

Project Administration Manual

Project Number: 54171–004

Loan Number: {LXXXX}

November 2021

Republic of the Philippines: Second Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Access Facility (Additional Financing)

ABBREVIATIONS

ADB	–	Asian Development Bank
AIIB	–	Asian Infrastructure Investment Bank
APVAX	–	Asia Pacific Vaccine Access Facility
COVAX	–	COVID-19 Vaccines Global Access
COVID -19	–	coronavirus disease
DOH	–	Department of Health
DMC	–	developing member country
FMA	–	financial management assessment
GAP	–	gender action plan
GIDA	–	geographically-isolated and disadvantaged areas
GOP	–	Government of the Philippines
HEAL2	–	Second Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Facility
HEAL2-AF	–	HEAL2 additional financing
LGU	–	local government unit
PIC	–	project investment component
PMT	–	project management team
TA	–	technical assistance
UNICEF	–	United Nations Children's Fund
WEDC	–	women in especially difficult circumstances

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The DOH is wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by DOH of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreement, the provisions of the loan agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

1. The proposed additional financing of the Second Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Access Facility (HEAL2-AF) will build on the Second Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Access Facility¹ (HEAL2) to further expand the Philippines' deployment of COVID-19 vaccines, related ancillaries, and logistics. It will support the government's procurement of at least 40 million additional doses of COVID-19 vaccines for eligible children and booster shots for the wider population.² HEAL2-AF will be jointly cofinanced with the Asian Infrastructure Investment Bank (AIIB). The project complements the Asian Development Bank (ADB)'s Health System Enhancement to Address and Limit COVID-19 that continues to support government's COVID-19 response.³

2. The Asian Development Bank (ADB) approved HEAL2 on 11 March 2021 for a total of \$700 million, comprising a \$400 million loan financed from ordinary capital resources and a \$300 million cofinanced by AIIB.⁴ HEAL2 provides the Government of the Philippines (GOP) with timely financing for safe and effective vaccine procurement and logistics, based on an agreed list of eligible expenditures.

3. **Performance of the Second Health System Enhancement to Address and Limit COVID-19 project under the Asia Pacific Vaccine Access Facility.** HEAL2 is performing well and is rated *on track* against the following criteria: progress in achieving outputs, contract awards, disbursement, financial risk management, and safeguards compliance.⁵ Against an elapsed time of 18% as of 13 November 2021, cumulative contract awards under the ADB and AIIB loans are \$688.3 million (98% of total financing) and cumulative disbursements are \$567.11 million (81% of total financing). HEAL2 has supported the procurement of 85.6 million doses of vaccines, of which 61.19 million doses have been delivered to the country. Out of the \$25 million reallocated for vaccine financing under the first HEAL (footnote 3), \$19.2 million or 77% was utilized as advance payment for Pfizer vaccines; and the remainder was committed for the procurement of micro-syringes, diluent, and mixing syringes for Pfizer vaccines. The delivery of the expected outputs is rated *successful*. Project covenants, including safeguard covenants, have either been complied with or are being complied with; and the management of project implementation risks, including financial management risks, is rated *successful*.

4. HEAL2-AF meets all eligibility criteria for additional financing: (i) remains technically feasible, economically viable and financially sound, (ii) highly prioritized by government, (iii) consistent with HEAL2 development objectives, and (iv) consistent with the country partnership with the Philippines. The reason for the additional financing is to scale up the scope of the ongoing project.

¹ ADB. [Philippines: Second Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Access Facility](#).

² The Philippine government determines eligible children for COVID-19 vaccination. At present, they are children aged 12-17 years old. Third and booster shots are additional doses of vaccines needed periodically to boost the immune system.

³ ADB. [Philippines: Health System Enhancement to Address and Limit COVID-19](#); ADB. 2021. [Major Change in Project: Health System Enhancement to Address and Limit COVID-19 in the Philippines](#). Manila. The major change in project expanded the scope of the first HEAL to reallocate part of the loan proceeds (\$25 million) for vaccine procurement.

⁴ The ADB loan agreement was signed on 19 March 2021 and became effective on 15 April 2021. The AIIB loan 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.

⁵ Summary of Project Performance (accessible from the list of linked documents in Appendix 2).

5. **Asia Pacific Vaccine Access Facility (APVAX) access criteria.** The Philippines continues to meet all APVAX access criteria as shown in Table 1).

Table 1: Compliance with Access Criteria of the Asia Pacific Vaccine Access Facility

Access Criteria	ADB Staff Assessment
Demonstrated adverse impact of COVID-19	The COVID-19 pandemic has severely affected the lives of millions of Filipinos. COVID-19 cases remain significant and continue to threaten the health system. The economic downturn has claimed jobs, adversely affected the poor and vulnerable populations, and aggravated gendered impacts of COVID-19.
Completed needs assessment ^a	The government used VIRAT to inform the preparation of the national vaccine deployment plan. ADB additionally assessed vaccine communications, logistics, wastage, private sector involvement, rollout, and VIMS have indicated that the gaps are appropriately identified and addressed.
National vaccination allocation plan ^b	The national allocation and prioritization plan is consistent with WHO SAGE guidance. ^c The government works closely with WHO country office in refining its allocation and prioritization approaches. It will cover primary and booster doses and include eligible children (paras. 12–14).
Incremental medical waste management plan	A healthcare waste management system has been established. DOH contracted a logistics firm for the transport, storage, and disposal of used vaccine vials, syringes, and related waste that cannot be disposed onsite.
Governor's letter	Governor's letter on HEAL2-AF confirms the government's commitment to continue implementing its National COVID-19 Vaccine Roadmap, including its prioritization plan, and compliance with the APVAX vaccine eligibility criteria.
Established effective development partner coordination mechanism with clear ADB role	DOH has established an effective development partners' coordination mechanism for COVID-19 vaccination. Among the development partners, ADB's focus is on vaccine financing and technical assistance in the areas of vaccine communications, logistics and the implementation of VIMS.

ADB = Asian Development Bank, APVAX = Asia Pacific Vaccine Access Facility, COVID-19 = coronavirus disease, DOH = Department of Health, HEAL2-AF = additional financing of the Second Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Access Facility, SAGE = Strategic Advisory Group of Experts on Immunization, VIMS = vaccine information management system, VIRAT = Vaccine Introduction Readiness Assessment Tool, WHO = World Health Organization.

^a Vaccine Needs Assessment (accessible from the list if linked documents in Appendix 2 of the report and recommendation of the President).

^b Country National Vaccination Prioritization and Allocation Plan (accessible from the list if linked documents in Appendix 2 of the report and recommendation of the President).

^c The SAGE is a group is charged with advising WHO on overall global policies and strategies, including delivery of vaccines and its linkages with other health interventions.

Source: DOH, ADB.

6. **Vaccination status.** In March 2021, the Philippine National Deployment and Vaccination Plan for COVID-19 Vaccines (PNDVP) prioritized vaccinating up to 70 million Filipinos aged 18 years and above before the end of 2021, and all Filipinos by 2023. As of 10 November 2021, the Philippines had fully vaccinated more than 30.49 million people, or 27.66% of the entire population. Another about 9.46 million people have also been partially vaccinated with one dose. About 96.49% of the estimated 1.58 million frontline health care workers and 84.75% of the target population with comorbidities have been fully vaccinated. However, the government needs to scale up the vaccination of older persons, as only 59.68% (90.13% in Metro Manila) of the estimated population aged 60 years and older have been fully vaccinated. The government also needs to ramp up vaccination in two regions (Region 5 and Bangsamoro Autonomous Region of Muslim Mindanao) where local government units (LGUs) have only fully vaccinated less than 25% of their adult population.

7. **Updates on national vaccine procurement, prioritization, and allocation plans.** As of 13 November 2021, about 195 million vaccine doses have been procured through the government's own resources; donations; loans from development partners including ADB, AIIB,

and the World Bank; and LGUs and the private sector (Table 2). Out of this, 121,979,340 doses have been delivered to the country. The 195 million doses will be sufficient to vaccinate 77.14 million Filipinos (original target was 70 million), which requires about 154.28 million doses. The remaining 40 million doses can potentially vaccinate the newly eligible population of children aged 12–17 years, estimated at 13 million, provided that the remaining donated vaccines from COVAX are delivered in a timely manner and the current low wastage rate of less than 1% is sustained.⁶

Table 2: Philippines: Vaccine Supply Contracts and Donations

Sources of Vaccine Supply	Deliveries as of 13 November 2021	Total Expected Doses
Donations (COVAX and bilateral)	35,372,100	50,123,220 ^a
National government-procured	78,623,980	121,130,000
LGU and private sector-procured	7,983,260	24,121,990
Total	121,979,340	195,375,210

^a The total number of doses expected from donations assumes that COVAX will fulfil its commitment to deliver around 44 million doses. As of 13 November 2021, around 28.8 million doses have been delivered by COVAX.

COVAX = COVID-19 Vaccines Global Access, LGU = local government unit.

Sources: Government of the Philippines, Department of Finance; National Task Force against COVID-19.

8. The uncertainty in vaccine supply delivery continues to raise concerns that the doses contracted will not be adequate to ensure full vaccine security for Filipinos. Specifically, the ongoing spike in COVID-19 cases driven by the Delta variant and concerns over waning vaccine-induced immunity have led the government to adopt a four-pronged approach: (i) accelerate the pace of vaccination; (ii) introduce booster doses; (iii) commence and expedite the vaccination of the 12- to - 17 year-olds; and (iv) seriously consider the vaccination of children less than 12 years old. The government's plan is similar to the one being pursued by several countries (e.g. India, Malaysia, the United Kingdom and the United States, among others) to deal with the Delta strain and other possible emerging strains.⁷ The government has begun vaccinating the 12- to 17-year-olds in October 2021, starting with those who have comorbidities.⁸ It will adopt policies on booster doses and include children aged less than 12 years of age in its vaccination plan by the end of 2021. To support these measures, the government needs to secure additional vaccine doses to cover the boosters, and eligible children.

9. **Financing needs and expenditure program.** To ensure adequate financing for additional doses (particularly booster doses and primary for eligible children), the DOH has proposed a budget of ₱45 billion (about \$900 million) for COVID-19 vaccines in 2022 as unprogrammed funds.⁹ If this budget request is approved, and external funding is mobilized, the DOH can procure about 81.8 million additional doses (at an average cost of ₱544 per dose) in 2022 to primarily provide booster doses in general for all Filipinos as per the allocation policy. In addition, the doses can be used to vaccinate 12- to 17-year-olds who may not be covered by the currently expected vaccine supply of 195 million doses. They can also be used to vaccinate children under 12 years of age if and when the government authorizes their vaccination.¹⁰

⁶ Government of the Philippines, DOH. 2021. [Vaccination among Children Aged 12–17 to Start with Comorbidities, as Part of A3 Group](#). Press release. 29 September.

⁷ Centers for Disease Control. 2021. [CDC Statement on ACIP Booster Recommendations](#). Washington, DC; and PBS New Hour. 2021. [UK recommends COVID-19 booster shots for everyone over 50](#). London.

⁸ DOH. 2021. [Vaccination Among Children Aged 12-17 To Start With Comorbidities, As Part Of A3 Group](#). Manila.

⁹ Such funds represent budget line items that need to be financed from external resources, such as loans from ADB and other multilateral development banks, or government revenues generated beyond those projected for 2022.

¹⁰ If the government decides that booster shots will be provided with the same vaccine(s) as the original shots, then it needs to procure all seven vaccines that have been administered to Filipinos. If booster shots may be provided with different types of vaccines, the government may procure only two or three types of vaccines as booster shots.

10. **Updates on the vaccine information management system.** After a delay of nearly two months, the Department of Information and Communications Technology (DICT) launched the vaccine information management system (VIMS) in late April 2021. VIMS has four key parts: (i) the collection and aggregation of master lists of the eligible population for vaccination with the VIMS immunization registry, (ii) Vaccine Operations Reporting System (VORS) which includes capturing aggregate reports of administered vaccine doses and vaccine supply chain management data, (iii) vaccine administration data collected in real time through the DICT vaccine administration system (DVAS) or by the uploading of line lists, and (iv) digital vaccine certificates under VaxCertPH. The DICT aggregates LGUs' vaccination-eligibility master lists in the VIMS immunization registry, but VIMS' delayed launch has resulted in many LGU master lists still to be aggregated. The VIMS supply chain tool communicates vaccine allocation decisions to LGU vaccine administration sites. Cities and provinces submit aggregated data through VORS, and individual-level vaccine administration data, either by uploading them directly or through DVAS. While 100% of aggregated data from LGUs have been submitted directly to VORS, uploading of individual-level records need to catch up as only around of 83% of individual records have been uploaded in the VIMS database as of 25 October 2021. In addition to the VIMS, the government uses Vigiflow to track adverse events after immunization with the COVID-19 vaccine.¹¹

11. **Updates on the national government and LGU coordination.** The National Task Force against COVID-19 (NTF), including the National Vaccination Operations Center (NVOC) and Regional Vaccine Operation Centers (RVOC) as focal offices, leads overall COVID-19 vaccination allocation and distribution coordination. The NTF holds daily allocation meetings with stakeholders from all LGUs; the DOH; the private sector; related working teams (including the track and trace teams of DOH Centers of Health Development, and DICT inventory reporting teams); and other stakeholders, including ADB. The daily meetings focus on vaccine performance and ensuring immediate responses to vaccine stock shortages in LGUs. To increase the number of doses administered by LGUs, the NTF, DOH, and the Department of the Interior and Local Government have intensified monitoring of LGUs that could not meet vaccine administration targets. Administrative sanctions that may be imposed, if warranted, on officials of poorly performing LGUs, have been prepared. They also continue to harness the private sector to supplement LGU vaccine administration.

