and the Andean region.
- (2) In response to the signed "Solicitation Letter" dated *November 11, 2019*, addressed to BRIDGIN by the Instituto Ecuatoriano de Seguridad Social, requesting the BRIDGIN Foundation to provide USD **200,000,000** (Two Hundred Million) to finance the CISP, The BRIDGIN Foundation, in a reply dated December 10, 2019, confirmed its willingness and ability to provide 100% of the required funds, also called Capital Expenditures (CAPEX).
- (3) The CISP is composed of 2 projects:
1. **University Hospital Project,**
  2. **Manufacturing facilities for biological therapies and vaccines Project.**
- (4) The Programme/Projects Work Plan (PWP) document(s) will detail the Work Breakdown Structures for the above projects.
- (5) WHEREAS the Republic of Ecuador's Vision is to implement the CISP as a major development pillar of **Ecuador** for the coming years.
- (6) WHEREAS the mission of the BRIDGIN Foundation is to promote the well-being of vulnerable populations, with a focus on developing countries, while also creating jobs in Western countries.
- (7) And to achieve its Mission, BRIDGIN strategizes its actions around (3) main pillars:
- **Resources:** provide the financial, technological and cognitive (experts) resources needed for the implementation of Programmes and Projects as prioritized by the Governments themselves.
  - **Education:** transfer of knowledge, know-how and technologies to the local workforce through universities and educational institutions (and their "spin-offs", defined as profit-enterprises), as well as to research centres, local businesses, small and medium enterprises.
  - **Culture:** transform the cultural differences of all participants into results and added value. Reduce the environmental footprint of the Programme and projects that are being implemented. Promote abroad the local artists, fashion designers, talented and/or professional sportsmen.
- (8) WHEREAS the Parties have decided to enter into this agreement (the "**FGA**"), setting out the terms and conditions of their collaboration to achieve their respective objectives.

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**The following has therefore been agreed and adopted:**

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**1. ARTICLE I: GENERAL TERMS****1.1 LAWS AND STANDARDS APPLICABLE TO THE FGA**

- (9) This FGA is subject to the laws and regulations of the **Republic of Ecuador**.
- (10) This FGA complies with the Laws and regulations in force in the Kingdom of Belgium, in particular, the Law of 18 September 2017<sup>1</sup> as well as the EU Directive (2015/849)<sup>2</sup> on Anti-Money Laundering (AML), Anti-Terrorist Financing (ATF) and the Ultimate Beneficial Owner (UBO)<sup>3</sup>.
- (11) The overall Programme and projects, including the Governance and Services during the Service phase are subject to the latest version of the EU counter-terrorism strategy<sup>4</sup> and EU Anti-Money Laundering (AML) Regulations and Directives<sup>5</sup>.
- (12) The overall Programme and projects, including the Governance and Services during the Service phase are subject to the latest version of the US PATRIOT ACT<sup>6</sup>.
- (13) This FGA is subject to the Bank for International Settlement (BIS) Basel Accor<sup>7</sup>.
- (14) The standard for the BRIDGIN's Programme and Project Management Methodology is the European Commission "Open-PM"<sup>2/8</sup>.

**1.2 PURPOSE OF THE FGA**

- (15) This FGA formalizes the terms, conditions, of the financing, governance and management during the collaboration between all Stakeholders, for the overall Finance-Build-Own-Operate-Transfer (FBOOT) phases (see section [1.4 below]).

In particular:

- 1. Identify the Stakeholders, their roles and responsibilities,
- 2. Describe the BRIDGIN financing mechanism and its terms and conditions across the FBOOT phases,
- 3. Describe the BRIDGIN FBOOT Governance strategy,
- 4. Describe the BRIDGIN Programme/Projects Management during the Project (construction) and Service phases,
- 5. List the terms, conditions and procedures for the transfer of the infrastructures to the Government, and knowledge, know-how and technologies to the local workforce.

<sup>1</sup> [https://www.nbb.be/doc/cp/moniteur/2017/20171006\\_loi\\_2017\\_09\\_18.pdf](https://www.nbb.be/doc/cp/moniteur/2017/20171006_loi_2017_09_18.pdf)

<sup>2</sup> [http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L:2015\\_141\\_R\\_0003&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L:2015_141_R_0003&from=EN)

<sup>3</sup> <https://finance.belgium.be/en/E-services/register-beneficial-owners>

<sup>4</sup> <http://www.consilium.europa.eu/en/policies/fight-against-terrorism/eu-strategy/>

<sup>5</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2015:141:TOC>

<sup>6</sup> <https://www.fincen.gov/resources/statutes-and-regulations/usa-patriot-act>

<sup>7</sup> <https://www.bis.org/bcbs/basel3.htm>

<sup>8</sup> [https://ec.europa.eu/isa2/solutions/open-pm2\\_en](https://ec.europa.eu/isa2/solutions/open-pm2_en)



### 1.3 SCOPE OF THE FGA

- (16) This FGA is effective from the date of its signature by all parties until the transfer of the infrastructures to the Programme Owner.
- (17) This FGA becomes legally binding when:
1. Due diligence from the Central Banks (in EU/USA) on the processes and deliverables of the Secure funding phase is satisfactory, and the
  2. Clearance for the money transfer from BRIDGIN Bank account in EU/USA to the Programme's (CISP) Correspondent Bank (section [2.2.3(b) below]) is granted.
- (18) This FGA represents the entire and only agreement between the Parties for the purpose of the CISP and shall prevail over all agreements, contracts or declarations, written or verbal, concluded or carried out prior to the date hereof and on the same subject.
- (19) The annexes of this FGA will be updated as going through the FBOOT phases under the terms laid down in section [4.3 below].
- (20) This FGA could be terminated under the terms laid down in section [4.4 below].

### 1.4 FBOOT PHASES

- (21) The BRIDGIN funding is triggered by the issuance of a formal and written commitment by the Off-Taker to purchase the Service and/or Products delivered by the infrastructures (detailed in section [3.1 below]).
- (22) The BRIDGIN funding mechanism is fully part of the FBOOT phases.
- (23) The FBOOT phases starts when the Letter of Interest or a Solicitation Letter is received by the BRIDGIN Foundation with copy to the Ambassador of Ecuador to Belgium and EU.
- (24) Next, a series of clarification exchanges and meetings with Government officials such as Diplomats, Line Ministers, as well as with Solution Providers/Service Delivery Suppliers takes place.
- (25) The purpose of these initial exchanges is to produce a series of documents (Willing and Able reply by BRIDGIN, projects Business Cases, concept papers, preliminary feasibility studies if any, ...). These documents are mandatory for compliance with the various laws and regulations as per section [1.1 above].
- (26) The BRIDGIN FBOOT has three (3) phases (see Figure 1: FBOOT Phases below):
1. **Secure funding phase:** Following a "*bottom-up solicitation*" and "*no-funds, no-projects*" principle, and the Country commitment to purchase the Service and/or Products to be delivered by the infrastructures, BRIDGIN completes all the necessary legal, administrative, security, banking procedures and ends with the availability of the funds in the Correspondent Bank to execute the projects.
  2. **Project phase (construction):** at this stage, funds are available. This phase starts with a Project Initiation Request ('*PIR*') issued by the Programme (Project) Owner (PO), including the projects requirements specifications signed-off by the Business Manager (BM). All the detailed feasibility studies and designs are completed during this phase. It ends when the infrastructures are built and ready for operations.



3. **Service phase (operation):** This service phase is to operate, manage and maintain the infrastructures in order to deliver the Service and/or Products for which the infrastructures were built. During this phase, the infrastructures are, by concession, owned by BRIDGIN and operated by the Service Delivery Supplier (SDS).
- (27) The FGA scope encompasses the various activities and their respective deliverables during the 3 phases of the FBOOT, as well as the governance, support, monitoring and controlling activities.
- (28) BRIDGIN FBOOT participants and processes are depicted in the following diagram.

