

Project Administration Manual

Project Number: 55084-001
Loan Number: LXXXX
June 2021

Nepal: Responsive COVID-19 Vaccines for
Recovery Project under the Asia Pacific Vaccine
Access Facility

ABBREVIATIONS

ADB	–	Asian Development Bank
APVAX	–	Asia Pacific Vaccine Access Facility
COVAX	–	COVID-19 Vaccines Global Access Facility
COVID-19	–	coronavirus disease
DOHS	–	Department of Health Services
FMA	–	financial management assessment
MOF	–	Ministry of Finance
MOHP	–	Ministry of Health and Population
NDVP	–	National Deployment and Vaccination Plan for COVID-19 Vaccines
NPI	–	Non-pharmaceutical intervention
RRC	–	rapid response component
WHO	–	World Health Organization
UNICEF	–	United Nations Children’s Fund

NOTES

- (i) The fiscal year (FY) of the Government of Nepal ends in mid-July. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2021 ends on 15 July 2021.
- (ii) “\$” refers to United States dollars.

CONTENTS

I.	PROJECT DESCRIPTION	1
II.	IMPLEMENTATION PLANS	2
	A. Project Readiness Activities	2
	B. Overall Project Implementation Plan	3
III.	PROJECT MANAGEMENT ARRANGEMENTS	5
	A. Implementation Arrangement	5
	B. Project Implementation Organizations: Roles and Responsibilities	5
	C. Key Persons Involved in Implementation	6
	D. Project Organization Structure	7
IV.	COSTS AND FINANCING	8
	A. Cost Estimates Preparations and Revisions	9
	B. Key Assumptions	9
	C. Detailed Cost Estimates by Expenditure Category	10
	D. Allocation and Withdrawal of Loan Proceeds	11
	E. Detailed Cost Estimates by Financier	12
	F. Detailed Cost Estimates by Outputs and/or components	13
	G. Detailed Cost Estimates by Year	14
	H. Contract and Disbursement S-Curve	15
	I. Fund Flow Diagram	16
V.	FINANCIAL MANAGEMENT	17
	A. Financial Management Assessment	17
	B. Disbursement	21
	C. Accounting	22
	D. Auditing and Public Disclosure	23
VI.	PROCUREMENT AND CONSULTING SERVICES	24
	A. Advance Contracting and Retroactive Financing	24
	B. Procurement of Goods, Works, and Consulting Services	25
	C. Procurement Plan	25
	D. Consultant's Terms of Reference	25
VII.	SAFEGUARDS	25
VIII.	GENDER AND SOCIAL DIMENSIONS	27
IX.	PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION	30
	A. Project Design and Monitoring Framework	30
	B. Monitoring	30
	C. Evaluation	31
	D. Reporting	31
	E. Stakeholder Communication Strategy	32
X.	ANTICORRUPTION POLICY	33
XI.	ACCOUNTABILITY MECHANISM	34
XII.	RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL	36

APPENDIXES

A.	DRAFT DESIGN AND MONITORING FRAMEWORK	37
B.	INDICATIVE PERFORMANCE AUDIT TERMS OF REFERENCE FOR THE OFFICE OF THE AUDITOR GENERAL (OAG)	39
C.	OUTLINE TRI-QANNUAL PROGRESS REPORT FORMAT	41
D.	PROCUREMENT PLAN	48
E.	TECHNICAL ASSISTANCE	50

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 Ministry of Health and Population (MOHP) is wholly responsible for implementing the ADB-financed project, as agreed jointly between the borrower and ADB, and according to the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by MOHP 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 and Project 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 Loan and Project 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 project will provide the Government of Nepal with timely financing for procuring safe and effective vaccines against coronavirus disease (COVID-19) and logistics based on an agreed list of eligible expenditures. The project will utilize the rapid response component (RRC) under the Asia Pacific Vaccine Access Facility (APVAX).

2. The first case of COVID-19 was confirmed in Nepal in 27 January 2020. The COVID-19 vaccination campaign in Nepal started on 27 January 2021. The government aims to inoculate 71.62% of the population, that is, over 21 million (21,756,763) individuals. It is estimated that more than 51 million (51,345,960) doses of vaccines will be required (assuming 15% wastage rate) for this purpose. However, Nepal's vaccine needs have not been fully met and a significant share of the targeted population is yet to be vaccinated. The government requires timely financing support to procure safe and effective vaccines and avert prolonged risks from the pandemic.

3. **Impact and outcome.** The project is aligned with the following impact: accelerated health, social, and economic recovery from COVID-19 in Nepal. It will have the following outcome: target populations safely vaccinated against COVID-19.

4. **Output: Safe and effective COVID-19 vaccines delivered.** The project will support the procurement and delivery of safe and effective vaccines against COVID-19 through APVAX's RRC in compliance with ADB's vaccine eligibility criteria to the country. It will procure about 15.99 million doses of vaccines, which will be administered to about 6.8 million Nepalese by 2024 based on the National Deployment and Vaccination Plan for COVID-19 Vaccines (NDVP). The eligible vaccines will be procured through either the COVID-19 Vaccines Global Access facility (COVAX), United Nations Children's Fund (UNICEF) or other United Nations agencies, bilateral arrangements with vaccine manufacturers or distributors, or through Government-to-Government procurement. According to vaccination protocols and standards, the vaccines are expected to be introduced swiftly to the population following the NDVP. The government has developed plans for appropriate waste management, risk communication and community engagement (RCCE), registration, inclusive service delivery, and monitoring of adverse events. To support inclusive and safe vaccination at least one female health care worker or volunteer will be part of the vaccination team at the vaccination centers. In addition, due to inclusive targeted RCCE activities, awareness about the risks of COVID-19 and the benefits of vaccination is expected to have been increased.

5. ADB's ongoing technical assistance¹ will support the Ministry of Health and Population (MOHP) with the implementation of the NDVP through the following activities: (i) targeted and inclusive RCCE activities to be implemented by UNICEF; (ii) capacity development support to implement the health care waste management (HCWM); (iii) development of IT systems to be implemented by WHO to monitor adverse effects following immunization with special interest; (iv) monitoring of the implementation of the vaccination campaign by an independent third party; and (v) individual consultant support to strengthen harmonized reporting, and, if required, additional consultant support for procurement, financial management and or IT (Appendix E). The technical assistance activities will be implemented under the leadership of the relevant departments and divisions of MOHP.

¹ ADB. 2020. [Technical Assistance for Support to Address Outbreak of COVID-19 and Strengthen Preparedness for Communicable Diseases in South Asia](#). Manila; and ADB. 2019. [Technical Assistance to Nepal for Portfolio Management and Capacity Development for Enhanced Portfolio Performance](#). Manila

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Activities

Indicative Activities	Months					Responsibility
	May	June	July	August	September	
Establish project implementation arrangements	X					MOHP
Advance contracting actions	X	X	X			MOHP
Loan negotiation		X				ADB, MOF, MOHP
ADB Board approval			X			ADB
Loan signing				X		ADB, MOF, MOHP
Government legal opinion provided				X		MOLJPA
Loan effectiveness				X		ADB, MOF, MOHP

ADB = Asian Development Bank, MOF = Ministry of Finance, MOHP = Ministry of Health and Population, MOLJPA = Ministry of Law, Justice and Parliamentary Affairs.

Source: Asian Development Bank.

Activities	2021				2022				2023				2024			
	Q1	Q2	Q3	Q4												
1.6. Support to vaccination program in areas of finance, procurement, and IT (TA 9800)																
1.7. Conduct independent monitoring to complement government evaluation (TA 9800)																
B. Project Management Activities																
Conduct procurement value for money analysis.																
Prepare and submit joint tri-annual and annual progress reports																
Submit annual audited project financial statements and annual performance audit report																
Prepare project completion report																

AESI = adverse effects of special interest, DMF = design and monitoring framework, IT = Information Technology, TA = technical assistance.

Source: Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Implementation Arrangement

7. The Ministry of Finance (MOF) will be the executing agency and MOHP will be the implementing agency. The project will be implemented by MOHP and its divisions/units namely the Policy, Planning, and Monitoring Division (PPMD), the Health Coordination Division (HCD), the Health Emergency Operation Center (HEOC) and Administration Division/Finance Section and by the Department of Health Services (DOHS) and specifically its Family Welfare Division (FWD), Management Division (MD), National Health Education Information and Communication Centre, and Epidemiology and Disease Control Division.

8. A project specific unit will not be established. MOHP, through its various divisions and units, will be responsible for providing necessary support including financing, logistics and training to the designated hospitals and vaccination centers at the federal, provincial and local levels.

9. The Chief Specialist of the HCD will be designated as the coordinator of this project with support of relation unit division and centre.

B. Project Implementation Organizations: Roles and Responsibilities

Table 3: Project Implementation Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Executing agency: Ministry of Finance	<ul style="list-style-type: none"> (i) Oversight of overall project implementation; (ii) Provide guidance and policy directions; (iii) Provide guidance to the implementing agency; (iv) Monitor project progress; and (v) Recommend course corrections as needed.
Implementing agency: Ministry of Health and Population	<ul style="list-style-type: none"> (i) Day-to-day project preparation and supervision of project implementation activities; (ii) Procurement of vaccine contracts; (iii) Preparation and submission of withdrawal applications; (iv) Submission of the audited annual report and financial statements; (v) Submission of performance audit report; (vi) Maintaining project accounts and loan financial records; (vii) Keeping supporting documents for project financial statements and project accounts; (viii) Preparing regular progress reports, monitoring reports and a project completion report and their timely submission to ADB, World Bank, COVAX and other partners as agreed; (ix) Organize tri-annual progress review meetings; (x) Administration of vaccine contracts; (xi) Quality assurance of contracts; (xii) Conduct annual internal audit for the project and reporting of status of internal audit findings as part of tri-annual progress report; (xiii) Compliance with safeguards requirements; (xiv) Involving beneficiaries, affected persons and their representatives in all stages of project development and implementation; (xv) Information disclosure; (xvi) Implementation of gender action plan;

Project Implementation Organizations	Management Roles and Responsibilities
	(xvii) Compliance with loan covenants (social and environment safeguards, financial, economic, others); and (xviii) Take the lead in implementation of the technical assistance, ensuring complementarity with support provided by others.
ADB	(i) Monitoring and review of the overall implementation of the project in consultation with the executing agency, including, but not limited to, progress toward the achievement of project outputs, progress of contract award and disbursements, procurement and performance audits, and compliance with loan covenants; (ii) Posting on the ADB website of updated project data sheets; (iii) Ensuring compliance with loan covenants (social and environment safeguards, financial, economic and others); (iv) Timely processing of withdrawal applications and release of eligible funds; and (v) Closely coordinate with World Bank and other partners on joint monitoring and review, and technical assistance support as agreed.

ADB = Asian Development Bank, COVAX = COVID-19 Vaccines Global Access Facility.

Source: Asian Development Bank,

C. Key Persons Involved in Implementation

Implementing Agency

Ministry of Health and Population Laxman Aryal
Secretary
Telephone No: +977 1 44262543
secretary@gmail.com
Ramshah Path, Kathmandu

Dr. Roshan Pokhrel
Chief Specialist
Mobile: 977-9852024180
E-mail: roshanpokhrel107@gmail.com

Asian Development Bank SAHS

Sungsup Ra
Director,
Human and Social Development Division (SAHS)
Telephone No: +63 2 632 5628
sungsupra@adb.org

Mission Leaders

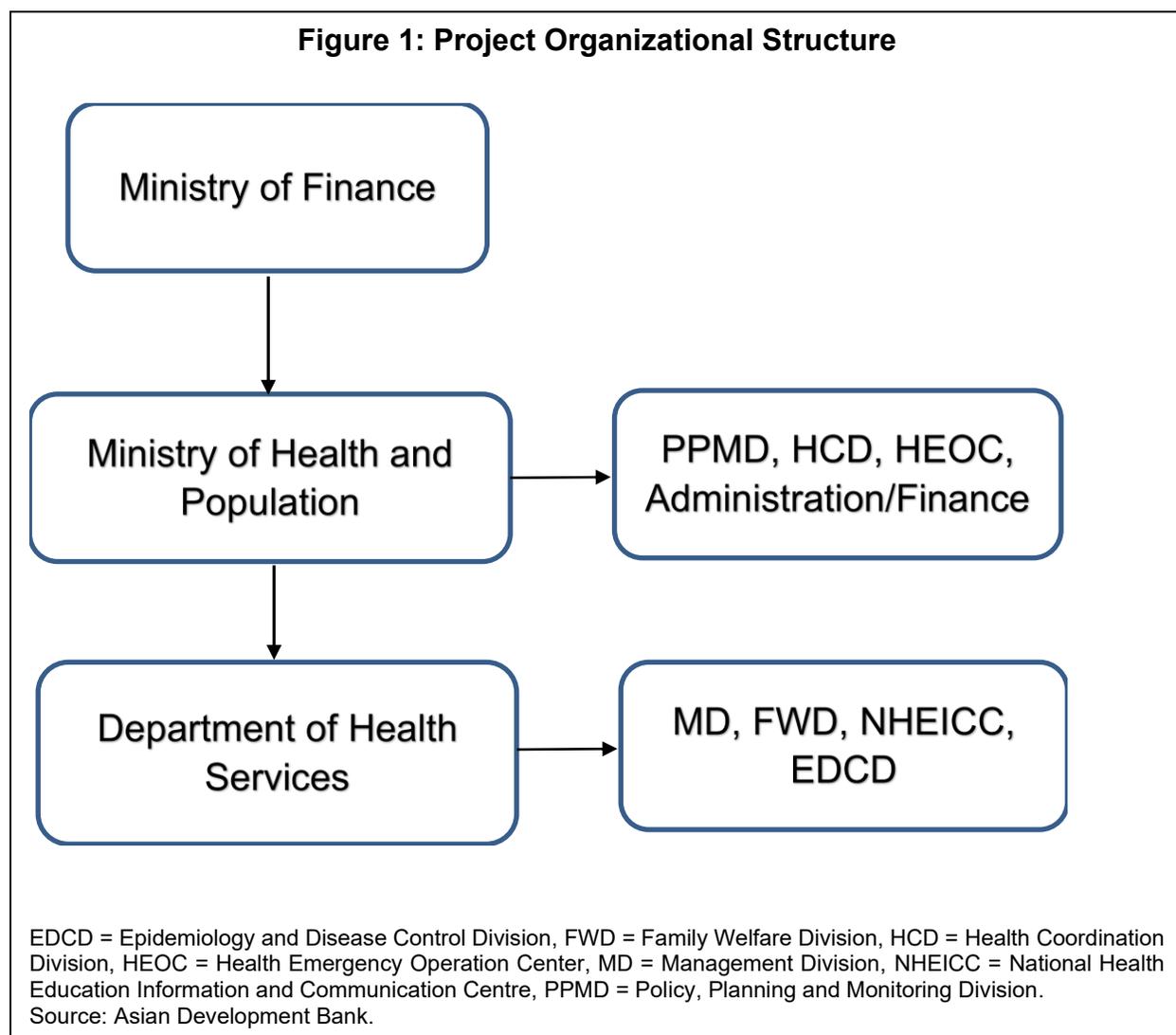
Rudi Van Dael
Principal Portfolio Management Specialist
Nepal Resident Mission
Telephone: +977 1 4005120
rvandael@adb.org