12. **Updates on vaccine supply and logistics.** The DOH, through its Supply Chain Management Office as focal office on vaccine cold chain, storage, supply and logistics, has established a robust process to ensure the safety, efficiency, and quality of vaccines from the point of manufacture to pre-shipment; arrival; delivery; inspection and acceptance at the warehouse and cold storage facility, and vaccination sites; and final disposal of vaccine vials and immunization wastes. Upon arrival in the country, the vaccines are initially shipped to DOH-managed or contracted third-party private warehouses and then forwarded to DOH regional warehouses or directly to LGU-approved vaccination sites or LGU-contracted third-party private warehouses. The DOH and NTF are increasing their visibility of the daily vaccine inventories across provinces, cities, and municipalities to ensure continued vaccine availability in LGUs.

13. **Updates on vaccine communication.** The DOH launched the COVID-19 communications campaign (*Resbakuna*) to promote vaccine acceptance; address vaccine hesitancy; and communicate vaccine-related information, including potential adverse events,

¹¹ Vigiflow is a web-based data management system for individual case safety reports, supported by Uppsala Monitoring Centre, an independent non-profit foundation endorsed by WHO. The government has been using Vigiflow to trace adverse events from all types of vaccinations since pre-COVID-19.

vaccine efficacy, and the eligibility of target population groups. Audience segmentation is carried out following demographic and programmatic variables including prioritization, which in turn informs the messaging and production of communication materials. To ensure maximum coverage, both above-the-line (i.e., TV, radio, print, and digital) and below-the-line (i.e., town hall and community meetings) communication channels are used. Population surveys, social listening, regular stakeholder consultations, and specially commissioned research are used to monitor campaign performance. National surveys tracking public sentiment toward COVID-19 vaccination have shown an increasing trend in vaccine acceptance. In the latest Social Weather Station's survey of September 2021, respondents who would refuse COVID-19 vaccines (18%) or remain undecided (18%) cited safety as the most common concern.¹² Other concerns are on the effectiveness of vaccines and the belief that vaccinations are not needed against COVID-19. Refusal of vaccination is highest in Visayas and Mindanao, and among non-elementary school graduates. The DOH will continue to address concerns on vaccine safety and effectiveness.

14. **Impact and outcome.** The impact and outcome of the project will remain unchanged from the ongoing HEAL2. This is because the additional financing will be primarily used for procurement of additional doses for booster shots and primary vaccines for eligible children.

15. **Output: COVID-19 vaccines efficiently and effectively delivered.** The HEAL2-AF will support the procurement of safe and effective vaccines against COVID-19 through APVAX in following ADB's vaccine eligibility criteria. It will also finance related ancillaries and logistics. Performance indicator 1a will be adjusted to "at least 150 million doses of COVID-19 vaccines procured and delivered to the country by 2024." This assumes that HEAL2-AF will provide at least 40 million additional doses of vaccines, which will be administered by 2024 based on identified priority populations. The eligible vaccines will be procured primarily through bilateral arrangements with vaccine manufacturers or distributors. Procurement through the COVID-19 Vaccines Global Access (COVAX) facility will be considered once it makes vaccine doses for booster shots available. With the ongoing technical assistance (TA),¹³ ADB will continue to support the VIMS and DOH's communication management and help develop and disseminate a gender- and socially inclusive protocol to support last-mile vaccine outreach to marginalized elderly, adolescents, women, and women in especially difficult circumstances (WEDC).

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 3: Project Readiness Activities

Indicative Activities	2021				Responsible Agency
	Sept	Oct	Nov	Dec	
Approval of NEDA ICC		X			DOH
Preparation of loan documents	X	X	X		ADB
Technical discussions and loan negotiations			X		NEDA, DBM, DOF, DOH, ADB
ADB Board Approval				X	ADB
Loan Signing				X	DOF, ADB
Loan Effectiveness				X	DOF, ADB

¹² Social Weather Stations is a private nonprofit social research institution. <https://www.sws.org.ph/>.

¹³ ADB. 2020. *Technical Assistance for Regional Support to Address the Outbreak of Coronavirus Disease 2019 and Potential Outbreaks of Other Communicable Diseases*. Manila; ADB. 2015. *Philippines Social Protection Support Project (Additional Financing) Attached Technical Assistance* (expanded to a TA facility in November 2018 and renamed Strengthening Social Protection, Education, and Health Reforms Facility); and ADB. 2019. *Technical Assistance for Support for Human and Social Development in Southeast Asia*. Manila.

ADB = Asian Development Bank, DBM = Department of Budget and Management, DOF = Department of Finance, DOH = Department of Health, ICC = Investment Coordination Committee, NEDA = National Economic and Development Authority.
Source: ADB.

B. Overall Project Implementation Plan

16. A Gantt chart recording outputs with key implementation activities on a quarterly basis that is updated annually and submitted to ADB with contract and disbursement projections for the following year.

Table 4: Overall Project Implementation Plan

Activities	2021	2022				2023				2024			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A. DMF													
1. Coronavirus vaccines swiftly and properly delivered.													
1.1 Finalize national COVID-19 vaccine deployment plan.*													
1.2 Develop end-to-end logistical arrangements (cross-country and in-country shipping), transportation, and delivery of vaccines from point of manufacture to designated central and/or regional hub or storage facility.*													
1.3 Develop COVID-19 vaccination delivery system, including operational plan relating to safeguards and medical waste management.*													
1.4 Set-up central and regional cold chain system and storage facilities that meet temperature and equipment requirements.													
1.5 Update effective vaccine management protocols and procedures for COVID-19 vaccination and national immunization programs.													
1.6 Develop, approve, and disseminate gender-and-socially-inclusive protocol.													
1.7 Procure the required number of vaccine doses for ADB financing and AIIB cofinancing.													
B. Project Management Activities													
1. Conduct procurement value for money analysis and post review sampling.													
Prepare and submit quarterly and annual progress report													
Submit annual Audited Project Financial Statement													
Prepare Project Completion Report													

ADB = Asian Development Bank; AIIB = Asian Infrastructure Investment Bank, COVID-19 = coronavirus disease; DMF = design and monitoring framework; Q = quarter.

* Completed activities under the original loan.

Source: Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Department of Health (DOH)	<ul style="list-style-type: none"> • Serve as executing agency and implementing agency • Ensure the day-to-day management and implementation • Ensure adequate counterpart in kind contribution • Liaise directly with Asian Development Bank (ADB) on all concerns related to this project • Coordinate with National Task Force against COVID-19 (NTF), Inter-Agency Taskforce for the Management of Emerging Infectious Diseases (IATF), and National Vaccination Operations Center (NVOC) on vaccine procurement and vaccine roll-out activities related to the project.
Project Management Team	<ul style="list-style-type: none"> • Manage, coordinate, and monitor activities • Oversee day-to-day administration and implementation of the project • Establish Technical Support Unit • Ensure that suppliers are compliant with DOH standards • Manage budgeting and financial planning/reporting, and disbursement • Ensure auditing of loan proceeds • Prepare withdrawal application, complete with all required disbursement-related documentation • Submit quarterly progress reports (and consolidated annual report) to ADB in agreed format • Prepared other reports specified in the loan agreement • Establish, maintain and update the project performance monitoring system • Prepare project completion report with support from consultants • Prepare contract documents for further approval • Prepare procurement plan in consultation with ADB • Submit annual contract award and disbursement projections • Monitor and ensure compliance with ADB's Safeguard Policy Statement • Submit Gender Action Plan monitoring report to ADB
Asian Development Bank	<ul style="list-style-type: none"> • Assist with the vaccine procurement through advice on the volatile market, associated procurement related risks, review and input on contracts under bilateral agreements, assistance with price validation, and support in the negotiation process. • Review withdrawal applications for ADB and Asian Infrastructure Investment Bank (AIIB) • Disburse funds for ADB's portion of eligible expenditures • Send advise to AIIB for disbursement of their portion of expenditures • Monitor compliance with loan agreement, financing agreement, procedures and the project administration manual • Conduct periodic reviews including midterm and completion reviews to assess project implementation progress towards achieving the project outcome and outputs, compliance to loan covenants, environment and safeguards requirements, and gender action plan
Asian Infrastructure and Investment Bank	<ul style="list-style-type: none"> • Will join ADB team in conducting periodic reviews, including midterm and completion review to assess the project implementation progress • Ensure AIIB's fund flows to the project activities are achieved in a timely and efficient manner and in compliance with the cofinancing agreement between ADB and AIIB

Source: Asian Development Bank.

B. Key Persons Involved in Implementation

Executing Agency

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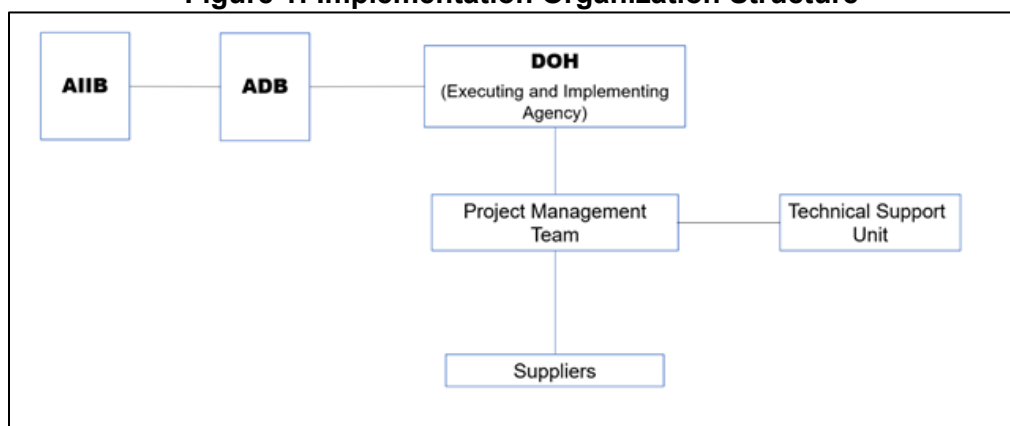
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C. Project Organization Structure

17. DOH will be the executing agency. The DOH will set up a Project Management Team with a Project Director (Undersecretary level) and Project Manager (Director level). The technical support unit for HEAL2 will support the Project Management Team in all stages of the implementation. The project will be implemented from January 2022 to March 2024. Project completion date is on 31 March 2024, and project closing date is 30 September 2024.

Figure 1: Implementation Organization Structure

ADB = Asian Development Bank, AIIB = Asian Infrastructure Investment Bank, DOH = Department of Health.
Source: ADB.

IV. COSTS AND FINANCING

18. The additional financing is estimated to cost \$549.37 million, including vaccine related costs, taxes and duties, physical and price contingencies, and interest charges during implementation.

Table 5: Project Investment Plan
(in \$ million)

Item	Description	Current Amount ^a	Additional Financing ^b	Total Amount
A.	Base Cost ^c			
	COVID-19 vaccines swiftly and properly delivered	714.57	511.64	1,226.21
B.	Contingencies ^d	37.50	30.00	67.50
C.	Financing Charges During Implementation ^e	12.10	7.73	19.85
Total Cost (A+B+C)		764.17	549.37	1,313.54

COVID-19 = coronavirus disease.

^a Refers to the original loan.

^b The project costs are inclusive of taxes and duties of \$4.46 million to be financed by the government. Such amount does not represent an excessive share of the project cost. The government will finance all taxes and duties for COVID-19 vaccine through tax exemption, and its estimated amount is not included in the project cost.

^c In September 2021 prices.

^d Includes physical and price contingencies, and a provision for exchange rate fluctuation.

^e Includes interest, commitment, and other charges on all sources of financing.

Source: Asian Development Bank.

19. ADB will finance \$250 million from its ordinary capital resources under the APVAX project investment component (PIC), and AIIB will provide \$250 million as joint cofinancing. The balance of \$49.37 million will be provided through government financing (Table 6).

20. The AIIB loan's terms and conditions¹⁴ will be described in a loan agreement between AIIB and the government.

Table 6: Project Financing Plan
(in \$ million)

¹⁴ Asian Infrastructure Investment Bank. 2019. [Sovereign-Backed Loan](#). Beijing.

	Current ^a		Additional Financing		Total	
	Amount	Share of Total (%)	Amount	Share of Total (%)	Amount	Share of Total (%)
Asian Development Bank Ordinary capital resources (APVAX PIC loan)	400.00	52.34	250.00	45.51	650.00	49.48
Asian Infrastructure Investment Bank ^b	300.00	39.26	250.00	45.51	550.00	41.87
Government	64.17	8.40	49.37	8.99	113.54	8.64
Total	764.17	100.00	549.37	100.00	1,313.54	100.00

APVAX = Asia Pacific Vaccine Access Facility, PIC = project investment component.

^a Refers to the original loan and government financing.

^b Administration fees and other charges may be deducted pursuant to the cofinancing agreement.

Source: Asian Development Bank estimates.