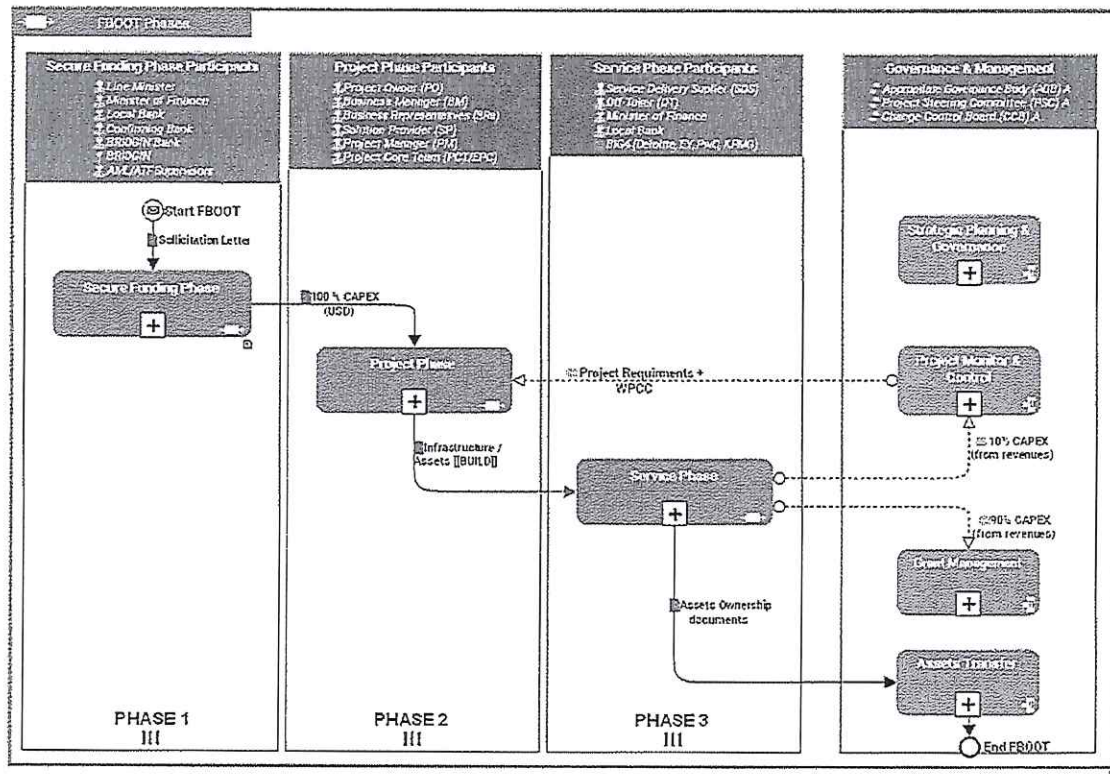


Figure 1: FBOOT Phases

- (29) The FBOOT phases are completed at the end of the concession period, with the transfer of the infrastructures, its management and all the related operational expenditures back to the PO, hence, to the Republic of Ecuador, the ultimate owner of the infrastructures.


### 1.5 APPLICABLE AND REFERENCE DOCUMENTS OF THE FGA


- (30) This FGA must include the following documents (see section [5 below: FGA ANNEXES]):
- ANNEX 1 BRIDGIN FOUNDATION FBOOT PHASES: step-by-step FBOOT blueprint's description
  - ANNEX 2 EU AML/ATF DIRECTIVES and POLICIES: Legal References for BRIDGIN funding
  - ANNEX 3 PROJECT(S) BUSINESS CASE: concept paper, feasibility studies, BOQ, etc.
  - ANNEX 4 PROJECTS WORK PLAN (PWP): deliverables planning & milestones (to be completed after conclusion of Phase 1)
  - ANNEX 5 SAMPLE NARRATIVE OF THE CAPEX SLC: for Banks

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- ANNEX 6 CAPEX REBUILDING FINANCIAL PLAN: Sale/Purchase revenue plan
  - ANNEX 7 OPERATION MANAGEMENT PLAN: Provider/Consumer relationship (to be completed after conclusion of Phase 2)
  - ANNEX 8 ASSETS TRANSFER PROCEDURE: Step-by-step check list and description (to be completed after conclusion of Phase 3)

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## 2. ARTICLE II: FBOOT STAKEHOLDERS, ROLES AND RESPONSIBILITIES

- (31) All abbreviations, definitions and methodology are defined in the section [6 below: FGA APPENDIX].
- (32) FBOOT Stakeholders are grouped into 3 categories:
1. Government Entities,
  2. Enablers,
  3. Providers and Suppliers companies.

### 2.1 GOVERNMENT ENTITIES

- (33) These entities are either Ministries, Governorates, State-owned Enterprises (SoE), Government Agencies, public Universities or Government Officials (civil servants) in their role as Governors, Ministers, Directors, General Secretaries, or equivalent.
- (34) For the Centro de Innovacion de la Salud Programme, Stakeholders are:


#### 2.1.1 The Programme Owner: University of Cuenca (UoC)

- (35) In addition to the standard responsibilities of the PO listed in section [6.3.3 below], the UoC commits, by signing and sealing this FGA, to:
1. Request the issuance of the commitment to purchase Service and/or Products by the bank, either directly and/or via the Minister of Finance,
  2. Provide administrative and technical support to BRIDGIN where and when necessary,
  3. Take necessary measures for the provision of visas, official and administrative authorizations required by the projects, and the protection and safety of BRIDGIN staff,
  4. Provide BRIDGIN with any relevant and available documentation or information which is necessary to realize the Programme,
  5. Facilitate and support the provision of long-term visas and work permits and the safety of staff working for the Solution Providers ('SP'), Service Delivery Suppliers ('SDS') and their Engineering, Procurements, Construction ('EPC') Subcontractors or any relevant person contributing to the success of this Programme,
  6. Explore possibilities, on best effort basis, on the exemption from taxes and other duties on:
    - o quality/quantity control invoices,
    - o all material and equipment imported during the FBOOT phases,
    - o all other incentives in general, for investments in Ecuador in accordance with the laws and regulations in force.

#### 2.1.2 The Off-Taker: Instituto Ecuatoriano de Seguridad Social (IESS)

- (36) The Programme Off-Taker (OT) is the Instituto Ecuatoriano de Seguridad Social.
- (37) As OT, the IESS commits, during this collaboration, to:
1. Sign-off the periodical invoices for the Service and/or Products consumed from the Service Delivery Suppliers (SDS),

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2. Purchase the Service and/or Products delivered by the infrastructures during the Service phase of the FBOOT, and make sure all the corresponding revenues are transferred into the agreed escrow account at the bank collecting the revenues,
3. Ensures the Grant received from BRIDGIN during the Service phase is spent according to the terms and conditions of this FGA.

#### 2.1.3 The Business Manager (BM): Empresa Universitaria de Salud (EUS-UP)

- (38) The Programme Business Manager (BM) is the Empresa Universitaria de Salud. EUS-EP is a legal public company fully owned by the University of Cuenca and created with the purpose of developing the CISP, in order to provide health services, according to Ecuadorian law. EUS-EP is appointed by the UoC.
- (39) In addition to the standard responsibilities of the BM listed in section [6.3.4 below], the Business Manager commits, during this collaboration and in strict accordance with the laws and regulations of Ecuador, to:
1. Represent the PO daily within the scope of the Programme and towards both Government, Enablers and Providers sides,
  2. Provide the BIG Four Cabinet, delegated by the BRIDGIN Foundation, with all the Programme Needs and Projects Requirements,
  3. Collaborate closely with the Programme (Project) Manager (PM) from the Providers side, as well with projects support teams when applicable,
  4. Coordinate Government-side activities and roles, ensuring that the Programme's deliverables fulfil the Government's needs.



#### 2.1.4 Universities

- (40) In accordance with BRIDGIN's second pillar, as mentioned in paragraph (6) above, Universities contribute to ensure Ecuador's autonomy and sustainability with the technology brought by the CISP by:
1. Providing graduates to be trained on the various technologies deployed by the Solution Providers during the Project phase and,
  2. Training graduates to staff local EPC's and SDS with talented skills during the Project and Service phases,
  3. Ensuring their self-sustainability by incorporating spin-off companies to support SDS during the Service phase (consultants and subcontractors) in various domain such as innovative and applicable research, lectures, research hospital, international cooperation and students exchange.
- (41) Universities involved in the CISP will be appointed by the UoC in close consultation with the BRIDGIN Foundation.

#### 2.1.5 Business Representatives (BRs)

- (42) The Business Representatives (BRs) sit on the Government side and consist of representatives of business groups. Coordinated by the Business Manager (BM), they are responsible for planning and implementing the business changes that need to be made for the organization to effectively integrate the Programme deliverables into its everyday work. The BRs are appointed by the UoC.