Dinesh Arora
Senior Health Specialist, SAHS

Telephone: +63 2 8632 4449
darora@adb.org

D. Project Organization Structure

10. The MOF will be the executing agency, working through MOHP as the implementing agency alongside its various departments such as DOHS, etc.



IV. COSTS AND FINANCING

11. The project is estimated to cost \$165.00 million, exclusive of taxes and duties and inclusive of physical and price contingencies and interest during implementation (Table 4).

Table 4: Summary Cost Estimates
(\$ million)

Item	Description	Amount (\$ million) ^a	Cost Share %
A.	Base Cost^b		
	COVID-19 vaccines procured and delivered*	159.90	96.91%
B.	Contingencies^c	2.03	1.23%
C.	Financial Charges during Implementation^d	3.07	1.86%
	Total (A+B+C)	165.00	100.00%

COVID-19 = coronavirus disease.

^a The government under its tax regulation does not impose taxes and duties on life-saving commodities (i.e. non-taxable).

^b In April 2021 prices.

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

^d Includes interest during implementation for the concessional loan computed at 1% per annum.

Source: Asian Development Bank.

12. For the proposed project, the Government of Nepal has requested a concessional loan of \$165 million from ADB's ordinary resource capital to help finance the vaccination program. The concessional loan will have a term of 24 years, including a grace period of 8 years, an interest charge at the rate of 1.0% per annum during the grace period and 1.5% per year thereafter, and such other terms and conditions set forth in the draft loan agreement. ADB will finance the expenditures in relation to (i) payments to COVAX, UNICEF and or other United Nations agencies for procurement of and delivery of vaccines, (ii) procurement of vaccines that meet eligibility criteria, and (iii) international logistics and related services for transportation of vaccines.

13. The government will provide in-kind contribution, in form of counterpart staff, logistics, cold chain and various facilities to the ADB project investment. The ADB project investment will be implemented using the existing implementation arrangements under the ongoing sector-wide approach (SWAp). Accordingly, separate budget codes will only be provided for procuring the vaccines from the ADB project, but not for the associated deployment cost financed by the Government of Nepal and other development partners. The government has committed that sufficient resources for operations cost will be made available and budget allocation and utilization will be monitored and included in the tri-annual and annual progress reports. The project financing plan is in Table 5.

Table 5: Summary Financing Plan

Source	Project		National Vaccination Program ^a	
	Amount (\$ million)	Share of Total (%)	Amount (\$ million)	Share of Total (%)
Asian Development Bank				
OCR - concessional loan	165.00	100.00%	165.00	36.44%
Government ^b	-	-	91.58	20.22%
Others ^c	-	-	196.27	43.34%
Total	165.00	100.00	452.85	100.00%

APVAX = Asia Pacific Vaccine Access Facility, OCR = ordinary capital resources, RRC = Rapid Response Component.

- ^a The COVID-19 vaccination program is financed through the government's own resources, development partners and other donors. Total program cost was estimated assuming 15% vaccine wastage. Total vaccine costs are estimated at \$425.02 million with vaccine prices ranging between \$4 to \$10 per dose and total operational costs of \$27.83 million based on \$2 per dose for the first 20% population and \$1 per dose for the remaining population.
- ^b The government will provide in-kind contribution and common program costs in the form of counterpart staff, logistics, cold chain, and various facilities needed for the deployment of Asian Development Bank-financed vaccines.
- ^c This include \$73.5 million from the World Bank, \$100.37 from COVAX as donation (based on \$7 per vaccine for 20% of population), \$4.4 million from Government of India as donation (based on \$4 per vaccine), and \$18 million for Government of the People's Republic of China as donation (based on \$10 per vaccine).

Source: Asian Development Bank estimates.

A. Cost Estimates Preparations and Revisions

14. The cost estimates were prepared in April 2021. The cost estimates were discussed and agreed with MOHP during project processing. The project cost will be reviewed and updated during implementation. Determining the volume of vaccines from prospective suppliers was derived from the government's detailed vaccine rollout plans. The vaccine unit costs are provided as indicative rates based on early discussions the government has had with prospective suppliers. The cost estimates are fluid and may change as the market prices of COVID-19 vaccines and other costs continue to be volatile and uncertain. During project implementation, the responsibility for updating the cost estimates will be with MOHP.

B. Key Assumptions

15. The following key assumptions underpin the cost estimates and financing plan:
- (i) Exchange rate: NRs 116.188400 = \$1.00 (as of 1 June 2021).
 - (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 6: Escalation Rates for Price Contingency Calculation

Item	2020	2021	2022	2023	2024	Average
Foreign rate of price inflation	-0.5%	1.60%	1.70%	1.70%	1.80%	1.30%
Domestic rate of price inflation	6.2%	5.5%	6.0%	6.5%	6.5%	6.1%

Source: Asian Development Bank estimates.

C. Detailed Cost Estimates by Expenditure Category

Table 7: Detailed Cost Estimates by Expenditure Category

	Local Currency	\$million Foreign Currency	Total Cost	% of Total Cost
A. Investment Costs				
Supply contract for eligible vaccines	-	159.90	159.90	96.91%
Subtotal (A)	-	159.90	159.90	96.91%
B. Recurrent Costs				
Other vaccine related costs	-	-	-	-
Subtotal (B)	-	-	-	-
Total Project Base Costs	-	159.90	159.90	96.91%
C. Contingencies				
A. Physical Contingencies	-	1.57	1.57	0.95%
B. Price Contingencies	-	0.46	0.46	0.28%
Subtotal (C)	-	2.03	2.03	1.23%
D. Financial Charges During Implementation				
Interest during implementation	-	3.07	3.07	1.86%
Subtotal (D)	-	3.07	3.07	1.86%
Total Project Cost (A+B+C+D)	-	165.00	165.00	100.00%

Note: Numbers may not sum precisely because of rounding.

*The Government of Nepal will provide in-kind contribution, in form of counterpart staff, various facilities and ancillaries to deploy the COVID-19 vaccines to target population.

Source: Asian Development Bank estimates

D. Allocation and Withdrawal of Loan Proceeds

Table 8: ADB Regular Ordinary Capital Resources Loan (Concessional)

Category			ADB Financing
No.	Item	Amount Allocated (\$ million)	Percentage and Basis for Withdrawal from the Loan Account
1	Goods (including vaccines, ^b syringes and safety boxes)	159.90	100.0% of total expenditure claimed ^a
2	Financial charges	3.07	100.0% of total amount due
3	Unallocated	2.03	
	Total	165.00	

ADB = Asian Development Bank.

^a Exclusive of taxes and duties imposed within the territory of the Borrower.

^b No withdrawals shall be made from the Loan Account for financing Vaccines until:

- (i) ADB has received a letter from the government confirming (i) which COVID-19 vaccine(s) has/have been selected to be procured using the proceeds of the Loan; (ii) which of the Eligibility Criteria has been satisfied in respect of the selected COVID-19 vaccines; and (iii) that such COVID-19 vaccine(s) has/have received all necessary authorizations, and have been authorized by the Department of Drug Administration and any other relevant regulatory authorities for distribution and administration within the territory of Nepal; and
- (ii) ADB has, based on the information provided in the aforementioned letter, notified the government that the COVID-19 vaccine(s) to be procured are designated as Eligible Vaccines.

Source: Asian Development Bank.

E. Detailed Cost Estimates by Financier

Table 9: Detailed Cost Estimates by Financier
(\$ million)

	ADB Rapid Response Component Loan		Government of Nepal		Total Cost		
	Amount	%	Amount	%	Net Amount	Tax and Duties ^a	Total Cost
A. Investment Costs							
Supply contract for eligible vaccines	159.90	100.0%	-	-	159.90	-	159.90
Total Investment Costs	159.90	100.0%	-	-	159.90	-	159.90
B. Recurrent Costs							
Other vaccine related costs	-	-	-	-	-	-	-
Total recurrent costs	-	-	-	-	-	-	-
Total Project Base Costs	159.90	100%	-	-	159.90	-	159.90
C. Contingencies							
A. Physical Contingencies	1.57	100%	-	-	1.57	-	1.57
B. Price Contingencies	0.46	100%	-	-	0.46	-	0.46
Sub - total contingencies	2.03	100%	-	-	2.03	-	2.03
D. Financial Charges During Implementation							
Interest during implementation	3.07	100%	-	-	3.07	-	3.07
Subtotal (D)	3.07	100%	-	-	3.07	-	3.07
Total project costs (A+B+C+D)	165.00	100%	-	-	165.00	-	165.00

Note: Numbers may not sum precisely because of rounding.

^a The Government of Nepal will provide in-kind contribution, in form of counterpart staff, various facilities and ancillaries to deploy the COVID-19 vaccines to target population. Life-saving commodities are non-taxable under the country tax regulations.

Source: Asian Development Bank estimates.

F. Detailed Cost Estimates by Outputs and/or Components

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

Item	Output		Total
	Amount	% of Category	
A. Investment Costs			
Supply contract for eligible vaccines	159.90	100%	159.90
Subtotal (A)	159.90	100%	159.90
B. Recurrent Costs			
Other vaccine related costs	-	-	-
Subtotal (B)	-	-	-
Total Project Base Costs	159.90	100%	159.90
C. Contingencies			
A. Physical Contingencies	1.57	100%	1.57
B. Price Contingencies	0.46	100%	0.46
Subtotal (C)	2.03	100%	2.03
D. Financial Charges During Implementation			
Interest during implementation	3.07	100%	3.07
Subtotal (D)	3.07	100%	3.07
Total Project Cost (A+B+C+D)	165.00	100%	165.00

^a In April 2021 prices

Physical contingencies computed at 1% for COVID-19 vaccines.

Source: Asian Development Bank estimates.