21. ADB and AIIB will finance a combined 91.36% of the total project cost, which will cover the procurement of COVID-19 vaccines, ancillaries, and logistics, as well as physical and price contingencies under the additional financing.

22. The government will fund 8.64% of the total project cost, to cover loan interest and charges of \$7.73 million and \$41.64 million under the additional financing, for other vaccine costs including injection devices, ancillaries, diluents, personal protective equipment, vaccine transportation, storage, waste disposal and surveillance, and taxes and duties.

A. Cost Estimates Preparation and Revisions

23. The cost estimates were prepared in September 2021. The cost estimates were discussed and agreed with DOH during project processing. The determination of the volume of vaccines from prospective suppliers along with the associated costs of storing, distributing, administering, and monitoring vaccine rollout were derived from the government's detailed vaccine rollout plans with DOH. The vaccine unit costs are provided as indicative rates based on early discussions that the government has had with prospective suppliers. During project implementation, the responsibility for updating the cost estimates will be with DOH.

24. The government will finance all taxes and duties for COVID-19 vaccine through tax exemption. Local Value Added Taxes (VAT) are calculated at 12% on all other costs and included in the base figures and will be borne by the government.¹⁵

25. The cost estimates for vaccine are fluid and may change as the market prices of COVID-19 vaccines and other costs continue to be volatile and uncertain.

B. Key Assumptions

26. The following key assumptions underpin the cost estimates and financing plan:

- (i) exchange rate: ₱49.97 = \$1.00 (as of 13 September 2021);
- (ii) physical contingencies are computed at 5% for COVID-19 vaccines;
- (iii) price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 7: Escalation Rates for Price Contingency Calculation

¹⁵ Government will pay tax in cash in case the regulation would not pass in time.

Item	2021	2022	2023	2024	2025	Average
Foreign rate of price inflation (USD)	1.6%	1.7%	1.7%	1.8%	1.8%	1.7%
Domestic rate of price inflation (PHP)	4.1%	3.5%	3.0%	3.0%	3.0%	3.3%

Source: Asian Development Bank.

- (iv) in kind contributions were calculated based on estimates of the non-vaccine related costs for injection devices, ancillaries, diluents, operations, disposal, and other related costs as reflected in the Philippines National Deployment and Vaccination Plan for COVID-19 Vaccines.

C. Detailed Cost Estimates by Expenditure Category

Table 8: Detailed Cost Estimates by Expenditure Category

	in \$ million		Total	% of Total Base Cost
	Foreign Exchange	Local Currency		
A. Investment Costs				
1. Advance payment to supply contract for eligible vaccines by ADB	65.80	0.00	65.80	12.86
2. Supply and delivery of eligible vaccines by ADB	169.20	0.00	169.20	33.07
3. Advance payment to supply contract for eligible vaccines by AIIB	0.00	0.00	0.00	0.00
4. Supply and delivery of eligible vaccines by AIIB	235.00	0.00	235.00	45.93
Sub-total (A)	470.00	0.00	470.00	91.86
B. Recurrent Costs				
1. Other vaccine related costs	0.00	41.64	41.64	8.14
Sub-total (B)	0.00	41.64	41.64	8.14
Total Base Cost	470.00	41.64	511.64	100.00
C. Contingencies				
1. Physical contingencies	24.96	0.00	24.96	4.88
2. Price contingencies	5.04	0.00	5.04	0.98
Sub-total (C)	30.00	0.00	30.00	5.86
D. Loan Financing Charges				
1. Interest during implementation	0.00	7.73	7.73	1.51
Sub-total (D)	0.00	7.73	7.73	1.51
Total Project Cost (A+B+C+D)	500.00	49.37	549.37	107.37

ADB = Asian Development Bank, AIIB = Asian Infrastructure Investment Bank.

Notes: Numbers may not sum precisely because of rounding.

1. The project costs are inclusive of taxes and duties of \$4.46 million to be financed by the government. The government will provide tax exemption on COVID-19 vaccines.
2. Government contributions of \$49.37 million are in cash to cover all non-procurement costs associated with COVID-19 vaccine (\$41.64 million) and loan interest (\$7.73 million). The government will also provide in kind contributions of \$35 million to cover personnel and facility costs to support the vaccine rollout.

Source: ADB estimates.

D. Allocation and Withdrawal of Loan Proceeds

Table 9.1: Allocation and Withdrawal of ADB Loan Proceeds

No.	Item	Total Amount Allocated for ADB Financing (\$)	Percentage and basis for withdrawal from loan account
1	Advance payment to supply contract for eligible vaccines**	70,000,000	100% of total expenditure claimed*
2	Supply and delivery of eligible vaccines**	180,000,000	100% of total expenditure claimed*
	Total	250,000,000	

ADB = Asian Development Bank.

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

**Subject to the condition for withdrawal described in paragraph 6, Schedule 3 of the ADB loan agreement.

Source: ADB estimates.

Table 9.2: Allocation and Withdrawal of AIIB Loan Proceeds

No.	Item	Total Amount Allocated for AIIB Financing (\$)	Percentage and basis for withdrawal from loan account
1	Advance payment to supply contract for eligible vaccines**	TBD	100% of total expenditure claimed*
2	Supply and delivery of eligible vaccines**	250,000,000	100% of total expenditure claimed*
	Total	250,000,000	

AIIB = Asian Infrastructure Investment Bank.

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

**Subject to the condition for withdrawal described in the AIIB loan agreement.

Source: AIIB estimates.

E. Detailed Cost Estimates by Financier

Table 10: Detailed Cost Estimates by Financier
(\$ million)

	ADB		AIIB		GOP**		Total Cost	
	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount	Taxes and Duties*
A. Investment Costs								
1. Advance payment to supply contract for eligible vaccines by ADB	65.80	100.00	0.00	0.00	0.00	0.00	65.80	0.00
2. Supply and delivery of eligible vaccines by ADB	169.20	100.00	0.00	0.00	0.00	0.00	169.20	0.00
3. Advance payment to supply contract for eligible vaccines by AIIB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Supply and delivery of eligible vaccines by AIIB	0.00	0.00	235.00	100.00	0.00	0.00	235.00	0.00
Sub-total (A)	235.00	50.00	235.00	50.00	0.00	0.00	470.00	0.00
B. Recurrent Costs								
1. Other vaccine related costs	0.00	0.00	0.00	0.00	41.64	100.00	37.17	4.46
Sub-total (B)	0.00	0.00	0.00	0.00	41.64	100.00	37.17	4.46
C. Contingencies								
1. Physical contingencies	12.48	50.00	12.48	50.00	0.00	0.00	24.96	0.00
2. Price contingencies	2.52	50.00	2.52	50.00	0.00	0.00	5.04	0.00
Sub-total (C)	15.00	50.00	15.00	50.00	0.00	0.00	30.00	0.00
D. Loan Financing Charges								
1. Interest during implementation	0.00	0.00	0.00	0.00	7.73	100.00	7.73	0.00
Sub-total (D)	0.00	0.00	0.00	0.00	7.73	100.00	7.73	0.00
Total Project Cost (A+B+C+D)	250.00	45.88	250.00	45.88	49.37	8.99	544.91	4.46

ADB = Asian Development Bank, AIIB = Asian Infrastructure Investment Bank, GOP = Government of the Philippines.

Note: Numbers may not sum precisely because of rounding.

*The project costs are inclusive of taxes and duties \$4.46 million which will be financed by the government. The government will provide tax exemption on COVID-19 vaccines.

**Government contributions of \$49.37 million are in cash to cover all non-procurement costs associated with the COVID-19 vaccine (\$41.64 million) and loan interest (\$7.73 million). The government will also provide in kind contributions of \$35 million to cover personnel and facility costs to support the vaccine rollout.

Source: ADB estimates.

F. Detailed Cost Estimates by Outputs

Table 11: Detailed Cost Estimates by Output
(\$ million)

Item	Output 1		Total
	Amount	% of Category	
A. Investment Costs			
1. Advance payment to supply contract for eligible vaccines by ADB	65.80	100.00	65.80
2. Supply and delivery of eligible vaccines by ADB	169.20	100.00	169.20
3. Advance payment to supply contract for eligible vaccines by AIIB	0.00	100.00	0.00
4. Supply and delivery of eligible vaccines by AIIB	235.00	100.00	235.00
Sub-total (A)	470.00	100.00	470.00
B. Recurrent Costs			
5. Other vaccine related costs	41.64	100.00	41.64
Sub-total (B)	41.64	100.00	41.64
C. Contingencies			
6. Physical contingencies	24.96	100.00	24.96
7. Price contingencies	5.04	100.00	5.04
Sub-total (C)	30.00	100.00	30.00
D. Loan Financing Charges			
8. Interest during implementation	7.73	100.00	7.73
Sub-total (D)	7.73	100.00	7.73
Total Project Cost (A+B+C+D)	549.37	100.00	549.37

ADB = Asian Development Bank, AIIB = Asian Infrastructure Investment Bank.

Notes:

1. In November 2021 prices.
2. Physical contingencies computed at 5% for coronavirus disease vaccines.
3. Domestic price contingencies are based on cost escalation factors for the Philippines at 3.3% per annum.
4. International price contingencies are based on US\$ cost escalation factors at 1.7% per annum.
5. Interest during implementation is computed at 1.299% with a commitment fee of 0.15% charged on the Asia Pacific Vaccine Access Facility project investment component loan. Interest during implementation is calculated as 1.258% on the AIIB loan. There is no commitment fee charged on the AIIB loan.

Source: Asian Development Bank estimates.

G. Detailed Cost Estimates by Year**Table 12: Detailed Cost Estimates by Year**
(\$ million)

	Total Cost	2022	2023	2024
A. Investment Costs				
1. Advance payment to supply contract for eligible vaccines by ADB	65.80	21.77	30.87	13.16
2. Supply and delivery of eligible vaccines by ADB	169.20	55.99	79.37	33.84
3. Advance payment to supply contract for eligible vaccines by AIIB	0.00	0.00	0.00	0.00
4. Supply and delivery of eligible vaccines by AIIB	235.00	77.76	110.24	47.00
Sub-total (A)	470.00	155.52	220.48	94.00
B. Recurrent Costs				
1. Other vaccine related costs ^a	41.64	13.76	19.54	8.33
Sub-total (B)	41.64	13.76	19.54	8.33
C. Contingencies				
1. Physical contingencies	24.96	8.18	11.77	5.01
2. Price contingencies	5.04	0.89	2.52	1.63
Sub-total (C)	30.00	9.06	14.28	6.65
D. Loan Financing Charges				
1. Interest during implementation	7.73	1.68	4.40	1.65
Sub-total (D)	7.73	1.68	4.40	1.65
Total Project Cost (A+B+C+D)	549.37	180.03	258.70	110.63
% Total Project Cost	100.00	32.77	47.09	20.14

ADB = Asian Development Bank, AIIB = Asian Infrastructure Investment Bank.

Note: Numbers may not sum precisely because of rounding.

^a Other vaccine related costs include injection devices, personal protective equipment, vaccine transportation, storage, waste disposal, and surveillance.

Source: ADB estimates.

H. Contract and Disbursement S-Curve

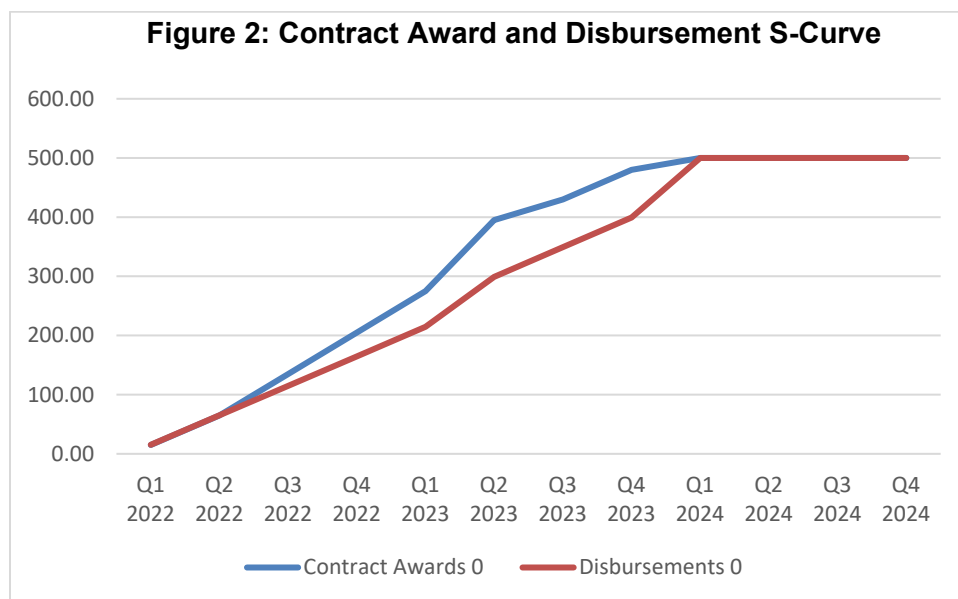


Table 13: Projected Contract Awards and Disbursements for ADB

Year	Contract Awards (in \$ million)					Disbursements (in \$ million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2022	7.50	25.00	35.00	35.00	102.50	7.56	24.89	24.89	24.89	82.22
2023	35.00	60.00	17.50	25.00	137.50	25.02	42.39	25.02	25.02	117.45
2024	10.00	0.00	0.00	0.00	10.00	50.32	0.00	0.00	0.00	50.32
	Total Contract Awards				250.00	Total Disbursements				250.00

ADB = Asian Development Bank, Q=quarter.