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(43) In addition to their standard responsibilities listed in section [6.3.5 below], the BRs will, during this collaboration and in strict accordance with the laws and regulations of Ecuador:

1. Support in detailing the functional and non-functional users' requirements specifications, as well as performance specifications,
2. Ensure the CISP specifications and deliverables meet the needs of all users.

## 2.2 ENABLERS


### 2.2.1 BRIDGIN Foundation (BRIDGIN)

- (44) BRIDGIN mobilizes the resources necessary for the CISP, in accordance with the agreed budget and mechanism as defined in the section [3 below].
- (45) BRIDGIN provides the funds for the CISP, builds (Accountable), owns by concession, operates (Accountable) and transfers back the infrastructures to the PO.
- (46) BRIDGIN decides, during all FBOOT phases, in close consultation with the PO, which Solution Providers will execute the Programme/projects and which Service Delivery Suppliers will operate the infrastructures as well as where and from which companies to purchase equipment for the Programme.
- (47) BRIDGIN decides, in close consultation with the Ministry of Finance and the PO, about the appropriate usage of the Grant given to Ecuador from the revenues generated during the Operation phase.

### 2.2.2 A Cabinet from the "Big Four" (B4)

- (48) As part of the Project Support Group, the B4 is chosen by BRIDGIN between either Deloitte, Price Waterhouse Cooper, Ernst & Young or KPMG, in close consultation with the PO.
- (49) The primary role of the B4 is to monitor and control, on behalf of BRIDGIN, that the CISP Programme is delivering the expected results during the Project and Service phases. During all FBOOT phases, the B4:
1. Validates the preliminary feasibility studies if any and participate in realising the final feasibility studies, in support to government engineers and consultancy companies,
  2. Validates the CISP Programme requirements specifications received from BMs,
  3. Supports PMs in the drafting of the Projects Work Plan (PWP) documents to deliver projects Work Breakdown Structures (WBS) of the Programme,
  4. Checks the *pro-forma* invoice per Work Package (WP) issued by the SP/EPCs before and after submission to the PO prior to the approval by BRIDGIN,
  5. Monitors and controls the implementation progress and deliverables (infrastructures) during the Project (construction) phase,
  6. Writes and delivers to BRIDGIN, the PO, the OT and the Correspondent/Issuing Banks, the Work Package Completion Certificates (WPCC) for each WP delivered by the SP/EPC; after the Off-taker and BRIDGIN has jointly approved the WP, the WPCC will authorise the Correspondent/Issuing Banks to pay the SP/EPC invoices,
  7. Supervises with the Correspondent Bank the payments to the SP/EPC during the Programme's execution,

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8. Reports and logs on the CISP's agreed quality and Key Performance Indicators (Q/KPIs),
9. Ensures that the agreed deadlines and budget are met by the Providers/Suppliers,
10. Reports to BRIDGIN either 1) periodically, 2) on-request, 3) on-event (unexpected),
11. Recommends to the Change Control Board the best way to introduce Programme and/or business change requests or re-engineering actions, when needed.

### 2.2.3 The Banks

#### (a) The Issuing Bank

- (50) This bank is selected by the PO. BRIDGIN is neither part of this selection process nor part of the arrangements between this bank and the Government representatives.
- (51) During the Secure funding phase, once the FGA is signed and together with all the necessary documents, PO requests this bank to formalise the commitment to purchase Service and/or Products delivered by the infrastructures, by issuing a formal Bank Guarantee (Standby Letter of Credit – SLC) to the benefit of BRIDGIN, strictly using the agreed sample narrative template [ANNEX 5: SAMPLE NARRATIVE OF THE SLC].
- (52) Funds secured by BRIDGIN are transferred, 100%, into this bank, in its account at the Correspondent Bank.
- (53) During the Project phase (construction), invoices of the Solution Providers and their local EPC subcontractors are paid by this bank, upon receipt, from the B4, of the WPCC.
- (54) During the Service phase (operation), revenues collected might be saved in this bank, into an escrow account. Part of these revenues is a grant, spent once both the Ministry of Finance and BRIDGIN have signed the payment order.
- (55) During the Grant management sub-phase of the FBOOT, part of the revenues collected is a Grant to government to be utilised strictly for microloans to entrepreneurs (see paragraph (95) below); this bank could be a partner in the management of this microloan fund.

#### (b) The Correspondent Bank

- (56) If the Issuing Bank is not a first-class internationally recognized Western bank, then a Western bank, with headquarter in EU or USA, is required: this is by definition the Correspondent Bank.
- (57) This bank has a reciprocal banking relationship with the Issuing Bank.
- (58) The Issuing Bank sends the Bank Guarantee (SLC) to BRIDGIN via this bank.
- (59) In this Programme, this bank plays the role of Confirming Bank: following a country risk assessment and due diligence, this bank confirms the Bank Guarantee (SLC) and issues a Ready Willing and Able (RWA) document, that must be signed by two bank officers, expressing their Readiness, Willingness and Ability to issue the Bank Guarantee (SLC), to the benefit of BRIDGIN.
- (60) In reply to the signed RWA, BRIDGIN Bank may contact this bank, exclusively on a bank-to-bank basis, via SWIFT Message Text (of the type MT799) to authenticate the signed RWA document.



- (61) This bank therefore authenticates the RWA document through a bank-to-bank SWIFT Message Text (of a type MT760) sent to BRIDGIN Bank.
- (62) Once the bank transfer clearance is obtained from the AML/ATF supervisors and from the EU/US central banks, funds are transferred by the BRIDGIN Bank into the account of the Issuing Bank at this bank.
- (63) This bank will ensure these funds will be utilized exclusively for the payment of the SP and their local EPCs subcontractors to build the infrastructures, under the monitoring and controlling of the B4 (e.g. payment done only when the Correspondent Bank receives a pay order from the B4).
- (64) During the Service (operation) phase and only in the eventuality of failure to pay BRIDGIN invoices for the Service and/or Products delivered by the infrastructures, at the request of the Issuing Bank, this bank obligates itself to insure payment as per the terms of the Bank Guarantee (SLC).


**(c) BRIDGIN Bank**

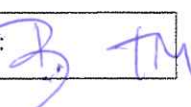
- (65) This bank is the unique Responsible of conducting all the legal and enforced due-diligence on the sources of the BRIDGIN's funds, in line with the laws and regulations as per section [1.1 above], before receiving funds from BRIDGIN donors.
- (66) BRIDGIN Bank is the unique interface of the Correspondent Bank during their due diligence for the issuance of the Bank Guarantee.
- (67) During the Secure funding phase and once the signed RWA document is received by the BRIDGIN bank from the Correspondent Bank, together with the various project documents (signed FGA, Preliminary Feasibility Studies (PFS) if any, projects specifications documents, all other relevant contracts and materials), this bank triggers, if necessary, the bank-to-bank validation process of the SLC via SWIFT Text Messages.
- (68) When all the necessary validation of the RWA document and annexes has been completed and all the clearances obtained from EU/USA authorities and central banks, BRIDGIN Bank transfers 100% of the secured fund into the bank account of the Issuing Bank at the Correspondent Bank.

## **2.3 PROVIDERS AND SUPPLIERS COMPANIES**

### **2.3.1 Solution Providers (SP/Contractors)**

- (69) Once the funds are available into the Issuing Bank account as described above, the Project phase starts, i.e. the construction of infrastructures. The Responsible company to build the infrastructures is the Solution Provider (SP).
- (70) The SP must be an internationally recognised and Western registered company in EU/IL/USA, with proven experience in the required fields. Its EPC's subcontractors (Supporting) companies are both local and international.
- (71) The SP is appointed by BRIDGIN in close consultation with the PO.
- (72) The contract between Parties and the SP cannot be signed before the funds are transferred by BRIDGIN Bank into the Issuing Bank account at the Correspondent Bank.

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A contract (C4) (see section [3.3 below]) is then signed between Parties and the SP and Project phase can start.

### 2.3.2 Programme (Project) Managers (PM)

- (73) The PM oversees the Programme on a daily basis and is responsible for delivering high quality results within the identified objectives and constraints, ensuring the effective use of the allocated resources. More widely, the Programme Manager's (PM) responsibility also includes risk and issue management, Programme communication and stakeholder management.
- (74) The PM must have proven experience in the required fields and technologies. The PM is appointed by the SP in close consultation with the PO and BRIDGIN.