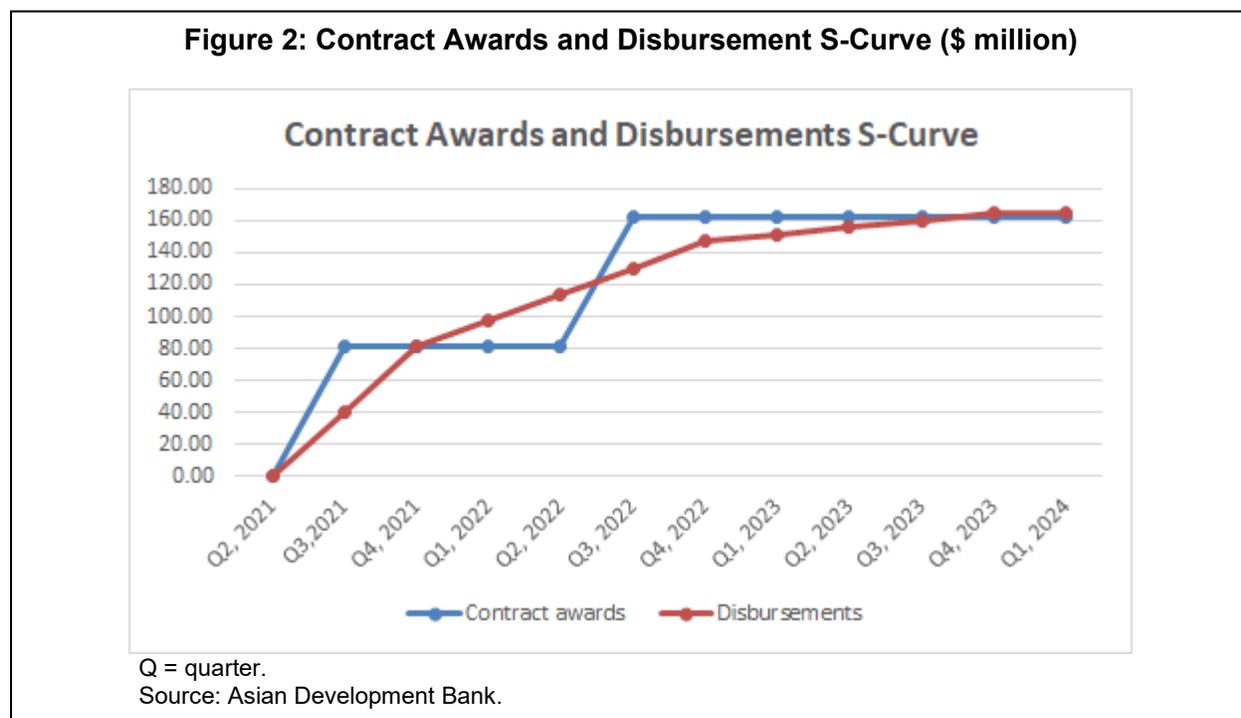
G. Detailed Cost Estimates by Year**Table 11: Detailed Cost Estimate by Year**
(\$ million)

Item	Total Cost	2021	2022	2023	2024
A. Investment Costs					
Supply contract for eligible vaccines	159.90	79.95	63.96	15.99	-
Subtotal (A)	159.90	79.95	63.96	15.99	-
B. Recurrent costs					
Other vaccine related costs	-	-	-	-	-
Subtotal (B)	-	-	-	-	-
Total Base Cost	159.90	79.95	63.96	15.99	-
C. Contingencies					
A. Physical Contingencies	1.57	0.80	0.64	0.13	-
B. Price Contingencies	0.46	0.03	0.29	0.14	-
Subtotal (C)	2.03	0.83	0.93	0.27	-
D. Financial Charges During Implementation					
Interest during implementation	3.07	0.30	1.21	1.56	-
Subtotal (D)	3.07	0.30	1.21	1.56	-
Total Project Cost (A+B+C+D)	165.00	81.09	66.10	17.82	-
% Total Project Cost	100%	49%	40%	11%	0%

Source: Asian Development Bank estimates

H. Contract and Disbursement S-Curve

16. Figure 2 shows annual contract awards and disbursement projections over the life of the project. The S-curve is only for ADB financing, recorded in ADB's systems and reported through eOps. The projection for contract awards excludes financial charges during implementation.



**Table 12: Contract Awards and Disbursement Baseline Projections
(\$ million)**

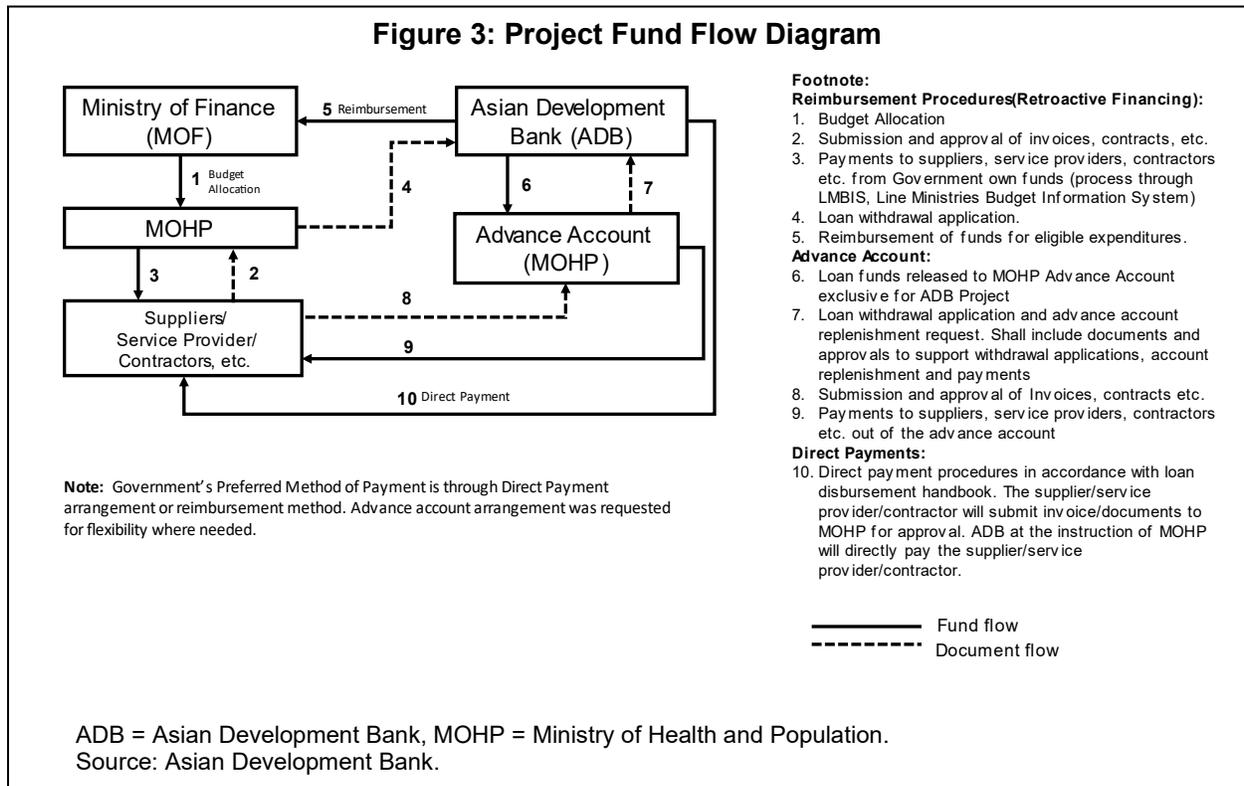
Year	Contract Awards (in \$ million)					Disbursements (in \$ million)						
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total		
2021	-	-	80.97	-	80.97	-	-	40.49	40.59	81.08		
2022	-	-	80.96	-	80.96	16.46	16.50	16.54	16.59	66.09		
2023	-	-	-	-	-	4.45	4.46	4.47	4.45	17.83		
2024	-	-	-	-	-	-	-	-	-	-		
	Total Contract Awards					161.93	Total Disbursements					165.00

Q = quarter.

Source: Asian Development Bank estimates

I. Fund Flow Diagram

17. The overall project fund flow is illustrated in the figure below.



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

18. The financial management assessment (FMA) was conducted in March and April 2021 and prepared in accordance with ADB APVAX Policy Paper,² APVAX Guidance Note,³ guidelines on Financial Management Assessment⁴ and Financial Due Diligence: A Methodology Note.⁵ The FMA evaluated the financial management capacity of MOHP as the implementing agency. The assessment covers (i) review of the country and health sector public financial management system using existing diagnostics and reports, (ii) evaluation of key financial management aspects of the NDVP, and (iii) review of financial management capacity of the MOHP and DOHS. The implementing agency's key financial management areas including staffing, accounting, financial reporting, financial management information system, and internal and external audit arrangements were reviewed.

19. The project will use the existing country system. Consistent with the ongoing SWAp and effort of the Government of Nepal to take ownership of the government programs and strengthen MOHP's capacity, the existing MOHP staff through its various divisions and units will be assigned to support the project. MOHP has implemented various development partners' projects. There is a well-defined and regulated financial procedures with the enforcement of Financial Procedures and Fiscal Accountability Act, 2019 (2076) (FPFAA) and an automated budget and accounting systems. The assessment indicated that MOHP financial management capacity, systems and procedures are acceptable for the proposed project.

20. Based on the assessment, the key financial management risks identified include the following: (i) insufficient financing; (ii) vaccines lost, misused, or misappropriated; (iii) limited staff experience in ADB's financial management requirements; (iv) low capacity of internal audit function; and (v) weak enforcement of findings and recommendations flagged by the auditor. To effectively manage the project and ensure fiduciary controls, (i) MOHP will coordinate with Ministry of Finance for budget allocation and creation of budget sub-head under MOHP prior to loan effectiveness date, (ii) use of e-LMIS inventory system at Sub-National Governments (SNGs) storages will be mandated, (iii) internal audit of inventory management will be conducted, (iv) relevant staff will be trained on ADB's financial management and disbursements procedures, (v) financial management consultant will be supplemented if necessary, (vi) qualified and experienced internal audit staff from Financial Controller General's Office (FCGO) will perform periodic audit of the project, and (v) financial information will be prepared and submitted to ADB through the joint tri-annual progress reports which include summary of auditor's findings and status of actions taken to implement the recommendations of the auditor. The FMA indicates that with the risk mitigation measures and the adoption of the financial management action plan the financial management systems are acceptable for the proposed project and the implementing agency has adequate capacity to handle both the advance account and the Statement of Expenditure (SOE) procedures. The project's overall pre-mitigation financial management risk is substantial due to unprecedented complexity and scale of the project. The executing agency and the implementing agency have agreed to implement an action plan that describes the key measures to address the deficiencies in financial management, detailed in Table 14.

² ADB. 2020. [ADB's support to Enhance COVID-19 Vaccine Access policy Paper](#). Manila

³ ADB. 2021. [APVAX Guidance Note for one ADB team members](#). Manila.

⁴ ADB. 2015. [Financial Management Technical Guidance Note: Financial Management Assessment](#). Manila.

⁵ ADB. 2009. [Financial Due Diligence: A Methodology Note](#). Manila.

Table 14: Financial Management Internal Control and Risk Assessment

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Country Specific		
<p>Public financial management. Nepal made great progress on improving the PFM system, though institutional capacity at the sub-national level remains weak.</p>	Substantial	<p>a. The Government initiated various PFM reforms and is now on the second phase of the PFM reform (PFMRP II 20216-2025).</p> <p>b. Significant capacity development support is being provided by development partners both in the Health Sector and the PFM sector.</p>
Project Risks		
<p>Funding. Significant financing requirement is needed to deploy the COVID-19 vaccine to the target population. Inability of the Government to secure funding may lead to delay in COVID-19 vaccine deployment to target population.</p>	Substantial	<p>a. Regular coordination between MOF and MOHP on financing plans for the COVID-19 vaccination program.</p> <p>b. MOF timely allocation of adequate budget for the COVID-19 vaccination program and creation of budget sub-head.</p> <p>c. Several Development Partners are ready to provide additional financial support.</p>
<p>Vaccine inventory management Vaccine lost, misused, or misappropriated.</p>	Substantial	<p>a. Mandate the use of existing e-LMIS inventory system at SNGs district level storages on or before July 2021 as outlined in the Nepal Health Sector Reform Program.</p> <p>b. MOHP will monitor the vaccination process for national and sub-national level including providing trainings to SNGs on the use of e-LMIS.</p> <p>c. Internal audit scope shall include inventory management.</p>
<p>Staffing, accounting, and reporting Limited staff and experience in ADB's financial management requirements.</p>	Substantial	<p>a. MOHP shall coordinate with FCGO for adequate finance staff.</p> <p>b. The Project to follow the existing country system including financial management procedures and processes.</p> <p>c. MOHP shall utilize its existing capacity to implement the project in-line with the sector-wide approach.</p> <p>d. MOHP to maximize the benefit of the recently implemented new integrated budget and accounting system.</p> <p>e. Training on ADB's financial management, disbursements and procurement processes and procedures will be provided.</p> <p>f. If required, financial management consultant will be recruited to support and the terms of reference of financial management staff shall include oversight functions on anticorruption and integrity risks related to financial management and disbursement activities.</p>

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
		g. Integrity knowledge management sessions through RETA 9703 ^a will be provided to financial management staff involved to increase their awareness of Anticorruption and Integrity risks, prevention and detection and compliance with ADB's Anticorruption Policy.
Internal Audit Low capacity of internal audit function may result to control weaknesses not being identified.	Substantial	a. Appointment of qualified staff from the internal audit unit at FCGO to conduct annually internal audit throughout the project life. Internal audit shall be conducted in accordance with Fiscal Procedure and Financial Accountability Act, 2019. b. Internal audit scope shall include identification and assessment of anticorruption and integrity risks relating to procurement, financial management and asset management.
External Audit Weak enforcement of corrective measures against flagged irregularities and recommendations of the OAG may undermine the value of independent oversight.	Substantial	a. OAG shall conduct annual audit of project financial statements. b. MOHP to address the findings of OAG and implement the recommended measures. c. OAG shall also conduct performance audit on the effectiveness and efficiency of vaccine deployment. d. Auditor's findings and update on status of action taken will be included as part of the joint tri-annual progress reports submitted to ADB, World Bank, COVAX, and other development partners
Overall Pre-Mitigation	Substantial	

ADB = Asian Development Bank, CGAS = Computerized Government Accounting System, COVAX = COVID-19 Vaccines Global Access facility, e-LMIS = online inventory management system, FCGO = Financial Controller General's Office, IA= Internal Audit, MOF = Ministry of Finance, MOHP = Ministry of Health and Population, OAG = Office of the Auditor General, PFM = Public Financial Management, PFM RP = Public Financial Management Reform Program, SNGs = subnational governments (provincial or local levels).

^a ADB. 2018. RETA 9703: [Technical Assistance Report on Capacity Building on Integrity](#). Manila.

Source: Asian Development Bank.