Source: ADB estimates.

Table 14: Projected Contract Awards and Disbursements for AIIB

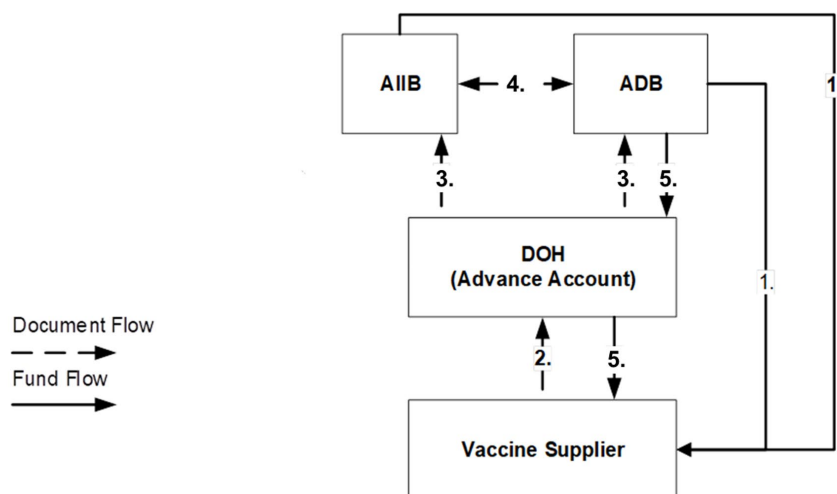
Year	Contract Awards (in \$ million)					Disbursements (in \$ million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2022	7.50	25.00	35.00	35.00	102.50	7.56	24.89	24.89	24.89	82.22
2023	35.00	60.00	17.50	25.00	137.50	25.02	42.39	25.02	25.02	117.45
2024	10.00	0.00	0.00	0.00	10.00	50.32	0.00	0.00	0.00	50.32
	Total Contract Awards				250.00	Total Disbursements				250.00

AIIB = Asian Infrastructure Investment Bank, Q =quarter.

Source: Asian Development Bank estimates.

I. Fund Flow Diagram

Figure 3: Fund flow Diagram



ADB = Asian Development Bank; AIIB = Asian Infrastructure Investment Bank;
DOH = Department of Health

Notes:

1. Direct payments to suppliers for vaccines from ADB and AIIB funds.
2. Documents from vaccine suppliers requesting contractual payments.
3. Withdrawal application submitted to ADB and AIIB.
4. ADB notifies AIIB that withdrawal application is in order. AIIB notifies ADB when payment is released.
5. Funds flow through the advance account should be established at DOH.

Source: Asian Development Bank.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

27. 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. While there is considerable effort to mitigate the risks associated with vaccine distribution and administration, the pre-mitigation financial management risk remains substantial for the HEAL2-AF. This is due to the scale and complexity

of the project considering that the government has yet to inoculate around 80% of the whole population.

28. The status of the Financial Management Action Plan to address deficiencies in the deployment plan to mitigate the risks is presented below (Table 15).

Table 15: Financial Management Action Plan

Mitigating Action	Responsible Party	Timeframe	Status Update (as of 16 September 2021)
1. Identification of DOH focal persons to be assigned to the project. Detailed stakeholder engagement plans with delegated responsibilities clearly outlined.	DOH	Q1 2021	For HEAL1, the DOH approved the Department Order No. 2021-0216 "Implementation Arrangement for the ADB HEAL L3961-PHI" dated 26 April 2021; and DPO No. 2020-2596 "Designation of Additional DOH Officials to sign in behalf of the Department for the Implementation of the ADB HEAL COVID-19 related transactions". For HEAL2, the DOH approved Department Personnel Order No. 2020-2596-A "Amendment of DPO No. 2020-2596."
2. Establishment of financial management arrangements and rolling it out by conducting orientation, trainings, or workshops.	DOH, ADB	Within 6 months from effectiveness	ADB conducted (i) an orientation on the documentary requirements for the Annual Audited Project Financial Statement of the Project; and (ii) a seminar on the loan and grant disbursements on 24–26 August 2021. The TSU and the DOH-FMS is in close coordination on the financial management arrangement of the overall project.
3. Quarterly monitoring of project including physical and financial progress.	DOH	Q2-Q4 2021 Q1-Q4 2022 Q1-Q4 2023	The project is regularly submitting a quarterly physical and financial progress report to ADB and a quarterly Project Performance Updates to NEDA.
4. Updated inventory management procedures with cold storage handling protocols along with training for key stakeholders.	DOH	Q2 2021	The DOH issued the following policies: Department Memorandum No. 2021-0154 dated 23 March 2021, otherwise known as, Reiteration on the Acceptance of the COVID-19 Vaccine in the Cold Storage Facilities. Department Memorandum No. 2021-0229 dated 12 May 2021 and Department Memorandum 2021-0229-A dated 21 May 2021, otherwise known as Intensifying the Monitoring of Cold Chain Equipment for COVID-19 Vaccines.
5. Engage external experts to support project delivery where necessary and appropriate.	DOH/ADB	Q2 2021	While the DOH together with the TSU have delivered the project outputs on time, discussion would be done with ADB for the engagements of Financial and Procurement experts.

Mitigating Action	Responsible Party	Timeframe	Status Update (as of 16 September 2021)
			<p>DOH maximized the expertise of the 2 procurement consultants.</p> <p>A procurement agent (United Nations Office for Procurement Services) was engaged on April 2021.</p>
<p>6. Enhanced due diligence performed on private sector capacity prior to engaging for project critical roles in transportation, storage deployment and providing IT support.</p>	DOH	Q2 2021	<p>DOH issued Department Memorandum 2021-0195 dated 21 April 2021 Conduct of Warehouse Inspection of Third-Party Logistics Providers Engaged by LGUs and Private Companies Within the Region. The Warehouse Inspection is done on regular basis which is conducted by a proper team of supply chain managers, supply officers etc.</p> <p>The GOP allowed the private sector to procure COVID-19 vaccines for their employees and their respective designated persons through the DOH-NTF Joint Memorandum Circular 2021-0001 entitled "Procedures on the Procurement and Distribution of COVID-19 Vaccines for Private Entities." In this manner, their performance contributes to national job accomplishment.</p> <p>Further, members of the private sector have been participating in the daily vaccination rollout meeting overseeing the communication, logistics, and VIMS across all levels of governance. This enables the GOP to provide streamlined responses to the different gaps and needs facing the National COVID-19 Vaccination Rollout.</p>
<p>7. Contingency plans developed if GOP funding is not available when needed to support logistics and other vaccine deployment costs.</p>	DOH/DBM/ DOF/ADB	Q1 2021	<p>Should there be a need for a GOP counterpart support for logistics and other COVID-19 vaccine deployment costs, the DOH shall include the said amount in its budget proposal for inclusion in the GAA. In case the said counterpart support was not included in its line item in the GAA, the DOH shall utilize its savings if any.</p> <p>If savings are not available, the DOH shall request from the DBM for the release of funds under the GOPs Contingent Fund or other possible sources.</p>
<p>8. Vaccine deployment plans to be updated to clearly identify responsibility and accountability for vaccines between regional warehouses and local government facilities/sites for administering vaccines.</p>	DOH/LGUs	Q1-Q2 2021	<p>The DOH issued Department Memorandum #2021-0099 dated Feb. 23, 2021, otherwise known as the Interim Omnibus Guideline for the Implementation of the National COVID-19 Vaccine Deployment Plan. The DOH shall issue a revised NDVP at the end of Q4 of 2021.</p>

Mitigating Action	Responsible Party	Timeframe	Status Update (as of 16 September 2021)
9. Establishment of asset registers for all cold storage facilities.	DOH/ADB	Q1-Q2 2021	The supply officers of each region keep records on the cold chain equipment inventory and assessment through a live accessible document maintained by the Planning and Monitoring Division of SCMS. Updates from this document are being reported by each region to the DOH every week in an online meeting. DICT also developed an information management system for monitoring the cold chain/supply chain for COVID-19 vaccines.
10. Completion of the assessment of LGUs capacity to oversee vaccine deployment at sub national level prior to vaccine distribution. This should include a review of facilities, management, technical and administrative skills available at the LGUs.	DOH	Q2 2021	NVOC released Advisory No. 34, otherwise known as the Advisory on the Rollout of the Support Supervision Activities to all Vaccination Sites dated 29 April 2021 stating that RVOCs will assess the vaccination rollout in vaccination sites, and provide technical assistance on site.
11. During project implementation, DOH to closely coordinate with COA regarding annual audit arrangements to ensure timely submission of acceptable audit reports in accordance with ADB standards.	DOH/COA	Q1 2021	The PMT is in close coordination with the DOH-FMS and COA on the audit requirements of the Project.
12. COA to undertake performance, financial and compliance audits on project activities.	DOH/COA	Annual	To be discussed further with COA.
13. COA and DOH IAS to perform routine inventory management audits of vaccine storage facilities and vaccine distribution sites.	COA/IAS	Annual	DOH issued Department Memorandum 2021-0053 dated 28 January 2021 otherwise known as the Interim Guidelines on the Shipment and Acceptance of the COVID-19 Vaccines and Ancillary Immunization Commodities, stating that the Inspection and Acceptance Committee will inspect and report any deviation per shipment for appropriate action. According to NVOC, disbursements for vaccines are included in the reports of the Internal Audit Service which is being submitted to COA.

ADB = Asian Development Bank, COA = Commission on Audit, COVID-19 = coronavirus disease, DBM = Department of Budget and Management, DOF = Department of Finance, DOH = Department of Health, FMS = Financial Management Service, GAA = General Appropriations Act, GOP = Government of Philippines, HEAL = Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Access Facility, IAS = Internal Audit Service, LGU = Local Government Unit, NEDA = National Economic Development Authority, NTF = National Task Force, NVOC = National Vaccination Operations Center, PMT = project management team, Q = quarter, RVOC =

Regional Vaccination Operations Center, SCMS = Supply Chain Management Service , TSU = Technical Support Unit, VIMS = Vaccine Information System.
Source: Asian Development Bank.

B. Disbursement

1. Disbursement Arrangements for ADB and AIIB Funds

29. The loan proceeds of ADB and AIIB loans will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),¹⁶ and detailed arrangements agreed upon between the Borrower, ADB, and AIIB. The Borrower shall submit to ADB the original withdrawal applications covering the finances of ADB. ADB will review submitted withdrawal applications and pay its share of financing.

30. Online training for project staff on ADB's disbursement policies and procedures is available.¹⁷ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

31. Direct payment will generally be used for paying suppliers. If necessary, DOH will avail of retroactive financing for the procurement of vaccines. DOH will be responsible for (i) collecting and retaining supporting documents; and (ii) preparing and sending withdrawal applications to ADB.

32. **Disbursement for COVAX cost-sharing scheme.** There are currently two disbursement options for ADB developing member countries (DMCs) to purchase the vaccines under the COVAX cost-sharing scheme. Subject to satisfaction of conditions to disbursement under the ADB financing agreement, and signed confirmation agreement: (i) a DMC may deposit funds into an account designated by Gavi/United Nations Children's Fund (UNICEF) using the proceeds of ADB and AIIB financing, or using its own funds which can then be reimbursed by ADB; or (ii) the DMC can submit an irrevocable withdrawal application(s) to ADB in manual form instructing it to disburse the proceeds of the ADB and AIIB financing into specified Gavi and/or UNICEF accounts. ADB would thereafter either deposit the funds directly into the account(s) or provide a letter of commitment to Gavi, confirming that ADB will disburse such proceeds to Gavi and/or UNICEF pursuant to the irrevocable withdrawal application(s).

33. Either of these disbursement options may be utilized, or any other disbursement arrangements that may be agreed with Gavi and ADB as set out under the confirmation agreement between Gavi and the Philippines. If ADB issues a letter of commitment, it shall be subject to satisfaction of the conditions to disbursement under the financing agreement for HEAL2-AF, ADB's prior no-objection/clearance of the said confirmation agreement (and receipt of a copy of the signed agreement), execution of a UNICEF Supply Agreement by the Philippines, and submission of an irrevocable withdrawal application(s) from the Philippines to ADB instructing it to disburse the loan proceeds into the specified Gavi and/or UNICEF accounts.

34. **Advance fund procedure.** A separate advance account for ADB loan may be established and maintained by DOH under the PIC. A financial management assessment (FMA) of DOH capacity for managing the advance account and arranging for the periodic and annual independent audit on the advance fund must be performed prior to funding the advance account. The results of the FMA need to be informed prior to process the withdrawal application. If

¹⁶ ADB. 2017. [Loan Disbursement Handbook](#). Manila.

¹⁷ [Disbursement eLearning](#).

supported by the FMA, the advance account will be established in a commercial bank. The currency of the advance account will be in the United States dollar. The advance account is to be used exclusively for ADB's share of eligible expenditures. DOH, who administers the advance account, is accountable and responsible for proper use of advances to the advance account.