### 2.3.3 Project Core Team (PCT/EPC Subcontractors)

- (75) The PCT comprises of the specialist/expert roles, responsible for creating each project deliverables and delivers WPs.
- (76) EPC companies are ultimately selected by BRIDGIN, with the support of B4, local banks and insurance companies, in close consultation with the PO.
- (77) EPCs are local and international companies, with proven experience in the required fields. EPCs detailed roles and responsibilities are defined and appointed by the PMs, under the Accountability of the SPs (Project phase) and SDSs (Service phase).

### 2.3.4 Service Delivery Suppliers (SDS)

- (78) Once the infrastructures are delivered, it must be managed by one or more companies to deliver Service and/or Products generating revenues. The Responsible company to operate and manage the infrastructures is the Service Delivery Supplier (SDS).
- (79) The SDS is an internationally recognised and Western registered company in EU/IL/USA, with proven experience in the required fields. Its EPC's subcontractors (Supporting) companies are both local and international.
- (80) The SDS is appointed by BRIDGIN in close consultation with the PO.
- (81) The contract between Parties and the SP cannot be signed before the funds are transferred by the BRIDGIN bank into the Issuing Bank account at the Correspondent Bank. A contract (C3) (see section [3.3 below]) is then signed between Parties and the SDS.
- (82) TO BE COMPLETED after conclusion of Phase 2.



### 3. ARTICLE III: BRIDGIN FINANCING MECHANISM

#### 3.1 FINANCING THE PROGRAMME

- (83) BRIDGIN financing mechanism is based on the principle of resolving a crucial development problem consisting of the Government of Ecuador not having available funds to build the infrastructures but having however the capacity to consume and pay for the Service and/or Products delivered by the infrastructures once these are built. BRIDGIN therefore provides funds solely for the construction of infrastructures on a "bottom-up" approach, where the Government of Ecuador expresses the need for the infrastructures, i.e. as part of its National Development or Strategic Plan but does not have funds to build them.
- (84) Since the Service and/or Products generate a new stream of revenues for the Government of Ecuador, funds to be disbursed for the payment of these Service and/or Products are not taken from the Country annual budget (Treasury) and are not taken from any type of loan, which avoid the creation of debt to the Country.
- (85) BRIDGIN undertakes to finance the whole portfolio of projects listed in paragraph (3), estimated at a total amount of **USD 200,000,000 (Two Hundred Million)**, taxes (?? %) and various charges excluded. Prior to the financing, BRIDGIN requests a formal commitment from the Government of Ecuador to pay for the Service and/or Products delivered by the infrastructures to be built.
- (86) This FGA acts as a solicitation from the PO to BRIDGIN for the financing of the Programme. This FGA also acts as a purchase order for the Service and/or Products delivered from the infrastructures.
- (87) To formalise this purchase order, the PO commits to obtain the issuance of a Standby Letter of Credit (SLC) from an internationally recognized Issuing/Correspondent Bank to the benefit of BRIDGIN.
- (88) This SLC will guarantee the following obligations are fulfilled:
1. It serves as a justification to the EU/USA central banks for the money transfer by BRIDGIN Banks to the Correspondent Bank for the projects outside EU/USA zone, in full compliance with the AML and ATF as per section [1.1 above],
  2. The CAPEX is rebuilt over the duration of the concession period (see paragraph (155) below): the infrastructures built are operated by the SDS and generate revenues, collected by the Government or its delegates from the end-users/consumers. For the entire duration of the FBOOT Service phase (operation), the OT must pay for the invoices of the Service and/or Products delivered by the infrastructures. This payment shall be executed periodically (either quarterly or bi-annually), and the amount is based on the **annual fees = [CAPEX/#years of concession]**.
  3. The Parties agree the concession period is 25 years, thus the amount of the SLC must be **USD 8,000,000 (Eight Million)**, as **(CAPEX/#years of concession)**. Infrastructures must be properly maintained and deliver what Service and/or Products have been agreed for the duration of the concession.

- (89) The initial duration of the SLC shall be **one year**, revolving yearly, starting on the date of its issuance, effective 2 years after the first day of Operation of the Infrastructure built and expiring at the end of the concession period.
- (90) The fees paid for the issuance of the SLC by the PO/Ministry of Finance will be fully reimbursed by BRIDGIN once the funds are secured. PO is free to negotiate with the Issuing Bank for the deferred payment of these fees.
- (91) As Off-Taker, the Instituto Ecuatoriano de Seguridad Social must also guarantee the periodical payment of the Operational Expenditures (OPEX) from the revenues generated by the infrastructures.
- (92) The OPEX shall be understood as all usual and ordinary expenses in connection with the operation of the infrastructures during the FBOOT Service phase, such as cost of operation, maintenance, electricity, water, security, health and safety, financial costs, ICT, etc.
- (93) This OPEX guarantee can be done either by subscribing to an insurance from an internationally recognized insurance company (Lloyd bank) , or by issuing another SLC (in USD) on behalf of the PO, to the benefit of BRIDGIN, for the amount of the agreed periodical payment.
- (94) BRIDGIN is free to subscribe, from any internationally recognized companies (World Bank, OPIC, COFACE, CREDENDO, etc), additional insurance to mitigate the risk on the invoice's payment by the Off-Taker.
- (95) The Parties acknowledge and agree that the funds to be secured by BRIDGIN are a "**conditional grant**" to the country as:
1. These funds must be solely used for the scope of this Programme; these funds will be disbursed only towards the payment by the Bank, of the **SP** (Contractors) and its local **EPC** Subcontractors,
  2. 100% of the revenues collected from the Service and/or Products of the infrastructures will remain in the country. The allocation of these revenues is represented on the Figure below.