21. To mitigate the risks above, the following action plan has been discussed and agreed with the government.

Table 15. Financial Management Action Plan

Key Risk Area	Mitigation Action	Responsible Party	Timeline
Funding	a. MOF and MOHP to regularly review and update the financing requirements for the COVID-19 vaccination program.	MOF and MOHP	Throughout the project
	b. Timely allocation of budget for the COVID-19 vaccine program should be made.	MOF	1 month before effectiveness date
		MOF	

	<p>c. MOF to create system budget sub-head for the project.</p> <p>d. MOF and MOHP to engage with development partners to secure additional funding if required</p>	MOF, MOHP, development partners	As above Throughout the project
Inventory Management and control	<p>a. Mandate the use of existing e-LMIS inventory system at SNGs district level storages.</p> <p>b. MOHP will monitor the vaccination process for national and sub-national level including providing trainings to SNGs on the use of e-LMIS.</p> <p>c. Internal audit scope shall include inventory management</p>	<p>MOHP</p> <p>MOHP</p> <p>FCGO</p>	<p>Before July 2021</p> <p>Throughout the project</p> <p>Throughout the project</p>
Staff capacity, accounting, and reporting	<p>a. MOHP to coordinate with FCGO for adequate number of qualified finance staff. The staffing can be supplemented by consultant support if necessary.</p> <p>b. Training on ADB's financial management, disbursements and procurement processes and procedures.</p> <p>c. MOHP shall use the recently implemented new integrated budget and accounting system for the project.</p> <p>d. The joint tri-annual progress report shall be produced and appropriately reviewed. This shall be submitted to ADB, World Bank, COVAX and other development partners within 45 days from end of 4-month period. Key elements of the tri-annual progress report are as part of the PAM, and the detailed format shall be agreed with MOHP, ADB, World Bank, COVAX and other partners.</p> <p>e. Preparation and submission of annual financial statements to OAG for audit</p> <p>f. Staff to supplement the financial statements generated from the system with other information to report the progress of the project (i.e., output details and progress, etc.).</p>	<p>MOHP</p> <p>ADB</p> <p>MOHP</p> <p>MOHP</p> <p>MOHP</p> <p>MOHP</p>	<p>1 month before effectiveness date</p> <p>Q3-2021</p> <p>Throughout the project</p> <p>Every 4 months</p> <p>Annually</p> <p>Every 4 months</p>
Internal Audit	<p>a. FCGO to include the project in its internal audit plan and assign qualified internal audit staff(s) to conduct at least annual internal audit of the project throughout the project life.</p> <p>b. Internal audit scope shall include identification and assessment of procurement, financial management and asset management.</p> <p>c. Inclusion of internal audit findings and status of actions taken in the tri-annual progress reports.</p>	<p>FCGO</p> <p>MOHP</p> <p>MOHP</p>	<p>At loan effectiveness date</p> <p>Annually</p> <p>Every 4 months</p>
External Audit	<p>a. Annual audit of project financial statements.</p> <p>b. Findings included in the management letter report and update on actions taken shall be included as part of the tri-annual progress reports and reported to ADB, World Bank, COVAX and other development partners.</p>	<p>OAG</p> <p>MOHP</p>	<p>Annually</p> <p>Every 4 months</p>
Performance Audit	<p>a. OAG conducts annual performance audit of the national vaccination program focusing on</p>	OAG	Annually

	transparency, accountability, and good governance and submitting to ADB, World Bank, COVAX and other development partners. b. Jointly finalize and agree the terms of reference.	OAG, ADB, World Bank	By inception date
--	---	----------------------	-------------------

ADB = Asian Development Bank, COVAX = COVID-19 Vaccines Global Access Facility, CGAS = Computerized Government Accounting System, e-LMIS = online inventory management system, FCGO = Financial Controller General's Office, LMBIS = Line Ministries Budget Information System, IA= Internal Audit, MOF = Ministry of Finance, MOHP = Ministry of Health and Population, OAG = Office of the Auditor General, SNGs = Sub-National Governments. Source: Asian Development Bank estimates

B. Disbursement

1. Disbursement Arrangements for ADB Funds

22. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),⁶ and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.⁷ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

23. The MOHP will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for ADB and counterpart funds, (iii) collecting and retaining supporting documents, (iv) preparing withdrawal applications, and (v) submission of withdrawal applications and other relevant documents to ADB.

24. Direct payment procedures may be used for large foreign currency contracts under the project. Suppliers/contractors/consultants are required to submit approved invoices and other supporting documentation to ADB in accordance with the ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

25. Reimbursement procedure may be used where ADB pays from the loan account to the borrower's account, for eligible ADB's share of expenditures which have been incurred and pre financed by the government out of its budget allocation or its own resources.

26. **Advance fund procedure.** After loan effectiveness date, a dedicated advance account in USD will be opened for the project. The advance account is to be used exclusively for ADB's share of eligible expenditures. MOHP is accountable and responsible for proper use of advances to the advance account.

27. **Advance financing and retroactive financing.** Under the RRC, 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, or 50% of the total RRC financing amount, whichever is lower MOHP may request for initial and additional advances to the advance account based on the estimated expenditures to be financed through 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. For retroactive financing, withdrawals from

⁶ ADB. 2017. *Loan Disbursement Handbook*. Manila. The handbook is available electronically from the ADB website. <http://www.adb.org/documents/loan-disbursement-handbook>.

⁷ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning.

the Loan Account may be made for eligible expenditures incurred under the Project before the Effective Date in connection with goods, subject to a maximum amount equivalent to 30% of the Loan amount; provided that the expenditures have been incurred not earlier than 12 months before the date of this Loan Agreement. Per ADB's APVAX guidance note, the combined outstanding balance of advance financing and the percentage approved for retroactive financing should not, at any time, exceed 60% of the loan amount.

28. Disbursement modes shall remain flexible and switching between modes may be done as per the request of the borrower to account for the uncertainty in the supply timeline and related payment modes.

29. **Statement of expenditure procedure.**⁸ The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance account. The ceiling of the SOE procedure is the equivalent of \$50,000 per individual payment. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

30. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the persons who will sign the withdrawal applications on behalf of the borrower, 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). Individual payments below such amount should be paid (i) by the MOHP and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure. The borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements (CPD) 5F⁹ system is mandatory for submission of withdrawal applications to ADB.

2. Disbursement Arrangements for Counterpart Fund

31. Disbursement for counterpart funds, if any, will be carried out according to the government's guidelines and practices. The government counterpart funds will be sufficiently allocated in the budget annually. MOHP will prepare disbursement projections and request budgetary allocations for counterpart funds to the Ministry of Finance. MOHP will submit to ADB annual project contract awards and disbursement projections at least a month before the start of each calendar year, if applicable.

C. Accounting

32. The MOHP will maintain separate project accounts and records by funding source for all expenditures incurred on the Project. The Project accounts will follow the government accounting standards (Nepal Public Sector Accounting Standards, NPSAS). MOHP will prepare project financial statements in accordance with government accounting laws and regulations.

⁸ SOE forms are available in Appendix 7B and 7D of [ADB's Loan Disbursement Handbook](#) (2017, as amended from time to time).

⁹ Client Portal for Disbursements. <https://cpd.adb.org/>. Online guide can be accessed at <https://www.adb.org/documents/client-portal-disbursements-guide>.

33. The expenditure categories and outputs used in the financial reports will be aligned with the structure outlined in the PAM. Moreover, to allow for timely and efficient monitoring, MOHP, will ensure that comprehensive financial information is included in the tri-annual progress reports to be submitted to ADB, World Bank, and other department partners within 45 days after the end of each reporting period. The information to be included in the joint tri-annual progress report is included in Appendix C.

34. **Variance analysis.** MOHP will examine the differences between budgeted vs. actual expenditures.

35. **Periodic reconciliations.** To ensure the correctness and completeness of the project's books of accounts and financial reports, MOHP shall conduct:

- (i) Monthly reconciliations of the advance account and sub-accounts; and
- (ii) Tri-annual reconciliation of the project book of accounts, and ADB's disbursement data available in the LFIS.

36. Any discrepancies and/or reconciliation items will be followed up to ensure these are resolved in a prompt manner. The differences between amounts claimed from ADB and the amounts disbursed by ADB will be disclosed and explained in the withdrawal application register to be included in the financial reports.

D. Auditing and Public Disclosure

37. **Internal Audit.** The project will be covered by a regular internal audit. The MOHP will actively liaise with the internal audit function to ensure that the recommendations related to the project (if any) are addressed in a timely manner. The status of the internal audit recommendations will also be regularly monitored by MOHP.

38. **Performance Audit.** The performance audit for the COVID-19 national vaccination program shall be conducted by OAG annually in accordance with International Standards on Auditing to ensure economy, efficiency, and effectiveness of vaccine program. The Performance Audit Report in English shall be shared with ADB, World Bank and other development partners within 9 months from the end of the fiscal year.

39. **Financial Audit.** The MOHP will cause the detailed project financial statements to be audited in accordance with International Standards on Auditing, by an independent auditor¹⁰ acceptable to ADB. The APFS 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.

40. 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 a true 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). The management letter will include from the second year onwards, a follow-up on previous years audit observations. In case the auditor does not issue a management letter, the auditor must issue a written confirmation that no internal control issues were identified as part of the audit.

¹⁰ The project is expected to be audited by the Office of the Auditor General (OAG).

41. 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.

42. The government and the MOHP have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.¹¹ 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.

43. 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 2018.¹² 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. Management letter and additional auditor's opinions will not be disclosed.¹³

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

44. All advance contracting and retroactive financing will be undertaken in conformity with ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). All the contracts under advance contracting and retroactive financing will be subject to ADB prior review. The borrower, executing agency, and implementing agency, have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

45. **Advance contracting.** Advance contracting will apply for all contracts for procurement COVID-19 vaccines. Advance contracting that may be completed and concluded includes preparation of procurement documents, and award of contract.

46. **Retroactive financing.** Retroactive financing refers to ADB's financing of project expenditures incurred and paid for by the borrower prior to the effectiveness of the loan agreement but not earlier than 12 months prior to the signing of the loan agreement. Except as otherwise

¹¹ 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.

¹² ADB. 2018. [Access to Information Policy](#): Manila.

¹³ This type of information would generally fall under access to information policy exceptions to disclosure. ADB. 2018. [Access to Information Policy](#). Paragraph 17 (viii) and (ix)

agreed with ADB, the expenditures incurred for procurement of COVID-19 vaccines that are eligible for advance contracting, and logistic services related to international transportation and indirect management expenses (fee) will be eligible for retroactive financing of up to 30% of the ADB loan amount.

B. Procurement of Goods, Works, and Consulting Services

47. All procurement of goods will follow ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

48. The government has established or activated national procedures expedient procurement and important of vaccines. The Department of Drug Administration is the National Medicine Regulatory Authority of Nepal, and issues Emergency Use Authorizations for vaccines to be used in Nepal. The Public Procurement Act of Nepal, Clause 41 has provision for direct procurement, to procure on an emergency basis in emergency situation (special circumstance - a circumstance resulted from natural or divine calamity and epidemic or sudden or unexpected special circumstance). Against this backdrop, the Cabinet, in December 2020, issued the Directives to procure COVID-19 vaccine directly through (i) foreign government or public entity or private entity; (ii) international organizations; and (iii) authorized local agent.

49. Direct Contracting method will be used to procure COVID-19 vaccine as there are only a few manufacturers of the vaccine that meet ADB's eligibility criteria and bargaining power of purchasers is low in view of high demand by DMCs.

50. All the Direct Contracts will be subject to prior review by ADB.

C. Procurement Plan

51. The procurement plan (Appendix D) is prepared in accordance with need of the procurement. The procurement plan indicates procurement method, review procedures, procurement of goods, and contract packages. The procurement plan provides (i) a list of contract packages that will be processed over the next 18 months; (ii) the proposed methods for procurement of such contracts that are permitted under the loan agreement; and (iii) the related ADB review procedures. A delay in loan effectiveness, other start-up delays, and delays during implementation will require an unscheduled procurement plan update. ADB will review each updated procurement plan prior to its publication.

D. Consultant's Terms of Reference

52. No consultants are planned to be recruited under the loan project. Under ADB's ongoing TA, consultants will be recruited to support implementation of the NDVP. The TA description is included in Appendix E.

VII. SAFEGUARDS

53. **Environment Safeguards (C).** The project aims to support Nepal for procuring safe and effective vaccines against COVID-19 utilizing the RRC of APVAX. Hence, the project activity is not expected to incur any direct and/or significant environmental impacts. Thus, the project is classified as category 'C' for environment in compliance with ADB's Safeguard Policy Statement

(2009). Although, the immunization drive will generate hazardous biomedical waste requiring their proper management and safe disposal. Hence, a due diligence was carried out and report (DDR) prepared reviewing the legal, institutional, and operational policies, guide, standards and work plan of Nepal and their sufficiency in ensuring safe HCWM in general and COVID-19 immunization waste management in particular. The DDR has recommended for management of hazardous immunization waste by following the government work plan, national provisions, and the international best practices. In this regard, support for establishing a systematic procedure for tracking and safe disposal of immunization waste and capacity development of the health facilities and their staff in following the correct procedure for waste management is a priority. ADB will ensure compliance on effective HCWM during implementation stage, and periodically monitor and report the overall quality of performance through tri-annual, annual and project completion reports.¹⁴

54. **Involuntary resettlement (category C).** The project will not require any land acquisition or lead to any involuntary resettlement impacts. Improved medical waste management will not result in civil works under the project. Should any civil works or other investments become necessary that could potentially result in impacts on land and resource, those impacts will be screened and if necessary, avoided, reduced, mitigated or compensated in line with international best practice and/or the ADB Safeguard Policy Statement (2009).

