

# Project Administration Manual

Project Number: 54175-001  
Loan and/or Grant Numbers: LXXXX; GXXXX  
June 2020

Kyrgyz Republic: COVID-19 Pandemic Emergency  
Project

## ABBREVIATIONS

ADB	–	Asian Development Bank
COVID-19	–	coronavirus disease
CoCP	–	Code of Construction Practice
DMF	–	design and monitoring framework
FMA	–	financial management assessment
GAP	–	gender action plan
ICU	–	intensive care unit
PAM	–	project administration manual
PIU	–	project implementation unit
PPE	–	personal protective equipment
MOF	–	Ministry of Finance
MOH	–	Ministry of Health
MHIF	–	Mandatory Health Insurance Fund
NCAP	–	National Contingency Action Plan
UNICEF	–	United Nations Children’s Fund
WHO	–	World Health Organization

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### **Project Administration Manual Purpose and Process**

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

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

At loan and grant negotiations, the borrower/recipient and ADB shall agree to the PAM and ensure consistency with the loan and grant agreements. Such agreements shall be reflected in the minutes of the loan and grant negotiations. In the event of any discrepancy or contradiction between the PAM and the loan and grant agreements, the provisions of the loan and grant agreements 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. **Summary.** The Kyrgyz Government has launched the novel coronavirus 2019 disease (COVID-19) National Contingency Action Plan and has requested the Asian Development Bank (ADB), along with partners, to help mitigate the impact of the COVID-19 outbreak in the Kyrgyz Republic. The COVID-19 Pandemic Emergency Project (the Project) will improve testing and identification of COVID-19 cases to reduce transmission, and enhance clinical management of patients, and thereby contribute to reducing the socio-economic impact of the epidemic and improve overall government resilience to future health epidemics and disasters.

2. **The COVID-19 pandemic.** In December 2019, a novel coronavirus disease (COVID-19) emerged and quickly spread around the world causing a surge in fatalities, especially among people with co-morbidities.<sup>1</sup> The World Health Organization (WHO) declared a global COVID-19 pandemic on 11 March 2020. Since then, over 6 million people had been infected globally and over 373,000 had died as of 2 June 2020.<sup>2</sup> The Government of the Kyrgyz Republic announced the first three cases of COVID-19 on 17 March 2020 and declared a state of emergency on 24 March 2020. Borders, schools and non-essential businesses were closed, and lockdown and social distancing were imposed. By 2 June 2020, there were 1,845 infected people, of whom 20% were health workers. A model of the global impact of COVID-19 predicts that many more could become infected and require hospital care, with devastating health and socioeconomic impacts.<sup>3</sup> The MOH currently anticipates the pandemic to spread quickly before peaking in the second quarter of 2020 but a second or third wave is also possible as the country considers loosening restrictions later in the year and restarting economic activity.

3. **Socioeconomic impact.** The Kyrgyz Republic, with a population of about 6.3 million and estimated gross national income per capita of \$1,220 (Atlas method, 2018 prices), is one of the most integrated and open economies in Central Asia.<sup>4</sup> The country and integration also means that it is at high risk to the pandemic through its significant migrant population and exposure to cross-border contamination.<sup>5</sup> The economic disruption caused by border closures and emergency lockdown measures have created a large fiscal deficit estimated at \$722 million by the IMF.<sup>6</sup>

4. The pandemic has resulted in widespread job losses, particularly for those involved in the industry and service sectors (which account for 70% of all employment). The Ministry of Social Protection and Labor identified around 1.8 million people (about 30% of the population) who will need direct social protection support during the economic downturn including about 1 million people who are likely to lose their jobs.<sup>7</sup> Household income, employment, and food security are all expected to decline precipitously as the pandemic progresses. The Asian Development Bank (ADB) estimates that the poverty rate could increase by 26% because of COVID-19 and result in an additional 200,000 people falling into poverty.<sup>8</sup>

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<sup>1</sup> Co-morbidities are defined as the simultaneous presence of multiple conditions in a patient. Patients with diabetes, hypertension and other cardiovascular conditions appear more likely to develop severe symptoms of COVID-19

<sup>2</sup> WHO [COVID-19 Dashboard](#). (accessed 2 June 2020).

<sup>3</sup> Walker, et al, 2020. [Global Impact of COVID-19 and Strategies for Mitigation and Suppression](#).

<sup>4</sup> IMF. 2018. [World Economic Outlook Database](#). Washington, DC (accessed 11 March 2019).

<sup>5</sup> ADB. 2019. [Kyrgyz Republic: Improving Growth Potential](#). Manila.

<sup>6</sup> The IMF's projections as at 24 March 2020, which does not include its budget support.

<sup>7</sup> Organization for Economic Cooperation and Development (OECD). 2018. [Social Protection System Review of Kyrgyzstan](#). OECD Development Pathways. Paris.

<sup>8</sup> ADB. COVID-19 and Poverty: Some Scenarios Based on Grouped Distribution Data on Household Consumption. *Unpublished*. Poverty rate based on \$3.2/day poverty line in lower-middle income countries.

5. **Government response.** The government adopted its first legislation to address COVID-19 on 29 January 2020.<sup>9</sup> The government requested the Asian Development Bank (ADB) for emergency assistance on 6 April 2020. To coordinate the COVID-19 response, the Republican Headquarters for the Prevention of the Spread of COVID-19 was established in the Ministry of Emergency Services with the Prime Minister of the Kyrgyz Republic as chair and representatives of all ministries and state agencies as members. To respond to this substantial adverse impact of COVID-19, the government has developed a countercyclical plan amounting to \$248 million covering population and food security, business entities, state budget stability, and health. A COVID-19 headquarters was established in the Ministry of Health (MOH) to manage the health sector response.<sup>10</sup> The Government prepared the National Contingency Action Plan (NCAP) for COVID-19 response with partners led by WHO, and activated intersectoral and interagency coordination mechanisms.<sup>11</sup>

6. **Damage and needs assessment.** The NCAP is the first part of the government's strategic response, focused on the health sector, to mitigate the impact of the COVID-19 pandemic. It emphasizes reducing transmission, mortality, and socio-economic impact, and is expected to cost Som7 billion (\$88 million) to implement assuming 4,000 cases. As stated in the NCAP, the Government aims to: (i) ensure early identification of cases and their safe and effective management; (ii) reduce the severity of disease by providing clinical care, especially to vulnerable populations; (iii) ensure contingencies are in place to avoid disruption of essential medical services; and (iv) minimize societal disruption by guiding business continuity.

7. The capacity of the government and the overall health system to deal with the outbreak effectively is low. Therefore as an immediate first step, the country instituted drastic measures to prevent the further spread of the pandemic—imposing border restrictions; instituting a lockdown on the population, closing most businesses, shopping areas, and banks across the country; and suspending international and domestic flights. MOH has also introduced risk communication measures and isolation and quarantine of persons suspected of having COVID-19 infection and their contacts.

8. Development partners have supported expansion of the COVID-19 surveillance and testing system from 2 to 7 laboratories. Laboratory staff have been trained in technical and safety procedures. However, more contact tracing and testing capacity will be required to contain the surge in cases and before the lockdown can be relaxed.<sup>12</sup>

9. For stage one of the pandemic, the government designated 12 hospitals in the cities of Bishkek and Osh and four regions (Chui, Jalal-Abad, Batken and Osh) as COVID-19 treatment centers, with a total capacity of 950 beds including 87 intensive care beds. For stage two of the pandemic, an additional 21 hospitals have been identified throughout the country, with an additional 1,315 beds including 139 intensive care beds. With effective lockdown, these facilities

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<sup>9</sup> On 29 January, 2020, the Government adopted key legislation for COVID-19, including Government Order No. 30, Order No. 52 of the Minister of Health on prevention of the spread of COVID-19 disease, and Protocol No.1 based on the meeting of the Republican Headquarters for the Prevention of the Spread of COVID-19 on the Territory of the Kyrgyz Republic. The group consists of all ministries and state agencies, including the Ministry of Health, Ministry of Emergency Situations, Ministry of Interior, State National Security Agency, State Committee for Defense, Security Council, Ministry of Foreign Affairs, Ministry of Economy, Ministry of Finance, Ministry of Culture and Tourism, Ministry of Transportation and Roads, State Border Service, State Custom Service, Veterinary Service, Phytosanitary Agency and others.

<sup>10</sup> The Deputy Minister of Health is the executive representative and a Secretariat in the Department of State Sanitary and Epidemiology Control.

<sup>11</sup> Government of Kyrgyz Republic. 2020. *Inter-sectoral inter-agency contingency plan for COVID-19*.

<sup>12</sup> WHO. [COVID-19 Health System Response Monitor: Policy Responses for Kyrgyzstan](#).



should, with some adaptation, be enough to handle a slow surge in COVID-19 inpatients, but a shortage of intensive care beds is projected as the pandemic progresses. While the MOH can mobilize more health workers, there is a shortage of trained intensive care staff.<sup>13</sup> The Kyrgyz Republic's public health spending of about 6.2% of gross domestic product in 2017 is insufficient to handle a surge in COVID-19 inpatients.<sup>14</sup> Health facilities are overwhelmed, which also threatens the delivery of essential health services including vaccinations.

10. Furthermore, these facilities are not up to safety and quality standards for COVID-19 case management in terms of quarantine and waste management, medical supplies, and personal protective equipment (PPE). WHO's assessment of hospitals found that staff and visitors were ill-informed about risks and quarantine and care protocols.<sup>15</sup> Medical personnel account for 21% of confirmed infections, suggesting that the capacity to prevent transmission in facilities may be very low. Additional detail can be found in the summary assessment of damage and needs.

11. **Impact and outcome.** The project is aligned with the following impact: to strengthen the public health system and mitigate the impact of the COVID-19 outbreak in the Kyrgyz Republic (footnote 4). The project will have the following outcome: capacity of health system to mitigate COVID-19 improved.<sup>16</sup>

12. **Output 1: Capacity of surveillance and response services to COVID-19 strengthened.** The project will help mitigate the surge in COVID-19 cases by increasing health system capacity to identify and diagnose potentially infected people and improve contact tracing for isolation of cases. The output will support the procurement of PPE, test kits, reagents, and other supplies to increase screening, testing, and prevention of COVID-19 for the sanitary and epidemiological services of the MOH, the COVID-19 laboratories, and other key health facilities as agreed with the MOH. Health workers and facility staff who are at highest risk of infection will have increased access to diagnostic services.

13. **Output 2: Capacity for infection prevention control and quality of care for COVID-19 patients improved.** This output is aligned with the Government's objective to mitigate the impact of the epidemic, by providing improved clinical care of COVID-19 and avoiding disruption of essential services. The project will improve eight hospitals that have been designated as COVID-19 treatment centers. These comprise five hospitals for stage one in Bishkek, Osh, and Jalalabad requiring additional support; and three hospitals for stage two in Naryn, Talas, and Issyk-Kul region. These hospitals currently have 792 beds with 81 intensive care beds. The hospitals were selected on the basis of COVID-19 cases, geographical coverage, existing capacity to manage infectious diseases, support from other donors, and projected need for additional ICU beds.

14. The project will assist these hospitals to function as COVID-19 treatment centers including staff, quarantine, and infection prevention control arrangements and expansion of ICU by an additional 80 beds. The project will support (i) providing medical supplies and equipment such as appropriately sized PPE, special supplies for female staff, ventilators, anesthetic instruments, and monitors; (ii) training staff in safety and quality of care for COVID-19 patients, and technical agencies providing clinical and services guidelines; and (iii) providing ambulances to project facilities. To ensure the hospitals are well-prepared and staffed to provide quality COVID-19 treatment, the project will also provide funds for (i) staff incentives in the form of hardship

<sup>13</sup> There are 29,502 health workers in Kyrgyzstan, including 8,322 physicians and 21,180 mid-level health workers.

<sup>14</sup> WHO. [Global Health Expenditures Database](#) (accessed 29 April 2020).

<sup>15</sup> WHO. 2020. Hospital Readiness Assessment – in the Context of the COVID-19 Outbreak, February 2020.

<sup>16</sup> The design and monitoring framework is in Appendix 1.

allowances as approved by government regulation,<sup>17</sup> (ii) minor repairs and refurbishment of facilities,<sup>18</sup> and (iii) improvement of facilities for hospital staff and including separate changing and resting facilities for male and female health workers. The enhanced capacity of the eight hospital facilities will strengthen the resilience of the country to future outbreaks and pandemics.<sup>19</sup>

15. **Beneficiaries.** For output 2, beneficiaries will be COVID-19 moderate and critical patients and their health workers in the 8 targeted hospitals, and elsewhere to supplement assistance to other hospitals. For output 2, beneficiaries will be COVID-19 contacts including health workers for testing.

**Table 1: List of Facilities**

Hospital	Region	Total Beds	ICU Beds
Republican clinical infection hospital	Bishkek	204	32
Jalal-Abad regional clinical hospital	Jalal-Abad region	65	7
Territorial hospital of Suzak region	Jalal-Abad region	70	2
Osh City clinical hospital	Osh Region	200	15
Nookat Territorial Hospital	Osh Region	140	8
Naryn regional joint hospital	Naryn region	65	10
Talas regional joint hospital	Talas region	22	2
Issyk-Kul regional joint hospital	Issyk-Kul region	26	5
<b>Total</b>		<b>792</b>	<b>81</b>

Source: Asian Development Bank.

## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

**Table 2: Schedule of Project Readiness Activities**

Indicative Activities	2020				Responsible Individual/Unit/Agency/ Government
	April	May	June	July	
Advance contracting actions					MOH/MOF/ADB
Retroactive financing actions					MOH/MOF/ADB

<sup>17</sup> The Government of the Kyrgyz Republic issued regulation No.194, dated 3 April 2020, "Regulation of the ordinance of the spending of the funds received for the support of the pandemic measures and its operating mechanism," which adds a hardship allowance to health and other workers supporting facilities fighting COVID-19. The allowance in a form of nonrefundable payment is payable through the Mandatory Health Insurance Fund (MHIF), which supports a single payer system in health care and has adequate facilities to track transactions and e-procurement.

<sup>18</sup> Minor repairs and refurbishment of facilities cover repair of handwashing and hygiene facilities, electrical and sewage repairs, staff and patient safety, repair of health wards to convert them to ICUs where new equipment will be placed, and meeting temporary housing needs for health workers.

<sup>19</sup> Support for health workers allowances beyond the 8 facilities will be considered depending on the scale of the outbreak and once detailed costs for supporting the 8 facilities are determined during implementation.

<b>Indicative Activities</b>	<b>2020</b>	<b>Responsible Individual/Unit/Agency/ Government</b>
Establish project implementation arrangements		MOH/MOF
Loan/grant negotiations		MOH/MOF/ADB
Selection of national consultants		MOH/MOF
ADB Board approval		ADB
Loan and Grant signing		MOH/MOF/ADB
Government legal opinion provided		MOJ
Government ratification		MOF
Loan and Grant effectiveness		ADB

ADB = Asian Development Bank, MOF = Ministry of Finance, MOH = Ministry of Health, MOJ = Ministry of Justice.  
Source: Asian Development Bank.

## B. Overall Project Implementation Plan

**Table 3: Overall Project Implementation Plan**

Activities	2020									2021									2022					
	Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1		
	a	m	j	j	a	s	o	n	d	j	f	m	a	m	j	j	a	s	o	n	d	j	f	m
<b>A. Design and Monitoring Framework</b>																								
<b>Output 1: Capacity of surveillance and response services to COVID-19 strengthened</b>																								
1.1	Confirm with MOH and WHO plans for strengthening laboratories for COVID-19 testing in terms of workload, facilities, staff, equipment etc.																							
1.2	Review laboratory workload, management, staff, facilities, equipment, supplies, and quality and safety standards and arrangements (this may have been done by a partner)																							
1.3	Prepare a plan for scaling up laboratory services in terms of workload, staff skills, equipment, and supplies																							
1.4	Review and agree standards for laboratory testing, safety and quality, equipment manual, staff training, calibration, maintenance, and use of supplies																							
1.5	Apply specifications, prepare bidding documents, procure laboratory equipment, tests, and other supplies considering sufficient stock to adjust for fluctuating donations from partners																							
1.6	Procure equipment and supplies for the collection of specimens by the sanitary epidemiological department																							
<b>Output 2: Capacity for infection prevention control and quality of care for COVID-19 patients improved</b>																								
2.1	Confirm with MOH and WHO plans for strengthening proposed COVID-19 hospitals in terms of workload, beds,																							





Activities		2020									2021									2022						
		Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1			
		a	m	j	j	a	s	o	n	d	j	f	m	a	m	j	j	a	s	o	n	d	j	f	m	
	coordination, communication, conduct, and reporting,																									
3.8	Review and plan in detail project activities, schedule and responsibilities (Gantt chart)																									
3.9	Review and plan mainstreaming of gender action plan and social safeguards in connection with project scope																									
3.10	Plan and executive administrative, procurement and financial management systems including regular communication with ADB																									
3.11	Review MOH COVID-19 expenditures within the project scope from 24 March 2020, procedures, pricing, and process retroactive financing																									
3.12	Establish project monitoring and evaluation system including for safeguards																									
3.13	Produce monthly activity report and quarterly report																									
3.14	Facilitate ADB inspection and audit, including annual financial audits due every June of the subsequent year and special purpose audits																									

ADB = Asian Development Bank, COVID-19 = coronavirus disease, ICU = intensive care unit, IPC = infection prevention and control, M&E = monitoring and evaluation, MHIF = Mandatory Health Insurance Fund, MOF = Ministry of Finance, MOH = Ministry of Health, PIU = project implementation unit, PPE = personal protective equipment, TOR = terms of reference, WHO = World Health Organization.