35. The total outstanding advance to the advance account should not exceed the estimate of ADB's share of expenditures to be paid through the advance account for the forthcoming 6 months. DOH may request for initial and additional advances to the advance account based on an Estimate of Expenditure Sheet¹⁸ setting out the estimated expenditures to be financed through the advance account for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by the Borrower in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time) when liquidating or replenishing the advance account.

36. **Statement of Expenditure procedures.** It will not be used for this project.

37. Before the submission of the first withdrawal application, the Borrower should submit to ADB sufficient evidence of the authority of the person(s) in DOH who will sign the withdrawal application on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is stipulated in the Loan Disbursement Handbook (2017, as amended from time to time). The Borrower should ensure sufficient category and contract balances before requesting disbursements. The use of ADB's Client Portal for Disbursements¹⁹ system is encouraged for submission of withdrawal applications to ADB.

38. **Disbursement of AIIB Financing.** The Borrower shall submit the original withdrawal application and copies of supporting documents to ADB, and concurrently one identical copy of such withdrawal applications and copies of supporting documents to AIIB. ADB will review each withdrawal application and advise AIIB to make the necessary payment, if any. AIIB shall process the application with ADB after receipt of the advice from ADB on the result of the review by ADB. AIIB will promptly inform ADB once payment has been made. In case AIIB rejects the payment requested in the withdrawal application, it shall promptly inform ADB and the Borrower in writing of its decision and the basis of such decision. ADB shall not be held liable for any decision made by AIIB with respect to payments requested in withdrawal applications or any delay in disbursement outside of ADB's control.

39. **Disbursement conditions.** No withdrawals shall be made from the loan account for (i) financing an advance payment for a contract to supply eligible vaccines until ADB has received a letter from the government confirming (a) which COVID-19 vaccine(s) have been selected to be procured using the proceeds of the loan; and (b) which of the eligibility criteria in the definition of eligible vaccine has been satisfied in respect of the COVID-19 vaccine(s) to be procured, and based on the information provided in the aforementioned letter, ADB has notified the government that the COVID-19 vaccine to be procured meets ADB's eligibility criteria; and (ii) financing a contract to supply eligible vaccines until ADB has received a letter from the government confirming that in addition to (i)(a) and (i)(b) above, the eligible vaccines have received all necessary authorizations of the government, and have been authorized by the Food and Drug Administration of the Philippines and any other relevant regulatory authorities for distribution and

¹⁸ Estimate of Expenditure sheet is available in Appendix 8A of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),

¹⁹ The Client Portal for Disbursements facilitates online submission of withdrawal applications to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online. ADB. 2016. [Guide to the Client Portal Online](#). Manila

administration within the territory of the country; and based on the information provided in the aforementioned letter, ADB has notified the government that the COVID-19 vaccines to be procured are designated as eligible vaccines.

2. Disbursement Arrangements for Counterpart Fund

40. The DOH will be responsible for the relevant disbursement and liquidation procedures for government funds. Both will also be responsible for (i) preparing disbursement projections, and (ii) requesting budgetary allocations for counterpart funds. The government will finance recurrent costs including the corresponding taxes (\$4.46 million). It will also finance the taxes and duties for the vaccines through tax exemption.

C. Accounting

41. DOH will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following accrual-based principles of accounting in accordance with the Philippine Public Sector Accounting Standards. DOH will prepare project financial statements in accordance with the government's accounting laws and regulations as prescribed by the Commission on Audit, which may issue updates and guidelines from time to time.

42. DOH shall prepare the following financial statements: (i) Statement of Financial Position; (ii) Statement of Financial Performance; (iii) Statement of Cashflows; (iv) Notes to Financial Statements; (v) Statement of Comparison of Budget and Actual Amounts; (vi) Statement of Withdrawals; and (vii) Advance Account Reconciliation Statement (if necessary). A report of the government's in-kind contribution should be included in the financial statements. Further, Statement of Changes in Net Assets is also part of the basic financial statements submitted to COA.

D. Auditing and Public Disclosure

43. DOH will cause the detailed project financial statements to be audited in accordance with International Standards for Supreme Audit Institutions, by an independent auditor acceptable to ADB. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by the DOH.

44. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose(s) of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

45. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

46. DOH has been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.²⁰ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

47. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Access to Information Policy 2018.²¹ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.²²

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

48. All advance contracting and retroactive financing will be undertaken in conformity with ADB's Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time).²³

49. **Advance contracting.** Advance contracting is expected for the procurement of COVID-19 vaccines and the respective ancillaries.

50. **Retroactive financing.** The government may request withdrawals from the loan account for eligible expenditures in relation to vaccine procurement incurred before loan effectiveness but not more than 12 months before signing of the loan agreement, equivalent to a maximum of 30% of the loan amount. Retroactive financing may be requested to cover advance payment for COVID-19 vaccine supply agreements. Any advance contracting and retroactive financing will be subject to the vaccine eligibility criteria and other requirements under the APVAX being fully met.

²⁰ ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

²¹ ADB. 2018. [Access to Information Policy](#). Manila

²² This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2018. [Access to Information Policy](#). Manila. Paragraph 97(iv) and/or 97(v).

²³ ADB. 2017. [Procurement Regulations for ADB Borrowers. Goods, Works, Nonconsulting and Consulting Services](#). Manila.

51. The DOH has been advised that the approval of advance contracting and retroactive financing does not commit ADB to finance advance payment to vaccine developers and/or any vaccine related procurement costs.

B. Procurement of Goods, Works, and Consulting Services

52. All procurement of goods, works, and services will be undertaken in a manner consistent with the simplified and expedient procedures permitted under the ADB's Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting, and Consulting Services (2017, as amended from time to time).

53. DOH has a fully functional Procurement Service (PS) to handle annual procurements for goods and services in line with Republic Act 9184 (Philippine Procurement Law). However, the COVID-19 pandemic brought about a surge in transactions that put a significant strain in the PS' capacity that it had to seek assistance from the PS of the Department of Budget and Management, as well as of the Philippine International Trading Corporation. For HEAL2, the IATF supported DOH in the procurement of vaccines. IATF developed criteria and is responsible for recommending the evaluation and selection of COVID-19 vaccines for procurement. It also facilitates procurement, including price negotiation. For HEAL2-AF, the arrangements will remain the same, with the Philippine government negotiating contracts with various vaccine manufacturers and with COVAX. DOH will sign the supply agreements together with the IATF.

54. Certain procurement packages under the project will be jointly cofinanced with AIIB; ADB will be the lead cofinancier and its procurement policy will apply to all procurement. Bidding documents for cofinanced packages will reflect (i) that ADB and AIIB are jointly financing the project; and (ii) that both ADB and AIIB may inspect and audit the procurement process undertaken and subsequent contracts entered into by the Borrower. These arrangements form part of a cofinancing framework agreement signed by ADB and AIIB. Vaccine suppliers will issue separate invoices to ADB and AIIB for each withdrawal application except for those contracts financed only by ADB prior to the effectiveness of AIIB loan.

55. The procurement of COVID-19 vaccines will be undertaken in accordance with the APVAX vaccine eligibility criteria. The procurement of vaccines and related services will predominantly be undertaken using direct contracting given the prevailing market for both vaccines and related ancillary items necessary for its administration which is both constrained in terms of capacity, supply availability and the number of approved vaccines manufacturers.

56. The government may procure eligible vaccines through two different avenues: (i) the COVAX cost-sharing mechanism, and (ii) procurement of bilaterally negotiated contracts with vaccine manufacturers.

57. Gavi coordinates the activities of the COVAX mechanism. UNICEF is the COVAX procurement coordinator, responsible for the purchase and delivery of vaccines secured by COVAX. Under the COVAX cost-share scheme, COVAX may, from time to time, offer vaccines for purchase by the GOP. If GOP confirms interest in purchasing the COVAX-secured vaccines, they will be required to enter into a confirmation agreement with Gavi and a supply agreement with UNICEF. This agreement will include the procurement of vaccines and may also include ancillary items (e.g., syringes and safety boxes) as well as services including transportation of the vaccines from the vaccine origin to a designated entry point stated by the government.

58. For bilateral deals, the government intends to enter into direct negotiations with vaccine manufacturers, similar to the manner in which it engaged with a number of vaccine manufacturers under HEAL2-financed contracts. All vaccine agreements shall be subject to prior review by ADB to confirm that the terms are acceptable and in accordance with the APVAX policy.

59. Following ADB's APVAX policy, ADB's member country procurement eligibility requirements are waived.

60. Value for money in procurement will be achieved through (i) selecting candidate vaccine types that are best suited to the domestic logistics supply chain and distribution mechanisms; (ii) identifying vaccines that will efficiently meet the project disbursement conditions; (iii) engaging with COVAX and manufacturers that have advantageous vaccine availability and delivery timelines, and (iv) entering into agreements on terms and conditions that are reasonable, noting the currently constrained global market for vaccines.

61. The initial procurement plan is presented in Appendix 2. The information in the procurement plan is currently indicative given the volatility of the COVID-19 vaccine market. The GOP needs to ensure that all procurement options remain open, thereby maximizing its ability to respond to supply options that may arise that are compliant with the APVAX policy.

VII. SAFEGUARDS

62. In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are as follows.

63. **Environment (category C).** The HEAL2-AF will support the procurement of additional vaccines and will not entail civil works or other activities with potential for significant adverse impacts on the environment. The distribution and use of COVID-19 vaccines will result in a temporary increase in immunization waste generation.²⁴ An immunization waste management system is in place which is consistent with regulatory requirements and considered satisfactory to address risks to occupational and community health and safety.²⁵ Used vaccine vials, syringes, and related wastes are either treated and disposed on-site in accordance with procedures defined in the DOH Health Care Waste Management Manual; or collected by a licensed third-party reverse logistics firm contracted by DOH for offsite treatment and disposal.²⁶ The movement of immunization waste off-site through the existing Hazardous Waste Manifest System complies with licensing, reporting, and monitoring rules. The DOH has established and is implementing a monitoring framework to verify compliance with immunization waste management requirements.

64. **Involuntary resettlement (category C).** The HEAL2-AF project will not require any land acquisition or lead to any resettlement impacts.

65. **Indigenous Peoples (category C).** The HEAL2-AF is not expected to have any direct or indirect impacts on the dignity, human rights, livelihood systems, or culture of indigenous peoples,

²⁴ Due Diligence on the Philippine COVID-19 Immunization Waste Management Plan and Arrangements (Update from HEAL2) (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

²⁵ Including but not limited to: DOH Department Circular 2020-0191–Healthcare Waste Management Manual (4th edition); DOH Memorandum 2021-0031 – Interim Guidelines on the Management of Health Care Wastes Generation from COVID-19 Vaccination; Republic Act 6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act) and its implementing rules and regulations.

²⁶ DOH Memorandum 2021-0030 – Reverse Logistics Commissioned to Integrated Waste Management Incorporated.

or the territories or natural or cultural resources that indigenous peoples own, use, occupy, or claim as an ancestral domain or asset.

66. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth in Appendix 5 of the Safeguard Policy Statement (2009).

VIII. GENDER AND SOCIAL DIMENSIONS

67. **Poverty and social.** The poverty rate in the Philippines declined from 25.2% in 2012 to 23.5% in 2015, and to 16.7% in 2018. Nearly 17.6 million people continue to live below the poverty line and 14.2 million just above the line, who are vulnerable to sliding back into poverty due to exogenous shocks.²⁷ Vulnerable employment worsened from 36.1% to 39.6% among the employed over the same period.²⁸ Overseas Filipino workers' deployment dropped by up to 75% in 2020. The pandemic has also displaced about 700,000 overseas Filipino workers, 97.0% of whom lost their jobs, and 502,581 have returned to the Philippines.²⁹ With COVID-19 community mitigation measures and economic disruptions, absolute poverty is at risk of increasing in the short-term due to the weak labor market, critical food shortages, reduced or eliminated household earnings, and a drastic decline in remittances. Business establishments, services, flow of goods and agricultural products, livelihood and income generating activities have been adversely affected. Over the medium-term, a slow economic recovery risks raising unemployment levels and suppressing earnings in the informal sector. Structural poverty may worsen as the access of poor families to social services is reduced, and the total number in critical need of health services increases rapidly apply greater pressure on stretched health facilities.

68. ADB earlier estimated that, without substantial financial support to poor and near poor families, the poverty rate could increase from 16.7% in 2018 to 20.7% in 2020 as a result of the pandemic effects on incomes.³⁰ The Philippine Institute for Development Studies estimated 1.4 million families or 7.5 million individuals will become poor as a result of COVID-19. However, the implementation of social amelioration program has mitigated impact on poverty and reduced the number of families who will become poor to 0.4 million or 2.8 million individuals.³¹ Social Weather Station survey results indicate a new full year record of average hunger at 21.1% of families in 2020. It recorded highest in Metro Manila at 23.3%, followed by Mindanao (16%), Balance Luzon (14.4%), and Visayas (14.3%).³² The continuing impact of COVID-19 on poverty and social conditions is predicated by the spikes of COVID-19 cases, the necessary community quarantines, mobility restrictions and lockdown measures that adversely affect the economy, and the social well-being of families and individuals. The cost of learning loss, measured in terms of reduced earnings and productivity, partly due to the suspension of face-to-face schooling, has been estimated at ₱230 trillion in school year 2020/21.³³

²⁷ Philippine Statistics Authority (PSA). [Philippine Poverty Statistics – Poverty \(Latest Releases\)](#). Manila.