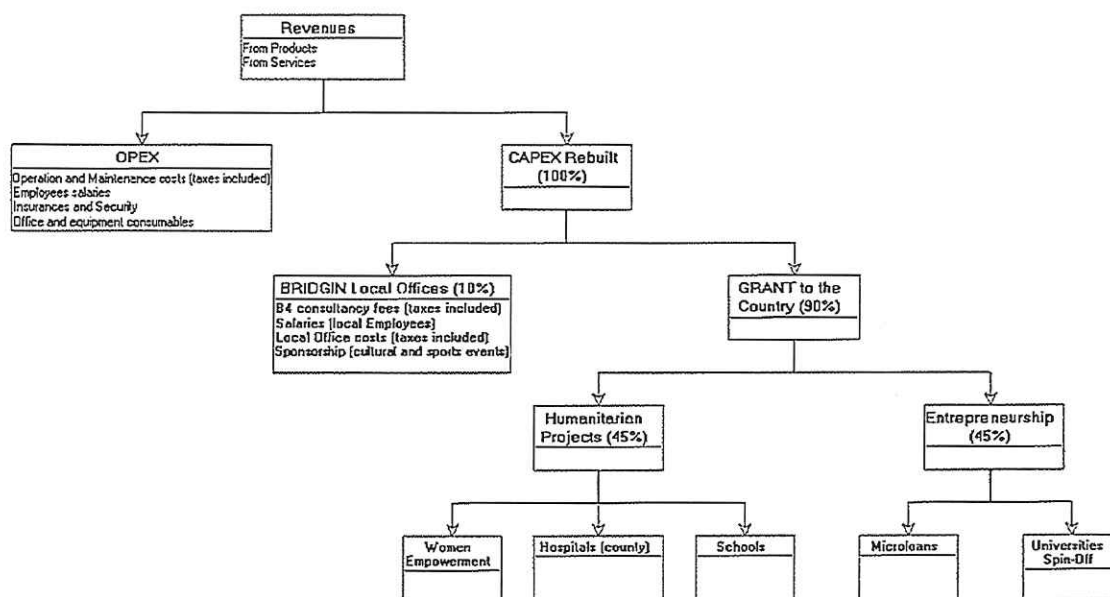


Figure 2 : Revenues allocation model

3. First, OPEX is paid from these revenues (see paragraph (91) above).
  4. Once the OPEX is paid, the remaining revenues contribute to the CAPEX rebuilt.
  5. **10%** of the CAPEX rebuilt amount are allocated to BRIDGIN local entity to cover cost in the country as well payment of the B4
  6. Finally, the remaining 90% is a Grant spent as follows:
    - 1) **50%** go into *Women Empowerment and Humanitarian Projects* and
    - 2) **50%** go towards the *set-up of a fund to support entrepreneurship and micro-finance*,
  7. At the end of the concession period, the infrastructures are transferred to the Programme Owner, hence to the Government of Ecuador, for a symbolic amount of US\$1.00.
- (96) The Parties discuss and agree on the SLC narrative/verbiage prior to its issuance by the Bank [ANNEX 5: SAMPLE NARRATIVE OF THE SLC].
- (97) The Parties agree that upon receipt by the BRIDGIN Bank of the SBLC, and in compliance with the procedure defined in ANNEX 2: EU AML/ATF DIRECTIVES AND POLICIES, BRIDGIN Bank will conduct a due diligence on the Programme. This due diligence can take typically 8 to 12 weeks after the SLC is confirmed Bank-to-Bank.
- (98) After the clearance by Compliance of the BRIDGIN Bank, 100% of the funds will be transferred from the BRIDGIN bank account in EU/USA into an account, opened at the Correspondent Bank, with the following specifications:
1. Account owner: The Issuing Bank selected in Ecuador,
  2. Account name: BRIDGIN/Ecuador/UoC/CIS Programme
- (99) The Parties agree that the collateral provided to the Issuing Bank for the issuance of the SLC cannot be used at any point throughout the SLC's duration to guarantee other commitments.

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- (100) Once the funds are transferred into the account of the Issuing Bank, a final feasibility study will be executed by experts, designated from the BRs, SP and B4 teams; in any case, before starting the Project (construction) phase.
- (101) This final feasibility study must confirm both the Programme Requirements Specifications and the Work-Breakdown-Structure ('WBS') with consignments of deliverables related to the Programme implementation activities: Work Packages ('WP').
- (102) The Solution Provider will issue proforma invoices based on the set of WPs.
- (103) Based the proforma invoices approved by the PO, the SP and the B4, the Issuing Bank will guarantee to SP and their EPCs (e.g.: issuance of letter of credit), on behalf of BRIDGIN, they will be paid each time an approved Work Package Completion Certificate ('WPCC') is received from the B4.
- (104) The SP provides a performance bond for each WP.
- (105) The WPCC is issued each time one or more WP deliverables is executed in conformance with the detailed engineering specifications and performance requirements.
- (106) Once all the WP are delivered and the infrastructures built, all the WPCC are collected by BRIDGIN from the Correspondent Bank. This ends the Project phase (construction).

### 3.2 OPERATION OF THE INFRASTRUCTURES

- (107) The Operation phase starts at the completion of the Hand-over/Take-over process between the SP and the SDS.
- (108) There is a need for the project to become financially sustainable and autonomous. During this "*transition to autonomy*" phase, the SDS must have enough working capital to guarantee the delivery of Service and/or Products.
- (109) TO BE COMPLETED after conclusion of Phase 2.

### 3.3 PROGRAMME TYPES OF CONTRACTS & AGREEMENTS

- (110) To ensure the smooth realization and running of this Programme, BRIDGIN has formalized the Roles and Responsibilities of the Participants into four (4) different types of Contracts/Agreements as follows:
1. **C1 contract signed between UoC and BRIDGIN:** this FGA.
  2. **C2 contract signed between BRIDGIN and B4:** the prerequisite for C2 to be signed is that (1) the FGA has been signed and that (2) Programme funds are transferred into the Issuing Bank account at the Correspondent bank.
  3. **C3 contract signed between BRIDGIN and SP/SDS:** the purpose of the C3 contract is to define and detail, terms and conditions, roles, responsibilities, deliverables and their corresponding milestones as well as the expected Service Level Agreement ('SLA'), between BRIDGIN and the SP/SDS, based on the Off-Taker's needs and requirements during the FBOOT phases. Prerequisite for C3 to be signed is that C1 (this FGA) and C2 are signed. Based on the C3 contract, the Bank will guarantee to the SP/SDS that it will be paid once the B4 has issued the WPCC and/or the Q/KPIs SLA achievement report.

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4. **C4 contract signed between the BRIDGIN (or represented by B4), SP/SDS and UoC:** C4 relates to the monitoring, controlling and inspection of the works progress done by the SP. C4 will not be signed until contracts C1, C2 are signed. C4 guarantees to the SP/SDS that it will be paid once the B4 has issued the WPCC, in close consultation with the Correspondent Bank and UoC.
- (111) The SLC issued by the Issuing Bank articulates the financial relation between the Off-Taker, the Issuing Bank and BRIDGIN.
- (112) The agreements on terms and conditions between the SP and the EPC Subcontractors are out of scope of this FGA.

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#### 4. ARTICLE V: FINAL REQUIREMENTS

##### 4.1 CONTRACT ENFORCEMENT

(113) The steps following the signing of this Agreement are:

1. The Correspondent Bank issues an SLC on behalf of the PO for the benefit of BRIDGIN as specified in section [3.1 above],
2. BRIDGIN and financial institutions will conduct a due-diligence on the SLC, Programme BOQ, all existing feasibility studies and available information to validate compliancy with the Laws referred to in section [1.1 above]. A due-diligence report will then be issued, as referred to in paragraph (97) above.
3. In case some additional clarifications are needed (e.g.: on BOQ, planning, Stakeholders, compliance to Laws or else), and in compliance with the section [4.6 below], all project Stakeholders will be informed and the impacted artefacts shall be updated accordingly. This procedure may create delays in the preliminary project work plan.
4. The due-diligence decision could be negative (e.g. no Correspondent bank, project violating the Laws referred in this Agreement). In this case, the Agreement will remain void until the compliance issue is resolved, and a favourable decision is emitted.
5. Following a favourable decision, funds are made available in line with the section [3.1 above].

(114) In the event of a serious failure by one of the Parties to fulfil an obligation, the other Party may request the termination of this Agreement in accordance with section [4.4 below] and [4.6 below].

##### 4.2 FORCE MAJEURE

(115) "Force majeure" shall mean any unforeseeable and exceptional situation or event, independent of the will of the Parties, and not due to the fault or negligence of either of them, which prevents either of them from performing any of their contractual obligations and which cannot be overcome despite their best efforts.

(116) Situations of force majeure include, but are not limited to, war (external or civil), riots, earthquakes, global financial or banking crises, severe weather conditions (cyclones, floods) and terrorist acts.

(117) Should it prove difficult or impossible to execute this FGA due to force majeure, each Party may take recourse to the provisions of section [4.4 below].

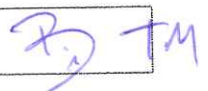
(118) Either Party may suspend implementation of all or part of the FGA if circumstances of force majeure so require.

(119) Without prejudice to other provisions, the Party faced with force majeure shall inform the other Party without delay, stating the nature, likely duration and foreseeable effects, and take every measure to minimize possible damage.

##### 4.3 AMENDMENT

(120) The Parties may modify this FGA in writing and with a prior and mutual written consent.

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**4.4 TERMINATION**

(121) In the event of a serious failure by one of the Parties to fulfil an obligation, the other Party may request the termination of this FGA in accordance with the following clauses.

**4.4.1 Termination because of serious breach**

(122) Either Party may terminate this FGA in the event of serious breach by the other Party, after a period of six (6) months in accordance with section [1.1 above] and if the notice remains without response.

**4.4.2 Termination because of force majeure**

(123) Either Party may terminate this FGA within one (1) month notice if it is difficult or impossible or more expensive to carry out its obligations under this FGA as a result of force majeure.

**4.5 LITIGATION**

(124) The Parties shall endeavour to settle amicably any dispute concerning the interpretation, execution, or validity of this FGA.

(125) To this end, the dispute shall be submitted by the Party bringing the case, within fifteen (15) days from the date of receipt by the other Party of the notification, to a negotiation or conciliation committee composed of two ad hoc members, one appointed by each of the Parties.

(126) The responsibility of the negotiation / conciliation committee is to consider and propose the terms of a possible amicable settlement to the Parties.

(127) In the event Parties do not succeed in reaching such a settlement within sixty (60) working days from the date of receipt of the above-mentioned notification, the dispute must be submitted to arbitration and a final decision must be taken by an arbitration court.