Source: Asian Development Bank.

### III. PROJECT MANAGEMENT ARRANGEMENTS

#### A. Project Implementation Organizations: Roles and Responsibilities

**Table 4: Project Implementation Organizations: Roles and Responsibilities**

Project Implementation Organizations	Management Roles and Responsibilities
Project steering committee	<p>The Republican Headquarters for the Prevention of the Spread of COVID-19, with the Prime Minister of the Kyrgyz Republic (chair) and the representatives of all ministries and state agencies (members), as the project steering committee, will be responsible for:</p> <ul style="list-style-type: none"> <li>• Overall policy guidance</li> <li>• Coordination and liaising with other government agencies and departments</li> </ul> <p>Evaluation of project activities and outputs based on quarterly reports</p>
Executing agency – Ministry of Health	<p>The Ministry of Health will be the executing agency and will be responsible for overall management jointly with MOH-PIU, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Preparing technical specifications</li> <li>• Developing bidding documents</li> <li>• Managing bidding process</li> <li>• Leading Bidding Committee - Procurement decisions will be done by Bidding committee under leadership of MOH and involving other Ministries, such as Ministry of Finance, Ministry of Emergency</li> <li>• Monitoring of inventories and assets management</li> <li>• Policy coordination and guidance for implementation</li> <li>• Contract signing and implementation</li> <li>• Assessing refurbishment needs of hospitals and providing guidance to hospitals on civil works and monitoring of environmental safeguards (CoCP)</li> <li>• Monitoring and supervision of the refurbishment of 8 hospitals</li> <li>• Monitoring and determination of hardship allowances for health facility staff</li> <li>• Monitoring and supervision of project implementation, project indicators, covenants</li> <li>• Coordination and timely submission of reports to ADB</li> </ul>
PIU-MOF	<p>The Project Implementation Unit of the Ministry of Finance will be responsible for fiduciary duties including but not limited to:</p> <ul style="list-style-type: none"> <li>• Treasury management</li> <li>• Disbursements</li> <li>• Accounting and financial reporting</li> <li>• Financial records management</li> <li>• Arranging annual audits, including special purpose audits, and accountable for management of the advance account in accordance to ADB process and policies, inclusive of payments to MHIF</li> </ul>
MHIF	<p>The Mandatory Health Insurance fund will be responsible for:</p> <ul style="list-style-type: none"> <li>• Collecting supporting documents from the 8 hospitals;</li> <li>• Recording individual contract for refurbishment and monitor the contractual payment compliance;</li> </ul>



Project Implementation Organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> <li>• Record additional payments to individual health-workers, including top-up salary and hardship allowance;</li> <li>• Channeling funds to hospitals</li> <li>• Preparing financial reporting of activities at the facility level.</li> </ul>
ADB	<p>ADB will:</p> <ul style="list-style-type: none"> <li>• Provide Project funds and oversee project implementation;</li> <li>• Monitor compliance with loan and grant agreements and the project administration manual;</li> <li>• Monitor implementation arrangements, disbursement, procurement, consultant selection, and reporting;</li> <li>• Monitor schedules of activities, including funds flow;</li> <li>• Review compliance with agreed procurement procedures and loan and grant covenants;</li> <li>• Monitor effectiveness of the project to achieve its expected outputs and outcomes, safeguards, and anti-corruption measures;</li> <li>• Approve procurement activities at no-objection basis and withdrawal applications;</li> <li>• Undertake an inception mission and periodic review missions as well as joint mid-term and project completion review missions with the government.</li> </ul>

ADB = Asian Development Bank, COVID-19 = coronavirus disease, MOF = Ministry of Finance, MOH = Ministry of Health, MHIF = Mandatory Health Insurance Fund, PIU = project implementation unit  
Sources: Asian Development Bank; and Government of Kyrgyz Republic.

## B. Project Implementation Arrangements

16. The MOH will be the executing agency and will nominate a senior government official as project director who will be responsible for overall project implementation. The MOH COVID-19 Headquarters will function as the response coordination center in the health sector. PIU functions will be split between MOH-Project Implementation Unit (PIU), responsible for procurement and assets management, monitoring and evaluation, and MOF's existing PIU, responsible for fiduciary management.

17. The MOH-PIU will be responsible and accountable for (i) procurement, including developing technical specifications for supplies and equipment, preparing bidding documents, managing procurement, delivery and supplies distribution, (ii) monitoring inventories and assets management, (iii) evaluating 8 hospitals proposals for refurbishments, top-up salary and hardship allowance to health workers, (iv) monitoring and supervision of refurbishment works and payments to health workers through MHIF, (v) liaising with other development partners on training for health workers, and (vi) monitoring and evaluating project indicators and covenants, and its compliance with all safeguards, gender and social requirements. Individual national experts will be recruited to support MOH-PIU, specifically health specialist, biomedical engineer, monitoring and evaluation expert, civil works supervision and environmental safeguards expert, and PIU procurement specialist, while procurement assistant will be added, on a needs basis. The MOH-PIU will be physically located in MOH building and will be reporting to the Project Director, MOH.

18. The MOF-PIU was established in 2002 and has experience in procurement and fiduciary responsibilities for two past ADB projects and three ongoing World Bank projects. The MOF-PIU

has 6 experienced staff. The MOF-PIU will support MOH-PIU with (i) financial management, (ii) procurement supervision, as necessary, (iii) disbursements, (iv) financial reporting and accounting, (v) financial records management, and (vi) managing annual financial and special audits. The existing procurement specialist will be outposted to MOH-PIU on an as-needed basis. The MOF-PIU will continue to report to PIU Director, who will in turn report to the Project Director, MOH. The MOF-PIU will recruit an additional disbursement specialist to support disbursements of ADB and WB COVID-19 projects. In total, 12 staff will be available across MOF-PIU and MOH to support project implementation. The additional experts under MOH will be recruited as national consultants and will be charged 100% to project costs, while the 6 existing MOF-PIU staff will be only charged 40% to the project costs, and the additional disbursement specialist recruited by and under MOF will be charged 50% to the project costs.

### C. Key Persons Involved in Implementation

#### Executing Agency

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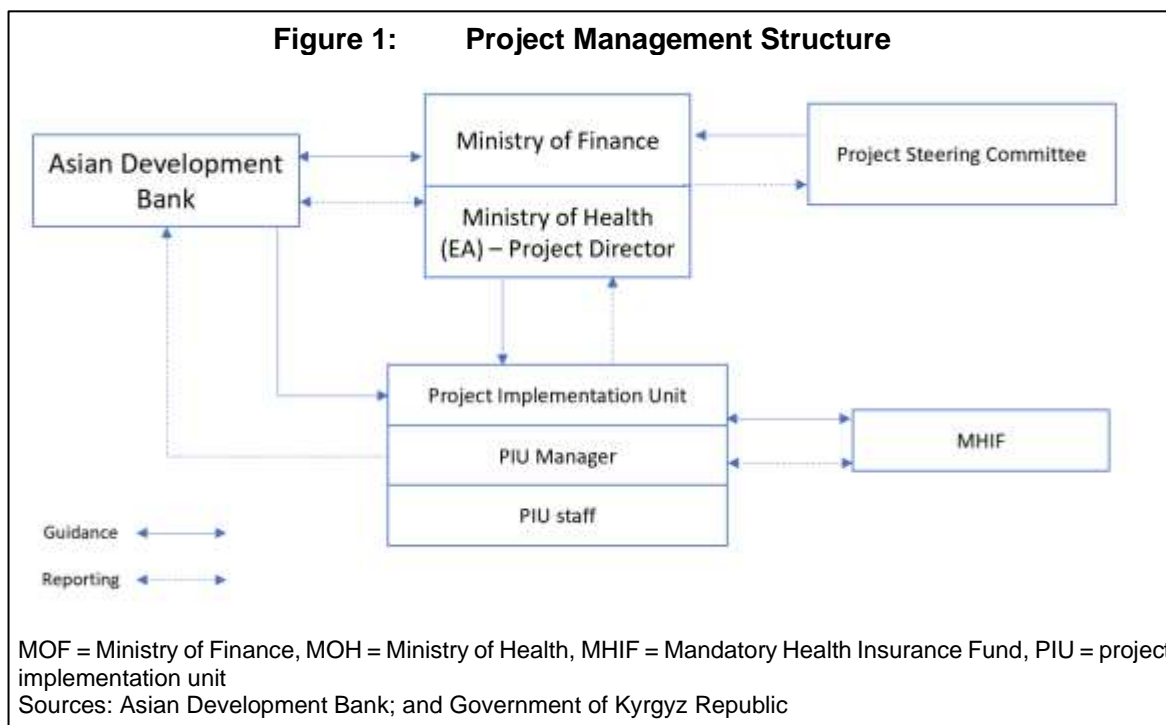
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 Kyrgyz Republic

## D. Project Organization Structure



## IV. COSTS AND FINANCING

### A. Cost Estimates Preparation and Revisions

19. The project cost estimates were prepared by the processing team in consultation with the implementation agencies of the project. The unit rates have been obtained from the most recent estimates made by other development partners for their projects in response to the COVID-19 outbreak. These cost estimates are tentative which may vary during the project implementation. If need arises, ADB, on the request of the implementation agencies, will consider change in project costs and reallocation of loan and/or grant categories, as appropriate.

20. The ADB loan and grant will be applied in parallel manner, with grant funds prioritized for imported goods and equipment because procurement using grant funds is exempt from customs duties. The ADB loan and grant will be financing goods, civil works, consulting services and hardship allowances as set out in the detailed cost estimates. Payment for the civil works and hardship allowances will be made through MHIF, which arrangements are being discussed and once agreed, such arrangements will be updated in the PAM. A disbursement condition will be included in the loan agreement whereby no withdrawals will be made for the civil works and hardship allowances until such arrangements are agreed to the satisfaction of ADB. The government will provide in-kind support in the form of exemptions of customs duties and taxes on grants and project management support.

## B. Key Assumptions

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

- (i) Exchange rate: Som 81.592 = \$1.00 (as of 21 April 2020)
- (ii) Physical contingencies are estimated at 5% of the base cost
- (iii) Price contingencies are calculated based on escalation rates for domestic and international costs estimated for Kyrgyz Republic. Annual escalation rate for international costs is estimated at an average 1.57% p.a. for each year from 2020–2022 and annual escalation rate for domestic costs is estimated at an average 4.5% p.a. for the years 2020–2022, compounded semi-annually, as shown below:

**Table 5: Escalation Rates for Price Contingency Calculation**

Item	2020	2021	2022	Average
Foreign rate of price inflation	1.50%	1.6%	1.6%	1.57%
Domestic rate of price inflation	3.5%	5.00%	5.00%	4.50%

Source: Asian Development Bank estimates.

- (iv) The government will contribute in-kind assistance of \$1.7 million, including exemptions on duties for goods and supplies purchased from the grant, office accommodation, counterpart staff, information management and project oversight responsibilities.

22. The Project investment plan is set out in Table 6 below:

**Table 6: Summary Cost Estimates**  
(\$ million)

Item	Amount <sup>a</sup>
<b>A. Base Cost<sup>b</sup></b>	
1. Output 1: Capacity of surveillance and response services to COVID-19 strengthened	2.0
2. Output 2: Capacity for infection prevention control and quality of care for COVID-19 patients improved	18.4
<b>Subtotal (A)</b>	<b>20.4</b>
<b>B. Contingencies<sup>c</sup></b>	<b>1.1</b>
<b>C. Financial Charges During Implementation<sup>d</sup></b>	<b>0.2</b>
<b>Total (A+B+C)</b>	<b>21.7</b>

<sup>a</sup> Includes taxes and duties of \$3.13 million, of which ADB will finance \$1.43 million while the government will contribute \$1.70 million via custom exemption on goods and supplies purchased by the grant. Such amount does not represent an excessive share of the project cost. The Government will also provide project management support through provision of office space.

<sup>b</sup> In April 2020 prices. The project management costs are included in outputs.

<sup>c</sup> Physical contingencies have been computed at 5% of the base cost while price contingencies have been computed at an average of 1.57% p.a. (2020:1.5%; 2021:1.6%; 2022:1.6%) for foreign currency component and at an average of 4.5% (2020:3.5%; 2021:5.0%; 2022:5.0%) for the local currency component of the project costs including physical contingencies.

<sup>d</sup> Interest rate is 1% for concessional ADB loans (Group A) from ordinary capital resources during and after the grace period. There are no commitment or other charges on all sources of financing.

Sources: Asian Development Bank; Government of Kyrgyz Republic; and World Health Organization.

### C. Detailed Cost Estimates by Expenditure Category

**Table 7: Detailed Cost Estimates by Expenditure Category**

Item	Foreign Exchange	Local Exchange	Total Currency	% of Total Cost <sup>a</sup>
<b>A. Investment Costs</b>				
1 Goods, Vehicles and Training <sup>b</sup>	11,725,728	6,355,757	18,081,486	88.5%
2 MHIF Fund Transfer <sup>c</sup>	-	2,000,000	2,000,000	9.8%
<b>Subtotal (A)</b>	<b>11,725,728</b>	<b>6,355,757</b>	<b>18,081,486</b>	<b>88.5%</b>
<b>B. Recurrent Costs</b>				
Project management <sup>d</sup>	107,143	253,338	360,481	1.8%
<b>Subtotal (B)</b>	<b>107,143</b>	<b>253,338</b>	<b>360,481</b>	<b>1.8%</b>
<b>C. Total Base Cost (A+B)</b>	<b>11,832,871</b>	<b>8,609,095</b>	<b>20,441,966</b>	<b>100.0%</b>
<b>D. Contingencies</b>				
1 Physical	520,266	301,632	821,898	4.0%
2 Price	162,878	106,897	269,775	1.3%
<b>Subtotal (C)</b>	<b>683,143</b>	<b>408,529</b>	<b>1,091,673</b>	<b>5.3%</b>
<b>E. Interest Charges During Implementation</b>	<b>166,361</b>	<b>-</b>	<b>166,361</b>	<b>0.8%</b>
<b>Total Project Cost (A+B+C)</b>	<b>12,682,375</b>	<b>9,017,625</b>	<b>21,700,000</b>	<b>106.2%</b>

Note:

<sup>a</sup> Since this is a part of nation emergency response plan to Covid-19, the detailed list of equipment, supplies and vehicles was still under development by the government. The government could only provide the estimate cost for each category. We will validate the detailed quantity and unit cost of each category as needed during the mid-term review.

<sup>b</sup> Contracts for equipment, supplies and vehicles including 12 months warranty, installation, training on the use of the equipment and vehicles to medical personnel.

<sup>c</sup> MHIF Fund Transfer includes refurbishment and repair health facilities of 8 designated hospitals to turn them into safe quarantine and treatment centers, providing temporary housing for and additional payments in form of hardship allowances to health workers.

<sup>d</sup> Project management includes salaries of consulting staff working for the PIU, operational costs of the PIU, annual financial audit, special audits, PIU furniture and equipment and government's in-kind contribution by information management, office space, counterpart staff and steering committee and project oversight responsibilities.

Source: Asian Development Bank.

**D. Allocation and Withdrawal of Loan and Grant Proceeds****Table 8: Allocation and Withdrawal of Loan Proceeds**

		<b>Total amount allocated for ADB Financing</b>	
<b>Item</b>		<b>(\$)</b>	<b>Basis for withdrawal</b>
1	Goods and consulting services	7,833,639	100% of total expenditure claimed*
2	Works and hardship allowances (MHIF fund transfer)**	2,000,000	100% of total expenditure claimed
3	Interest charges during implementation	166,361	100% of total amount due
<b>Total</b>		<b>10,000,000</b>	

\* The Loan and Grant will be applied in parallel manner, with the Grant funds prioritized for imported goods and equipment as procurement using Grant funds is exempt from customs duties.

