

SUMMARY OF PROJECT PERFORMANCE

A. Background

1. The Asian Development Bank (ADB) approved the Second Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Access Facility (HEAL2) on 11 March 2021 for a total of \$700 million, comprising a \$400 million loan financed from its ordinary capital resources and a \$300 million loan cofinanced by the Asian Infrastructure Investment Bank.¹ The Department of Health (DOH) serves as executing and implementing agency.

2. HEAL2 is aligned with the following impacts: (i) health system performance in addressing public health outbreaks improved; (ii) protection of the public and reduction of morbidity and mortality due to coronavirus disease (COVID-19) infection fostered; and (iii) economic growth and citizens' confidence restored. Project outcome is priority populations vaccinated against COVID-19. Project output is COVID-19 vaccines efficiently and effectively delivered.

B. Performance of the Project

3. HEAL2 meets the criteria of an ongoing project performing well as described below:

(i) **Delivery of expected outputs.** HEAL2 has three output indicators: (a) up to 110 million doses of COVID-19 vaccines (including 44 million doses from the COVID-19 Vaccines Global Access facility) procured and delivered to the country by 2024; (b) vaccine information management system launched by 2023; and (c) gender- and socially inclusive protocol and guidelines on the deployment and administration of vaccines, addressing the specific needs of marginalized women and women in especially difficult circumstances, developed, approved, and disseminated by 2023.

Under HEAL2, the government secured a total of 85.63 million vaccine doses through bilateral vaccine supplier agreements. Of these, 51.7 million vaccine doses have been delivered to the Philippines as of 5 November 2021.

As of 2 November 2021, the Philippines had fully vaccinated over 27.75 million people, or 25.18% of the entire population. Around 8.52 million people have also been partially vaccinated with one dose. Around 2.5 million, or nearly 100% of frontline health care workers, their dependents, outbound overseas Filipino workers, and 81.56% of the target population with comorbidities have been fully vaccinated.

The Department of Information and Communications Technology (DICT) launched the Vaccine Information Management System (VIMS) in April 2021. VIMS supports: (i) collection and aggregation of masterlists of eligible population for vaccination with the VIMS-immunization registry; (ii) vaccine supply chain management data collected by the VIMS supply chain tool; (iii) vaccine administration or the vaccine jabs collected real-time or by line list uploading through the DICT Vaccine Administration System; and (iv) digital vaccine certificates under VaxCertPH. The DICT has been aggregating local government units' (LGUs') vaccine eligible masterlists in the VIMS-immunization registry. The supply

¹ ADB. [Philippines: Second Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Access Facility](#). The ADB loan agreement was signed on 19 March 2021 and became effective on 15 April 2021. The Asian Infrastructure Investment Bank loan was approved on 25 March 2021. The agreement was signed on 26 March 2021 and became effective on 10 May 2021. Project completion date is on 31 March 2024, and the closing date is on 30 September 2024.

chain tool has been informing vaccine allocation decisions. About 65 LGUs have started using the online version of the DICT Vaccine Administration System. VaxCertPH had a soft launch in Metro Manila and Baguio City on 6 September 2021; official launching will be in the fourth quarter of 2021.

Gender- and socially inclusive protocol and guidelines on the deployment and administration of vaccines have been developed. However, the capacity development component is expected to commence in the fourth quarter of 2021.

(ii) **Satisfactory implementation progress.** Achievement of contract awards and disbursements is on track. Against an elapsed time of 17% as of 5 November 2021, cumulative contract awards and disbursements are \$687.50 million (98.21% of total financing) and \$532.8 million (76% of total financing), respectively.

(iii) **Satisfactory compliance with safeguard policy requirements.** The project is categorized C for all safeguard areas (environment, involuntary resettlement, and indigenous peoples). No standalone safeguards monitoring is required. The DOH will include in its annual reports' status on compliance with the loan agreement including clauses pertaining to safeguards. During the project inception mission in August 2021, the DOH provided the ADB safeguards team information and updates on the immunization waste management system.

(iv) **Successful management of risks.** The project is managing the risks identified during project preparation. No substantial risk is expected to affect the successful implementation of the project. The financial management assessment conducted for HEAL2 in January 2021 was updated for HEAL2-AF in September 2021. The overall pre-mitigation financial management risk is adjusted from high to substantial. Under HEAL2, the following key mitigating measures were agreed for implementation: (i) completing an assessment of LGUs' capacity to oversee vaccine deployment prior to distribution; (ii) setting up an asset register of cold chain facilities; (iii) engaging a third-party logistics provider; (iv) formulating a contingency plan for funding; (v) updating inventory management protocols; and (vi) having Commission on Audit conduct performance, financial, and compliance audits with assistance from ADB. Most of these mitigating measures have been implemented by July 2021.

(v) **On track rating.** The project is rated *on track* under ADB's performance rating system.²

(vi) **Other relevant information.** While the project is classified category C for environment as per ADB Safeguard Policy Statement (2009),³ ADB is monitoring the immunization waste management arrangements of the Philippines' vaccination program. The DOH reported challenges in the full implementation of the guidelines on management of health care waste generated from COVID-19 vaccination, particularly in terms of close monitoring and evaluation and reporting of vaccine wastage. The DOH is continuously working with the National Vaccine Operations Center, Supply Chain Management Service, and Disease Prevention and Control Bureau on reverse logistics. It is also coordinating with the Integrated Waste Management, Inc. on monitoring and verification of actual treatment of COVID-19 vaccination wastes in treatment facilities, and with the Department

² ADB. 2020. Project Performance Monitoring. [Project Administration Instructions](#). PAI 5.08. Manila.

³ ADB. 2009. [Safeguard Policy Statement](#). Manila.

of Environment and Natural Resources who has developed an online hazardous waste monitoring and reporting system.

C. Conclusion

4. The project is performing well and warrants additional financing. The additional financing will support the procurement of additional COVID-19 vaccine doses to cover third or booster shots and possibly 12- to 17-year-olds. The proposed project will expand the percentage of population to be vaccinated and contribute significantly to achieving overall project outcome and impacts.