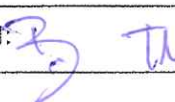
(128) In this situation, the parties expressly waive the ordinary jurisdiction and agree that any dispute, controversy or claim arising from this Agreement, as well as its non-compliance, resolution or invalidity, is resolved through international arbitration in accordance with the Arbitration Rules of the International Chamber of Commerce ("ICC Regulation"), in force at the signing of this Agreement, and in accordance with § 129, 130, 131 & 132 of this FGA

(129) The arbitral tribunal will be made up of three arbitrators, the first appointed by the PO, the second by BRIDGIN and the third by agreement between the parties. In the event that an agreement is not reached on the election of the third arbitrator, within thirty days, the appointment will be made by the International Court of Arbitration.

(130) The arbitration tribunal shall be based in **London, United Kingdom**, after a report from the State Attorney General, according to Article 190 of the Constitution of the Republic of Ecuador. The language of the arbitration process shall be English.

(131) The arbitration will be confidential. The Tribunal will issue its decision in law.

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(132) The PO expressly undertakes, to the extent permitted by applicable law, not to invoke for itself or for its assets any immunity from jurisdiction and execution that has been granted in domestic law and / or in international public law with the purpose of frustrating the execution of an order issued by a court established in accordance with the provisions previously determined. The application of the emergency referee is excluded.

(133) This FGA is subject to the laws and regulations of the Republic of Ecuador. This FGA also complies with the Laws and regulations in force in the Kingdom of Belgium, in particular, the Law of 18 September 2017, as well as the EU Directive (2015/849) on Anti-Money Laundering (AML), Anti-Terrorist Financing (ATF) and the Ultimate Beneficial Owner (UBO). The overall Programme and projects, including the Governance and Services during the Service phase are subject to the latest version of the EU counter-terrorism financing (CTF) strategy and EU Anti-Money Laundering (AML) Regulations and Directives, as well as to the latest version of the US PATRIOT ACT. In addition, this FGA is subject to the Bank for International Settlement (BIS) Basel Accord.

#### 4.6 NOTIFICATIONS

(134) For the purpose of this FGA, and in particular for receiving all communications or notifications sent by registered letter, or delivered by hand for signature on delivery, the parties declare that their official addresses are as follows:

(135) For the University of Cuenca:

- **Address:** Av. 12 de Abril y Av. Loja, Cuenca, Republic of Ecuador
- **Telephone number:** (TBC)
- **E-mail address:** (TBC)
- **To the attention of:** Dr. Pablo Fernando Vanegas PERALTA, Rector of the University of Cuenca

(136) For the BRIDGIN Foundation:

- **Address:** European Quarter, Schuman Roundabout 2-4/Floor 6, B-1040 Brussels, Kingdom of Belgium
- **Telephone number:** + 32 470 42 52 62
- **E-mail address:** [xmouh@bridgin.eu](mailto:xmouh@bridgin.eu)
- **To the attention of:** President of the BRIDGIN Foundation or his Representative

#### 4.7 CONFIDENTIALITY, CIRCUMVENTION AND SECURITY

##### 4.7.1 Confidentiality

(137) The parties, appointed as an individual, and their associates agree that themselves, their employees, subsidiaries, agents, advisers, associates will not treat, conclude and will not be involved in any transaction, separately or individually, with any company, enterprise, firm or person introduced by the other party without having received a prior authorization. The existence, the object and the content of this FGA shall be confidential. Accordingly, each Party shall refrain from disclosing to a third party (other than to its shareholders, managers, social representatives, employees, advisers and those of their



partners) any information regarding the terms and conditions of the FGA and the operations it lays down. Each Party shall take all necessary measures to protect such confidentiality.

- (138) However, the confidentiality agreement referred to above shall not apply within the limits strictly necessary to enable each Party to comply with a publication or information requirement under the FGA.

#### 4.7.2 Legal relationship

- (139) Each of the named signatories confirms that every company, organization, firm or person to which the signatories belong or for which they act as agents, employees or any other quality and who could benefit from a piece of information on this purpose are linked by this FGA.

#### 4.7.3 Non-solicitation

- (140) PO hereby confirms and declares that BRIDGIN or representatives or any person or persons on its behalf has/have never been solicited by any party, or associates or representatives in any way whatsoever that can be construed as a solicitation for this Programme or for future Programmes.

#### 4.7.4 No circumvent or hamper

- (141) The Parties who are legally and irrevocably linked by the present FGA, agree not to circumvent or hamper each other, directly or not, to avoid the payment or the collection of duties or commissions of any associate, legal or individual entity notified by one of the parties to the other party. Each party agrees not to disclose or reveal in any way and to anybody, any confidential piece of information given by the other party, particularly those concerning the people co-ordinates or any other way to get in touch with them excepted with the express written consent of the other party.

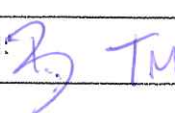
#### 4.7.5 Unauthorized bank communication

- (142) Neither Party can contact the bank of the other Party without the written authorization for that of the Party whose bank is to be contacted. Any unauthorized contact act of either Party of this FGA is considered as a breach of this FGA and shall cause this FGA **immediate cancellation**, and transaction becomes null and void.

### 4.8 TAXES, OTHER FEES AND CHARGES

- (143) The Parties agree that taxes and other fees and charges (including fees for lawyers and other advice, such as financial advice, strategic advice, etc.) incurred in connection with the preparation and signature of this FGA and its implementation provided for therein, form an integral part of the funding to be put in place by BRIDGIN as referred to in section [3.1 above], and will be reimbursed as soon as the funds are made available for the Programme to start and on the exclusive basis of the justified documents and invoices to be produced.

- (144) As referred to in section [2.1.1 above], the PO agrees to explore and support all incentives for investment and all exemptions of taxes, customs duties and other charges on imported equipment and material to be used for the implementation of this Programme, as possible and compliant with the Ecuadorian law.

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**4.9 CONTRACT PROVISION****4.9.1 For partial compliance or non-compliance**

(145) In the event that one of the provisions of this FGA becomes null and void, invalid, illegal, legally ineffective or unenforceable, neither party can call into question the validity, legality, effectiveness and enforceability of the remaining provisions of the FGA. In this case, the Parties shall negotiate in good faith with a view to replacing, if possible, the provision which is null and void, invalid, illegal, legally ineffective or unenforceable, in accordance with the spirit and purpose of the provision.

**4.9.2 For failure and delay**

(146) Neither the failure to exercise, nor any delay in the exercise of a right under the FGA may be construed as a waiver by the Party concerned of the exercise of that right.



**4.9.3 For surrendering**

(147) No surrender of a stipulation or condition of the FGA, nor any consent required under the FGA, will be valid without a written declaration signed by the surrendering or consenting Party, and only within the limits of that declaration.

**4.9.4 Written notification**

(148) A Party shall not be comforted of its obligations arising from the breach of any of the provisions of this FGA without the prior written consent of the other Party.

(149) This FGA becomes effective, without prejudice to section [4.4 above] of this FGA, on the date of its signature by the Parties.

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Signed, 13/10/2020

**For the University of Cuenca**




**Dr. Pablo Fernando Vanegas PERALTA**  
Rector of the University of Cuenca




**For the BRIDGIN Foundation**



**Prof. MOUHAMADOU Tanko**  
President & CEO, BRIDGIN Foundation



**Mr. BOURGYS Sébastien**  
Executive Officer, BRIDGIN Foundation

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5. FGA ANNEXES

- 5.1 ANNEX 1: BRIDGIN FOUNDATION FBOOT PHASES
- 5.2 ANNEX 2: EU AML/ATF DIRECTIVES AND POLICIES
- 5.3 ANNEX 3: PROJECT(S) BUSINESS CASE
- 5.4 ANNEX 4: PROJECTS WORK PLAN (PWP)
- 5.5 ANNEX 5: SAMPLE NARRATIVE OF THE SLC
- 5.6 ANNEX 6: CAPEX REBUILDING FINANCIAL PLAN
- 5.7 ANNEX 7: OPERATION MANAGEMENT PLAN
- 5.8 ANNEX 8: ASSETS TRANSFER PROCEDURE





## 6. FGA APPENDIX

- (150) Terms of Reference and Methodology for BRIDGIN project's Governance, Management and operation are provided by the European Commission's Open PM<sup>2</sup> standard.