\*\* Subject to the condition for withdrawal described in paragraph 7 of Schedule 3 of the Loan Agreement.

Note: Numbers may not sum precisely due to rounding.

**Table 9: Allocation and Withdrawal of Grant Proceeds**

		<b>Total amount allocated for ADB Financing</b>	
<b>Item</b>		<b>(\$)</b>	<b>Basis for withdrawal</b>
1	Goods and vehicles	9,039,105	100% of total expenditure claimed*
2	Project management	360,481	100% of total expenditure claimed
3	Unallocated	600,414	
<b>Total</b>		<b>10,000,000</b>	

\* Exclusive of taxes and duties imposed within the territory of the Borrower. The Loan and Grant will be applied in parallel manner, with the Grant funds prioritized for imported goods and equipment as procurement using Grant funds is exempt from customs duties. project management costs to be financed from the Grant proceeds are not exclusive of taxes and duties and the Borrower requested that the ADB Team minute that project management costs for PIU staff are inclusive of social funds contribution.

Note: Numbers may not sum precisely due to rounding.

## E. Detailed Cost Estimates by Financier

Table 10: Project Cost Estimates by Financier

	ADB Loan		ADB grant		GOV		Total cost	
	Amount (\$)	% of Cost Category	Amount (\$)	% of Cost Category	Amount (\$)	% of Cost Category	Amount (\$)	Taxes and duties (\$)
<b>A. Investment Costs</b>								
1. Goods, Vehicles and Training	7,342,381	41%	9,039,105	50%	1,700,000	9%	18,081,486	3,015,698
2. Works and hardship allowances (MHIF Fund Transfer)	2,000,000	100%	-	0%	-	0%	2,000,000	115,714
<b>Subtotal (A)</b>	<b>9,342,381</b>	<b>1.41</b>	<b>9,039,105</b>	<b>45%</b>	<b>1,700,000</b>	<b>8%</b>	<b>20,081,486</b>	<b>3,131,412</b>
<b>B. Recurrent Costs</b>								
1. Project management	-	0%	360,481	100%	-	0%	360,481	-
<b>Subtotal (B)</b>	<b>-</b>	<b>0%</b>	<b>360,481</b>	<b>100%</b>	<b>-</b>	<b>0%</b>	<b>360,481</b>	<b>-</b>
<b>Total Base Cost (A+B)</b>	<b>9,342,381</b>	<b>1.41</b>	<b>9,399,586</b>	<b>1.45</b>	<b>1,700,000</b>	<b>0.08</b>	<b>20,441,966</b>	<b>3,131,412</b>
<b>C. Contingencies</b>								
2. Physical	367,119	45%	454,779	55%	-	0%	821,898	-
3. Price	124,139	46%	145,635	54%	-	0%	269,775	-
<b>Subtotal (C)</b>	<b>491,258</b>	<b>45%</b>	<b>600,414</b>	<b>55%</b>	<b>-</b>	<b>0%</b>	<b>1,091,673</b>	<b>-</b>
<b>D. Interest Charges During Implementation</b>	<b>166,361</b>	<b>100%</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>	<b>166,361</b>	<b>-</b>
<b>Total Project Cost (A+B+C)</b>	<b>10,000,000</b>	<b>46%</b>	<b>10,000,000</b>	<b>46%</b>	<b>1,700,000</b>	<b>8%</b>	<b>21,700,000</b>	<b>3,131,412</b>

MHIF = Mandatory Health Insurance Fund.

Note: Numbers may not sum precisely due to rounding.

Source: Asian Development Bank.

## F. Detailed Cost Estimates by Outputs and/or Components

Table 11: Project Cost Estimates by Outputs and/or Components

Item	Total Cost	Output 1		Output 2	
	(\$)	(\$)	% of Cost Category	(\$)	% of Cost Category
<b>A. Investment Costs</b>					
1 Goods, Vehicles and Training	18,081,486	2,000,000	11.1%	16,081,486	88.9%
2 Works and hardship allowances (MHIF Fund Transfer)	2,000,000	-	0.0%	2,000,000	100.0%
<b>Subtotal (A)</b>	<b>18,081,486</b>	<b>2,000,000</b>	<b>11.1%</b>	<b>16,081,486</b>	<b>88.9%</b>
<b>B. Recurrent Costs</b>					
Project management	360,481	35,902	10.0%	324,579	90.0%
<b>Subtotal (B)</b>	<b>360,481</b>	<b>35,902</b>	<b>10.0%</b>	<b>324,579</b>	<b>90.0%</b>
<b>C. Total Base Cost (A+B)</b>	<b>20,441,966</b>	<b>2,035,902</b>	<b>10.0%</b>	<b>18,406,064</b>	<b>90.0%</b>
<b>D. Contingencies</b>					
1 Physical	821,898	81,856	10.0%	740,042	90.0%
2 Price	269,775	26,868	10.0%	242,907	90.0%
<b>Subtotal (C)</b>	<b>1,091,673</b>	<b>108,724</b>	<b>10.0%</b>	<b>982,949</b>	<b>90.0%</b>
<b>E. Interest Charges During Implementation</b>	<b>166,361</b>	<b>16,569</b>	<b>10.0%</b>	<b>149,792</b>	<b>90.0%</b>
<b>Total Project Cost (A+B+C)</b>	<b>21,700,000</b>	<b>2,161,195</b>	<b>10.0%</b>	<b>19,538,805</b>	<b>90.0%</b>

MHIF = Mandatory Health Insurance Fund.

Note: Numbers may not sum precisely due to rounding.

Source: Asian Development Bank.



**G. Detailed Cost Estimates by Year**

**Table 12: Detailed Cost Estimates by Year**

	(\$)				
Item	Total Cost	Year 1	Year 2	Year 3	
<b>A. Investment Costs</b>					
1 Goods, Vehicles and Training	18,081,486	15,393,263	2,688,223		-
2 Works and hardship allowances (MHIF Fund Transfer)	2,000,000	1,700,000	300,000		-
<b>Subtotal (A)</b>	<b>18,081,486</b>	<b>15,393,263</b>	<b>2,688,223</b>		<b>-</b>
<b>B. Recurrent Costs</b>					
Project management	360,481	63,334	180,240		116,906
<b>Subtotal (B)</b>	<b>360,481</b>	<b>63,334</b>	<b>180,240</b>		<b>116,906</b>
<b>C. Total Base Cost (A+B)</b>	<b>20,441,966</b>	<b>17,156,597</b>	<b>3,168,463</b>		<b>116,906</b>
<b>D. Contingencies</b>					
1 Physical	821,898	687,660	128,393		5,845
2 Price	269,775	163,265	103,296		3,214
<b>Subtotal (D)</b>	<b>1,091,673</b>	<b>850,925</b>	<b>231,689</b>		<b>9,059</b>
<b>E. Financial Charges During Implementation</b>	<b>166,361</b>	<b>46,584</b>	<b>102,037</b>		<b>17,740</b>
<b>Total Project Cost (A+B+C)</b>	<b>21,700,000</b>	<b>18,054,105</b>	<b>3,502,189</b>		<b>143,705</b>

MHIF = Mandatory Health Insurance Fund.

Note: Numbers may not sum precisely due to rounding.

Source: Asian Development Bank

**H. Contract and Disbursement S-Curve**

23. Table 13 and Figure 2 show the quarterly contract awards and disbursement projections over the life of the project. The S-curve is only for ADB financing, which will be recorded in ADB's systems and reported through e-Ops. Counterpart funds are excluded. The projections of contract awards include contingencies and unallocated amounts but exclude front-end fees and service charges.

**Table 13: Disbursement and Contract Awards – Loan**  
(\$ million)

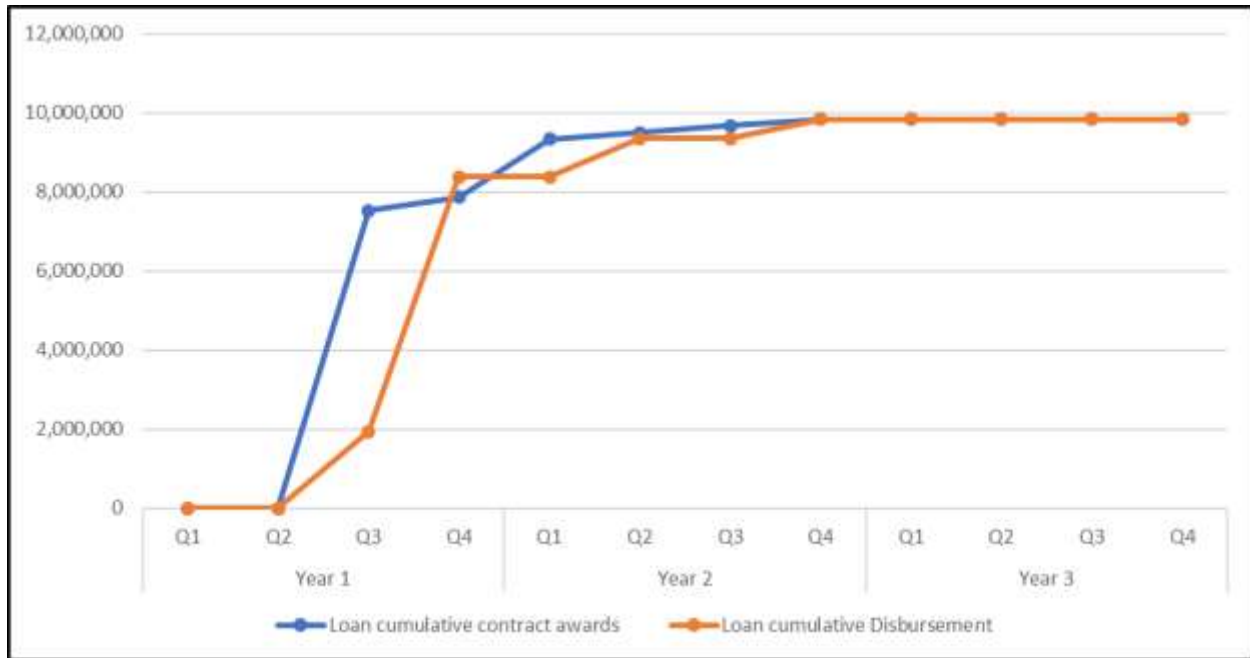
Years	Contract Awards					Disbursement				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Year 1	-	-	7.531	0.336	<b>7.867</b>	-	-	1.933	6.451	<b>8.384</b>
Year 2	1.466	0.167	0.167	0.167	<b>1.966</b>	-	0.966	-	0.483	<b>1.449</b>
Year 3	-	-	-	-	-	-	-	-	-	-
<b>Total</b>					<b>9.834</b>					<b>9.834</b>

Notes: IDC amounting to \$0.166 million is not included in the contract awards schedule.

Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

**Figure 2: S-curve - Contract Awards and Disbursement - Loan**



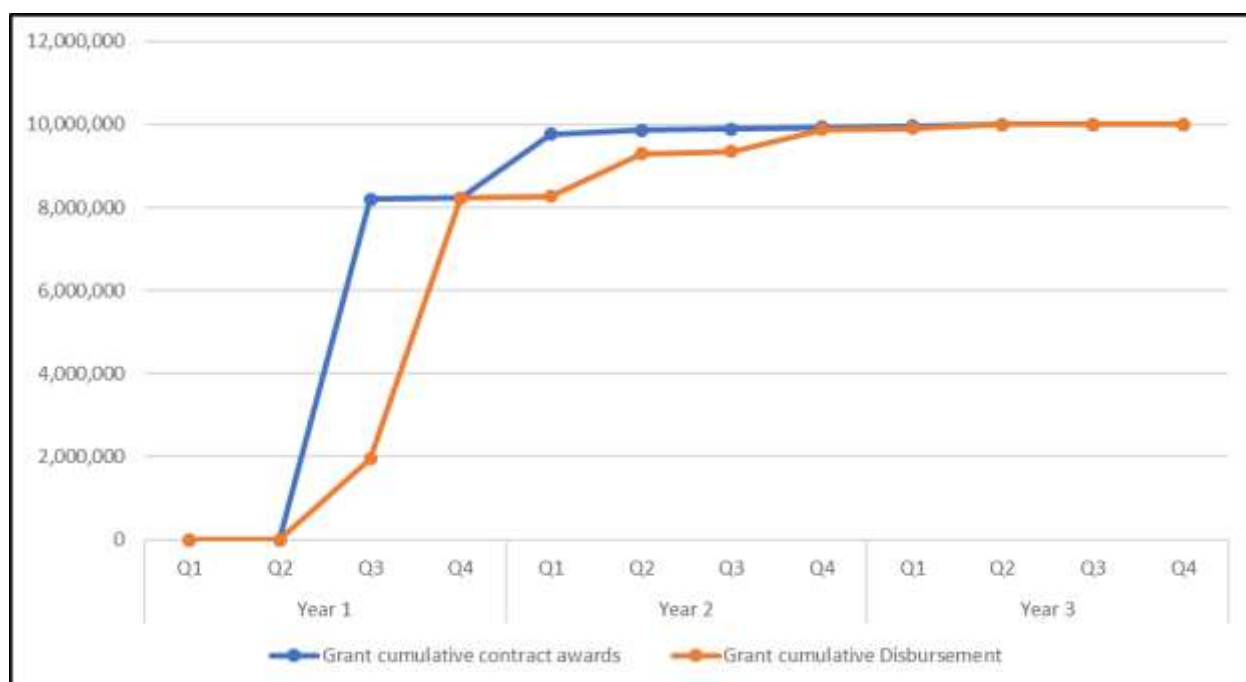
Q = quarter.

**Table 14: Disbursement and Contract Awards – Grant**  
(\$ million)

Years	Contract Awards					Disbursement				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Year 1	-	-	8.201	0.035	<b>8.236</b>	-	-	1.956	6.279	<b>8.236</b>
Year 2	1.533	0.092	0.035	0.035	<b>1.695</b>	0.035	1.024	0.063	0.052	<b>1.637</b>
Year 3	0.035	0.035	-	-	<b>0.069</b>	0.035	0.092	-	-	<b>0.126</b>
<b>Total</b>					<b>10.000</b>					<b>10.000</b>

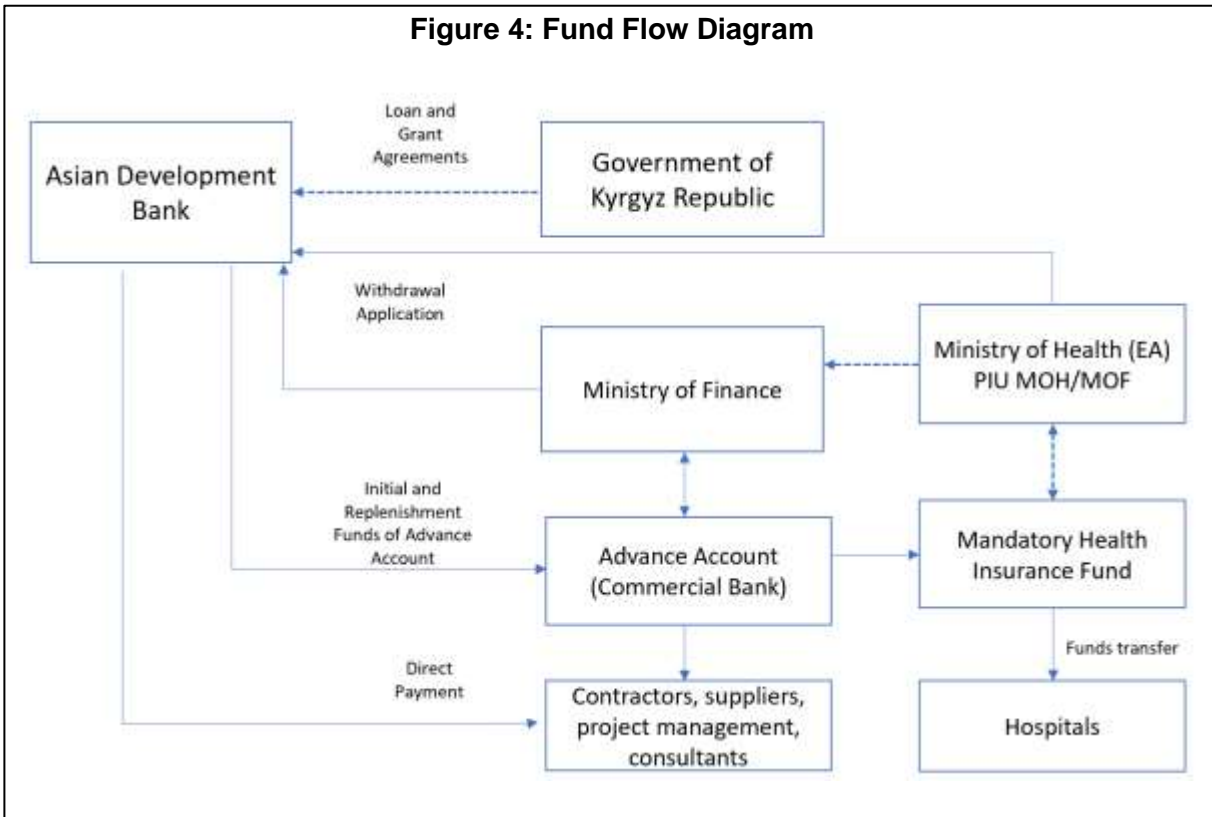
Note: Numbers may not sum precisely because of rounding.  
Source: Asian Development Bank.