55. **Indigenous peoples (category C).** While the indigenous (*janajati*) people communities are present in the country, they will not be targeted as distinct and vulnerable indigenous peoples as a group, as defined by ADB's indigenous peoples safeguard policies, but may benefit as individual indigenous peoples. The project will ensure that members of indigenous peoples groups will not be excluded and will not suffer any disadvantages in targeting due to the fact of belonging to an indigenous peoples group. The Government of Nepal treats all citizens with equal significance, including small ethnic communities, and will be reflected in the vaccination program. The proposed loan is not expected to have any direct or indirect impacts on the dignity, human rights, livelihood systems, or culture of indigenous peoples, or the territories or natural or cultural resources that indigenous peoples own, use, occupy, or claim as an ancestral domain or asset.

¹⁴ ADB will engage an organization experienced in medical waste management through separate TA funds to support capacity development to implement HCWM.

VIII. GENDER AND SOCIAL DIMENSIONS

56. **Gender Equality and Social Inclusion.** The project is categorized *effective gender mainstreaming*. The agreed Gender Equality and Social Inclusion (GESI) action plan is closely aligned with the activities proposed by World Bank to ensure gender mainstreaming and inclusion. Monitoring of the GESI action plan implementation will be done jointly with the World Bank, COVID-19 Vaccines Global Access Facility, and other development partners. The project aims to achieve vaccination of around 6.8 million Nepalis at the outcome level, with reporting per age and sex. At the output level, the proposed project will ensure that at least one female health worker or volunteer in every vaccination site provides a safe environment and that at least 48,000 female community health volunteers will be vaccinated in 2021.¹⁵ The government aims to strengthen the electronic collection of the vaccination data, which will capture each vaccinee's sex, age, and vaccination location. Through the ongoing technical assistance to be implemented by the engagement of UNICEF,¹⁶ the gender-responsive and inclusive RCCE activities will increase awareness about the COVID-19 pandemic, vaccines, and the vaccination process among people, with reporting disaggregated by sex, vulnerability and caste/ethnicity, and people with disabilities. The RCCE activities will include the development of communication materials on COVID-19 vaccination, applying gender-sensitive and inclusive methods and tools to increase awareness of the registration processes, benefits of vaccination, and risk communication. The technical assistance activities will complement the activities of the government and other stakeholders to ensure women, vulnerable people, and other hard-to-reach groups are vaccinated. The project will increase awareness by mobilizing community volunteers from local organizations, like the local red cross societies and the local scouts. As much as possible, these local volunteers will represent different groups in society. These community mobilization activities will focus on high-risk municipalities. UNICEF will coordinate with local governments to ensure that the appropriate health and safety protocols will be followed. In addition, innovative methods to use social media messaging to reach out to hard-to-reach youth will also be implemented through mobilizing online volunteers as social influencers. These social influencers will be both male and female, as well as people with disabilities. This will be complemented by more traditional media messages, using radio, television, and print media. Surveys will be conducted on a regular basis to track people's perception of the risks of COVID-19 and vaccination, and awareness of the benefits of vaccination. Data will be updated at least three times per year to inform the joint progress reporting to ADB, World Bank, COVAX and other development partners. The surveys will also track people's awareness of the vaccination process. These surveys will allow additional data disaggregation and analyses by socioeconomic factors, which will help make messaging even more targeted. The results of the surveys and other data collection methods, like analysis of the electronically collected data and social listening on social media, will inform the communication and messaging.

¹⁵ The training of the female community health volunteers is part of the World Bank financing.

¹⁶ The United Nations Children's Fund will be engaged through TA 9800. ADB. 2019. [Technical Assisatnce to Nepal for Portfolio Management and Capacity Development for Enhanced Portfolio Performance](#). Manila (TA 9800).

Table 16: Gender Equality and Social Inclusion Action Plan^a

Outputs/Activities	Indicators and Targets	Responsibilities	Timeframe
Output: Safe and effective COVID-19 vaccines delivered.			
1. Vaccinate prioritized population fully, as per protocol	1. About 6.8 million Nepalis (22.3% of the population) vaccinated against COVID-19 based on the national vaccination plan (Disaggregated by sex and age) (June 2021 baseline: 691,494)	MOHP progress reports (Data source: e-LMIS and IMU)	2021-2024
2. Vaccinate female community health volunteers fully, as per protocol	2. At least 48,000 female community health volunteers vaccinated with requisite doses of COVID-19 vaccine, as per protocol ^a (April 2021 baseline: 8,546)	MOHP progress reports	2021
3. Include female health worker or volunteer in vaccination sites/outreach centers	3. All (100%) of the vaccination sites or outreach centers have at least one female health worker or volunteer supporting vaccination, during the vaccination campaign ^a (January 2021 baseline: 0)	MOHP progress reports	2021-2024
4. Collect disaggregated electronic data	4. Data on vaccination beneficiaries to be electronically collected disaggregated by sex, area, and age (April 2021 baseline: aggregated data only)	MOHP progress reports	2021
5. Implement risk communication and community engagement activities inclusively	<p>5. Gender- and culture-sensitive awareness materials for radio, TV, print, and social media on COVID-19 vaccination developed in Nepali and in local languages, as necessary.</p> <p>6. At least 3,000 (with at least 30% women) trained community-level volunteers, of organizations like the Red Cross, engaged in door-to-door visits to raise awareness on risks of COVID-19 and benefits of vaccination in high-risk municipalities to support outreach work of female community health volunteers.</p> <p>7. At least 14 million people (M/F) reached through radio and television programs on the risks of COVID-19 and the benefits of vaccination.</p> <p>8. Up to 1,000 trained online volunteer social influencers provided accurate information through social media channels on the risks of COVID-19 and the benefits of vaccination (target: at least 50% of the influencers are female, 4% people with disabilities).</p> <p>9. By 2023, level of awareness of the population has increased awareness of the risks of COVID-19 and the benefits of vaccination increased (with data disaggregated by sex, age group, caste, and ethnic groups, and disability). (2021 baseline: to be established with first perception survey in September 2021).</p>	UNICEF (Data source: progress reports from UNICEF, including surveys conducted by UNICEF)	2021-2024

Outputs/Activities	Indicators and Targets	Responsibilities	Timeframe
	10. Media messaging on risks of COVID-19 and benefits of vaccination of MOHP crisis management team aligned with media analysis and findings of surveys.		

COVID-19 = coronavirus disease, e-LMIS = electronic logistic management information system, F = female, IMU = Immunization Management Unit, M = male, MOHP = Ministry of Health and Population, UNICEF = United Nations Children's Fund.

^a These indicators are the same as the World Bank uses and will be jointly monitored.

Source: Asian Development Bank estimates

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

57. The project design and monitoring framework for the project is in Appendix A.

B. Monitoring

58. **Project performance monitoring.** Overall monitoring of each project component in terms of progress will be undertaken by the government, which will review regular progress reports on implementation of the Vaccination Campaign, which is supported by the project, as submitted by MOHP. The concerned line ministries, acting on behalf of the government, will monitor progress, procurement, quality, and contract management. ADB, World Bank, COVAX and other supporting development partners and the IA will conduct semiannual joint reviews throughout the implementation of the project and will regularly monitor the (i) project output quality, (ii) implementation arrangements, (iii) implementation progress, (iv) disbursements, and (v) implementation progress of the vaccination campaign. The wrap-up of the joint review mission will be chaired by the Secretary MOHP. In addition to the two joint review mission one additional progress review meeting will be conducted, which will be chaired by the Secretary of MOHP. Performance for the ADB project will be monitored based on indicators and targets stipulated in the design and monitoring framework, which will be reported on together with agreed performance indicators with World Bank, COVAX and other partners. Disaggregated baseline data for output and outcome indicators gathered during project processing will be updated and reported every 4 months through the implementing agency's joint tri-annual progress reports and after each joint review mission. Results will feed into ADB's project performance monitoring system in eOps (reported during quarterly validation exercise).

59. ADB and World Bank have agreed to harmonize reporting requirements for their support to implementation of the vaccination campaign. A joint progress report format will be developed. The implementing agency will prepare tri-annual progress reports as well as a summarized annual progress report. The APVAX policy (ADB. 2020. *ADB's Support to Enhance COVID-19 Vaccine Access*. Manila) requires additional information on vaccine procurement and vaccine campaign implementation in the tri-annual and summarized annual reports, which will be included. The indicative format of the progress report is attached at Appendix C.

60. **Compliance monitoring.** The loan agreement specifies the undertakings and covenants that will be monitored through regular review missions and on a tri-annual basis in discussion with the executing agency/implementing agency. Compliance with undertakings and loan covenants, social and environmental safeguards, and financial and economic aspects will be jointly monitored by ADB, World Bank and the executing agency/implementing agency. Any noncompliance issues will be specified in the tri-annual progress reports together with remedial actions.

61. **Safeguards monitoring.** No standalone safeguards monitoring report is required since the project is categorized C for all safeguards (environment, involuntary resettlement, and indigenous peoples). However, the consolidated tri-annual and annual reports and the project completion report stated below shall report on compliance with the loan agreement, including those clauses pertaining to safeguards. The reports shall also document and assess the COVID-19 immunization waste management system's adequacy, quality of performance, and corrective actions planned to improve its effectiveness, as needed.

62. **Gender and social dimensions monitoring.** Timely and effective implementation of GESI will be monitored by implementing agency. Implementing agency will ensure GESI issues are reflected in monitoring and evaluation formats and reports. GESI implementation and periodic reporting to be included in the tri-annual and annual reports to be submitted to ADB, World Bank, COVAX, and other development partners. ADB, World Bank, COVAX and other development partners will assess the progress of these activities during the joint review missions. The implementing agency will ensure that resources, including consultant services and financial resources are allocated for GESI action plan implementation and monitoring. In addition, the inclusion and compliance with labor standards, health and gender aspects will be monitored through review of bidding documents, contract awards, and progress reports.

63. **Performance audit monitoring.** A performance audit will be conducted annually and will monitor the performance of the vaccination allocation program from procurement to distribution of the vaccines in accordance with the National Plan for COVID-19 Vaccination. The performance audit will evaluate governance, financial accountability, and transparency. This is required for a more comprehensive fiduciary assurance to ADB. The main objective of performance auditing is constructively to promote economical, effective, and efficient governance and contribute to accountability and transparency. The performance audit report will be submitted to ADB, World Bank, COVAX and other development partners 9 months after completion of the fiscal year.

C. Evaluation

64. An ADB inception mission will be fielded within 3 months after the loan for the project is declared effective; thereafter, ADB, World Bank, COVAX, and other partners will conduct regular joint semiannual review missions to review discuss progress, and report on the project performance. As necessary, special loan administration missions and a midterm review mission will be fielded, under which any changes in scope or implementation arrangements may be required to ensure the achievement of project objectives. Within 6 months of physical completion of the project, the MOHP will submit a project completion report to ADB, World Bank and other development partners.

65. If applicable, a consolidated midterm analysis report will be prepared and disseminated during the midterm review mission.

66. In addition to the performance audit, the government has requested the National Health Research Council to conduct an evaluation after phase 1 and phase 2 of the vaccination campaign. To complement the performance audits and these evaluations, TA resources will be used to conduct third party monitoring services to assess the progress of the vaccination campaign in up to 5% of the vaccination sites 2 or 3 times during the vaccination campaign. The terms of reference and the agency to be engaged for this activity will be finalized once the loan is effective and the vaccination campaign is fully up to speed.

D. Reporting

67. The MOHP will provide ADB, World Bank, COVAX, and other development partners with harmonized tri-annual progress reports in a jointly agreed format which will contain information that will also meet the requirements of the ADB's project performance reporting system, no later than 45 days after end of each period of 4 months. The tri-annual progress reports should include (i) financial and disbursement information, variance analysis of physical and financial progress, details of utilization of funds and reconciliation with ADB LFIS, and status of resolution of audit findings; (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. MOHP will also report on the safeguard compliance with loan covenants and management of COVID-19 immunization waste through the tri-annual, consolidated annual, and project completion reports. The executing agency will designate a focal agency within DOHS and a focal point to coordinate and facilitate in implementation of the safeguard and HCWM related activities. In addition, the government will provide ADB with a copy of results of the evaluation by the National Health Research Council.

E. Stakeholder Communication Strategy

68. The project will comply with the transparency and accountability policy of the Access to Information Policy (ADB. 2018. *Access to Information Policy*. Manila). To do so, it will establish a communications strategy that will ensure an efficient and continuous two-way communication about ADB projects with stakeholders, focusing on managing stakeholders' expectations during all phases of implementation. The strategy will follow the following approaches:

- (i) **Stakeholders.** Critical stakeholders include people affected by COVID-19, and women and vulnerable groups. Other key stakeholders include, but are not limited to, MOF as executing agency and MOHP as implementing agency, government officials at national and sub-national levels, interested community-based organizations, interested civil society organizations, interested private sector entities, and interested development partners.
- (ii) **Disclosure.** MOHP 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. The website will provide the contact details of implementing agency staff in English and Nepali and will link to ADB's Integrity Unit website at <http://www.adb.org/Integrity/complaint.asp> for reporting grievances or allegations of corrupt practices arising out of the project and/or project activities.
- (iii) **Communication focal point.** MOHP will be responsible for implementation and monitoring of information dissemination and disclosure of project components. MOHP will also designate a focal person for information dissemination and disclosure, who will also serve as the custodian of all information relevant to the project.
- (iv) **Awareness-raising materials.** The project will at the minimum prepare: (a) a factsheet or information booklet containing objectives, components, activities, timelines, relevant contact information, and grievance redress mechanism, for the vaccination campaign; and (b) a brief summarizing details of the vaccination campaign in Nepali and utilizing stories and info graphics targeting a wider group of audience, including the poor and women. Both documents will be made in the Nepali language and will be made available to the public in print at MOHP, 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.