### 6.1 ABBREVIATIONS

*FGA: Funding and Governance Agreement*  
*FBOOT: Finance – Build – Own – Operate – Transfer*  
*FS: Feasibility Study. If not available, to be realized once the funds are available*  
*t0: FBOOT Phases start date corresponding to the Solicitation Letter date*  
*RASCI: Responsible – Accountable – Supported – Consulted – Informed*  
*DD: Due Diligence*  
*SLC: Standby Letter of Credit*  
*EPC: Engineering Procurement Construction (subcontractor)*  
*BIG4: Price Waterhouse Cooper (PwC), Ernst & Young (EY), KPMG and Deloitte*  
*PI: Proforma Invoice*  
*PO: Programme (Project) Owner*  
*PM: Programme (Project) Manager*  
*BM: Business Manager*  
*BRs: Business Representatives*  
*SP: Solution Provider (Contractors are considered as SP)*  
*PCT: Programme (Project) Core Team (EPC subcontractors are part of PCT)*  
*PIR: Project Initiation Request*  
*RfP: Ready for Planning*  
*RfE: Ready for Execution/Build*  
*RfC: Ready for Closing/delivery*  
*RfO: Ready for Operation*  
*CfP: Call for Proposal*  
*xPA: Purchase Agreement of the Service or Products "x" (example: x = kWh, cement, Water sewage, Refinery, etc.)*

### 6.2 DEFINITIONS

- (151) **Programme:** A Programme is defined as a number of related projects grouped together to facilitate a level of management which allows objectives and benefits to be achieved.
- (152) **Manage Requirements:** Requirements management is the process of gathering, documenting, and validating requirements and managing their implementation and change. It is a process that runs throughout the project lifecycle and relates to other project management processes, such as quality and change management.
- (153) **Stakeholders:** are people (or groups) who can affect, be affected by, or believe to be affected by the activities carried out during the FBOOT Phases and/or by its output(s) and outcome(s). Stakeholders can be directly involved in a project's work, members of other internal organisations or external to the organisation (e.g. contractors, suppliers, users or the general public).

(154) **RAM (RASCI):** The Responsibility Assignment Matrix (RAM) is a way of representing and clarifying the roles and responsibilities for a given activity. The RAM is also known as a RASCI table (pronounced rasky), which stands for:

RASCI	Description
R	Responsible
A	Accountable
S	Supports
C	Consulted
I	Informed

(155) **Concession.** In the frame of this FGA: Ecuador agrees that BRIDGIN remains the unique Owner of the infrastructure built until the end of the BRIDGIN FBOOT operation phase, i.e. when the total amount of the CAPEX is fully rebuilt from the revenues generated by the infrastructure.

### 6.3 PROJECT ORGANISATION, LAYERS & ROLES

(156) **During the Project Phase,** the diagram below provides an overview of the layers and main roles in the Programme **structure** from a project management point of view.

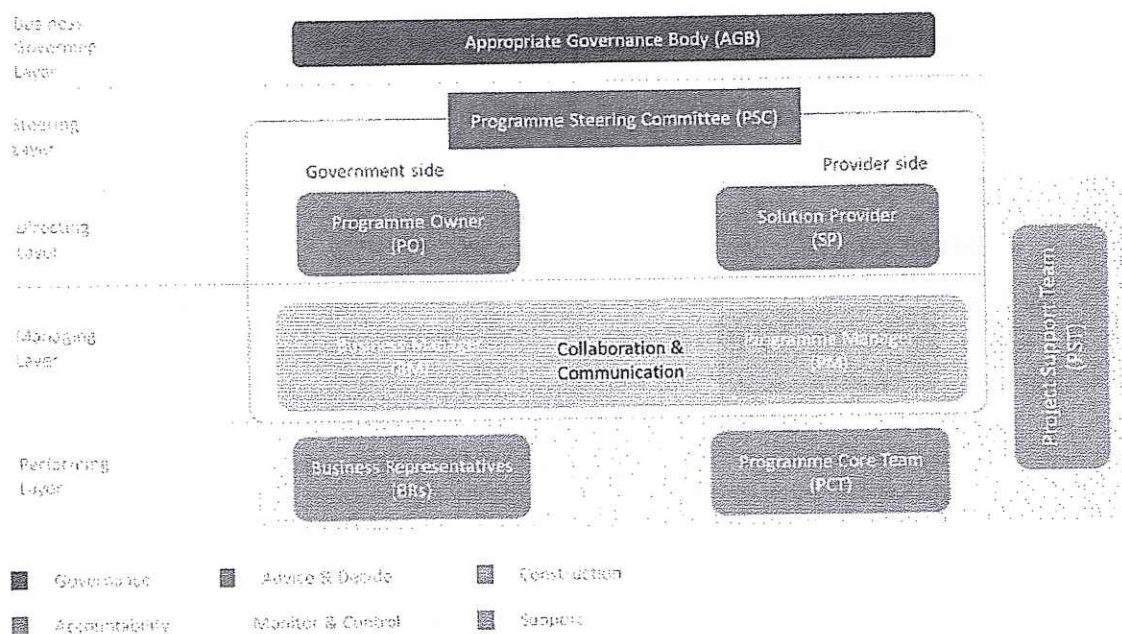


Figure 3: Stakeholders Responsibilities during the Project Phase

(157) The **Business Governing Layer** is mainly composed by the Appropriate Governance Body (AGB). This layer is Accountable for streamlining the implementation of the vision and strategy for the country. It consists of one or more Directing committees operating at a



high or the highest organisational level. It is here that Programme priorities are defined according to the initial project planning, performance indicators are defined and set, resources are selected, budgets and scheduling are validated.

- (158) The **Steering Layer** provides general project direction and guidance. It keeps the project focused on its objectives. It reports to the AGB. The Steering Layer is composed of the roles defined in the Directing and Management Layers plus other optional roles.
- (159) The **Directing Layer** champions the project and owns its Business Case. It mobilises the necessary resources and monitors the project's performance in order to realise the project's objectives. The Directing Layer comprises the roles of Programme Owner (PO) and Solution Provider (SP).
- (160) The **Managing Layer** focuses on day-to-day project management. It organises, monitors and controls work to produce the intended infrastructures and made them available for Operations. Members of the Managing Layer report to the Directing Layer. The Managing Layer comprises the roles of Business Manager (BM) and Project Manager (PM). It is of utmost importance for the success of the project that there is close collaboration and good communication between these two roles.
- (161) The **Performing Layer** carries out the project work. It produces the deliverables and implements them in the business organisation. Members of the Performing Layer report to the Managing Layer. The Performing Layer comprises the roles of the Business Implementation Group (BIG) and the Project Core Team (PCT).

#### 6.3.1 Appropriate Governance Body (AGB)

- (162) The Appropriate Governance Body (AGB) is the entity responsible for the Ministry and Region strategic planning and projects portfolio management. As a key decision-making body, this group typically comprises of the following members:

1. The Rector of the University of Cuenca or his deputy,
2. The Minister of Finance, or his representative,
3. A representative of IESS,
4. A representative of the Legal Counsel,
5. A representative of BRIDGIN Executive team,
6. A representative of the BIG4 Executive team.

#### (163) Responsibilities of the AGB:

1. Derives and refines the Programme goals based on the strategic needs of the country,
2. Validates the Programme feasibility studies and cost,
3. Agrees to and implements a portfolio management framework to achieve the strategic objectives,
4. Monitors and controls portfolio delivery performance,
5. Optimises and manages projects portfolio resources and benefits,
6. Authorises deviations and scope changes with a high project impact and has the final say on decisions,
7. Drives and manages organisational change related to the project's outcomes.



### 6.3.2 Programme (Project) Steering Committee (PSC)

- (164) The Programme (Project) Steering Committee (PSC) comprises at least the four roles in the Managing and Directing Layers, providing a balanced mix of Government- and provider-side representatives. Other roles can also participate as per the Programme's needs such as lawyers or members of the BIG4's monitoring/controlling teams.
- (165) The Programme Steering Committee (PSC) is chaired by a representative of the Programme Owner (PO) and is the key project decision-making and issue-resolution body for the project. Any significant decisions that may affect the project or the team's ability to deliver on the objectives will be escalated to the Project Steering Committee (PSC). Approval of key documents, resolution of important project issues or significant change requests will be discussed and decided upon here.
- (166) **Responsibilities of the PSC:**
1. Champions the project and raises awareness of it at a senior level,
  2. Guides and promotes the successful execution of the project at a strategic level, keeping the project focused on its objectives,
  3. Ensures adherence to the organization's policies and rules (*e.g.: laws and regulations of the Country, governance, data and information protection, information security, document management, etc.*),
  4. Provides high-level monitoring and control of the project deliverables,
  5. Authorizes transition between Phases unless this is performed by the Appropriate Governance Body (AGB),
  6. Deals with escalated issues and conflicts,
  7. Approves and signs off key management milestone artefacts (*i.e.* Project Charter, Project Work Plan).