**Figure 3: S-curve - Contract Awards and Disbursement – Grant**



Q = quarter.

## I. Fund Flow Diagram



## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

24. The financial management assessment (FMA) was conducted in April 2020 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. The project's financial and asset management framework involves distributed roles and responsibilities amongst the MOH, MOF and MHIF. Accordingly, the FMA focused at assessing relevant capacities of these organizations, including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements.

25. ADB completed a governance risk assessment (GRA) in 2018 according to the implementation guidelines of ADB's Second Governance and Anticorruption Action Plan. The assessment found that the country's public financial management (PFM) were functioning well overall. The GRA found that the functioning of the PFM systems has improved in recent years, especially as regards budgeting, transparency, treasury functions, tax administration, debt management, financial reporting and legislative framework (new Budget Code). However, a number of weaknesses remain, including revenue forecasting, budget credibility, investment planning and estimation of recurrent expenditures, off-budget funds, financial management information system (FMIS), internal audit and external audit, which are being addressed through a 3-year World Bank and European Union TA.

26. The project management structure mandates the MOF for financial management, the inventory management is assigned to MOH and MHIF will administer funds for refurbishment of hospital wards and top-up salary and hardship allowance to health workers. ADB's Financial Management Assessment concluded that project financial management risk is *Substantial*, due to emergency nature of the project, potential adverse impacts of weak internal and external audit arrangements on internal controls framework, limited strength of finance and internal audit staff within MOF, MOH, and MHIF, and potential risk of misuse of funds by target hospitals and staff incentive payments. Key risk mitigating strategies are set out in the risk assessment and risk management plan as detailed in FMA.<sup>20</sup> ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government. The specific policy requirements and supplementary measures are described in the PAM.<sup>21</sup>

## 1. Executing Agency

27. MOH will be the executing agency and will be responsible for overall project implementation. MOH will be supported by MOH-PIU responsible for procurement, inventory and assets management, project monitoring responsibilities and MOF-PIU with disbursement and fiduciary responsibilities.

28. MOH-PIU will be newly formed with 5 staff to support procurement, inventory and assets management, project monitoring and evaluation responsibilities. MOH uses 1C accounting software for inventories and assets tracking, which is further publicly disclosed in register on website [www.pharm.kg](http://www.pharm.kg). MOH-PIU will be using the same platform for inventory and assets management procured under ADB COVID-19 project.

29. MOF-PIU was established in 2002 and has experience in procurement and fiduciary responsibilities for two past ADB and three ongoing World Bank projects. MOF-PIU have 6 existing staff and will be responsible for (i) financial management, (ii) procurement supervision, as necessary, (iii) disbursements, (iv) financial reporting and accounting, (v) financial records management, and (vi) managing annual financial and special audits. MOF-PIU has been assessed and has the financial management capacity appropriate to administer the advance account and using the statement of expenditure (SOE) procedure.

30. MOH with support from MOF-PIU was assessed to possess sufficient financial management capacity and systems, with clear segregation of duties between procurement and fiduciary responsibility, governance structure with dual reporting to MOH and MOF, established International Public Sector Accounting Standards ((IPSAS) accounting, 1C software platform, overall 12 staffing resources. However, the existing government audits are not reliable and thus special audits are planned in addition to annual financial audits. The pre-mitigated Financial Management Risk was assessed as *Substantial*.

## 2. Mandatory Health Insurance Fund

31. MHIF that exists since 1996, will administer funds for refurbishment of 8 hospital wards and top-up salary and hardship allowance to health workers under output 2. MHIF's role will be limited to collecting supporting documents from 8 hospitals, record individual contract for refurbishment, monitor the contractual payment compliance, record additional payments to individual health-workers, including top-up salary and hardship allowance, channeling funds to

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<sup>20</sup> Financial Management Assessment (Supplementary Document 1)

<sup>21</sup> Project Administration Manual (accessible from the list of linked documents in [Appendix 2](#)).

hospitals, and preparing financial reporting of activities at the facility level. The methodology for funds transfer will follow the same modality agreed between the Government and the World Bank, subject to ADB review and approval, once finalized by the government. Once formalized, the PAM will be updated.

32. The World Bank has conducted financial management assessment of MHIF in 2017 and in April 2020 updated FMA under World Bank COVID-19 project. The updated FMA confirmed that financial management arrangements are in place considering the experience and existing capacity at the MHIF for the project implementation. ADB FMA considered the capacity of MHIF based on WB FMA, FMAQ, staffing, accounting and financial reporting systems, eProcurement system – 1C software platform, financial information systems, and internal and external auditing arrangements, including annual performance audit. However, the existing government audits are not reliable and thus special audits are planned. The FMA assessed the pre-mitigation financial management risk as *Substantial*.

33. **8 designated hospitals.** While noting the strengths, of the MHIF FMA, separate accounts in the treasury system for designated 8 hospitals to ensure transparency and accountability of the funds transferred for refurbishment and payments to health workers, disbursement condition in the loan agreement, the FMA pre-mitigating financial management risk is assessed as *Substantial*.

34. The MHIF will act as a payment agent for part of Output 2 amounting to US\$2M and will handle funds transfer to 8 designated hospitals, covering minor refurbishment works, including repair of handwashing and hygiene facilities, electrical and sewage repairs, staff and patient's safety, temporary housing needs for health workers and payments to health workers, including salary top-up and hardship allowance. For each of the designated hospitals the treasury will open a designated account code for the MHIF payments that will allow better funds trackability, accountability and transparency. MHIF account is required to make payments within 3-5 working days, as appropriate. The following mechanism of payments for the refurbishment works of medical facilities and payment to health workers is expected:

- a. *the refurbishment works* - medical facilities hold tenders on-site, conclude contracts, carry out repair works, sign acceptance certificates, receive invoices for payment and send copies of all these documents to the MHIF and MOF-PIU, with attached copies of all supporting documents. After checking of all the supporting documents, the MOF-PIU pays from an advance account, to the MHIF, which distribute the funds between medical facilities, according to the concluded contracts. After making payment for refurbishment works, MHIF within 15 business days will provide to the MOF-PIU copies of documents confirming the payment.
- b. *the payment to health workers*, including top-up salary and hardship allowance - MHIF/MOH compile the lists, calculate all necessary supplementary payments incurred/earned by health workers, and send an application to the MOF-PIU with copies of expense sheets. After checking all the supporting documents, the MOF-PIU pays to MHIF from an advance account, the application of the MHIF, which distribute the funds between the medical facilities according to the expense sheets. After the payments to health workers is made, MHIF will provide to the MOF-PIU within 15 business days, the copies of the documents confirming the payment to individual health worker.

35. The advance fund and statement of expenditure (SOE) procedures are considered appropriate for MOF-PIU for management of eligible expenditures while maintaining the prevailing

ceiling. Advance account for the project will be opened in the commercial bank and will be managed by MOF-PIU. The MHIF will use its account within the state treasury system. MHIF would require preparing separate financial management report for payments to 8 hospitals and to health-workers that would be subject to annual financial audits, and separate audit opinion in MOF-PIU annual financial audit. MHIF will be also subject to special audits of the project. A Financial Management Action Plan (Table 16) has been agreed with the EA and IA to address the risks.

**Table 15: Summary of Risks and Mitigating Measures**

<b>Risk Type</b>	<b>Risk Assessment</b>	<b>Risk Description</b>	<b>Mitigating Measure</b>
<b>Inherent Risks</b>			
Country specific	Moderate	The Project funds are vulnerable to risks due to fiscal challenges of the government.	Government contribution is in-kind.
Project Specific	Moderate	MOF's arrangements might not be sufficiently robust to ensure accelerated availability and tracking of funds for the Project.	A dedicated bank account shall be opened and maintained with commercial bank, for managing the Project funds. MOF shall ensure that funds are timely released and made available for the Project activities.
COVID-19 Emergency funds accountability specific	Substantial	The government accountability for emergency fund expenditure is not robust and pose the risk of mismanagement	Two annual financial audits, including retroactive financing period and two special audits to be performed at the mid-term review and post-project completion. Additional measures being agreed with IMF through its Letter of Intent, which is expected to be in effect upon approval after 8 May 2020, to enhance procurement transparency such as ex-post audit by Audit Chamber and publishing of bidding documents.
<b>Controls Risks</b>			
Executing and Implementing entity	Moderate	The implementing entity might not have sufficient systems and controls to ensure that the project's financial management activities are adequately governed.	The MOF-PIU is subject to internal audit by the Chamber of Accounts and external annual financial audit by an independent auditor, acceptable to ADB, and 2 special purpose

Risk Type	Risk Assessment	Risk Description	Mitigating Measure
<b>Inherent Risks</b>			
			audits. The MOF-PIU will be required to ensure that project funds are subject to audit by the Chamber of Accounts.
Staffing	Moderate	The MOF-PIU that currently also manage 3 WB projects might not be sufficiently staffed to timely respond to ADB project needs.	An additional disbursement specialist will be appointed for the project.  MOH-PIU will be responsible for procurement and other project implementation functions and will have additionally 5 staff and will be supported by MOF-PIU procurement staff.
Funds flow and disbursement	Substantial	The Project funds might not be timely available for the Project, and trackable to validate their utilization for intended purposes.	Ministry of Finance (MOF) will ensure timely release of funds, proper recording of financial transactions, timely payments and facilitate annual audits of project financial statements.  Funds to MIHF will be disbursed through designated treasury accounts to be opened for each of the eight hospitals for better funds tracking. The specific timelines are recommended on MHIF for the payments.
Financial reporting and external audit	Moderate	The Project might not have adequate accounting and reporting systems and controls to ensure timely and accurate recording of the Project financial transactions, and generation of timely and reliable financial reports to provide true and fair view of the Project's financial performance and position.	MOF-PIU has adequate capacity to manage project funds and audit requirements under ADB and WB projects.



Risk Type	Risk Assessment	Risk Description	Mitigating Measure
<b>Inherent Risks</b>			
Internal audit	Substantial	The Project might not be subject to sufficient and appropriate internal audit arrangements.	<p>The MOF-PIU is subject to internal audit by the Chamber of Accounts. The project included 2 annual financial audits and 2 special audits to address the risk of weak internal controls due to gaps in existing internal and external audit structures and limited staff strength.</p> <p>The MOF-PIU will be required to ensure that project funds are subject to independent external annual financial audits and special audits performed at mid-term review and within 6-months after project completion.</p>
Information systems	Moderate	The information systems might not be sufficient to ensure accurate recording and reporting of the Project's financial transactions.	1C software platform will be used for accounting and financial reporting of project funds. The software has certain limitations with respect to report generation however the finance team will include manual checks to ensure alignment of accounting records and reports.
Inventory management	Substantial	The inventories and health equipment procured under the project might not be adequately safeguarded from the risks of theft and misuse.	<p>MOH will track supplies and equipment using 1C software platform and publish the register in existing MOH managed website <a href="http://www.pharm.kg">www.pharm.kg</a>. The register exists in Russian but is not available in English.</p> <p>Funds to MIHF will be disbursed through</p>

Risk Type	Risk Assessment	Risk Description	Mitigating Measure
<b>Inherent Risks</b>			
			designated treasury accounts to be opened for each of the eight hospitals.
MHIF funds transfer mechanism	Substantial	MHIF Funds trackability	<p>Separate designated treasury account codes for 8 designated hospitals to better transparency and accountability.</p> <p>Disbursement condition is included to ensure that no funds transfers to 8 designated hospitals are released until MOH adopted the detailed operating mechanism, acceptable to ADB and WB.</p> <p>Annual financial audit with separate opinion on the use of ADB funds by MHIF and 8 designated hospitals.</p> <p>Project will have 2 special purpose audits, one at mid-term review and other within 6-months after the project completion.</p>

ADB = Asian Development Bank, COVID-19 = coronavirus disease, FM = financial management, MHIF = Mandatory Health Insurance Fund, MOF = Ministry of Finance, MOH = Ministry of Health, PFM = public financial management, PIU = project implementation unit, OM = operations manual, PPE = personal protective equipment.

Source: Asian Development Bank.

**Table 16: Timebound Financial Management Action Plan**

Risk Mitigating measure	Timeline	Accountable and responsible
Competent MOF-PIU financial management team experienced in implementing will manage the fiduciary aspects of the project	Before project effectiveness, MOH will formalize establishment of the PIU with joint support of MOF-PIU on fiduciary measures	MOH, MOF
MOH will be supported by MOH-PIU and MOF PIU with clear segregation of duties between MOH-PIU for procurement and project monitoring and MOF-PIU for fiduciary oversight.	Before project effectiveness, MOH will formalize establishment of the PIU with joint support of MOF-PIU on fiduciary measures	MOH, MOF

Risk Mitigating measure	Timeline	Accountable and responsible
For implementation of support to 8 designated regional hospitals including refurbishment and payments to health workers, MHIF with adequate financial management and management information system will be involved to manage payments and track individual procurement transactions.	Before any disbursements to 8 hospitals using ADB funds, MOH will develop and adopt operating instructions for funds transfer management involving MHIF. The operating instruction needs to be acceptable to ADB.	MOF, MOH, MHIF, 8 Hospitals
Disbursement condition will ensure the MHIF funds flow transfer instructions are developed and adopted by MOH to disburse and account for funds sent to the 8 designated hospitals.	Reflected in the Loan Agreement.	ADB, MOF, MOH
The project included 2 annual financial audits and 2 special audits to address the risk of weak internal controls due to gaps in existing internal and external audit structures and limited staff strength	Annual financial audits are due within 6-months from the reporting year, typically by June of the subsequent year.  Special Audits to cover transparency, accountability, internal control, financial obligations, of MOF, MOH, and MHIF and will be submitted within 60 days after mid-term review mission and within 6-months after project completion.	MOF, MOH, MHIF
Ensuring timely resolution of audit issues on an ongoing basis.	Ongoing basis.	MOF, MOH
Ensuring adequate government accountability measures for emergency funds spending	Two annual financial audits, including retroactive financing period and two special audits to be performed at the mid-term review and post-project completion.  Additional measures being agreed with IMF through its Letter of Intent, which is expected to be in effect upon approval after 8 May 2020, to enhance procurement transparency such as ex-post audit by Audit Chamber and publishing of bidding documents.	MOF, MOH, Republican HQ task force on COVID-19 response committee chaired by the Prime minister.

ADB = Asian Development Bank, MOF = Ministry of Finance, MOH = Ministry of Health, MHIF = Mandatory Health Insurance Fund.

## B. Disbursement

### 1. Disbursement Arrangements for ADB Funds

36. The loan and grant proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time)<sup>22</sup>, and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.<sup>23</sup> Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

37. The MOF-PIU augmented by the individual consultants will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds from MOF (if any), (iii) collecting supporting documents and (iv) preparing and sending withdrawal application to ADB.

38. **Advance fund procedure.** Separate advance account will be established and maintained by MOF for each funding source. The currency of the advance account(s) is US dollar. The advance account is to be used exclusively for ADB's share of eligible expenditures. The MOF-PIU who administers the advance account is accountable and responsible for proper use of advances to the advance account.

39. 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. The MOF-PIU may request for initial and additional advances to the advance account(s) based on an Estimate of Expenditure Sheet<sup>24</sup> setting out the estimated expenditures to be financed through the account(s) for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by the borrower in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) when liquidating or replenishing the advance account.

40. **Statement of expenditure procedure.**<sup>25</sup> The SOE procedure may be used by MOF-PIU for reimbursement of eligible expenditures or liquidation of advances to the advance account. The ceiling of the SOE procedure is the equivalent of \$100,000 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.

41. Before the submission of the first withdrawal application (WA), the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per WA is stipulated in the *Loan Disbursement*

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<sup>22</sup> The handbook is available electronically from the ADB website (<http://www.adb.org/documents/loan-disbursement-handbook>).