²⁸ PSA. [Labor Force Survey: Key Employment Indicators, Philippines July 2020, April 2020 and July 2019](#).

²⁹ *Business World*. 2021. [OFW deployment estimated to have fallen up to 75% in 2020-POEA](#). 8 January; and *Philippine News Agency*. 2021. [Bello vows to bring back jobs abroad for displaced OFWs](#). 26 September.

³⁰ ADB. 2020. [Philippines: COVID-19 Active Response and Expenditure Support Program](#). Manila.

³¹ C. Reyes. 2020. [Mitigating the Impact of COVID-19 Pandemic on Poverty](#). Discussion Paper Series No. 2020-55.

³² Social Weather Station. 2020. Fourth Quarter 2020 Social Weather Survey: [Hunger eases to 16.0% of families in November](#).

³³ Government of the Philippines, National Economic and Development Authority. The total cost of COVID-19 and quarantines on the present and future generations.

69. **Gender.** The continuing gendered impacts of COVID-19 are increasingly felt more than a year into the pandemic especially on the areas of gender-based violence, burden of unpaid care and domestic work, and limited access to sexual and reproductive health provisions, among others. Prior to the pandemic, one of four married Filipino women aged 15-49 reported enduring physical, sexual, and/or emotional violence.³⁴ At the onset of COVID-19, every month of quarantine/lockdown generates an estimate of additional 12,000 gender-based violence cases, mostly unreported or under-reported.³⁵ The Philippine National Police noted that during lockdowns and quarantines, the Women and Children's Desks were reported to have processed at least 12 complaints per week - more than twice the number they were receiving before the COVID-19 pandemic.³⁶ Women's already significant unpaid care and domestic work disproportionately increased during the pandemic, as 45% females and 30% males reported that they spent more than 5 hours a day on unpaid care and domestic work during the COVID-19 pandemic from the significantly lower figure of 30% females and 12% males expressing the same prior to the pandemic.³⁷ Access to basic services, especially sexual and reproductive health services, have significantly become uneven among subgroups, with the Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual, and others (LGBTQIA+) groups, pregnant women, WEDC as well as those in the geographically-isolated and disadvantaged areas (GIDA) reporting disrupted access to said services. Around 2 out of 5 women report limited access to contraceptives, and 1 out of 2 LGBTQIA+ report limited access to contraceptives and HIV/AIDS services.³⁸ DOH's National Strategic Framework for COVID-19 Deployment and Immunization (DOH Administrative Order 2021-0005) does not explicitly include many marginalized women, WEDC, and people in GIDA as target populations. HEAL2-AF is categorized as *effective gender mainstreaming*. The HEAL2 gender action plan will remain in effect as the HEAL2-AF will support last-mile vaccine outreach to WEDC and people in geographically isolated and disadvantaged areas. The HEAL2-AF will continue to support the gender- and socially inclusive protocols and dissemination plan, as well as the communication and messaging initiatives and consultations. Under the HEAL2, the government has approved and begun implementing a prioritization framework on COVID-19 vaccine centers, with consideration for pregnant women and the poor. With the prioritization framework, complemented by ADB TA on developing vaccine communication strategies, the coverage of inoculated pregnant women and the poor will increase, and the development and dissemination of the gender- and socially inclusive protocol for marginalized older persons, adolescents, WEDC, and geographically isolated and disadvantaged areas will be accelerated.

Table 16: Gender Action Plan

Gender Objectives	Activities / Targets	Responsibilities	Timeframe
Outcome: Priority populations safely vaccinated against COVID-19			
Human capital and social protection enhanced for all ^a (OP 1.1)	a. 50 million Filipinos (43.8% of the total population) vaccinated against COVID-19 by 2023 (disaggregated by sex and age) ^b (2021 baseline: 0%) (OP 1.1; OP 1.3; OP 4.1) DMFa.	DOH	Ongoing

³⁴ PSA, 2018. [Preliminary Results from the 2017 National Demographic and Health Survey](#). Manila.

³⁵ University of the Philippines Population Institute and United Nations Population Fund Philippines. 2020. [Estimating the Potential Impact of the COVID-19 Pandemic on Key Sexual and Reproductive Health and Rights Outcomes in the Philippines](#). Mandaluyong City.

³⁶ International Public Policy Observatory. 2021. [The impact of COVID-19 on gender-based violence in the Philippines: 'One of the most insidious consequences of the pandemic'](#). London.

³⁷ United Nations Population Fund. 2020. [Gender & Inclusion Assessment of COVID-19 Pandemic on Vulnerable Women and Girls in the Philippines](#). Mandaluyong City.

³⁸ United Nations Population Fund. 2020. [Gender & Inclusion Assessment of COVID-19 Pandemic on Vulnerable Women and Girls in the Philippines](#). Mandaluyong City.

Gender Objectives	Activities / Targets	Responsibilities	Timeframe
Output 1: Coronavirus vaccines efficiently and effectively delivered			
1.1 Gender equality in human development enhanced (OP 2.2)	1.1.1 Gender-and-socially-inclusive protocol on the deployment and administration of vaccines addressing the specific needs of marginalized women and women in especially difficult circumstances developed, approved, and disseminated ^g (2020 baseline: none in place) (OP 2.3.2)	DOH; DPCB; DSWD 4Ps; BLHSD	Developed Q2-Q3/2021; Adopted Q4/2021 – Q1/2022
	1.1.2 Dissemination plan developed and implemented ^e to enhance knowledge and understanding of the protocol (under 1.1.1 above) among healthcare workers involved in implementing the Philippine National Deployment and Vaccination Plan for COVID-19 Vaccines, especially in selected LGUs in major cities and GIDA. (2021 baseline: 0)	DOH; DPCB	Q1/2022
	1.1.3 Healthcare workers involved in implementing the Philippine National Deployment and Vaccination Plan for COVID-19 Vaccines demonstrate enhanced capacity ^f to target and vaccinate marginalized groups as described in the protocol under 1.1.1, especially in selected LGUs in major cities and GIDA ^g (2021 baseline: 0)	DOH; DPCB	Q2/2022 – project close
	1.1.4 In alignment with the Demand Generation and Communication Plan, support the development of gender and culturally sensitive and age appropriate, information, education and communication products in accessible formats (e.g., pictographic, in Tagalog and other local languages), targeting marginalized women and women in especially difficult circumstances including in major cities and geographically isolated and disadvantaged areas. (2021 baseline: 0)	DOH/HPB; Philippine Information Agency	Developed in Q2/2021; Disseminated Q3/2021 – project close
	1.1.5 At least one online consultation and/or survey and associated gender analysis undertaken in selected LGUs in big cities and GIDA, ^e to monitor awareness of vaccine safety and gather feedback on issues affecting access to health services; including specific engagement with marginalized women and women in especially difficult circumstances (2021 baseline:0)	DOH/HPB; DSWD; DILG	DOH/HPB; DSWD; DILG
2. Project Management			
2.1 A Gender and Social Specialist is engaged by the PMU early in the project (Q2/2021).			
2.2 Project reports include details on progress against the GAP (good practices, lessons learned etc.)			
2.3 Collection of sex-disaggregated and gender-related information relevant to the Design and Monitoring Framework and GAP is integrated in the overall project performance monitoring system.			
2.4 DOH maintains a database that records the administration of COVID-19 vaccines and monitors alignment with the government's vaccination allocation plan, including disaggregation by sex, age, co-morbidity(ies), other risk category(ies) ^h and ADB-financed doses (2020 baseline: not applicable).			

4Ps = Pantawid Pamilyang Pilipino Program, ADB = Asian Development Bank, BLHSD = Bureau of Local Health Systems and Development, COVID-19 = coronavirus disease, DILG = department of Interior and local Government, DMF = design and monitoring framework, DOH = Department of Health, DPCB = Disease Prevention and Control

Bureau, DSWD = Department of Social Welfare and Development, GAP = Gender Action Plan, GIDA = Geographically-Isolated and Disadvantaged Areas, HPB = Health Promotion Bureau, LGU = local government unit, OP = operational priority, PMU = project management unit, Q = quarter, tbc = to be confirmed.

- ^a ADB acknowledges that a. and b. in this matrix are not gender performance indicators. However, the accurate collection and analysis of disaggregated data on vaccination rates for both COVID-19 and routine vaccinations is important to the gender actions proposed under 1.1 below.
- ^b Reporting on vaccinations will be disaggregated by gender, age, priority group, e.g., % of frontline workers in health workers; % indigent senior citizens; % of remaining senior citizens; % of remaining indigent population; % of uniformed personnel; sex; and region, province and/or rural/urban.
- ^c The protocol will be developed through collaboration with multiple Bureaus in DOH, DSWD and DILG. Implementation resourcing will come from LGU gender and development budgets following the completion of project activities.
- ^d In alignment with the World Health Organization Strategic Advisory Group of Experts on Immunization equity principle, these protocols and guidelines acknowledge that specific groups of the population are less able to access information and services than others. To ensure broad-based coverage of information and equity in vaccine access, the gender-and socially-inclusive protocols and guidelines will specifically target marginalized elderly, adolescents, women, women in especially difficult circumstances and people in geographically isolated and disadvantaged areas as defined by the Magna Carta of Women sections 4 (d) and 30.
- ^e The selected LGUs in big cities and GIDA will be determined during the inception mission.
- ^f The type of dissemination plan will be determined based on alignment with ongoing activities related to the DOH Interim Implementation Plan outreach and training plan.
- ^g The method of verification of 'enhanced capacity' will be dependent on the dissemination approach undertaken in 1.1.5.
- ^h Where possible, surveys and analysis will be informed by the data collection exercises undertaken to develop the Vaccine Information Management System.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

70. The revised design and monitoring framework is in Appendix 1.

B. Monitoring

71. **Project performance monitoring.** DOH will be responsible for all aspects of monitoring and evaluation, including (i) performance evaluation against milestones, (ii) safeguards and gender action plan (GAP) implementation monitoring, (iii) financial commitments, and (iv) implementation of risk management and mitigating action plans. Progress reports and achievements will be prepared quarterly and summarized annually. Quarterly reports will include updates on contract awards and disbursement achievements compared to the projections based on project performance review requirements presented.

72. The APVAX policy requires additional information on vaccine procurement in the quarterly and summarized annual reports.

73. **Compliance monitoring.** The status of compliance with loan covenants (financial, safeguards, and others) will be monitored and reported in the progress report and during ADB review missions. Any non-compliance and compliance issues will be specified in the quarterly progress reports together with remedial actions.

74. **Safeguards monitoring.** The HEAL2-AF has developed a monitoring framework that includes indicators on COVID-19 immunization waste management.³⁹ The monitoring framework consists of activities, targets and verifiable indicators on immunization waste management such as on environmental complaints, adverse environmental and safety related incidents, percentage of vaccine wastage, health care facilities (HCFs) with waste management plan for COVID-19 immunization, waste segregation and storage, designation of Pollution Control Officer or Waste Management Officer at HCFs, completion of Department of Environment and Natural Resources Hazardous Waste Manifest, online registration with Department of Environment and Natural Resources, approved Permits to Transport, and Certificates of Treatment issued by transport, storage and disposal service for treatment of wastes. The monitoring framework also specifies the means of verification of the indicators through actual inspection, permits, records and reports. The monitoring framework will also cover both the HEAL2 and the HEAL2-AF and will be reported to ADB on a quarterly basis (as appendix to the quarterly progress reports).

75. **Gender and social dimensions monitoring.** HEAL2-AF will continue implementation and monitoring of the GAP prepared under HEAL2. As such, accomplishment and submission of regular GAP progress reports shall remain as established in HEAL2 following the template provided by the ADB to the DOH-engaged gender specialist during the inception mission of HEAL2.

C. Evaluation

76. An inception mission will be scheduled shortly after loan effectiveness.⁴⁰ Implementation review missions will be held every 3 to 6 months. A midterm review is tentatively scheduled for Q2 2023. Within 6 months of physical completion of HEAL2-AF, DOH will submit to ADB a project completion report covering both HEAL2 and HEAL2-AF.

D. Reporting

77. DOH will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

78. HEAL2-AF will comply with the policy of transparency and accountability of the Access to Information Policy. To do so, it will establish a communications strategy that will ensure an efficient and continuous two-way communication about ADB projects with stakeholders with a focus on managing stakeholders' expectation during all phases of implementation. The strategy will follow the following approaches:

³⁹ Due Diligence on the Philippine COVID-19 Immunization Waste Management Plan and Arrangements (Update from HEAL2) (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

⁴⁰ Online meetings will be considered if quarantines due to COVID-19 persist.