### 6.3.3 The Programme (Project) Owner (PO)

- (167) The Programme (Project) Owner ('PO') is the Contracting Authority for the Programme. As such, the PO extracts the Ministry's Vision from the Country's strategic plan document, sets the business objectives and ensures that Programme's outcomes are in line with business objectives and priorities of the Government.
- (168) As the key Directing Layer role from the Government side, the PO is Accountable for the overall Programme's success, and later becomes the ultimate owner of the infrastructures built by the Programme (outputs Service and/or Products).
- (169) **Responsibilities of the PO:**
1. Acts as the Programme champion, promoting the Programme's success,
  2. Chairs the Programme (Project) Steering Committee (PSC),
  3. Provides leadership and strategic direction to the Business Managers (BM) and Programme (Project) Managers (PM),
  4. Sets the business objectives and accepts the Business Case for the project,
  5. Owns the business risks and ensures that Programme outcomes are in line with the Government objectives and priorities,
  6. Regularly monitors Programme progress in terms of projects goals and objectives, at a very high level,
  7. Coordinates the resolution of escalated issues and conflicts,

8. Drives organizational change and monitors proper evolution and change implementation,
9. Approves and signs-off on key management milestone artefacts (*Business Case, Project Charter, Project Management and Project Work Plans, etc.*).

#### 6.3.4 The Business Manager (BM)

(170) The Business Manager (BM) represents the Programme Owner (PO) on a daily basis within the Programme. The BM helps in defining the Programme's business objectives via the Project Initiation Request (PIR), Business Case (BC) and Business Implementation Plan (BIP) documents. The Business Manager collaborates closely with the Programme Manager (PM) and coordinates Government-side activities and roles, ensuring that the Programme's deliverables fulfil the Government's needs.

##### (171) Responsibilities of the BM:


1. Guarantees cooperation and an efficient communication channel with the Programme (project) Manager (PM),
2. Coordinates the Business Representatives (BRs) and acts as a liaison between the Business Representatives (BRs) and the Solution Providers (SP/Contractors),
3. Ensures that the Service and/or Products delivered by the Programme/Project fulfil the Government's needs,
4. Manages the activities on the Government side of the Programme and ensures that the required business resources are made available to provide the necessary requirements specifications,
5. Ensures that the business organization is ready to accommodate the Programme's deliverables when they are made available by the Solution Provider (SP),
6. Leads the Business Change Control Board (CCB) within the Business Representatives community to prioritize the Business Change Requests,
7. Coordinates the schedule and delivery of any business training (and production of related material) during the FBOOT Service Phase.


#### 6.3.5 The Business Representatives (BRs)

(172) Business Representatives (BRs) represent the interests of the projects' end-users of the infrastructures built. It is important to designate BRs and involve them throughout the Programme, keep them up to date with constructions and provide them with a sense of ownership. BRs help define project requirements and validate them at regular intervals, ensuring that the final deliverables are fit for the business purpose.

##### (173) Responsibilities of the BRs:

1. Review the Programme specification and acceptance criteria on behalf of the business,
2. Communicate and prioritize business opinions in the Project Steering Committee (PSC) and ensure that these opinions are taken into consideration when decisions are made whether to implement a proposed change,
3. Participate in demonstrations and pilot phases as needed,
4. Perform business acceptance tests,
5. Sign off on user-related documents (requirements document, deliverable acceptance testing, etc.),

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6. Guarantee business stability during the transition towards the new operational state,
7. Analyse the impact of the Programme's implementation on ongoing operations, existing business processes, staff and organizational culture,
8. Participate in the design and updating of affected business processes,
9. Prepare the affected business area for the upcoming change,
10. Advise the Business Manager (BM) on the organization's readiness for change,
11. Embed the Programme deliverables into business operations and implement the organizational change activities that fall within the Programme's scope.

#### 6.3.6 Project Support Team (PST)

(174) The Project Support Team (PST) is an optional role that consists of the people responsible for providing support to the project. Its composition and structure depend on the needs of the project. The Project Support Team (PST) is often composed of representatives from various horizontal services or units.

##### (175) Responsibilities of the PST:

1. Provides administrative support to the project,
2. Defines requirements for reporting and communication,
3. Administers Project Steering Committee (PSC) meetings and drafts related reports,
4. Supports the Project Manager (PM) in planning, monitoring and controlling the project,
5. Advises on project management tools and administrative services,
6. Manages the project documentation (versioning, archiving, etc.).

#### 6.3.7 The Solution Provider (SP)

(176) The SP shall be selected across Israeli or EU/USA companies. BRIDGIN and the PO agree that this SP shall rely primarily and where possible on local EPC Subcontractors, strictly in line with agreements signed between the BRIDGIN and this SP.

(177) The SP assumes overall accountability for the deliverables of the Programme and represents the interests of those who design, manage and implement (or outsource) the deliverables of the Programme.

##### (178) Responsibilities of the SP:

1. Assumes overall accountability for the Programme's deliverables and services requested by the PO,
2. Mobilizes the required resources from the provider side and appoints the Programme Manager (PM),
3. Approves the objectives of any outsourced activities and deliverables and becomes accountable for the contractor's performance.

#### 6.3.8 The Programme Manager (PM)

(179) The Programme Manager (PM) oversees the Programme on a daily basis and is responsible for delivering high quality results within the identified objectives and constraints, ensuring the effective use of the allocated resources. More widely, the



Programme Manager's (PM) responsibility also includes risk and issue management, Programme communication and stakeholder management.

**(180) Responsibilities of the PM:**

1. Executes the Programme plans as approved by the Project Steering Committee (PSC),
2. Coordinates the Project Core Team (PCT), ensuring the effective use of the allocated resources,
3. Ensures that Programme objectives are achieved within the identified constraints, taking preventive or corrective measures where necessary,
4. Manages stakeholder expectations,
5. Oversees the creation of all management artefacts (except the Project Initiation Request, Business Case and Business Implementation Plan) and secures approval from the PO or the Project Steering Committee (PSC),
6. Ensures the controlled evolution, of Service and/or Products delivered, through proper change management,
7. Performs risk management activities for project-related risks,
8. Monitors Programme status and reports to the Project Steering Committee (PSC) on project progress at regular predefined intervals,
9. Escalates unresolvable project issues to the Project Steering Committee (PSC),
10. Liaises between the Directing and Performing Layers of the project.

**6.3.9 Programme Core Team (PCT)**

(181) The Programme Core Team (PCT) comprises the specialist roles responsible for creating each project deliverables. It is defined by the Programme Manager (PM).

**(182) Responsibilities of the PCT:**

Coordinated by the Project Manager (PM), the Project Core Team (PCT):


1. Participates in developing each project scope and planning project activities,
2. Carries out each project activities based on the Project Work Plan and schedule,
3. Produces each project deliverables,
4. Provides the Programme Manager (PM) with information on the progress of activities,
5. Participates in project meetings as needed and helps resolve issues,
6. Participates in the Project-End Review Meeting during the collection of Lessons Learned.


**6.3.10 The Services Delivery Supplier (SDS)**

(183) The SDS shall be selected across Israeli or EU/USA companies. BRIDGIN and the PO agree that this SDS shall rely primarily on local EPC Subcontractors, strictly in line with agreements signed between the BRIDGIN and this SP.

(184) The SDS assumes overall accountability for the Operations of the infrastructures and represents the interests of those who design, manage and implement (or outsource) the Operations.

**(185) Responsibilities of the SDS:**

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1. Assumes overall accountability for the Operations of the infrastructures and the Programme's Service and/or Products requested by the PO during the Operation Phase,
2. Mobilizes the required resources from the provider side and appoints the Operation Manager (PM),
3. Approves the objectives of any outsourced activities and deliverables during the Operation Phase and becomes accountable for the contractor's performance.
4. Work in close coordination with the BM in order to generate a management model that contributes to making that the services provided by the CISP will be efficient and effective.

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