<sup>23</sup> Disbursement eLearning. [http://wpqr4.adb.org/disbursement\\_elearning](http://wpqr4.adb.org/disbursement_elearning)

<sup>24</sup> Estimate of Expenditure sheet is available in Appendix 8A of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

<sup>25</sup> SOE forms are available in Appendix 7B and 7D of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

*Handbook* (2017, as amended from time to time). Individual payments below such amount should be paid through the advance fund procedure, unless otherwise accepted by ADB. The borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements (CPD)<sup>26</sup> system is encouraged for submission of withdrawal applications to ADB. MOF-PIU confirmed during fact-finding mission that they would use CPD for project disbursements.

42. **Disbursement condition:** No withdrawals from the ADB loan account shall be made for Works and hardship allowances as payments through MHIF to the eight hospitals, until the operating instructions developed by MOH is adopted, to the satisfaction of ADB.

## 2. Disbursement Arrangements for Counterpart Fund

43. The government will provide counterpart in-kind support in the form of exemptions of customs duties and taxes on procurement from grants, steering committee and project oversight responsibilities, information management, project management support in the form of office space and counterpart staff. The project costs include taxes and duties of \$3.13 million, of which ADB will finance \$1.43 million while the government will contribute \$1.7 million via customs duties and tax exemptions on goods and supplies purchased by the grant. Such amount does not represent an excessive share of the project cost. The Government will also provide project management support in-kind.

### C. Accounting

44. The MOF-PIU and MHIF will use cash-based accounting and will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following International Public Sector Accounting Standard for cash-based accounting. The MOF-PIU and MHIF will prepare project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices. MOF-PIU and MHIF use 1C accounting software to track individual expenditures.

### D. Auditing and Public Disclosure

45. The MOF-PIU will cause the detailed project financial statements to be audited in accordance with International Standards on Auditing, by an independent auditor registered by WB and acceptable to ADB. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by the MOF-PIU.

46. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan and grant were used only for the purpose(s) of the project and a separate opinion on the use of the retroactive financing, advance account, SOE and MHIF funds transfers to 8 hospitals and their financial reporting; and (iii) whether the borrower or executing agency was in compliance with the disbursement condition and the covenants contained in the loan and grant agreements (where applicable).

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<sup>26</sup> The CPD facilitates online submission of WA to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>.

47. 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.

48. The government, MOF, MOH, and MHIF 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.<sup>27</sup> 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.

49. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.<sup>28</sup> After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.<sup>29</sup>

50. The MOF-PIU shall also recruit an independent auditor, acceptable to ADB to carry out a special audit focusing on governance, transparency and accountability and internal control at the mid-term review of the project and submit such special audit report within 2 month after the mid-term review completion, and at completion of the Project and submit the report on such audit to ADB within 6 months of the project completion. The special audits will also cover the review of funds transfers to MHIF and further to 8 designated hospitals and end-payee, health workers and service providers and suppliers for refurbishment and repair.

## VI. PROCUREMENT AND CONSULTING SERVICES

### A. Advance Contracting and Retroactive Financing

51. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Regulations (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time) and associated project administration instructions and/or staff instructions. The issuance of invitations to bid (or requests for proposals) under advance contracting and retroactive financing will be subject to ADB

<sup>27</sup> 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.

<sup>28</sup> ADB. 2011. [Public Communications Policy of the Asian Development Bank: Disclosure and Exchange of Information](#). Manila.

<sup>29</sup> This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

approval. The borrower/recipient, MOF, MHIF and MOH, have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project. Advance contracting is expected for (i) refurbishment of the facility to quarantine treatment centers, (ii) health workers hardship allowance, (iii) procurement of COVID-19 related PPE, tests, other supplies, equipment, and ambulances as agreed between MOH and ADB, (iv) procurement of PIU furniture and equipment and (iv) recruitment of PIU staff.

52. Retroactive financing is envisaged up to 30% of the total ADB loan and grant incurred before loan and grant effectiveness. The retroactive financing will be considered for expenditures for goods, works, hardship allowances, vehicles, and project management incurred after 24 March 2020.

## **B. Procurement of Goods, Works, and Consulting Services**

53. For procurement of goods, works, non-consulting and consulting services in the project, ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time) and associated project administration instructions and/or staff instructions shall apply. ADB's 2018 Guidance Note on Procurement for Fragile, Conflict Affected, and Emergency Situations,<sup>30</sup> and the additional exemptions as endorsed as per ADB's Comprehensive response to the COVID-19 Pandemic<sup>31</sup> will apply as well. ADB will allow advance contracting and retroactive financing.

54. The project will provide various medical equipment, laboratory equipment and other related supplies to the designated COVID-19 facilities, including ambulances using direct contracting procedures, subject to approval of ADB. Domestic preference might be applied to selected packages.

55. PIU office equipment and furniture for the PIU staff to be hired under the project will be using Request for Quotation. Use of country procurement system rules will be applied for civil works funded through MHIF.

## **C. Consulting Services**

56. All consultants will be recruited according to ADB's Procurement Policy (2017, amended from time to time) and Procurement Regulations for ADB Borrowers (2017, amended from time to time).

57. Individual national consultants to be engaged under MOH PIU include (i) health specialist, (ii) biomedical engineer, (iii) civil engineer/environmental safeguards specialist, (iv) monitoring and evaluation expert, (v) procurement specialist and (vi) procurement assistant will be added on as needed basis. Estimated total input will be 120 person-months. Consulting firms will be engaged for special audit, annual audit, and training.

58. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting services contract packages and national competitive bidding guidelines is in Section D. The terms of reference for all consulting services are detailed in Section [E].

<sup>30</sup> ADB. 2018. [Guidance Note on Procurement: Fragile, Conflict-affected, and Emergency Situations](#). Manila.

<sup>31</sup> ADB. 2020. [ADB's Comprehensive Response to the COVID-19 Pandemic](#). Manila.

**D. Procurement Plan****PROCUREMENT PLAN****Basic Data**

<b>Project Name:</b> COVID-19 Pandemic Emergency Project		
<b>Project Number:</b> 54175-001	<b>Approval Number:</b>	
<b>Country:</b> Kyrgyz Republic	<b>Executing Agency:</b> Ministry of Health	
<b>Project Procurement Risk:</b> Medium	<b>Implementing Agency:</b> N/A	
<b>Project Financing Amount:</b> US\$ 21,700,000 <b>ADB Financing:</b> US\$ 20,000,000 <b>Cofinancing (ADB Administered):</b> N/A <b>Non-ADB Financing:</b> US\$ 1,700,000	<b>Project Closing Date:</b> 30 June 2022	
<b>Date of First Procurement Plan:</b> 21 May 2020	<b>Date of this Procurement Plan:</b> 21 May 2020 Version 0	
<b>Procurement Plan Duration (in months):</b> 18	<b>Advance Contracting:</b> Yes	<b>e-GP:</b> Yes <a href="http://www.zakupki.gov.kg">http://www.zakupki.gov.kg</a>

**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, and consulting services.

<b>Procurement of Goods and Works</b>	
<b>Method</b>	<b>Comments</b>
Request For Quotation for Goods	Shopping up to \$100,000
Direct Contracting for Goods	

<b>Consulting Services</b>	
<b>Method</b>	<b>Comments</b>
Fixed Budget Selection for Consulting Firm	COVID-19 Training and Assessment Firm
Least-Cost Selection for Consulting Firm	Audit Firm
Competitive for Individual Consultant	Under MOH PIU (i) Health Specialist (ii) Biomedical Engineer (iii) Civil Engineer/Environmental Safeguards Specialist (iv) Monitoring and Evaluation Expert (v) Procurement Specialist (vi) Procurement assistant (as needed)

**B. Lists 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 duration.

<b>Goods and Works</b>							
<b>Package Number</b>	<b>General Description</b>	<b>Estimated Value (in US\$)</b>	<b>Procurement Method</b>	<b>Review</b>	<b>Bidding Procedure</b>	<b>Advertisement Date (quarter/year)</b>	<b>Comments</b>
G-01	PPE	4,000,000.00	DC	Prior		Q2 / 2020	Non-Consulting Services: No



	<p>Lot 1: PPE Group 1</p> <p>Lot 2: PPE Group 2</p>	<p>2,000,000.00</p> <p>2,000,000.00</p>					<p>No. Of Contracts: 2</p> <p>High Risk Contract: Yes</p> <p>e-GP: Yes</p> <p>e-GP Type: e- Publication</p> <p>Comments: Multiple supplier; Advance action</p>
G-02	<p>Laboratory Supplies</p> <p>Lot 1: Laboratory Supplies 1</p> <p>Lot 2: Laboratory Supplies 2</p>	<p>2,000,000.00</p> <p>600,000.00</p> <p>400,000.00</p>	DC	Prior		Q2 / 2020	<p>Non- Consulting Services: No</p> <p>No. Of Contracts: 3</p> <p>High Risk Contract: Yes</p> <p>e-GP: Yes</p> <p>e-GP Type: e- Publication</p> <p>Comments: Multiple lots; Multiple supplier; Advance action</p>

	Lot 3: Laboratory Supplies 3	1,000,000.00					
G-03	Ambulances	500,000.00	DC	Prior		Q2 / 2020	<p>Non-Consulting Services: No</p> <p>No. Of Contracts: 1</p> <p>High Risk Contract: Yes</p> <p>e-GP: Yes</p> <p>e-GP Type: e-Publication</p> <p>Comments: 8 units; Advance action</p>
G-04	Intensive Care Units Equipment and Accessories	9,000,000.00	DC	Prior		Q2 / 2020	<p>Non-Consulting Services: No</p> <p>No. Of Contracts: 3</p> <p>High Risk Contract: Yes</p> <p>e-GP: Yes</p> <p>e-GP Type: e-Publication</p> <p>Comments: Multiple lots; For 8 hospitals; Advance action</p>
	Lot 1: ICU beds	4,000,000.00					
	Lot 2: ICU equipment	3,000,000.00					
	Lot 3: ICU supplies	2,000,000.00					
G-05	Medical Equipment	1,000,000.00	DC	Prior		Q2 / 2020	Non-Consulting Services: No

	<p>Lot 1: Medical equipment 1</p> <p>Lot 2: Medical equipment 2</p>	<p>500,000.00</p> <p>500,000.00</p>					<p>No. Of Contracts: 2</p> <p>High Risk Contract: Yes</p> <p>e-GP: Yes</p> <p>e-GP Type: e-Publication</p> <p>Comments: Non ICU medical equipment; Advance action</p>
G-06	PIU Office Equipment and Furniture	100,000.00	RFQ	Prior		Q2 / 2020	<p>Non-Consulting Services: No</p> <p>No. Of Contracts: 1</p> <p>High Risk Contract: No</p> <p>e-GP: Yes</p> <p>e-GP Type: e-Publication</p> <p>Comments: For PIU staff to be recruited under the project; Advance action</p>

Consulting Services							
Package Number	General Description	Estimated Value (in US\$)	Selection Method	Review	Type of Proposal	Advertisement Date (quarter/year)	Comments
CS-1	Health Specialist	22,000.00	Competitive	Prior		Q2 / 2020	<p>Non-Consulting Services: No</p> <p>Type: Individual</p> <p>Assignment: National</p> <p>Expertise: Public health</p> <p>e-GP: Yes</p> <p>e-GP Type: e-Publication</p> <p>Comments: 24 person-months; advance action; under MOH PIU</p>
CS-2	Civil Engineer/ Environmental Safeguards Specialist	22,000.00	Competitive	Prior		Q2 / 2020	<p>Non-Consulting Services: No</p> <p>Type: Individual</p> <p>Assignment: National</p> <p>Expertise: Civil works and environment safeguards</p> <p>e-GP: Yes</p> <p>e-GP Type: e-Publication</p> <p>Comments: 24 person-months; advance action; under MOH PIU</p>
CS-3	Biomedical Engineer	22,000.00	Competitive	Prior		Q2 / 2020	<p>Non-Consulting Services: No</p> <p>Type: Individual</p>

							Assignment: National  Expertise: Biomedical engineering  e-GP: Yes  e-GP Type: e- Publication  Comments: 24 person- months; advance action; under MOH PIU
CS-4	Monitoring and Evaluation Expert	22,000.00	Competitive	Prior		Q4 / 2020	Non- Consulting Services: No  Type: Individual  Assignment: National  Expertise: Health, IT, evaluation and reporting  e-GP: Yes  e-GP Type: e- Publication  Commen ts: 24 person- months; advance action; under MOH PIU
CS-5	Procurement Specialist	22,000.00	Competitive	Prior		Q2 / 2020	Non- Consulting Services: No  Type: Individual  Assignment: National  Expertise: Procurement, finance  e-GP: Yes

							e-GP Type: e-Publication  Comments: 24 person-months; advance action; under MOH PIU;
CS-6	Procurement Assistant	22,000.00	Competitive	Prior		Q2 / 2020	Non-Consulting Services: No  Type: Individual  Assignment: National  Expertise: Procurement, finance  e-GP: Yes  e-GP Type: e-Publication  Comments: 24 person-months; advance action; under MOH PIU; tp be hired as needed
CS-7	Audit Firm	120,000.00	LCS	Prior	BTP	Q4 / 2020	Non-Consulting Services: No  Type: Firm  Assignment: National  e-GP: Yes  e-GP Type: e-Publication  Comments: For 3 years
CS-8	COVID-19 Training and Assessment Firm	160,000.00	FBS	Prior	BTP	Q4 / 2020	Non-Consulting Services: No  Type: Firm  Assignment: National

							e-GP: Yes  e-GP Type: e-Publication  Comments: expertise: training
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### C. List of Indicative Packages (Contracts) Required Under the Project

59. The following table lists goods, works, non-consulting and consulting services contracts for which procurement activity is expected to commence beyond the procurement plan duration and over the life of the project (i.e., those expected beyond the current procurement plan duration).

Goods and Works						
Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Comments
None						

Consulting Services						
Package Number	General Description	Estimated Value (in US\$)	Selection Method	Review	Type of Proposal	Comments
None						

### D. Open Competitive Bidding

#### a. General

60. The procurement and recruitment will follow:

- The ADB Procurement Policy for Goods, Works, Non-consulting and Consulting Services –Jul 2017<sup>32</sup>
- Procurement Regulations for ADB Borrowers (“Regulations”) for Goods, Works, Non-consulting and Consulting Services – Jul 2017<sup>33</sup>
- Open Competitive Bidding Guidance Note on Procurement - June 2018<sup>34</sup>
- The Consulting Services administered by ADB Borrowers Guidance Note on Procurement – June 2018<sup>35</sup>
- ADB Guidance Note on Procurement for Fragile, Conflict Affected, and Emergency Situations<sup>36</sup>
- ADB’s Comprehensive response to the COVID-19 Pandemic<sup>37</sup>

<sup>32</sup> ADB. 2017. [ADB Procurement Policy: Goods, Work, Nonconsulting and Consulting Services](#). Manila.

<sup>33</sup> ADB. 2017. [Procurement Regulations for ADB Borrowers](#). Manila

<sup>34</sup> ADB. 2018. [Guidance Note on Procurement : Open Competitive Bidding](#). Manila

<sup>35</sup> ADB. 2018. Manila <https://www.adb.org/sites/default/files/consulting-services.pdf> and for information <https://www.adb.org/sites/default/files/framework-agreements-consulting.pdf>

<sup>36</sup> <https://www.adb.org/sites/default/files/procurement-fragile-situations.pdf>

<sup>37</sup> <https://www.adb.org/sites/default/files/institutional-document/579616/adbs-comprehensive-response-covid-19-pandemic-redacted-version.pdf>

61. The executing agency will only use the last ADB Standard Bidding Documents English for Open Competitive Bidding and eventually the Russian version for OCB National if necessary, if the Kyrgyz version has not yet been adapted according to those new ADB regulations.

- **Prequalification:** <https://www.adb.org/documents/prequalification-bidders-users-guide>
- **Goods:** Guidelines: <https://www.adb.org/sites/default/files/procurement-goods-guide.pdf> ; SBD: 1S-1E <https://www.adb.org/sites/default/files/sbd-goods-1s1e-201806.zip> ;1S-2E <https://www.adb.org/sites/default/files/sbd-goods-1s2e-201806.zip>
- **Works – Large:** Guidelines: <https://www.adb.org/sites/default/files/procurement-large-works-guide.pdf>; SDB Works following pre-qualification: <https://www.adb.org/sites/default/files/works-large-contracts-preq-201806.zip>
- SDB Works without pre-qualification: <https://www.adb.org/sites/default/files/works-large-contracts-postq-201806.zip>; SDB 1S-2E <https://www.adb.org/sites/default/files/works-large-contracts-1s2e-201806.zip>
- **Works – Small:** Guidelines: <https://www.adb.org/sites/default/files/procurement-small-works-guide.pdf> ; SDB: 1S-1E <https://www.adb.org/sites/default/files/works-small-1s1e-201806.zip> ;1S-2E <https://www.adb.org/sites/default/files/works-small-1s2e-201806.zip>
- **Consulting Services Guidelines:** <https://www.adb.org/sites/default/files/selection-consulting-services.pdf>

#### **b. Eligibility**

62. Universal procurement is applied for COVID-19 response for procurement of goods and services and permits procurement to be directed through UN and other international agencies. Procurement eligibility restrictions set out in the Procurement Policy, ADF regulations, and TASF regulations to permit the procurement of goods, works, and services from ADB member and nonmember countries is waived (footnote 25). Accordingly, no bidder or potential bidder should be declared ineligible to ADB-financed contracts for other reasons than the ones provided by section I of ADB's Guidelines.