- (vi) **Coordination.** Through the MOHP focal point, the project 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

69. A governance risk assessment was carried out in line with ADB's Second Governance and Anticorruption Action Plan.¹⁷ ADB's Country Performance Assessment (CPA) conducted for Nepal in 2020 reported that transparency, accountability, and control of corruption in public sector remains low at 3.5 score out of 6, slightly above the average rating of ADB's Developing Member Countries of 3 out of 6. The government has a strong commitment to improve Nepal's quality of governance and has implemented various measures and regulatory framework.¹⁸ The Commission for Investigation of Abuse of Authority (CIAA) for corruption control was established under the constitution. CIAA is working on amendments of Anticorruption Act and CIAA Act to further integrate good practices on anticorruption. There are existing sound legal frameworks to promote transparency, fairness in public procurement, accountability, and reporting and disclosure requirements.¹⁹ At the executive level, to promote integrity, good governance and prevent corruption, in accordance with the Prevention of Corruption Act 2002, the National Vigilance Center was established and may undertake technical audit of projects to check compliance with laws, regulations and standards. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government.²⁰ Anticorruption and integrity risks have also been considered in the risk assessment and risk management plan accessible via the linked documents.

70. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.²¹ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies 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.²²

71. To support these efforts, relevant provisions are included in the loan agreement, subproject financing agreement, management agreement, and the bidding documents for the project, as applicable. ADB's Anticorruption Policy and ADB's Integrity Principles and

¹⁷ ADB. 2019. *Governance and Institutional Risks and Challenges in Nepal*. Katmandu.

¹⁸ *The Corruption Perception Index (2020) by the Transparency International and Control of Corruption (2019)* from the Worldwide Governance Indicators indicate that the CPI score has slightly improved over the years (2018: rank 124 of 180 countries; 2020: rank 117 of 179 countries) though, corruption in public sector remains a challenge.

¹⁹ Audit Act; Anti-corruption Act, Commission for Investigation of Abuse of Authority (CIAA) Act, Financial Procedure Act; Good Governance Act; Financial procedures Act; and Right to Information Act

²⁰ ADB TA will support integrity knowledge management session/s for MOF, DOHS, MOHP, and other project stakeholders to increase their awareness and compliance with ADB's Anticorruption Policy. ADB. 2018. *Technical Assistance on Capacity Building and Integrity (9703)*. Manila

²¹ ADB. 1998. *Anticorruption Policy* Manila.

²² ADB's Anticorruption Sanctions List: <https://www.adb.org/site/integrity/sanctions>.

Guidelines were explained to and discussed with MOF, MOHP and DOHS. Specifically, MOF, MOHP and DOHS should gain access to ADB's Complete Sanctions List to confirm that no bidder, contractor, supplier, individual consultant, consulting firm, and its team members are currently subject to ADB sanctions during bid/proposals evaluation, prior to shortlisting, contract award, and contract variations, extensions or modifications, and that they are aware about where, how and what to report if there is an integrity concern or allegation of integrity violation on ADB-related activity.²³ In addition, mitigating measures to corruption and integrity risks include use of strong oversight and donor coordination mechanisms, assignment of qualified and experience staff on project implementation, monitoring and supervision, establishment of project website with complete project information and progress to promote transparency, closely monitoring of procurement and financial management during ADB project review missions, and use of robust monitoring of vaccine roll out using Electronic Logistic Management Information System which could help and assist in accurate and timely project progress reporting of MOHP.

72. As the constitutional anticorruption agency, the Commission for the Investigation of Abuse of Authority has powers to investigate any irregularities in the project. This includes financial irregularities and corruption of government officials and officers and employees of autonomous bodies.

73. ADB's Office of Anticorruption and Integrity (OAI) is the initial point of contact for all allegations of fraud, corruption or other integrity violations in any ADB-financed projects. Complaints may be reported to OAI through one of the following methods:

by online complaint form at <https://www.adb.org/integrity/report-violations#accordion-0-0>

by e-mail at integrity@adb.org or anticorruption@adb.org

by phone at +63 2 632 5004

by fax to +6326362152

by mail at the following address (Please mark correspondence Strictly Confidential):

Office of Anticorruption and Integrity
Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

XI. ACCOUNTABILITY MECHANISM

74. In the future, people who are 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, seek a resolution of their problems, and 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.²⁴

Contact details:

Secretary

Compliance Review Panel

²³ Reporting integrity violations: <https://www.adb.org/integrity/report-violations>.

²⁴ Accountability Mechanism. <https://www.adb.org/who-we-are/accountability-mechanism/main>.

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila, Philippines

Tel + 63 2 632 4149

Fax +63 2 636 2088

E-mail: crp@adb.org

Web: www.compliance.adb.org

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

75. The first draft of PAM has been prepared and agreed upon at the loan negotiations in June 2021. All revisions/updates including the revision to contract awards and disbursement S-curves during the course of implementation will be retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM.

	Date	Revisions
First revision		
Second revision		

DESIGN AND MONITORING FRAMEWORK

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
Outcome Target populations safely vaccinated against COVID-19	By 2024: a. About ^b 6.8 million Nepalis (22.3% of the population) vaccinated against COVID-19 based on the national vaccination plan (disaggregated by sex and age) (June 2021 baseline: 691,494) ^c (OP 1.1)	a. Integrated health management information system, digital immunization management unit, and MOHP project progress reports	A: Sufficient resources to cover operational costs made available on time by government and development partners. A: Adequate and effective awareness-raising campaigns ensure that priority populations are willing to get vaccinated. A: Timely rollout of the inventory management system by the Government of Nepal.
Output Safe and effective COVID-19 vaccines delivered	1a. By 2024, about ^b 15.9 million doses of COVID-19 vaccine procured and delivered to the country (2021 baseline: 0) (OP 1.1.2) (Under TA support) ^d 1b. All (100%) of the vaccination sites or outreach centers have at least one female health worker or volunteer supporting vaccination during the vaccination campaign. (January 2021 baseline: 0) (OP 2.3.2) 1c. By 2023, level of awareness of the population on risks of COVID-19 and the benefits of vaccination increased (with data disaggregated by sex, age group, caste, and ethnic groups, and disability). (2021 baseline: to be established with first perception survey in September 2021)	1a. Electronic logistic management information system, and MOHP project progress report 1b. Integrated health management information system, MOHP project progress reports, and TA monitoring reports 1c. Perception surveys, TA progress reports from UNICEF	R: Limited supply of vaccines because of high global demand, inadequate supply of vaccines that meet APVAX eligibility criteria, and low commitments to Nepal lead to delay in vaccine delivery.

Key Activities with Milestones

1.0 Safe and effective COVID-19 vaccines delivered.

- 1.1 Procure the required number of vaccine doses for ADB financing (Q3 2021–Q2 2024).
- 1.2 Support international logistics to the point of entry in Nepal (Q3 2021–Q2 2024).
- 1.3 Provide technical and logistics support to Nepal (Q3 2021–Q2 2024).
- 1.4 Train human resources and track biomedical waste management (TA 9800) (Q3 2021–Q3 2022).
- 1.5 Develop online portal for reporting AESIs (TA 9950) (Q3 2021–Q2 2022).
- 1.6 Support the vaccination program in areas of finance, procurement, and IT (TA 9800) (Q3 2021–Q3 2023).

1.7 Conduct independent monitoring to complement government evaluation (TA 9800) (Q2 2022–Q3 2023).
Project Management Activities Conduct procurement value for money analysis. Prepare and submit triannual and annual progress reports. Submit annual audited project financial statement and annual performance audit report. Prepare project completion report.
Inputs ADB: \$165 million (loan) ADB: \$1.18 million (technical assistance grant) ^e

A = assumption, ADB = Asian Development Bank, AESI = adverse event of special interest, APVAX = Asia Pacific Vaccine Access Facility, COVID-19 = coronavirus disease, IT = information technology MOHP = Ministry of Health and Population, OP = operational priority, Q = quarter, R = risk, TA = technical assistance, UNICEF = United Nations Children's Fund.

^a Government of Nepal. 2021. *National Deployment and Vaccination Plan for COVID-19 Vaccines*. Kathmandu.

^b This will depend on the actual price of the vaccine. The tentative range could be +/- 25%, based on the UNICEF dashboard, which suggests the current price of \$12.50 per dose (25% increase on \$10 per dose estimated by Government of Nepal)

^c The vaccines used for this baseline will not be financed by ADB.

^d Output 1b is also used by the World Bank. It will be monitored jointly, and the TA facility will support the monitoring. The TA facility will fully finance output 1c. The TA inputs are expected to start in August 2021: ADB. 2019. Nepal: [Technical Assistance for Nepal - Portfolio Management and Capacity Development for Enhanced Portfolio Performance](#). Manila (TA 9800).

^e ADB. 2019. *Technical Assistance to Nepal: Portfolio Management and Capacity Development for Enhanced Portfolio Performance*. Manila (TA 9800) (\$1,000,000); and ADB. 2020. *Regional Support to Address the Outbreak of Coronavirus Disease 2019 and Potential Outbreaks of Other Communicable Diseases*. Manila (TA 9950) (\$180,000).

Contribution to ADB 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). In addition to the OP indicators tagged in the design and monitoring framework, this operation will contribute results for OP 2.5.1. Community-based initiatives to build resilience of women and girls to external shocks implemented (number) OP 7.3.3: Measures to improve regional public health and education services supported in implementation (number).

Source: Asian Development Bank.

INDICATIVE PERFORMANCE AUDIT TERMS OF REFERENCE FOR THE OFFICE OF THE AUDITOR GENERAL (OAG)

1. Though ADB's role in the vaccination plan is only up to the procurement of vaccine, the primary objective of this assignment is to monitor the performance of the program from procurement to distribution of the COVID-19 Vaccine in accordance with the National Plan for COVID-19 Vaccination.
2. **Objective of the assignment.** To conduct a performance audit on an annual basis. The performance audit is an evaluation of governance, financial accountability, and transparency, hereafter referred to as a "performance audit". This performance audit is required for a more comprehensive fiduciary assurance to ADB. The main objective of performance auditing is constructively to promote economical, effective, and efficient governance. It also contributes to accountability and transparency.
3. **Scope of work.** The auditor's examination should include an evaluation of the systems and overall operating procedures. An analysis of explanations submitted to the auditor and all information necessary to support the auditor's opinion and construct the auditor's report shall be provided by responsible implementing agencies. The auditor opinion shall include:
 - (i) Economy. Whether the vaccine available in due time, in and of appropriate quantity.
 - (ii) Efficiency. Whether all best available resources have been fully utilized and delivered to appropriate recipients.
 - (iii) Effectiveness. Whether the targeted groups to receive the vaccine were completed and in a timely manner.
4. In undertaking the audit, the audit shall review the following documents
5. ¹ (including any update to such documents).
 - (i) Vaccination projects documents from ADB and other donors financing NDVP;
 - (ii) Legal Agreements from ADB and other donors;
 - (iii) Monthly or tri-annual activity reports (programmatic as well as financial);
 - (iv) Important correspondence pertaining to implementation matters;
 - (v) Internal audit reports relevant to the expenditures or any systems, governance or other issue which impinges on the NDVP program; and
 - (vi) National Plan for COVID-19 Vaccination.
6. **Documentation and reporting.** All reports must be presented in the English language within 9 months following the end of the fiscal year. The auditors are expected to produce a report which should contain, at the minimum, the following information.
 - (i) Background - Covering the objective, scope and history of the NDVP Program, the legal and governmental framework, information on cash and in-kind donations, including bank account details where transfers of donations were made from overseas and details on its use.
 - (ii) Roles and Responsibilities -To maintain records, prepare the financial statements, audit the financial statements, etc.
 - (iii) Audit objectives and Methodology used - Informing the type of work, agencies/institutions audited, type of transactions verified, procedures tested, etc.
 - (iv) Findings - This part should cover the main findings and responses obtained.

¹ Project documents are available at <http://www.adb.org/projects/documents>. ADB's guidelines are available at <http://www.adb.org/publications/guides>.

- (v) Conclusion - This should contain the professional opinions based on the objectives and results of the audits, following applicable international auditing standards.
- (vi) Recommendations - This part should provide the recommended measures to help strengthen the NDVP processes and procedures. Additionally, this section should identify gaps and possible actions to strengthen country health sector systems to prepare the government for future pandemics.

OUTLINE TRI-ANNUAL PROGRESS REPORT FORMAT

General Instructions

1. The format for the tri-annual progress reports will be jointly agreed between MOHP and ADB, World, COVAX, and other development partners. The progress report is to be submitted to ADB, World Bank, COVAX, and other agencies within 45 days after each quarter. In case of delays or incomplete information, the joint partners will submit a reminder to the executing agency/ implementing agency. Repeated delays or incomplete information may have a negative impact on the project performance ratings and may be discussed during review missions.