- (i) **Stakeholders.** Critical stakeholders for HEAL2-AF include people affected by COVID-19, and women and vulnerable groups. Other key stakeholders include, but are not limited to, DOH as executing and implementing agency, government officials at national and subnational levels, interested community-based organizations, interested civil society organizations, interested private sector entities, and interested development partners.
- (ii) **Disclosure.** DOH will disclose on their website all information relevant to this project, including the scope, cost, financial and institutional arrangements, the consolidated annual progress reports, progress on procurement, and the audited project financial statements. HEAL2-AF will also provide contact details of the project management team (PMT) counterpart staff.
- (iii) **Communication focal point.** DOH PMT will be responsible for implementation and monitoring of information dissemination and disclosure of project components. DOH will also designate a focal person for information dissemination and disclosure, who will also serve as the custodian of all information relevant to HEAL 2.
- (iv) **Awareness-raising materials.** HEAL2-AF will at the minimum prepare: (a) a fact sheet or information booklet containing objectives, components, activities, timelines, relevant contact information, and grievance redress mechanism; and (b) a project brief summarizing details of HEAL2-AF in a simple language and utilizing stories and infographics targeting a wider group of audience, including the poor and women. Both documents will be made in the English and Philippine languages and will be made available to the public in print at DOH headquarters, distributed during all stakeholders' consultations and outreach activities, and posted in the ADB website. Other information materials may be developed for distinct stakeholder groups.
- (v) **Channels.** For effective dissemination and efficient use of resources, collaboration with other readily available channels should be highly prioritized, including but not limited to government websites both at national and subnational levels; government social media accounts; and ADB website and its other online platforms. All online platforms will be optimally utilized to ensure unrestricted public access to information and documents repository. Meanwhile, conventional methods will remain to be used, as appropriate, to ensure that all interested stakeholders have access to information, including through DOH PMT.
- (vi) **Coordination.** HEAL2-AF, through the DOH focal point, will coordinate with relevant government agencies and development partners, particularly those working on COVID-19 response efforts, to ensure effective communication, avoid overlaps, and identify potential collaboration, where possible.

X. ANTICORRUPTION POLICY

79. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.⁴¹ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.⁴²

⁴¹ ADB. 1998. [Anticorruption Policy](#). Manila.

⁴² [ADB's Office of Anticorruption and Integrity](#).

80. To support these efforts, relevant provisions are included in the loan agreement and the contracts for HEAL2AF.

XI. ACCOUNTABILITY MECHANISM

81. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.⁴³

82. To support these efforts, relevant provisions are included in the loan agreement and the contracts for HEAL2. The updated Good Governance and Anti-Corruption Cluster Plan (2017–2022) included improved anti-corruption measures as one of four priority outcomes. Sub-outcomes were greater accountability of public servants and intensified efforts to prevent smuggling and tax evasion. A website was developed to serve as a repository of project reports, cluster updates, and other publications and related documents.

83. Chapter five of the Philippine Development Plan 2017-2022 details strategies to ensure clean and efficient governance. Guided by this, the Philippine government will be advancing its anti-corruption initiatives in terms of scale, technology use, and citizen participation. The government will also expand its strategies through collaborative efforts between government and citizens, as well as simplify procedures to expedite processing and prosecution of cases. Meanwhile, the creation of the Presidential Anti-Corruption Commission, the dismissal of erring officials, and streamlining of government procedures have shown the whole of government's firm commitment to weed out corruption in the bureaucracy.

84. As a result of the government's anti-corruption efforts, the Philippines placed 1115th out of 180 countries in Transparency International's 201720 Corruption Perception Index. This represents a marked improvement from 2014 when the Philippines was ranked in 94th place. Further, the Political and Economic Risk Consultancy Ltd. noted the Philippines improved to 10th place (2016) from 12th place (2015) among the 16 economies covered by its annual review of corruption in Asia and the Pacific. The World Bank's 2017 "Ease of Doing Business" rankings place the Philippines at 99 out of 190 economies.

85. **DOH Integrity Management.** The DOH has institutionalized the Integrity Management Program as its corruption prevention program after Executive Order (EO) 176 (2015). It has issued an Integrity Management Program and has a duly constituted Integrity management Committee. The EO 176 S. 2015: Institutionalizing the Integrity Management Program (IMP) as the National Corruption Prevention Program in all Government Departments, Bureaus, Offices, Agencies, Government-owned and Controlled Corporations, Government Financial Institutions, State Universities, Colleges, and Local Government Units through the establishment of Integrity Management Systems (IMS).

86. The key risks and supplementary measures are described below:

⁴³ [Accountability Mechanism](#).

Table 17: Risk Assessment and Risk Management Plan

Risk Description	Rating	Mitigation Measures	Responsibility
Country-Specific			
Limited capacity of vaccine suppliers to meet global demand, including that from the Philippines, leads to delays in delivery.	S	Government will continue to engage with vaccine suppliers and meet documentation requirements and payment terms (e.g., advance payment) in a timely manner.	COVID-19 Vaccine Cluster, DOF, DOH
Rising infection and community transmission with the more transmissible coronavirus variants (Delta and other future variants) in the Philippines.	H	Government will accelerate vaccinations by expanding the target population and introducing additional or booster vaccine doses, enforcing consistent public health surveillance, implementing non-pharmaceutical interventions, and strengthening genomic surveillance.	IATF, DOH, LGUs
Weak PFM pillars of budget reliability, accounting and reporting, and external scrutiny. Inconsistent compliance and unfavorable corruption perception.	S	Government will continue implementing PFM reforms and related initiatives such as the PFM Reform Roadmap, and the Good Governance and Anticorruption Cluster Plan.	DBM, DOF, COA
There is variation in the form and content of local public finance reporting, weakening vertical linkages between planning and budgeting at municipal, provincial, and regional levels. Transparency and public disclosures have improved since the introduction of a “Full Disclosure” policy in 2012, but variations across LGUs make it difficult to reliably compare performance, or for central government to obtain a comprehensive picture of local spending.	S	<p>In December 2014, the IMP was established as the national corruption prevention program of the government. An Integrity Management Committee created in each department will continue to oversee and ensure the effective implementation of the IMP, as well as all integrity management initiatives and measures.</p> <p>Government will ensure that agencies to continue to use the operational guidelines issued in April 2015 as a do-it-yourself manual in IMP implementation.</p> <p>The national anti-corruption resolution, signed by key government officials, was presented to the President during the 3rd State Conference of the United Nations Convention against Corruption in December 2015. The resolution was handed over by the Ombudsman who also relayed a progress report on the creation of the 5-year anti-corruption framework. The resolution called on all the relevant government agencies, concerned private sector groups, and civil society organizations to continue their active participation and engagement on various consultation efforts relative to progress on the United Nations Convention against Corruption compliance and anti-corruption initiatives of the government.</p>	DOH, ADB

Risk Description	Rating	Mitigation Measures	Responsibility
<p>Sector-Specific</p> <p>Constrained health system, National Immunization Program and routine immunization capacities will affect the timely implementation of the COVID-19 vaccination plan.</p> <p>The need to focus on accelerating COVID-19 vaccinations has weakened LGUs' capacity to provide non-COVID-19 health services. Ensuring the timely delivery of vaccines including boosters to priority populations remains a challenge.</p> <p>Target groups—such as elderly, adolescent indigents, and people with medical conditions—are not appropriately identified.</p>	<p>M</p> <p>H</p> <p>M</p>	<p>ADB will continue to assist DOH in strengthening the health system through the HEAL project and in implementing the Universal Health Care law. ADB will continue to provide technical assistance and policy advisory support to DOH.</p> <p>DOH will continue to strengthen the country's health system with development partners such as the World Health Organization, UNICEF, ADB, and the World Bank. It will work more closely with LGUs in ensuring sustained delivery of essential health services. The DOH has developed strong communication and health promotion campaigns including for routine immunization. The advice of the Health Technology Assessment Council and vaccine expert panel on booster shots is expected to consider LGU capacity.</p> <p>DOH will work closely with LGUs, civil society organizations, health professionals, and the Department of Social Welfare Development to ensure proper identification of target groups.</p>	<p>DOH, ADB</p> <p>DOH, DILG, LGUs, Development Partners, HTAC, vaccine expert panel</p> <p>DOH, LGUs, CSOs</p>
<p>Project-Specific</p> <p>Low readiness to introduce COVID-19 vaccines at subnational and community levels.</p> <p>Misalignment of prioritization and inefficient identification and registration of target vaccinees between central and subnational and/or local government levels.</p> <p>Pre-implementation such as master listing, registration, and screening procedures slow down vaccine</p>	<p>M</p> <p>M</p> <p>M</p>	<p>National, regional, and local COVID-19 vaccination operations centers will be established and become operational at all levels. ADB through DOH and UNICEF will conduct subnational level assessments and identify needs and interventions to improve readiness. It will also leverage its operation in social protection relevant for community engagement, health, and education platform for poor households, e.g., family and/or youth development sessions to increase health literacy and vaccine promotion.</p> <p>The Philippine National Deployment and Vaccination Plan for COVID-19 Vaccines provides guidelines on the roles of the national government and LGUs on prioritization and vaccine delivery. Use of existing national targeting mechanisms and databases will facilitate identification of priority vaccinees, and mapping of vaccine administration (e.g., DOH and LGU health professionals, medical practitioners' associations, <i>Listahanan</i> database, 4Ps PPIS, senior citizens).</p> <p>LGUs have made vaccination or micro-plans, and prepared master-listing. The deployment of VIMS helps to harmonize with existing national databases to fast-</p>	<p>ADB, DOH, DSWD</p> <p>DOH, DILG, DSWD, LGUs</p> <p>DOH, DSWD, DND, DILG-PNP, LGUs</p>

Risk Description	Rating	Mitigation Measures	Responsibility
<p>administration and limit meeting the daily target for vaccination.</p> <p>Vaccine hesitancy, particularly among the poor and vulnerable populations (e.g., senior citizens), is exacerbated by inaccurate social media reporting on side effects.</p>	H	<p>track and accurately register vaccinees, particularly the priority target groups.</p> <p>DOH will continue to improve the design and implementation of its COVID-19 demand and risk communication plan. It will more intensively engage with doctors and health workers to generate willingness for COVID-19 vaccination. It will also strengthen the COVID-19 call center and hotline “1555” and establish grievance mechanisms linked to the call center and hotline.</p>	<p>Technical Group on Demand Generation and Communication, DOH</p>
<p>Lack of public health practitioners to effectively and efficiently roll-out COVID-19 vaccination deployment plan including conduct of training for local governments (about 1500 municipalities, 145 cities and 42,000 barangays) delays nationwide vaccination in 2021.</p>	S	<p>Government will prepare a detailed human resource mobilization, deployment, and training operation plan. In addition to DOH and trained human resources for health, medical associations, and networks of schools will support DOH in training the LGUs, technical staff, and vaccination teams.</p>	<p>DOH, COVID-19 Vaccine Cluster</p>
<p>Weak monitoring and evaluation results in ineffective risk management.</p>	M	<p>DOH and DICT are rolling out VIMS and ensure that vaccine suppliers prepare risk management plans, which includes communicating with the Food and Drug Administration of the Philippines all events undermining vaccination, other updates with explanations and clarifications.</p>	<p>DICT, DOH</p>
<p>Lack of preparedness for the delivery and administration of vaccines curtails the ability to efficiently distribute vaccines received under the project.</p>	M	<p>Preparedness activities—including procurement of goods and services needed to deliver and administer vaccines (e.g., safety boxes, personal protective equipment, cold chain equipment)—are monitored and synchronized with vaccine delivery. DOH and NVOC draw lessons from administration of the initial COVAX vaccine doses to improve vaccination.</p>	<p>DOH, LGUs</p>
<p>Challenges in ensuring good governance and weaknesses in the inventory management system may result in vaccines and ancillary goods and supplies being lost, damaged, or misappropriated.</p>	H	<p>COA will conduct a performance or compliance audit covering the accountability and transparency, in addition to the regular financial audit of DOH's financial reports.</p> <p>DOF as the identified oversight body will ensure adequate project oversight and donor coordination to prevent and mitigate corruption risk.</p> <p>The executing and implementing agencies will access and check ADB's complete sanctions list to ensure potential contractors, consultants and its</p>	<p>DOH, COA</p>

Risk Description	Rating	Mitigation Measures	Responsibility
<p>Incomplete inventory and mapping of logistics capacity down to local government and community levels result in lack of support from concerned units.</p> <p>Outdated system and protocols for vaccine stock management and operating procedures lead to wastage of vaccines.</p> <p>Stretched capacity at DOH due to resources deployed to tackle current COVID-19 infections as well as deploying resources to prevent future infections during the vaccine rollout.</p> <p>Procurement and distribution of the COVID-19 vaccines is a complex project requiring the interaction of multiple stakeholders and engagement of multiple areas of expertise including procurement, specialized supply chain management, clinical, clerical, and extensive IT expertise. The DOH may not have the project management or technical skills to implement such a complex project.</p>	<p>M</p> <p>M</p> <p>S</p> <p>S</p>	<p>team members and other suppliers' eligibility.</p> <p>ADB, under its technical assistance,^a will conduct integrity knowledge management sessions for DOH, Project Management Team and other project stakeholders to increase their awareness and compliance with ADB's Anticorruption Policy.</p> <p>DOH will sustain and cascade rolled-out training (at the central and regional offices) to LGUs at all levels, as needed.</p> <p>DOH will set-up the VIMS as described in the Philippine National Deployment and Vaccination Plan for COVID-19 Vaccines, and assign dedicated experts who will monitor, analyze, and provide policy relevant information to DOH and COVID-19 Vaccine Cluster for decision.</p> <p>Prior to project effectiveness, DOH will identify and assign the appropriate offices including external stakeholders and personnel to project activities, and clearly set management and coordination functions.</p> <p>Government will outline detailed stakeholder engagement plans with clear delegation of responsibilities; update inventory management procedures with cold storage handling protocols along with training for key stakeholders; and engage external experts to support project delivery where necessary and appropriate.</p>	<p>DOH, DICT</p> <p>DOH, DICT</p> <p>DOH</p> <p>DOH, DOF, DICT</p>
<p>Fiscal</p> <p>Fiscal space for national health and immunization programs is reduced as the allocation for local governments is increased by about 27.5% by 2022 and thereafter (40% national tax share).</p>	<p>S</p>	<p>Government will continue policy dialogue with development partners to ensure adequacy of fiscal resources for implementation of COVID-19 vaccination program, and thus reducing weaknesses of credibility and predictability of funds availability.</p>	<p>DOF, DBM, NEDA, DOH</p>
<p>Public Financial Management</p> <p>Limited DOH capacity to effectively oversee financial management arrangements while ensuring fiduciary controls and timely reporting.</p>	<p>H</p>	<p>DOH has engaged a financial management consultant to support its financial reporting. ADB will provide training to DOH finance staff on financial management and disbursements.</p>	<p>DOH</p>