#### **c. Prequalification**

63. Normally, post-qualification shall be used unless explicitly provided for in the loan/grant agreement/procurement plan. Irrespective of whether post qualification or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.

#### **d. Bidding Period**

64. The executing agency will follow the instructions and flexibility provided in para C of ADB's Updated Emergency Procurement Guidance on Responding to the COVID-19 memo, dated 6 April 2020, as well as para G(18), OM Section D7/OP, Disaster and Emergency Assistance, dated 15 June 2004. Accordingly, the executing agency will procure goods, works, non-consulting, and consulting services relating to COVID-19 pandemic through direct contracting method of procurement. In case there is a need for open competitive bidding (OCB), the executing agency will allow 28 (twenty-eight) days and 15 (fifteen) days bidding period for OCB (international) and OCB (national), respectively. The 7 (seven) days bidding period for RFQ shall remain the same. The executing agency shall use standard bidding documents acceptable to ADB. The advertising,



as and when needed, shall be in accordance with the ADB Procurement Policy and Procurement Regulations for ADB Borrowers (2017, both as amended from time to time).”

**e. Bidding Documents**

65. Procuring entities should use standard bidding documents for the procurement of goods, works and services acceptable to ADB.

**f. Preferences**

66. No domestic preference shall be given for domestic bidders and for domestically manufactured goods for selected packages.

**g. Bid Security**

67. Where required, bid security shall be in the form of a bank guarantee from a reputable bank.

**h. Rejection of All Bids and Rebidding**

68. Bids shall not be rejected, and new bids solicited without ADB’s prior concurrence.

**i. Participation by Government-owned Enterprises**

69. Government-owned enterprises in the Kyrgyz Republic shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

**j. Right to Inspect/Audit**

70. A provision shall be included in all OCB works and goods contracts financed by ADB requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

**k. Fraud and Corruption**

71. The Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.

72. ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, an ADB-financed contract.

**E. Consultant’s Terms of Reference**

73. MOH will be the executing agency and will nominate a senior government official as project director. The MOH COVID-19 Headquarters will function as the response coordination center in the health sector. The PIU in the MOF will support MOH with procurement and financial

management. MOH PIU will engage up to 5 national consultants and MOF-PIU 1 national consultant for a maximum of total of 120 person-months (pm) as follows:

Expert	Person months	Specialty	Experience
1. Health Specialist	24	Public Health	15 years
2. Civil Works Supervision and Environmental Safeguards Specialist	24	Safeguards	10 years
3. Biomedical Engineer	24	Biomedical Engineer	10 years
4. Monitoring and Evaluation Expert	24	Monitoring and Evaluation	5 years
5. Procurement specialist	24	Procurement	5 years
6. Procurement assistant (as needed)	24	procurement	

74. The consultants will submit the following reports/deliverables: (i) a brief inception within 1 week of fielding; (ii) specific deliverables as per TOR, (iii) brief monthly report to MOH and ADB with major developments and monthly activity sheet for the past month, and planned work for the next month, and (iv) final report. The following are the detailed tasks and qualification requirements for each expert:

#### **1. Health Specialist (24 person-months)**

75. The consultant will be a senior public health expert with a masters in public health and about 15 years' of extensive public health experience and 5 years in epidemic disease control. Specific tasks shall include:

- Ensure appropriate linkages with government representatives and ADB team;
- Establish effective working relationships and synergies with relevant stakeholders;
- Work closely with project director and other government officials in MOH and MOF PIU;
- Assist PIU in project implementation planning, implementation, and monitoring;
- Inform KYRM and participate in ADB missions;
- Monitor COVID-19 epidemic and government control developments
- Propose project adjustments as needed to improve response;
- Provide advice to MOH on all technical and management activities;
- Assess hospital sites in terms of feasibility of treatment centers jointly with WHO;
- Create assessment on quality-of-care in COVID-19 facilities in agreement with WHO together the Monitoring and Evaluation Specialist;
- Work with MOH in identifying at risk health staff, patients, and contacts;
- Provide orientation to the Ministry regarding gender;
- Coordinate with the EA, facilities and stakeholders to ensure they are aware of the project's gender targets and that these are incorporated into their project activities;
- Monitor project activities to ensure quality implementation of the GAP, and that progress towards achieving GAP targets is reported in each monitoring and review activity, including providing gender inputs to the project's progress report;
- Together with Monitoring and Evaluation expert, Provide technical guidance in designing and developing a sex-disaggregated database to monitor progress in achieving GAP targets

- Identify technical issues that require additional attention or investment;
- Advice on development of quarantine treatment centers including IPC;
- Advice on staff protection and training at all levels;
- Advice on procurement of equipment and supplies;
- Advice on maintaining essential services in hospitals;
- Advice on training and capacity building;
- Appraise social impact of the COVID-19 epidemic for women and other vulnerable groups;
- Update, facilitate, and monitor implementation of gender action plan;
- Advice on gender equity, empowerment, and monitoring in the COVID response;
- Participate in consultation missions.

## **2. Civil Engineer/Environmental Safeguards Specialist (24 person-months)**

76. The consultant will have a degree in civil engineering, environmental sciences or equivalent, with about 10 years' experience in supervising construction and civil works, implementing environmental and social impacts assessment studies, undertaking assessments of development projects as they relate to communities and the impacts on communities, specific experience in the health sector will be preferred. Specific tasks shall include:

- Provide orientation to the MOH regarding environmental and social safeguards;
- Supervise and examine all civil works at facilities, providing regular reporting and monitoring of defects
- Sign off on acceptance of civil works
- Together with Biomedical Engineer, assist in the planning of proposed hospital refurbishment including quarantine measures, patient flow, safety features, waste management;
- Review Construction Code of Practice (CoCP), revise it if needed and monitor its implementation.
- Identify any unanticipated environmental issues if they arise and integrate in the CoCP;
- Provide MOH and hospitals guidance on mitigation of these impacts, through the development of guidelines for waste management, health and safety risk assessment and management plans, Environmental Code of Practices, provision of PPE, and training
- Propose measures to improve protection of health staff, patients, and contacts;
- Review the resettlement framework with MOH and hospital managers if applicable;
- Review plans for refurbishment of hospitals to quarantine treatment centers, propose adjustments according to WHO standards, and provide a comprehensive report to MOH;
- Assist each hospital to be refurbished with quarantine treatment center to prepare, implement and monitoring its own Environmental Management Plan (EMP);
- Closely supervise and monitor the implementation of these EMPs;
- Assess if there are any resettlement issues in the hospitals targeted for refurbishment using ADB approved screening tool to confirm the lack of impacts related to economic displacement and restriction of access in land use;
- Advice on application of the resettlement framework if required.

## **3. Biomedical engineer (24 person-months)**

77. The consultant will have a degree in biomedical equipment technology or equivalent with about 5 years' experience in biomedical equipment planning and maintenance. Specific tasks shall include:

- Conduct detailed site inspection of proposed hospital facilities and equipment including space, ventilation, maintenance and utilities;
- Collect information on projected patient load and flow, patient care requirements such patient rotation, oxygen and ventilation, and quarantine, sterilization, utilities, mortuary and waste management requirements for each hospital;
- Together with civil works and safeguards specialist, assist in the planning of proposed hospital refurbishment including quarantine measures, patient flow, safety features, waste management;
- Assess availability of equipment, calibration, maintenance, equipment supplies, and testing, record keeping, and other quality assurance measures;
- Review plans for refurbishment of hospitals to quarantine treatment centers, propose equipment and their use and maintenance according to WHO standards, and provide a comprehensive report to MOH;
- Assist MOH to identify required equipment, prepare specification and bidding documents for procurement of equipment, and review possible sources and cost estimates;
- Assist with developing standards for equipment for treatment centers and with equipment of other treatment centers as feasible;
- Oversee commissioning and installation of medical equipment and devices;
- Confirm that suppliers provide guidelines and training on equipment use and maintenance;
- Confirm that infectious materials and wastes are properly handled with protocols, training, equipment, supplies, quality assurance, testing, and supervision.

#### **4. Monitoring and Evaluation Expert (24 person-months)**

78. The consultant will have a degree in administration, statistics or related field (a master's degree or equivalent); with at least 5 years of relevant experience in information systems and project monitoring: Specific tasks shall include:

- Assist the project director with project management, coordination, monitoring, and preparing reports;
- Assist MOH and ADB to monitor COVID trends and responses, to identify response gaps and make timely adjustments as feasible;
- Assist the PIU project director with teleconferencing and presentations;
- Assist team members with the collection, analysis, and reporting of relevant information.
- With the health specialist, design assessment of quality-of-care in COVID-19 facilities for WHO endorsement, and conduct assessment for 8 project supported facilities
- Design and develop a sex-disaggregated database to monitor progress in achieving GAP targets

#### **5. Procurement Specialist (24 person-months)**

79. The consultant will have a degree in procurement, business administration, or related field with about 5 years' experience in procurement of medical equipment including procurement risk assessment, procurement planning, preparing specification and bidding documents, and international procurement.<sup>38</sup> Specific tasks shall include:

- Reviewing international and local bidding procedures for the purchase of goods in accordance with applicable ADB procurement guidelines and PAM;

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<sup>38</sup> See ADB's *Procurement Guidelines and Guidelines on the Use of Consultants*

- Preparing in the selection of advisory services in accordance with applicable Recommendations of the ADB and the PAM;
- Preparing of procurement notices and publication on the client's own websites and/or the official public procurement portal or in a newspaper with a large circulation in the client's country or in official newspapers or international trade publications in accordance with the ADB's Guidance;
- Consolidating applications for goods, work, technical and advisory services;
- Reviewing submitted procurement packages to contract selected consultants/suppliers;
- Ensuring an effective system for monitoring procurement and contracting on behalf of PPR (with the timing of all important approvals, contracts, amounts, etc.), as well as proper system accounting for the rapid search for procurement information;
- Preparing: procurement documents (e.g. bid invitations, standard tender documents, clarification of proposals and possible changes, rate assessment reports, etc.); Get permission to purchase documents in a timely manner;
- Lead bid opening process and preparing a bidding protocol; Timely assessments of applications, organizing and supporting evaluation committees, participating in evaluation committees;
- Forwarding copies of signed contracts to the ADB to facilitate payment;
- Procurement assistance may be assigned to any other procurement-related or project-related duties at the discretion of the PIU Director;

**Audit Firm – Statement of Audit Needs** (Auditor's Terms of Reference) are presented in (Attachment 1)

**Training Firm – TOR** (Attachment 3)

## VII. SAFEGUARDS

80. In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are as follows.<sup>39</sup>

81. **Environment (category C):** The proposed project will cover the most urgent priorities, such as PPEs, medical equipment for ICUs and laboratory supplies. There may be very small-scale refurbishment works for preparing the infrastructures for the equipment and hospital beds within the existing facilities. Hence minimal environmental impacts are envisaged. Category C for environmental safeguards has therefore been proposed, a Code of Construction Practice (CoCP, Attachment 5) has been prepared and attached with this PAM and will be implemented to address the likely limited environmental impacts. The project will improve hospital facilities to prevent infection and improve control measures. The project will support 8 hospitals designated as COVID-19 treatment centers across 6 oblasts. Hospitals were selected based on geographical representation, existing capacity to manage infectious diseases, and projected need for additional ICU bed. The project will require limited civil works such as repairs and refurbishment of facilities. The proposed activities will have some minor impacts relating to the repair and rehabilitation of however, these will be minimal and will be within the boundary of an existing health facilities. The likely impacts of this construction will addressed through developing a CoCP to address localized adverse impacts and risks during the construction phase which will include limited standard construction impacts, and risks. The Sample CoCP contained in the PAM will be updated by the contractor based on the final design of the proposed civil works and will be submitted to ADB for

<sup>39</sup> ADB. [Safeguard Categories](#). Manila.

review and approval prior to awarding the civil works contract. Contractor during construction, and facility operators as well as the MOH during operation, will be responsible for implementing these measures. The CoCP will be included in bid and contract documents, and contractors will be required to report bi-weekly on civil works to the PIU.

**82. Involuntary resettlement (category C).** The Project will not entail any new land acquisition as civil works will include minor refurbishment and repair of existing medical facilities to provide increased capacity at these treatment centers. Hence, the proposed category is C. Civil works and safeguard expert will be responsible for assessing potential land acquisition and resettlement (LAR) impact of any proposed refurbishment or repairs prior to start of civil works at any facility. Works that will entail LAR impact, will not be financed under this project. Site-based social due diligence will be performed based on a screening checklist to confirm the lack of impacts related to economic displacement and restriction of access in land use (the screening checklist is provided in Attachment 4). The social safeguards compliance monitoring results will be reported by MOH to ADB within (i) quarterly progress reports; (ii) 2 consolidated annual reports and (iii) a project completion report. The provided reports will include separate section on social safeguards monitoring, including the filled-up IR screening checklists for the reporting period. The social due diligence screening report based on filled-up checklist will be provided for ADB's review and no objection before the start of any refurbishment/repair works for the particular medical facility. The same social due diligence and screening mechanism will be applicable to all contract packages considered under retroactive and advance financing.

**83. Indigenous peoples (category C).** Ethnic minorities in the proposed urban project sites constitute about 10% of the population and are economically fully integrated and at parity with the Kyrgyz. These minorities are not considered indigenous as defined by the ADB Safeguard Policy Statement (2009) for project operation purposes. Whether indigenous or not, the more relevant concern is for small ethnic groups living in border areas and mountains. These groups are more likely to be poor and vulnerable to the impact of the epidemic, being far from treatment centers and clinics with limited means and possibly language and cultural barriers. The project will seek to prioritize training of local health staff providing services to these groups if living within the catchment area of major project sites (around the cities of Bishkek and Osh).

**84. Communication strategy.** MOH will undertake various activities to implement the communication strategy, in compliance with ADB information disclosure and consultation requirements. The project will be rolled out as part of comprehensive sector plans and program, and stakeholder will be kept informed through regular aid coordination mechanism already in place. Coordination among ministries shall also be assured.

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

### VIII. GENDER AND SOCIAL DIMENSIONS

**86.** In 2018, the Kyrgyz Republic ranked 122nd out of 189 countries and territories in the United Nations Development Programme (UNDP), with a Human Development Index (HDI) of 0.674, and a drop of 9.5% when adjusted for inequality. From 2012 to 2018, the poverty rate has dropped from 38% to 22%.<sup>40</sup> Women in the Kyrgyz Republic have been disproportionately

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<sup>40</sup> ADB. [Basic Statistics, Asia and the Pacific](#) (accessed 2 June 2020).

affected by earlier economic reforms in terms of work opportunities and social benefits. Female employment was almost halved (42%) by 2007, especially because of job losses in the health sector. By 2018, about 40% of the workforce was female, with low employment of women aged 25-34 years with young children.

87. In the Kyrgyz Republic as elsewhere, the COVID pandemic will have much higher impact on the poor and near-poor as a result of less access to information and services, and lockdown resulting in loss of jobs during and after the pandemic, and increasing cost of food and medical and other services. Poverty rates are expected to increase and poverty to deepen during and after the lockdown. This being an emergency assistance project focusing testing and patient care based on all-inclusive technical protocols, the project is not designed to target the poor. The project will benefit all citizens including the poor by preventing or mitigating the impact of COVID-19 and co-morbidity on their lives. Disease prevention and mitigation will also reduce out-of-pocket spending and loss of work, and enhance post-pandemic recovery.

88. The project's gender categorization is "effective gender mainstreaming." Initial evidence suggests that globally, COVID-19 affects men more than women and children. However, women are the common caretakers in prevention, detection and care of sick family members, and are thus more exposed to infection. In the Kyrgyz Republic, COVID-19 infections in women outnumber men, with 53% of cases in females. Women predominate in the health and social services, with 83% of the health labor force being female, placing women most at risk of getting an occupational COVID-19 infection.<sup>41</sup> Equipment designed for men may not fit women properly due to differences in body configuration, size, height and composition. The PPE cannot protect a worker from hazards if it does not fit. Medical and support workers need to be trained to carry out new tasks and in using the necessary medical equipment, with appropriate supervision of their performance of these tasks. The government is developing standardized testing protocols that would proactively increase access to testing for health workers, and prioritize testing based on risk level.