2. The progress report will contain information on the progress of the overall vaccination campaign as well at least the following information on the following:
 - (i) Progress as per the NVDP indicators (a) Vaccination coverage by phase (b) Sessions planned versus sessions conducted (c) Full immunization rates, and drop-out rates (d) AEFI reported against number of beneficiaries vaccinated [especially immunization error, and serious AEFI promptly managed] (e) Vaccine wastage rates (f) Budget utilization rates, (per funding source)
 - (ii) Progress on introduction of digital systems for registration and monitoring
 - (iii) Progress on implementation of the Health Care Waste Management plan
 - (iv) Human resources to support vaccination – staffing (regular, contract, TA financed and volunteers) and training
 - (v) Progress on RCCE activities
 - (vi) Cold-Chain expansion
 - (vii) Vaccination sides used
 - (viii) Vaccine stock, vaccine orders, vaccine EUA's, and

3. For specific ADB reporting purposes the progress report will contain the following information:

Section A. Introduction and Basic Data

- i. ADB loan number, project title, borrower, executing agency, implementing agency(ies)
- ii. total estimated project cost and financing plan;
- iii. status of project financing including availability of counterpart funds;
- iv. dates of approval, signing, and effectiveness of ADB loans;
- v. original and revised (if applicable) ADB loan closing date and elapsed loan period based on original and revised (if applicable) loan closing dates; and
- vi. date of last joint review mission and or progress review meeting.

Section B. Utilization of Funds (ADB Loan, and Counterpart Funds)

- i. cumulative contract awards financed by the ADB loan, and counterpart funds (commitment of funds to date), and comparison with time-bound projections (targets – for ADB financing compare the actual contract awards with the contract award curve included in the PAM). Include an analysis of significant variances between planned and actual contract awards;
- ii. cumulative disbursements from the ADB loan, and counterpart funds (expenditure to date), and comparison with time-bound projections (targets – for the ADB financing compare the actual disbursement with the disbursement projections as

- per the S-curve included in the PAM), Include an analysis of significant variances between planned and actual disbursements; and
- iii. re-estimated costs to completion, need for reallocation within ADB loan categories, and whether an overall project cost overrun is likely.
 - iv. Reconciliation of project records and ADB disbursement records (LFIS/GFIS) for the reporting period and cumulative from project inception to end of the reporting period. Explain reasons for discrepancies and outline follow-up actions required (if any). Attach a detailed reconciliation by withdrawal application as per Appendix 3.

Section C. Project Purpose

- i. status of project scope/implementation arrangements compared with those in the report and recommendation of the President (RRP), and whether major changes have occurred or will need to be made;
- ii. an assessment of the likelihood that the immediate development objectives (project purpose) will be met in part or in full, and whether remedial measures are required based on the current project scope and implementation arrangements; and
- iii. an assessment of changes to the key assumptions and risks that affect attainment of the development objectives.

Section D. Implementation Progress

- i. provide a brief summary assessment of progress or achievements in implementation since the last progress report;
- ii. assessment of the progress of each project component, such as (a) recruitment of consultants and their performance, (b) procurement of goods and works (from preparation of detailed design and bidding documents to contract awards); and (c) the performance of suppliers, manufacturers, and contractors for goods and works contracts;
- iii. assessment of progress in implementing the overall project to date in comparison with the original implementation schedule—quantifiable and monitorable target, (include simple charts such as bar or milestone to illustrate progress, a chart showing actual versus planned expenditure, S-curve graph showing the relationship between physical and financial performance, and actual progress in comparison with the original schedules. Include an analysis of significant variances between physical and financial progress; and,
- iv. an assessment of outcome/output achievements versus targets – based on project performance monitoring system developed from design and monitoring framework of the project.

Section E. Major Project Issues and Problems

4. Summarize the major problems and issues affecting or likely affect implementation progress, compliance with covenants, and immediate development objectives. Recommend actions to overcome these problems and issues (e.g., changes in scope, changes in implementation arrangements, and reallocation of loan proceeds).

Section F. Compliance with Safeguards and Covenants

- (i) review the borrower's compliance with policy loan covenants, and, where relevant, provide any reasons for any noncompliance or delay in compliance;
- (ii) provide a summary assessment of compliance with resettlement and environmental safeguards;

- (iii) provide a summary assessment of COVID-19 immunization waste management; and,
- (iv) Summarize the status of financial covenants (if any) as outlined in the loan and project agreement.

Section G. Financial Management

- i. Summarize the status of Financial management in the project including: a) any problems in the existing FM arrangements and /or flow of funds and b) any significant changes occurred during the reporting period (e.g. FM staff turnover, implementation of new financial systems, emerging FM related risks etc.);
- ii. Summarize the status of: a) the FM action plan outlined in the PAM, b) recommendations and actions raised by ADB as part of the APFS/AEFS review (if any) and c) FM related recommendations agreed during ADB review missions (if any); and
- iii. Summarize the status of Status of past audit observations (resolved/ pending)

Appendixes

- 5. Attach the following appendixes to the QPR when submitting it to ADB:
 - 1. Summary Loan Covenant Review
 - 2. Summary Gender Action Plan Progress (separate format available)
 - 3. Statement of Cash Receipts and Payments by Category
 - 4. Detailed reconciliation (by Withdrawal application) of project records and ADB disbursement records (LFIS/GILFIS) for the fiscal year to date and cumulative;
 - 5. List of signed contracts
 - 6. Status of past audit observations (resolved/ pending);
 - 7. Status of FM action plan (complied/ongoing)
 - 8. Status of FM related actions agreed during ADB review missions (if any).

Tri-annual progress report APPENDIXES

Appendix 3: Statement of Cash Receipts and Payments by Category

	Reporting Period (Tri-annually/annually)	Year to date	Cumulative	Hard commitments (contracts signed not paid)
In the currency of the financial statements				
Cash receipts				
ADB Advance/Replenishments	Q	Q*	Q [^]	
ADB Direct Payments	P	P*	P [^]	
ADB Reimbursement/Retroactive Financing	U	U*	U [^]	
Government	S	S*	S [^]	
Total	T=Q+P+S+U	T*=Q*+P*+S*+U*	T[^]=Q[^]+P[^]+S[^]+U[^]	
Payments				
Vaccines costs	A	A*	A [^]	A ^{**}
Consultancy services	B	B*	B [^]	B ^{**}
Project administration	C	C*	C [^]	C ^{**}
Other related costs	D	D*	D [^]	D ^{**}
Total expenditures	E=A+B+C+D	E*=A*+B*+C*+D*	E[^]=A[^]+B[^]+C[^]+D[^]	E^{**}=A^{**}+B^{**}+C^{**}+D^{**}
Opening cash balance	H	H*	H [^]	
Closing cash balance	K=H+T-E	K*=H*+T*-E*	K [^] =H [^] +T [^] -E [^]	

Appendix 6: Status of External Audit Observations – Cumulative from Inception to End of Reporting Period

Recommendation/ Audit Observation	External Audit Recommendation	Date of the Recommendation	Planned Actions to Address the Recommendation	Responsibility	Current Status of the Planned Action (pending /resolved)	Remarks

Appendix 7: Status of Internal Audit Observations – Cumulative from Inception to End of Reporting Period

Recommendation/ Audit Observation	External Audit Recommendation	Date of the Recommendation	Planned Actions to Address the Recommendation	Responsibility	Current Status of the Planned Action (pending /resolved)	Remarks

Appendix 8: Status of Financial Management Action Plan

Key Risk	Risk Mitigating Activity	Timeline	Responsible Entity	Current status (implemented/Pending)	Remarks (including an action plan in case of noncompliance)

PROCUREMENT PLAN

Basic Data		
Project Name: Responsive COVID-19 Vaccines for Recovery Project under the Asia Pacific Vaccine Access Facility		
Project Number: 55084-001	Approval Number:	
Country: Nepal	Executing Agency: Ministry of Finance	
Procurement Risk: Substantial	Implementing Agency: Ministry of Health and Population	
Project Financing Amount: \$ 165.00 million ADB Financing: \$ 165.00 million Cofinancing (ADB Administered): Not Applicable Non-ADB Financing:	Project Completion Date: 31 July 2024	
Date of First Procurement Plan: 7 June 2021	Date of this Procurement Plan: 7 June 2021	
Procurement Plan Duration: 18 months	Advance Contracting: Yes	e-GP: 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, non-consulting services, and consulting services.

Procurement of Goods, Works and Non Consulting Services	
Method	Comments
Direct Contracting (DC)	All vaccine contracts will be subject to direct contracting and shall meet the eligibility criteria under APVAX.

B. List of Active Procurement Packages (Contracts)

The following table lists goods, works, non-consulting, 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 Non consulting Services							
Package Number	General Description	Estimated Value (\$m)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
G01	Procurement of COVID-19 Vaccines through COVAX	50.0	DC	Prior Review	N/A	N/A	<p>Estimated value here is preliminary and indicative only, and does not reflect any decision by the implementing agency.</p> <p>No. of Contracts: single or multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: Yes COVID-19 Response: Yes Other: Agreement with UNICEF under COVAX</p>

Goods, Works, and Non consulting Services							
Package Number	General Description	Estimated Value (\$m)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
G02	Procurement of COVID-19 Vaccines through bilateral deals, including international logistic handling	80.0	DC	Prior Review	N/A	N/A	Estimated value here is preliminary and indicative only, and does not reflect any decision by the implementing agency. No. Of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: Yes COVID-19 Response: Yes
G03	Procurement of COVID-19 vaccines through UNICEF or other UN agencies	30.0	DC	Prior review	N/A	N/A	Estimated value here is preliminary and indicative only, and does not reflect any decision by the implementing agency. No. Of contracts: single or multiple Domestic Preference: No Advance Contracting: No High Risk Contract: No COVID-19 Response: Yes

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

TECHNICAL ASSISTANCE

A. Technical Assistance (TA) support will be provided by ADB through a combination of two existing TAs. These include the following.

- a. TA 9800 - Portfolio Management and Capacity Development for Enhanced Portfolio Performance (\$1 million); and
- b. TA 9950 - Support to Address Outbreak of COVID-19 and Strengthen Preparedness for Communicable Diseases in South Asia (\$180,000).

1. TA support under TA 9800 will include the following activities.

- (i) **Support for risk communication and community engagement activities (\$400,000):** Under a separate TA 9950, UNICEF is currently engaged to implement risk communication and community engagement (RCCE) activities related to demand generation for vaccines and addressing misinformation. UNICEF's engagement for RCCE activities will continue under funds from TA 9800.

Output indicator: Population has increased awareness of risks of COVID-19 and benefits of vaccination (with data disaggregated by sex, age group, caste and ethnic groups, and disability). (Monitored through UNICEF's surveys).

- (ii) **Support to implement biomedical waste management plan (\$225,000):** The government has adopted a National Health Care Waste Management Standards and Operating Procedure 2020 and have developed a COVID-19 vaccination related Health Care Waste Management Work Plan with the support of WHO, UNICEF, GIZ, UNDP, ADB and the World Bank. In order to implement this new plan, there is a strong need to enhance existing waste management systems by improving facility-level practices and offsite waste management. The TA activities will support strengthening the waste management system and implementing the new waste management plan. An organization experienced in supporting biomedical waste management in Nepal will be engaged to implement this activity.
- (iii) **Monitoring of vaccinations at vaccination sites (\$225,000):** In order to ensure vaccinations are implemented as per the government's plan and to ensure the vaccination process is inclusive, TA support will be provided to conduct third party monitoring of vaccination sites through spot checks. The monitoring will cover 5% of randomly selected vaccination sites. An independent firm based in Nepal, preferably with experience in Nepal's health sector, will be recruited to conduct the third party spot checks.
- (iv) ¹

¹ As a support from ADB's Office of Anticorruption and Integrity (OAI) and to complement TA 9800, OAI will conduct integrity knowledge management session/s for MOF, DOHS, MOHP and other project stakeholders to increase their awareness of anticorruption and integrity risks, prevention and detection and compliance with ADB's Anticorruption Policy. This could assist in ensuring that aspects related to procurement, financial management and asset management of government's vaccination plan is implemented transparently and effectively.

Output indicator: Each vaccination site will have at least one female health worker or volunteer supporting vaccinations. (Monitored through third party monitoring and progress report by MOHP).

- (v) **Support to strengthen due diligence to meet ADB's requirements during project implementation (\$150,000):** In order to ensure smooth implementation and fulfillment of ADB's due diligence requirements, TA support will be provided to strengthen reporting, financial management and procurement activities. The consultants engaged under this activity will support the implementation unit at the Department of Health Services and the Health Coordination Division in MOHP.

2. TA support under TA 9950 will include the following activity.

- (vi) **Development of IT system for surveillance of adverse events of special interest (\$180,000):** Given the relative novelty of COVID-19 vaccines and knowledge gaps regarding potential adverse effects of various vaccines being deployed, monitoring adverse events of special interest (AESI) post-immunization and managing them will be crucial. Under RETA 9982, WHO will be engaged to develop a system for AESI surveillance through 3 to 4 sentinel sites across the country's central, eastern and western parts. The sites will likely be tertiary care or teaching hospitals. While surveillance for adverse events following immunization (AEFI) is part of WHO's existing technical support to MOHP, AESI surveillance is relatively new and will need focused attention at a handful of sentinel sites to provide meaningful and actionable data. A network of sentinel sites would enable the national immunization program to set up a sensitive AESI surveillance system for pre-specified disease syndromes. The TA will support a system for collation and analysis of data to determine case classification and detect vaccine safety signals. It will also help develop a smart electronic tool to classify AEFI and AESI cases. Training to relevant government and WHO staff in using the tool will be provided.