Risk Description	Rating	Mitigation Measures	Responsibility
Procurement DOH has limited procurement capacity and familiarity with ADB procurement policies and guidelines, and lacks experience in procuring vaccines.	S	ADB will continue assisting DOH with vaccine procurement by advising about the volatile market and associated procurement related risks; reviewing and providing inputs on contracts under bilateral agreements; assisting with price validation; and supporting the negotiation process.	ADB, DOH
Accountability Unclear system of accountability between central and local governments on vaccine financing and delivery.	S	DOH and DICT have rolled out the VIMS to capture data on all vaccines financed by DOH and LGUs. A dashboard will be made publicly available for transparency, and third-party assessment of the system will be conducted periodically to ensure performance accountability and effective and transparent vaccine system roll-out and tracking.	DOH, DILG, LGUs
Reliance on the private sector to deliver critical elements of vaccine storage, transportation, distribution, and tracking with minimal information available on their capacity to perform this critical role.	S	Government will enhance due diligence assessments on private sector capacity prior to engaging for project critical roles in transportation, storage deployment, and providing IT support. Inclusion of private firms supporting the project to the following: <ul style="list-style-type: none"> • Periodic internal, performance, and compliance audits; • Oversight in their operations; and • Provision of awareness training/sessions on Anticorruption Policy. 	DOH

4Ps = Pantawid Pamilyang Pilipino Program, ADB = Asian Development Bank, COA = Commission on Audit, COVAX = COVID-19 Vaccines Global Access, COVID-19 = coronavirus disease, CSO = Civil Society Organization, DBM = Department of Budget and Management, DILG = Department of the Interior and Local Government, DICT = Department of Information and Communications Technology, DOF = Department of Finance, DOH = Department of Health, DSWD = Department of Social Welfare and Development, HEAL = Health System Enhancement to Address and Limit COVID-19 under the Asia Pacific Vaccine Facility, H = high, IATF = Inter-Agency Task Force for the Management of Emerging Infectious Diseases, IT = information technology, LGU = local government unit, M = moderate, NEDA = National Economic and Development Authority, NVOC = National Vaccination Operations Center, PFM = public financial management, PNP = Philippine National Police, PPIS = Pantawid Pamilya Information System, S = substantial, UNICEF = United Nations Children's Fund, VIMS = Vaccine Management Information System.

Source: ADB.

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

87. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.

APPENDIX 1: REVISED DESIGN AND MONITORING FRAMEWORK

The revised design and monitoring framework strikes out content for deletion and underlines content to be added.

Impacts the Project is Aligned with Health system performance in addressing public health outbreaks improved (<i>National Objectives for Health, Philippines 2017–2022</i>) ^a Protection of the public and reduction of COVID-19-related morbidity and mortality fostered (<i>National COVID-19 Vaccine Roadmap</i>) ^b Economic growth and citizens' confidence restored (<i>ADB's Support to Enhance COVID-19 Vaccine</i>) ^c			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
Outcome Priority populations ^d vaccinated against COVID-19	By 2024: a. Up to 50 million <u>At least 150 million</u> ^e (43.8% of the total population) vaccinated against COVID-19 (2021 baseline: 0) <i>[disaggregated by gender, age, and priority group]</i> (OP 1.1; OP 1.3)	a. DOH COVID-19 vaccination coverage report; WHO and UNICEF immunization estimates; ADB project monitoring and progress report.	R: Political pressure shifts priority populations to different target groups at national and local levels. A: Adequate and effective campaign and delivery system ensure that priority populations are willing to get vaccinated.
Output 1. COVID-19 vaccines efficiently and effectively delivered	By 2024: 1a. Up to 140 million <u>At least 150 million</u> ^f doses of COVID-19 vaccines procured and delivered to the country (2020 baseline: 0) (OP 1.1.2) (Under TA Facility) ^g 1b. VIMS launched (providing data disaggregated by gender, age, and priority group) (2020 baseline: not applicable) (OP 7.3.3) 1c. 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 ^h (2020 baseline: not applicable) (OP 2.3.2)	1a–1c. DOH updates, project survey and project progress report, data from VIMS.	R: Limited vaccine suppliers' capacity to meet global demand, including commitments to the Philippines, lead to delays in vaccine delivery. A: Vaccine doses are delivered with required cold storage (both cross-country and in-country), thereby maintaining quality and efficacy against COVID-19.
Key Activities with Milestones COVID-19 vaccines efficiently and effectively delivered 1. Finalize national COVID-19 vaccine deployment plan (Q1–Q2 2021). (<u>completed</u>) 2. Develop end-to-end logistical arrangements (cross-country and in-country shipping), transportation, and delivery of vaccines from point of manufacture to designated central and/or regional hub or storage facility (Q1–Q3 2021). (<u>completed</u>).			

<p>3. Develop COVID-19 vaccination delivery system, including operational plans relating to safeguards and medical waste management (Q1–Q3 2021). (<u>completed</u>)</p> <p>4. Set up central and regional cold chain system and storage facilities that meet temperature and equipment requirements (Q1 2021–Q2 2022).</p> <p>5. Update effective vaccine management protocols and procedures for COVID-19 vaccination and national immunization programs (Q1–Q4 2021).</p> <p>6. Develop, approve, and disseminate gender- and socially- inclusive protocol (Q2 2021–Q4 2022).</p> <p>7. Procure the required number of vaccine doses for ADB financing and AIIB cofinancing (Q1 2021–Q3 2023).</p>
<p>Project Management Activities</p> <p>Conduct procurement value-for-money analysis and post-review sampling.</p> <p>Prepare and submit quarterly and annual progress reports.</p> <p>Submit annual audited project financial statement.</p> <p>Prepare project completion report.</p>
<p>Inputs</p> <p>ADB: \$400,000,000 650 million (\$250 million additional) (loan) and \$500,000 (TA)⁹</p> <p>AIIB: \$300,000,000 550 million (\$250 million additional) (loan)</p> <p>Government: \$64,470,000 117.83 million (\$49.37 million additional)</p>

A = assumption, ADB = Asian Development Bank, AIIB = Asian Infrastructure Investment Bank, COVID-19 = coronavirus disease, DOH = Department of Health, OP = operational priority, Q = quarter, R = risk, TA = technical assistance, UNICEF = United Nations Children's Fund, WHO = World Health Organization.

^a Government of the Philippines, DOH. 2020. [National Objectives for Health, Philippines 2017–2022](#). Manila.

^b Government of the Philippines. *National COVID-19 Vaccine Roadmap*. 11 January 2021; and DOH. *DOH Strategic Plan for COVID-19 and National Deployment and Vaccination Plan*. 11 January 2021.

^c ADB. 2020. [ADB's Support to Enhance COVID-19 Vaccine](#). Manila.

^d The government has set target groups and prioritized eligible populations for the vaccination program in line with the WHO's Strategic Advisory Group of Experts on Immunization (SAGE) and its values framework for the allocation and prioritization of COVID-19 vaccination, and the Philippines' country context. Group A (estimated at 24.7 million or 23% of the total population), the first target group, prioritizes frontline health workers, indigent senior citizens, remaining senior citizens and indigent populations, and uniformed personnel. Group B, the second target group (up to 44% of the total population), covers teachers and social workers; other government workers (national and local); other essential workers outside health, education, and social sectors; socio-demographic groups at significant risk other than senior citizens and indigent populations (persons with disability, persons deprived of liberty, persons living in high-density areas); overseas Filipino workers; and the remaining Filipino workforce (as may be determined by government agencies). Group C are the remaining Filipinos not included in Group A or Group B.

^e A total of at least 150 million doses of COVID-19 vaccines are to be procured under the HEAL2 and the HEAL2-AF. The coverage of 50 million Filipinos assumes a waste rate of 10%. The coverage would not increase as the additional financing will be also used for booster shots. The indicator was revised to remove "up to" to enable an objective assessment of the achievement and to adjust the target value correspondingly to reflect new information about vaccine dose costs.

^f This includes 44 million doses from the COVID-19 Vaccines Global Access (COVAX). The additional financing will procure at least 40 million doses; hence, the target increases from 110 million to 150 million doses. This target value of 150 million is based on price estimates and planned procurement at the time of the HEAL2 and HEAL2-AF preparation.

^g Output indicators 1b and 1c will be financed by the following TAs: ADB. 2020. [Technical Assistance for Regional Support to Address the Outbreak of Coronavirus Disease 2019 and Potential Outbreaks of Other Communicable Diseases](#); ADB. 2016. [Technical Assistance to the Philippines for Strengthening Social Protection, Education, and Health Reforms](#); and ADB. 2019. [Support for Human and Social Development in Southeast Asia](#). Manila.

^h In alignment with the WHO SAGE equity principle, these protocols and guidelines acknowledge that specific groups of the population are less able to access information and services than others. To ensure broad-based coverage of information and equity in vaccine access, the gender- and socially inclusive protocols and guidelines will specifically target marginalized women, women in especially difficult circumstances, and people in geographically isolated and disadvantaged areas as defined by the Magna Carta of Women, Sections 4 (d) and 30. The selected LGUs in big cities or geographically isolated and disadvantaged areas will be determined during the inception mission.

Contribution to Strategy 2030 Operational Priorities:

Expected values and methodological details for all OP indicators to which this project will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in [Appendix 2](#)).

Source: Asian Development Bank.

APPENDIX 2: PROCUREMENT PLAN

Basic Data		
Project Name: Second Health System Enhancement to Address and Limit COVID-19 with Asia Pacific Vaccine Access Facility-Additional Financing (HEAL2-AF)		
Project Number: 54171-004	Approval Number:	
Country: Philippines	Executing Agency: Department of Health	
Procurement Risk: High	Implementing Agency: Department of Health	
Project Financing Amount: \$549.37 million ADB Financing: \$250 million Cofinancing (ADB Administered): \$250 million (AIIB) Non-ADB Financing: \$49.37 million	Project Closing Date: 31 December 2024	
Date of First Procurement Plan: 12 November 2021	Date of this Procurement Plan: 12 November 2021	
Procurement Plan Duration: 18 months	Advance contracting: Yes	eGP: No

A. Methods, Review and Procurement Plan

Except as the Asian Development Bank (ADB) may otherwise agree, the following methods shall apply to procurement of goods, works, nonconsulting services, and consulting services.

Procurement of Goods, Works and Nonconsulting Services	
Method	Comments
Direct Contracting (DC)	All vaccine contracts will be subject to direct contracting; Procurement of microsyringes (0.3ml) through UNICEF
Request for Quotations (RFQ)	Procurement of ancillaries such as mixing syringes and diluents

B. List of Active Procurement Packages (Contracts)

The following table lists goods, works, nonconsulting, and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan's duration

Goods, Works, and Nonconsulting Services							
Package Number	General Description	Estimated Value (\$ million)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
G01	Procurement of COVID-19 Vaccines (including logistics) through bilateral deals	363	DC	Prior Review	N/A	N/A	No. of Contracts: 1 Domestic Preference: No Advance Contracting: Yes High Risk Contract: Yes COVID-19 Response: Yes
G02	Procurement of COVID-19 through COVAX	90	DC	Prior Review	N/A	N/A	No. of Contracts: 1 Domestic Preference: No Advance Contracting: Yes High Risk Contract: Yes COVID-19 Response: Yes Other: Agreement with UNICEF

G03	Procurement of microsyringes	3.8	DC	Prior Review	N/A	N/A	Agreement with UNICEF
G04	Procurement of mixing syringes	0.7	RFQ	Post Review	N/A	TBD	
G05	Procurement of diluent	2.5	RFQ	Post Review	N/A	TBD	
G06	Vaccine logistics firm	40	RFQ	Prior Review	N/A	TBD	

COVAX = COVID-19 Vaccines Global Access, COVID-19 = coronavirus disease, DC = direct contracting, NA= not applicable, UNICEF = United Nations International Children's Emergency Fund

C. Non-ADB Financing

The following table lists goods, works, nonconsulting, and consulting services contracts over the life of the project, financed by non-ADB sources.

Goods, Works and Nonconsulting Services				
General Description	Estimated Value (cumulative, \$ million)	Estimated Number of Contracts	Procurement Method	Comments
Vaccine deployment operations	27.59	Multiple	Procedure allowed under RA 9184	
Health promotion and communications	14.00	Multiple	Procedure allowed under RA 9184	
Safety surveillance, assessment, and M&E	12.10	Multiple	Procedure allowed under RA 9184	