89. While public doctors and nurses have extremely critical and high workload their pay is relatively low compared to other sectors. The outbreak is expected to further impact women as they will be responsible for the double burden of increased responsibilities at home due to school closures and ill family members, while also putting in additional hours in the health workforce. The government has approved a resolution that outlines additional remuneration for health workers involved in COVID-19 treatment and control. Different rates have been established based on staff cadre, duration of work and place of employment, and expenses such as transportation and temporary accommodations will be covered for those who are assigned to locations away from home.

90. The Government has ratified key international accords on human rights and gender equality including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1997. It has set up a nation-wide structure to implement the Kyrgyz Republic's first long-term National Gender Strategy (NGS) on Achieving Gender Equality by 2020 adopted in 2012. Modest progress was reported in NGS implementation. To ensure effective gender mainstreaming and results in the Project, a Project Gender Action Plan (GAP) has been agreed with MOH that is aligned with government-wide gender equality commitments. The GAP proposes effective targeting, information, and participation of women. The project will help address gender issues in the COVID-19 response by ensuring that women have equal access to testing, and by targeting training of doctors and nurses. Key gender designs and targets are included in the

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<sup>41</sup> ADB. Kyrgyz Republic: Country Gender Assessment 2019. Manila

project's design monitoring framework (DMF), and mirrored in the GAP, and provisions on monitoring and reporting on gender designs included in the loan and grant assurance agreements, and monitoring and reporting arrangements.



### GENDER ACTION PLAN

Activities	Performance Targets/Indicators	Responsibility	Timeframe
<b>Outcome: Capacity of health system to mitigate COVID-19 improved</b>			
	1. Monthly infection incidence rate of health workers in project supported facilities retained at less than 1.5% (2020 baseline: 2%) <sup>a</sup>	MOH	
<b>Output 1: Capacity of surveillance and response services to COVID-19 strengthened</b>			
1.1 Provide all health workers with timely access to COVID-19 testing	1.1.1 All staff in project supported COVID-19 facilities tested according to government developed protocols (83% of whom are female) (2020 baseline: 0); 1.1.2. Sex-disaggregated data on rates of infection among medical and support staff regularly collected, monitored and reported; 1.1.3 At least 100,000 additional PCR tests conducted for COVID-19 (baseline April 2020: 26,000);	Health Specialist consultant, Monitoring and Evaluation Specialist, MOH	June 2020 – December 2021
<b>Output 2: Capacity for infection prevention control and quality of care for COVID-19 patients improved</b>			
2.1 Provide gender-sensitive health facilities and appropriate protection from COVID-19	2.1.1 At least 1 consultation in each of 8 project facilities with female medical staff held to collect and address specific needs related to access to PPE, sanitary supplies, and their views taken into account for procurement and distribution of supplies; 2.1.2 All female medical and support staff working in 8 project facilities equipped with proper fitting personal protective suits, face shields, masks, and goggles, and sanitary supplies (menstrual, diapers), as needed with no stockout reports for at least 12 months; 2.1.3 All staff of 8 project facilities trained on occupational hazard prevention and proper use of PPE; 2.1.4 All medical staff (83% of whom are women) responsible for testing and treating COVID-19 patients in eight project	Health Specialist consultant, Monitoring and Evaluation Specialist, MOH, Training firm	June 2020 – December 2021

<p>2.2 Provide economic support for female health staff</p>	<p>hospitals provided training on infection prevention control and patient management to treat COVID-19 cases and other infectious respiratory diseases (baseline: 0%)</p> <p>2.2.1 All 8 projects assisted COVID-19 facilities equipped with low-cost (where possible sex-segregated) access to water and sanitation for medical staff, separate changing rooms for men and women; and lounging spaces for women doctors, nurses and other facility staff</p> <p>2.2.2 Awareness raising consultation held with all medical staff in project facilities on provisions of the “Regulation on the procedures for expenditures from the funds received to prevent and combat epidemics”, eligibility of staff for hardship payments and rates;</p> <p>2.2.3 Health staff at project facilities (with at least at least 83% of whom are female) provided with hardship allowance and other incentives in accordance with the “Regulation on the procedures for expenditures from the funds received to prevent and combat epidemics”, for at least XX months<sup>b</sup></p>		
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COVID-19 = coronavirus disease 2019, PCR = polymerase chain reaction.

<sup>a</sup> Baseline value is for March-May 2020 and measures total prevalence, as incidence not currently available. However, given the short time frame covered, this can be used as proxy measure for incidence. Monthly infection incidence will be measured as number of newly diagnosed infections in health workers at project facilities divided by total health workers at project facilities in a given month.

<sup>b</sup> Duration of hardship allowance and other incentives to be finalized with MOH and MOF during project implementation according to updated government resolution.

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

### A. Project Design and Monitoring Framework

<b>Impact the Emergency Assistance Project is aligned with:</b>			
The public health system strengthened (Public Health Protection and Health Care System for 2019-2030) <sup>a</sup>			
The effects of COVID-19 pandemic mitigated (National Contingency Action Plan for COVID-19) <sup>b</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks</b>
<b>Outcome</b>  Capacity of health system to mitigate COVID-19 improved	By December 2021  a. All eight project-supported COVID-19 facilities meeting WHO-endorsed quality standards for COVID-19 treatment (2020 Baseline: 0) <sup>b</sup>  b. Monthly infection incidence rate of health workers in project supported facilities retained at less than 1.5% (2020 baseline: 2%) <sup>c</sup>	a. MOH compliance checks based on WHO guidelines, midterm review special audit, and post-project special audit reports  b. MOH report, PIU assessment of facilities, midterm review special audit, and post-project special audit reports	COVID-19 transmission and infection patterns exceed all forecasted scenarios and overwhelms health systems and planning assumptions
<b>Outputs</b>  1. Capacity of surveillance and response services to COVID-19 strengthened  2. Capacity for infection prevention control and quality of care for COVID-19 patients improved	By December 2021  1a. COVID-19 diagnostic equipment, test kits, and reagents delivered to testing laboratories (baseline: not delivered)  1b. All staff in project-supported COVID-19 facilities tested according to government-developed protocols <sup>d</sup> (83% of whom are female) (2020 baseline: 0)  1c. At least 100,000 additional PCR tests conducted for COVID-19 (baseline April 2020: 26,000)  2a. Access to water and sanitation as needed, medical equipment and supplies, ambulances, proper sized PPEs, with suitable face masks and shields, and sanitary supplies (including menstrual kits) provided to all eight project-assisted facilities	1a. MOH report, PIU project progress report  1b. MOH report, PIU assessment of facilities  1c. MOH report, PIU project progress report  2a. MOH report, PIU project progress report	Delays in procuring supplies due to global shortages.  High infection rate among health workers will leave the system in severe shortage of doctors in the peak of contagion.

	<p>have access (2020 baseline: none)</p> <p>2b. Supply of at least 80 fully equipped ICU beds provided to eight project-assisted facilities (2020 baseline: none)</p> <p>2c. All staff (83% female) at eight project-assisted facilities provided hardship allowances according to government regulation 194<sup>e</sup> (2020 baseline: none)</p> <p>2d. All medical staff (83% of whom are women) responsible for testing and treating COVID-19 patients in eight project-assisted facilities provided training on infection prevention control and patient management to treat COVID-19 cases and other infectious respiratory diseases <sup>f</sup> (baseline: 0%)</p>	<p>2b. MOH report, PIU project progress report</p> <p>2c. MHIF financial management report</p> <p>2d. Training firm report</p>	
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### Key Activities with Milestones

#### 1. Capacity of surveillance and response services to COVID-19 strengthened

- 1.1 Conduct detailed needs assessments at laboratories to determine required supplies and materials (Q2 2020)
- 1.2 Collect data on availability and turnaround time of testing Q2 2020
- 1.3 Procure laboratory supplies and equipment Q2 and Q3 2020
- 1.4 Deliver supplies to laboratories Q2 and Q3 2020
- 1.5 Set up system to monitor testing capacity and health worker access to testing Q3 2020

#### 2. COVID-19 treatment facilities improved

- 2.1 Conduct detailed needs assessments of 8 project facilities, ensuring consultations with health workers (female and male) Q2 2020
- 2.2 Collect data on repair and civil works (including on access to water and sanitation) activities and assessment of safeguards Q2 2020
- 2.3 Determine packages for procurement of goods and supplies Q2 2020
- 2.4 Advertise supplies and equipment packages Q2 2020
- 2.5 Procure supplies and equipment Q3 2020
- 2.6 Convert facilities to quarantine treatment centers for a surge of COVID-19 cases Q3 2020
- 2.7 Develop clinical quality guidelines for WHO endorsement Q3 2020
- 2.8 Increase and improve the safety of ambulance services Q3 2020

#### Project Management Activities

- Start recruiting PIU staff in Q2 2020
- Finalize funds transfer mechanism with MHIF based on World Bank arrangement Q2 2020
- Financial and economic analysis conducted by Q2 2020 with assistance of PIU staff
- Establish Monitoring and Evaluation system Q2 2020

<b>Inputs</b> ADB: \$10,000,000 (COL loan) ADB: \$10,000,000 (ADF grant) Government: \$1,700,000 in kind
<b>Assumptions for Partner Financing</b> Not applicable

ADB = Asian Development Bank, COVID-19 = coronavirus disease, ICU = intensive care unit, MHIF = Mandatory Health Insurance Fund, MOF = Ministry of Finance, MOH = Ministry of Health, PCR = polymerase chain reaction, PIU = project implementation unit, PPE = personal protective equipment, Q = quarter, WHO = World Health Organization.

- <sup>a</sup> Government of the Kyrgyz Republic. [The Program of the Kyrgyz Republic Government on Public Health Protection and Health Care System Development for 2019-2030 "Healthy Person – Prosperous Country"](#); and Government of Kyrgyz Republic. 2020. Inter-sectoral inter-agency contingency action plan for COVID-19.
- <sup>b</sup> WHO has worked with MOH to develop clinical guidelines for testing and treatment of COVID-19. An assessment will be developed based on these guidelines and agreed with WHO.
- <sup>c</sup> Baseline value is for March-May 2020 and measures total prevalence, as incidence not currently available. However, given the short time frame covered, this can be used as proxy measure for incidence. Monthly infection incidence will be measured as number of newly diagnosed infections in health workers at project facilities divided by total health workers at project facilities in a given month.
- <sup>d</sup> Hospital workers includes all staff such as doctors, nurses, administrators, cleaners, etc. Testing protocol to be developed by Government of the Kyrgyz Republic.
- <sup>e</sup> The Government of the Kyrgyz Republic issued a regulation No.194, dated 3 April 2020 "Regulation of the ordinance of the spending of the funds received for the support of the pandemic measures and its operating mechanism", determines to add a hardship allowance to health and other workers supporting facilities fighting COVID-19.
- <sup>f</sup> Training will be based on government developed protocols, and coordinated with other donor partners such as WHO and World Bank. Distance learning and in-person training options will be considered taking into account local restrictions on travel and social distancing.

Source: Asian Development Bank.

## B. Monitoring

91. **Project performance monitoring.** The project will be monitored regularly against the proposed Design and Monitoring Framework. Project specific reporting will be used for monitoring project inputs and activities, while project outputs and outcome will be monitored at targeted facilities. Disaggregated baseline data for output and outcome indicators gathered during project processing will be updated and reported quarterly through the executing agencies' quarterly progress reports and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.<sup>42</sup>

92. Within one month of loan and grant effectiveness, the MOH will, through the PIU, design a comprehensive project performance monitoring and evaluation system (PPMES) and submit to ADB for approval. ADB will give the PPMES special attention.

93. All covenants in the loan and grant agreements will be monitored monthly by the PIU, and discussed during ADB review mission. PIU will include information on GAP and social dimensions in all project progress, monitoring and evaluation reports. The health consultant responsible for gender and social issues will build up capacity in MOH to monitor and report on social and gender impacts. All project data will be gender and ethnic group-disaggregated to the extent possible.

94. ADB will review missions at least twice a year, including inspection of financial management. ADB will conduct an inception mission within 6 weeks after project effectiveness, depending on the state of lockdown. The midterm review mission will occur within 6-12 months of

<sup>42</sup> ADB's project performance reporting system is available at <http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

project implementation. Within 2 months after the physical completion of the project, the PIU will submit to ADB a project completion report analyzing project implementation, project performance and achievements against the targets, and expected project impacts.<sup>43</sup>

95. **Compliance monitoring.** MOH will submit an inception report with the work plan for the first year before loan/grant effectiveness and a review with proposed updates of the PAM. MOH will prepare a project midterm review before 6 months of implementation to assess the project performance against agreed indicators and scope of work, and propose any adjustments in scope, implementation arrangements, and allocations.

96. PIU will prepare quarterly and annual reports for submission to MOH and ADB. PIU will organize quarterly project reporting to the COVID-19 committee to review project performance, and will also report project performance in workshops and events sponsored by other partners.

97. Each report will be in English and in a consistent format agreed to with ADB. The consolidated annual report will include (a) progress as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, (d) updated work plan for the next 6 months, and (e) GAP monitoring update table.

98. **Gender and social dimensions monitoring.** PIU will include information on GAP and social dimensions in all project progress, monitoring and evaluation reports. Health specialist and monitoring and evaluation specialist will specifically build up capacity at facility level to monitor and report on social and gender impacts. All project data will be gender and ethnic group-disaggregated to the extent possible. All GAP targets will be integrated in the project M&E framework and reported quarterly to ADB.<sup>44</sup>

### C. Evaluation

99. Project evaluation will be carried out in three phases: (i) Project inception: capacity building, participatory assessment and planning, confirmation of sites, planning implementation details; (ii) Mid-term evaluation: assessment of progress of project implementation and adjustments, after 10 months; and (iii) End-of-Project evaluation and impact assessment after 18 months. The inception report, mid-term evaluation and project evaluation will be made available. Within 6 months of physical completion of the project, the executing agencies will submit a project completion report to ADB.<sup>45</sup>

### D. Reporting

100. The MOH will provide ADB with (i) quarterly progress reports in English and in a format consistent with ADB's project performance reporting system; (ii) 2 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, (e) GAP monitoring update table, and (f) implementation of the CoCP and any resettlement safeguards impacts; and (iii) a project completion report within 6

<sup>43</sup> Project completion report format available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-PublicSector-Landscape.rar>

<sup>44</sup> ADB. 2012. [Handbook on Poverty and Social Analysis: A Working Document](#); ADB. [Staff Guide to Consultation and Participation](#). Manila; and ADB. 2008. [CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations](#). Manila.

<sup>45</sup> Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-PublicSector-Landscape.rar> <http://www.adb.org/participation/toolkit-staff-guide.asp>

months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

## **E. Stakeholder Communication Strategy**

101. Due to COVID-19 lock down, during project planning there were only virtual; consultations with MOH and MOF officials and development partners. There were no substantive consultations with potential beneficiaries, health staff, hospital managers, regional governments, central ministries, and NGOs. A variety of electronic communication media will be utilized to inform and consult various group during implementation. Relevant information and knowledge products will be shared on the Government website.

102. The MOH as executing agency will undertake information disclosures on the Project and its benefits, including but not limited to information related to the RRP and GAP. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011).<sup>46</sup> After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.

103. The project information on the Government website shall provide a link to ADB's Integrity Unit (<http://www.adb.org/Integrity/complaint.asp>) for reporting to ADB any grievances or allegations of corrupt practices arising out of the project and project activities. For each contract, the webpage shall include information on among others the list of participating bidders, name of the winning bidder, basic details on bidding procedures adopted, amount of contract awarded, and the list of goods/services, including consulting services, procured.

## **X. ANTICORRUPTION POLICY**

104. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.<sup>47</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.<sup>48</sup>

105. To support these efforts, relevant provisions are included in the loan agreement and grant agreement and the bidding documents for the project.

## **XI. ACCOUNTABILITY MECHANISM**

106. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working

<sup>46</sup> Available from <http://www.adb.org/site/disclosure/public-communications-policy>

<sup>47</sup> Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

<sup>48</sup> ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>49</sup>

107. To improve government accountability over emergency funds spendings for which the risks are considered substantial, the project proposed number of mitigating measures as detailed in risk mitigating action plan (Table 16).

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<sup>49</sup> Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.