B. Indicative Terms of Reference for Consultants

1. UNICEF: Strengthening the risk communication and community engagement

Background

One of the challenges for preventing further spread of the COVID-19 in Nepal is the fact that people are aware that they should follow the public health safety measures -SMS (2 meters distancing, mask use and sanitize) at all time, but actually do not do it. The fourth round of UNICEF's Child and Family tracker survey conducted in the month of August 2020 showed low adherence of SMS practices. More than 92% know that handwashing, mask use and distancing are the most effective preventive measures. The study showed the gap in translating the knowledge in action especially the mask use and maintaining 2 meters distance: 92% washed hands with soap and water at all time and most of the time, 53% maintained 2 meters distance at all time and most of the time, and 67% used a mask when going out at all time and most of the time. Moreover, with the rollout of GON's vaccination program, it is imperative to ensure that beneficiaries are willing to take the vaccines, are aware of the vaccination process and sites and vaccine safety. Countering misinformation on vaccines and vaccination is also critical to ensure the government's vaccination program is implemented smoothly. The Child and Family tracker

survey reveal that 91% of Nepalis would be willing to take vaccines if available; however, in practice, the scenario is different.

Low risk perception among young and rural area populations, fatigue with the behavior adherence and perception that COVID-19 is not a serious disease and availability of the funds to purchase mask and soap are some of the behavioral and other barriers for full compliance of the SMS behaviors. The study also showed that regular reinforcement or the monitoring of the behaviors by local authorities, volunteers or community members can be effective for the compliance of public health safety measures. Reinforcement of messages from mass media, social media and community engagement platforms has proven to be effective in sustaining behavior change among individuals and families.

UNICEF has been at the forefront to support the Ministry of Health and Population (MOHP) and National Health Education, Information and Communication Center (NHEICC) in improving the knowledge and practices of preventive measures, combating the rumors and the misinformation and establishing functional feedback mechanism.

Objectives of the assignment

This assignment will complement the risk communication activities UNICEF, as the lead agency in Nepal to support risk communication and community engagement activities in the health sector, has been and will continue to undertake. The RCCE activities will help in effective implementation of GON's vaccination program as well as help mitigate risks from prevailing waves of COVID-19 infections.

The objective of the assignment is twofold:

- (i) Proactive and timely communication about the vaccination process, vaccine safety and COVID-19 and its prevention and control, addressing the changing messaging needs through mass media, social media, social mobilization, and interpersonal communication;
- (ii) Engage in active dialogue with individuals and families, community influencers through community-based volunteers to generate demand for vaccinations, disseminate information on where and how to receive vaccines, and address misinformation, and in the prevention of spread of COVID-19 through active listening to community concerns and promotion of awareness and safe practices.

It is expected that UNICEF will closely coordinate its activities with the relevant stakeholders, especially the NHEICC, to ensure the activities financed by ADB will be in-line with the government strategy and complement other activities. To ensure maximum utilization of the lessons learned, UNICEF will be asked to share its experiences with other countries as relevant.

Activities

The proposal from UNICEF is expected to include risk communication and community engagement activities, which ensure that these objectives will be reached. This is expected to include a targeted and relevant mix of consistent messaging through, radio, television, print, and social media, engagement with civil society partners for meaningful community engagement, and sufficient technical assistance for coordination, knowledge sharing and reporting.

Duration of activities

The activities are expected to be implemented from August 2021 until September 2023 .

Coordination

The counterpart for ADB will Rudi Van Dael, Unit Head, portfolio management, and other relevant ADB officers.

Reporting

The following reports are requested from UNICEF during implementation of this activity, in addition to the regular financial progress reporting for the utilization of the funds as per the administrative agreement.

- Inception report, with detailed planning, as well as proposed content for progress reports. Latest one month after starting the activities.
- 3 concise quarterly progress reports, describing progress on key activities, changes in the plan if any, and important lessons learned and or issues, after 3 months, after 6 months and after 9 months of commencing the activities.
- Final report, with more detailed reporting on the achievements and lessons learned
- One presentation/event to be organized on the lessons learned, to share experience.

Budget

The budget for these activities is \$400,000. Payments will be made on an input-basis in line with the administrative agreement between UNICEF and ADB.

2. National Firm Consultant: Support to implement health care waste management plan

A non-governmental organization (NGO) will be recruited to support implementation of the health care waste management plan. The NGO should have at least 5 years of experience in health care waste management. Previous experience working with the Government of Nepal is required. The firm will support MOHP and provincial level and local level health authorities to enhance their capacity in implementing the COVID-19 vaccination related Health Care Waste Management Work Plan and the National Health Care Waste Management Standards and Operating Procedure 2020. The firm is responsible for planning, organizing and implementing the following activities:

- (i) Develop capacity building training based on assessment of existing needs across different levels of health care facilities (central, district or local);
- (ii) Conduct training activities for health officials at central, provincial and local levels to support implementation of the health care waste management work plan;
- (iii) Develop a system of waste management tracking that can be linked with the health management information system;
- (iv) Train relevant authorities to use the tracking system and effectively monitor waste;
- (v) Identify and recruit qualified and experienced experts (e.g., biomedical waste management expert) and supporting consultants to implement the above activities; and
- (vi) Other relevant activities as requested by the ADB project team and MOHP.

Expected Deliverables

The firm shall submit the following reports during implementation of this activity:

- Inception report, with detailed planning, as well as proposed content for progress reports. (Latest one month after starting the activities);
- 3 concise quarterly progress reports, describing progress on key activities, changes in the plan if any, and important lessons learned and or issues (after 3 months, after 6 months and after 9 months of commencing the activities);

- Final report, with more detailed reporting on the achievements and lessons learned; and
- One presentation/event to be organized on the lessons learned, to share experience.

The firm will be selected through a quality- and cost-based selection (QCBS) method, using simplified technical proposal procedures. The activities are expected to be implemented from September 2021 until September 2023. The counterpart for ADB will Rudi Van Dael, Unit Head, portfolio management, and other relevant ADB officers.

Budget

The budget for these activities is \$225,000.

3. National Firm Consultant: Third party monitoring study

An independent consulting firm will be recruited to conduct a third party monitoring study of randomly selected vaccination sites during implementation of the vaccination program. The firm should have at least 5 years of experience conducting monitoring and verification activities. Previous experience in the health sector is required, as is experience working on projects supported by multilateral organizations or other donors. The firm will implement the following activities:

- (i) Develop based on assessments of the evaluations conducted by the National Health Research Council of phase 1 and phase 2 of the vaccination campaign, the performance evaluations conducted by the Office of the Auditor General, and other monitoring reports of the vaccination campaign, a feasible monitoring approach, consisting of quantitative and qualitative data collection methods.
- (ii) Based on the universal list of vaccination sites from DHS/MOHP, identify randomly selected sites across the country for spot checks (the number of identified sites should comprise approximately 5% of the total vaccination sites across the country, and should be balanced across location, rural/urban areas, and type of vaccination site);
- (iii) Implement spot checks capturing key requirements of the government's vaccination plan and ADB project components, based on the approach developed;
- (iv) Clearly document and process data collected;
- (v) Submit reports from spot checks to ADB project team and DHS/MOHP (the reports should disaggregate findings by sex and age group; the reports should also capture whether each vaccination site in the sample have at least one female health worker or volunteer and whether sites follow vaccination protocols and guidelines) ;
- (vi) Prepare and deliver a presentation based on the findings; and
- (vii) Identify and recruit qualified and experienced experts to conduct the spot checks and prepare the monitoring reports.

The organization will be selected through a quality- and cost-based selection (QCBS) method, using simplified technical proposal procedures. The activities are expected to be implemented from May 2022 until September 2023.

Expected Deliverables

The firm shall submit the following reports during implementation of this study:

- Inception report, with detailed planning, and identification of randomly selected sites as well as an outline for the study. (Latest one month after starting the activities);
- 2 concise quarterly progress reports with details on the number of sites reviewed, beneficiaries vaccinated by site with sex and age group disaggregated data, findings on the beneficiary verification and vaccination process vis-à-vis issued guidelines and

- protocols, and any other observations. (after 6 months and after 12 months of commencing the activities);
- Final study report, with a clear description of the cumulative findings from all spot checks and analysis of lessons learned; and
 - One presentation/event to be organized on the findings and lessons learned.

Budget

The budget for these activities is \$225,000.

4. Individual Consultants

- (a) **M&E Specialist (1 position, national, 10 person-months, intermittent).** The consultant shall have a master's degree in Statistics, Social Science, Economics, Development Studies, or related field with at least 10 years of experience in M&E in development programs and a minimum 5 years of experience in health sector projects with government or international organizations. The consultant will support MOHP in developing M&E process and format to enable effective and timely reporting on the progress of the APVAX RECOVER project activities as well as activities supported by the World Bank and COVAX/GAVI, as per the agreement with MOHP to prepare and submit harmonized reporting to ADB, World Bank and COVAX/GAVI. The consultant will coordinate with MOHP and other specialists to streamline and develop the monitoring and reporting process and ensure collection of sex-disaggregated information and data related to the vaccination program. Detailed tasks include:
- (i) Assess the existing M&E system adopted by MOHP and subnational levels and identify the gaps and areas of improvement of M&E particularly with regards to strengthening monitoring of data disaggregated by sex, age and area;
 - (ii) Develop a process and template to support MOHP in preparing harmonized tri-annual monitoring reports for submission to ADB, World Bank and COVAX/GAVI, covering the requirements of these organizations related to the project;
 - (iii) Prepare the first monitoring report;
 - (iv) Support the government to collect data on vaccination beneficiaries, disaggregated by sex, age and area by 2021; and
 - (v) Support the government to develop the capacity of collecting, monitoring, reporting, and analyzing sex-, and age-disaggregated data on program implementation to ADB and other development partners.
- (b) **Procurement specialist (1 position, national, 8 person-months, intermittent).** The consultant will have at least a bachelor's degree in procurement, engineering, medical, business, or related fields with minimum 10 years of experience in high-value and complex procurement and contract management, including knowledge of and experience in medical supplies contracts. The consultant shall have: (i) hands-on experience in assessment of procurement systems at sector or agency level; (ii) knowledge of and experience in the procurement guidelines of international finance institutions, such as ADB or World Bank; and (iii) demonstrated ability to work well with teams and with government officials. Sound verbal and written communication skills in English is desired. Experience in health sector procurement is highly desirable. The procurement consultant will support the project team in implementing the proposed Responsive COVID-19 Vaccines for Recovery Project Under the Asia Pacific Vaccine Access Facility for Nepal. The consultant, working closely in conjunction with officials from the implementing agency, will be responsible for the preparation of all procurement-related documents for the assigned

project. All procurement activities shall be conducted in accordance with the ADB Procurement Policy (2017, as amended from time to time)², the ADB Procurement Regulations for ADB Borrowers (2017, as amended from time to time)³, and the specific requirements outlined in the policy paper, ADB's Support to Enhance COVID-19 Vaccine Access⁴. The consultant shall consult and utilize all supporting guidance materials, both related to routine procurement and specifically prepared for APVAX projects. The consultant shall work in close collaboration with the implementing agency and the ADB project team.

(c) Financial management expert (1 position, national, 8 person-months, intermittent).

The financial management expert will preferably have: (i) a recognized professional accountancy qualification (e.g., CPA, CA or equivalent) or equivalent in related fields; (ii) an overall 10 years of working experience with 5 years of experience in project/program financial management and training/ capacity building; and (iii) experience in similar capacity and sound knowledge of ADB procedures/policies and working on externally funded projects/programs financed by ADB or the World Bank shall have added advantage. The objective of the services is to provide support the financial management capacity of the DHS/MOHP to ensure that: (i) all project funds are used for the intended purpose and with due attention to considerations of economy and efficiency; (ii) full compliance with ADB's financial management and disbursement requirements as outlined in the relevant sections of loan agreement, project administration manual, and ADB's *Loan Disbursement Handbook*; and (iv) ADB loan funds are made available for the project in a timely manner through timely preparation and submission of withdrawal applications in accordance with ADB disbursement handbook⁵, and collection and filing of all supporting documentation, as required. The consultant shall (i) take integrity knowledge management session/s provided by ADB to increase his/her awareness of anticorruption and integrity risks, prevention and detection and compliance with ADB's Anticorruption Policy, and (ii) oversight anticorruption and integrity risks related to financial management and disbursement activities.

(d) IT Specialist (1 position, national, 6 person-months, intermittent). The IT specialist will support MOHP in strengthening the health management information system (HMIS) that are used for supporting the COVID-19 vaccination program. The consultant will also support the strengthening of interoperability between COVID-19 vaccination related IT systems to link all IT tools with the HMIS for efficient monitoring of all vaccination related activities. The consultant will support the development and upgradation of analytics dashboards on the status of COVID-19 vaccination which shall include all key information required by the government that are generated from various IT systems for enabling better planning and monitoring of COVID-19 vaccination program. The IT specialist may also provide support to extend the network of the existing e-LMIS system up to the health facility level. In addition, the IT specialist will assist ADB and MOHP in monitoring and tracking the use of ADB-financed COVID-19 vaccines from delivery to vaccination. The consultant should have a bachelor's degree in Information Technology with minimum two years of experience in the health sector and 5 years working experience in IT projects.

² ADB. 2017. *ADB Procurement Policy*. Manila.

³ ADB. 2017. *Procurement Regulations for ADB Borrowers. Goods, Works, Nonconsulting and Consulting Services*. Manila.

⁴ ADB. 2020. *ADB's Support to Enhance COVID-19 Vaccine Access*. Manila.

⁵ ADB. 2020. *Loan Disbursement Handbook*. Manila.