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March 2015

# Statement of Audit Needs (Auditor's Terms of Reference)

Asian Development Bank

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***[ENTITY NAME: XYZ]***  
**AUDITED PROJECT FINANCIAL STATEMENTS (APFS)**  
**STATEMENT OF AUDIT NEEDS (AUDITOR'S TERMS OF REFERENCE**  
**1)**

**I. INTRODUCTION**

1. *[A description of the project will be provided with a focus on the purpose for which the funds are intended consistent with broad project objectives and budget. A description of the executing and implementing agencies will be included along with the related accounting and financial management practices, loan amount, financial reporting periods to be audited, and other relevant information that should be brought to the attention of the auditors.]*

**II. MANAGEMENT RESPONSIBILITY FOR PREPARING PROJECT FINANCIAL STATEMENTS**

2. Management is responsible for preparing and fairly presenting the project financial statements, and for maintaining sufficient internal controls to ensure that the financial statements are free from material misstatement, whether due to fraud or error. In addition, management is responsible for ensuring that funds were used only for the purpose(s) of the project, for compliance with financial covenants (where applicable), and for ensuring that effective internal controls, including over the procurement process, are maintained. *[In this regard, management must:*

*(i) Prepare and sign the Audited Project Financial Statements.*

*(ii) Prepare and sign a Statement of Compliance.*

3. *Management must include the following in the Statement of Compliance:*

*(i) That project financial statements are free from material misstatements including omissions and errors, and are fairly presented;*

*(ii) That the borrower or executing agency has utilized the proceeds of the loan only for the purpose(s) of the project;*

*(iii) That the borrower or executing agency was in compliance with the financial covenants of the legal agreement(s) (where applicable);*

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<sup>1</sup> This statement of audit needs was developed to guide project teams and executing and implementing agencies in communicating the Asian Development Bank's (ADB) auditing requirements to private auditors. This statement of audit needs may also be used as a guide when communicating auditing requirements with supreme audit institutions, where applicable.

- (iv) *That the advance account procedure, where applicable, has been operated in accordance with the Asian Development Bank's (ADB) Loan Disbursement Handbook;*
- (v) *That adequate supporting documentation has been maintained to authenticate claims stated on the statement of expenditures (SOE), where applicable, for reimbursement of eligible expenditures incurred and liquidation of advances provided to the advance account; MHIF payments to designated hospitals for refurbishment works, and payments to health workers, as detailed in PAM; and*
- (vi) *That effective internal control, including over the procurement process, was maintained.]*

### III. OBJECTIVES

4. The objectives of the audit of the project financial statements is to enable the auditor to (i) express an independent and objective opinion as to whether the project financial statements present fairly, in all material respects, or give a true and fair view of the project's financial position, its financial performance and cash flows, and (ii) provide a reasonable assurance opinion over certain specific representations made in the Statement of Compliance. *(please refer to paragraph 10).*

### IV. AUDITING STANDARDS

5. The *[statutory]* audit is required to be conducted in accordance with *[specify the relevant auditing standards]*. These standards require that the auditor comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the project financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the project financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the project financial statements whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the project financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the project financial statements.

6. The standards to be applied will be documented in the project/loan documents, and will include:

*[Option A: Standards promulgated by the International Auditing and Assurance Standards Board (IAASB):*

- 1. International Standards on Auditing (ISA); and*
- 2. International Standards on Assurance Engagements (ISAE).*

*Option B: Standards promulgated by the International Organisation of Supreme Audit Institutions (INTOSAI):*

*1. International Standards of Supreme Audit Institutions (ISSAI).*

*Option C: National Auditing Standards:*

*1. The auditing standards promulgated by {national authority}. ]*

7. In complying with ISA, the auditor will pay particular attention to the following standards:
- ISA 800/ISSAI 1800 – Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks.
  - ISA 240/ISSAI 1240 – The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements.
  - ISA 250/ISSAI 1250 – Consideration of Laws and Regulations in an Audit of Financial Statements.
  - ISA 260/ISSAI 1260 – Communication With Those Charged with Governance.
  - ISA 265/ISSAI 1265 – Communicating Deficiencies in Internal Control To Those Charged with Governance and Management.
  - ISA 330/ISSAI 1330 – The Auditor’s Responses to Assessed Risks.

## **V. PROJECT FINANCIAL REPORTING FRAMEWORK**

8. The auditor will verify that the project financial statements have been prepared in accordance with *[International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), International Public Sector Accounting Standards (IPSAS) promulgated by the International Public Sector Accounting Standards Board (IPSASB), or national equivalents]*. The executing agency and/or implementing agency are responsible for preparing the project financial statements, not the auditor.

## **VI. AUDIT DELIVERABLES**

### **A. Audited Project Financial Statements**

9. An auditor’s opinion providing reasonable assurance over the project financial statements, and project financial statements comprising the following:

**Table 1: Content of the Project Financial Statements**

<b>For Cash-Based Financial Statements</b>	<b>For Accrual-Based Financial Statements</b>
A statement of cash receipts and payments	A statement of financial position (balance sheet)
A statement of budgeted versus actual expenditures	A statement of financial performance (income statement)

For Cash-Based Financial Statements	For Accrual-Based Financial Statements
A statement of advance account (where applicable)	A statement of cash flows
A summary statement of expenditures (where applicable)	A statement of changes in net assets/equity (where applicable)
Significant accounting policies and explanatory notes	A statement of advance account (where applicable)
Any additional schedules agreed (e.g., a summary of assets)	Significant accounting policies and explanatory notes
MHIF payments to 8 designated hospitals refurbishment and payments to health workers	Statement of budgeted versus actual expenditures
	Summary statement of expenditures (where applicable)
	Any additional schedules agreed

## B. Reasonable Assurance Opinion over the Use of Loan Proceeds and Compliance with Financial Covenants

10. The auditor will provide a reasonable assurance opinion following *[ISAE 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information” or ISSAI 4200 “Compliance Audit Related to the Audit of Financial Statements”]* for the following confirmations provided by Management in the Statement of Compliance:

- (i) That the proceeds of the loan were used only for the purpose(s) of the project; and
- (ii) That the borrower or executing agency was in compliance with the financial covenants of the legal agreement(s), where applicable.

11. The auditor will outline the degree of compliance for each of the financial covenants in the loan agreement.

## C. Management Letter

12. The auditor will provide a management letter containing, at a minimum, the following:

- (i) Any weaknesses in the accounting and internal control systems that were identified during the audit, including any irregularity in the use of the advance account and statement of expenditures (SOE) procedures (where applicable) and use of MHIF;
- (ii) Any identified internal control weaknesses related to the procurement process such as, over the bidding, evaluation and contract management domains;
- (iii) Recommendations to rectify identified weaknesses;
- (iv) Management’s comments on the audit recommendations along with the timeframe for implementation;
- (v) The status of significant matters raised in previous management letters;
- (vi) Any other matters that the auditor considers should be brought to the attention of the project’s management; and
- (vii) Details of any ineligible expenditure<sup>2</sup> identified during the audit. Expenditure is considered ineligible if it refers to (i) expenditures incurred for purposes other than the ones intended under the legal agreement(s); (ii) expenditures not allowed under the terms of the legal/financing agreements; and (iii) expenditures incurred

<sup>2</sup> If the auditor reports any ineligible expenditure in the management letter, the details of the findings should include the funding source to which the observation relates.

in violation of applicable government regulations, (iv) use of MHIF and its payments to designated hospitals and health workers.

#### **D. Specific Considerations**

13. The auditor will, during the course of the audit, pay particular attention to the following:
- (i) The use of external funds in accordance with the relevant legal and financing agreements;
  - (ii) The provision of counterpart funds in accordance with the relevant agreements and their use only for the purposes intended;
  - (iii) The maintenance of proper books and records;
  - (iv) The existence of project fixed assets and internal controls related thereto;
  - (v) Where the audit report has been issued under ISA 800 or ISSAI 1800, it shall include the mandatory Emphasis of Matter paragraph alerting users of the audit report that the project financial statements are prepared in accordance with a special purpose framework and that, as a result, the project financial statements may not be suitable for another purpose. The auditor shall include this paragraph under an appropriate heading;
  - (vi) Where reasonable assurance has been provided using ISAE 3000 or ISSAI 4200, the assurance report must contain, among others:
    - A statement that the engagement was performed in accordance with ISAE 3000 or ISSAI 4200;
    - Subject matter;
    - Criteria for measurement;
    - A summary of the work performed; and
    - The auditor's conclusion.
  - (vii) On the advance account procedure (where applicable), audit procedures are planned and performed to ensure (a) the advance account (and any sub-accounts) has been managed in accordance with ADB's Loan Disbursement Handbook, (b) the cash balance of the advance account (and any sub-accounts) is supported by evidence, (c) the expenditures paid from the advance account (and any sub-accounts) comply with the approved project purpose and cost categories stipulated in the loan agreement, and (d) the amount of expenditures paid from the advance account (and any sub-accounts) comply with disbursement percentages stipulated in the loan agreement and (e)MHIF payments to 8 designated hospitals for refurbishment and payment to health workers ;
  - (viii) Adequate supporting documentation has been maintained to authenticate claims stated in the SOE for reimbursement of eligible expenditures incurred and liquidation of advances provided to the advance account (where applicable),

including MHIF payments to designated hospitals for refurbishment and payments to health workers;

- (ix) On the SOE procedure (where applicable), audit procedures are planned and performed to ensure that (a) the SOEs have been prepared in accordance with ADB's Loan Disbursement Handbook, (b) the individual payments for expenditures stated in the SOE are supported by evidence, (c) the expenditures stated in the SOEs comply with the approved project purpose and cost categories stipulated in loan agreement, and (d) the amount of expenditures stated in the SOEs comply with disbursement percentages stipulated in the loan agreement; and
- (x) Any weaknesses in internal controls over the procurement process.

14. All reports must be presented in the English language within 6 months following the end of the fiscal year.

15. Public disclosure of the project financial statements, including the auditor's opinion on the audited project financial statements, will be guided by ADB's Public Communications Policy (2011). After review, ADB will disclose the audited project financial statements and the opinion of the auditor on the audited project financial statements no later than 14 calendar days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter and the additional auditor's opinions will not be disclosed<sup>3</sup>.

## **VII. OTHER MATTERS**

### **A. Statement of Access**

16. The auditor will have full and complete access, at all reasonable times, to all records and documents including books of account, legal agreement(s), bank records, invoices and any other information associated with the project and deemed necessary by the auditor.

17. The auditor will be provided with full cooperation by all employees of [XYZ] and the project implementing units, whose activities involve, or may be reflected in, the annual project financial statements. The auditor will be assured rights of access to banks and depositories, consultants, contractors and other persons or firms hired by the employer.

### **B. Independence**

18. The auditor will be impartial and independent from any aspects of management or financial interest in the entity or project under audit. In particular, the auditor should be independent of the control of the entity. The auditor should not, during the period covered by the audit, be employed by, or serve as director for, or have any financial or close business relationship with the entity. The auditor should not have any close personal relationships with any senior participant in the management of the entity. The auditor must disclose any issues or relationships that might compromise their independence.

### **C. Auditor Experience**

19. The auditor must be authorized to practice in the country and be capable of applying the agreed auditing standards. The auditor should have adequate staff, with appropriate professional

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<sup>3</sup> This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).



qualifications and suitable experience, including experience in auditing the accounts of projects or entities comparable in nature, size and complexity to the project or entity whose audit they are to undertake. To this end, the auditor is required to provide curriculum vitae (CV) of the personnel who will provide the opinions and reports, together with the CVs of managers, supervisors and key personnel likely to be involved in the audit work. These CVs should include details of audits carried out by these staff, including ongoing assignments.

**SPECIAL PURPOSE AUDIT**

To be determined during implementation

**Terms of Reference  
COVID-19 Training and Assessment Firm**

**Project No. 54175-001  
KGZ: COVID-19 Pandemic Emergency Project**

**I. BACKGROUND**

1. **The COVID-19 pandemic.** In December 2019, a novel coronavirus disease (COVID-19) emerged and quickly spread around the world causing a surge in fatalities, especially among people with co-morbidities. The World Health Organization (WHO) declared a global COVID-19 pandemic on 11 March 2020. Since then, the pandemic has taken on catastrophic proportions. The Government of the Kyrgyz Republic announced the first cases of COVID-19 on 17 March 2020 and declared a state of emergency on 24 March 2020. Borders, schools and non-essential businesses were closed, and lockdown and social distancing were imposed. By 24 April 2020, there were 656 infected persons (including 172 health workers), 322 recovered, and 8 deaths. A model of the global impact of COVID-19 predicts that many more will become infected and require hospital care,<sup>1</sup> with devastating health and socioeconomic impacts. The Kyrgyz Republic, with a population of about 6.3 million and estimated gross national income per capita of \$1,220 (Atlas method, 2018 prices), is one of the most integrated and open economies in Central Asia, and is ill-prepared for this pandemic.<sup>2</sup>

2. **Socioeconomic impact.** The COVID-19 pandemic is expected to have a devastating socioeconomic impact on the Kyrgyz Republic given its dependence on trade with its neighbors and remittances, both of which have declined precipitously due to the crisis. The COVID-19 pandemic has disrupted trade, tourism, employment and remittances which account for nearly 30% of GDP. The economic disruption caused by border closures and emergency lockdown measures have created a large fiscal gap estimated at \$400 million according to the IMF.<sup>3</sup> Additionally, the under-resourced health care system is overwhelmed with the rising number of COVID-19 cases placing further strain on the government's budget. ADB estimates that the poverty rate could increase by 43.0% due to COVID-19.<sup>4</sup> The Ministry of Social Protection and Labor identified around 1.8 million people (about 30% of the population)<sup>5</sup> who will need direct social protection support during the economic downturn including about 1 million people who are likely to lose their jobs as a result of the downturn.

3. **Government response.** The government adopted its first legislation to address COVID-19 on 29 January 2020.<sup>6</sup> The government requested the Asian Development Bank (ADB) for

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<sup>1</sup> Walker, et al, 2020. [Global Impact of COVID-19 and Strategies for Mitigation and Suppression](#).

<sup>2</sup> IMF. 2018. [World Economic Outlook Database](#). Washington, DC (accessed 11 March 2019).

<sup>3</sup> IMF. 2020. Kyrgyz Republic—Request for Purchase Under the Rapid Financing Instrument and Disbursement Under the Rapid Credit Facility—Staff Report. Washington, D.C.

<sup>4</sup> ADB. COVID-19 and Poverty: Some Scenarios Based on Grouped Distribution Data on Household Consumption. *Unpublished*.

<sup>5</sup> Organization for Economic Cooperation and Development (OECD). 2018. [Social Protection System Review of Kyrgyzstan](#). OECD Development Pathways. Paris.

<sup>6</sup> On January 29, 2020, the Government adopted key legislation for COVID-19, including Government Order No. 30, Order No. 52 of the Minister of Health on prevention of the spread of COVID-19 disease, and Protocol No.1 based on the meeting of the Republican Headquarters for the Prevention of the Spread of COVID-19 on the Territory of the Kyrgyz Republic. The group consists of all ministries and state agencies, including the Ministry of Health, Ministry of

emergency assistance on 6 April 2020. To coordinate the COVID-19 response, the Republican Headquarters for the Prevention of the Spread of COVID-19 was established in the Ministry of Emergency Services with the Prime Minister of the Kyrgyz Republic as chair and representatives of all ministries and state agencies as members. A COVID-19 headquarters for the health sector response was also established in the Ministry of Health (MOH) with the Deputy Minister of Health as the executive representative and a Secretariat in the Department of State Sanitary and Epidemiology Control. The Government has prepared the National Contingency Action Plan (NCAP) for COVID-19 response with partners led by WHO, and activated intersectoral and interagency coordination mechanisms.<sup>7</sup>

4. **Damage and needs assessment.** The NCAP lays out the strategic response to mitigate the impact of the COVID-19 pandemic, with a focus on reducing transmission, mortality, and socio-economic impact, and is expected to cost Som7 billion (\$88 million) to implement assuming 4,000 cases. As stated in the NCAP, the Government aims to: (i) ensure early identification of cases and their safe and effective management; (ii) reduce the severity of disease by providing clinical care, especially to vulnerable populations; (iii) ensure contingencies are in place to avoid disruption of essential medical services; and (iv) minimize societal disruption by guiding business continuity planning to ensure continuity of essential supplies.

5. MOH has introduced risk communication, lockdown, and isolation and quarantine of persons suspected of having COVID-19 infection and their contacts. Development partners have supported the COVID-19 surveillance and testing system. Laboratory staff have been trained in technical and safety procedures. COVID-19 testing capacity has been expanded from 2 to 7 laboratories, with an option to expand to several other capable laboratories. However, more contact tracing and testing capacity will be required to contain the surge in cases and before the lockdown can be relaxed.<sup>8</sup>

6. For stage 1 of the pandemic, the government designated 12 hospitals in Bishkek and Osh cities and 4 regions as COVID-19 treatment centers, with a total capacity of 950 beds including 87 intensive care beds and 90 ventilators. For stage 2 of the pandemic, an additional 21 hospitals have been identified throughout the country, with additional 1,315 beds including 139 intensive care beds and 94 ventilators. With effective lockdown, these facilities should, with some adaptation, be enough to handle a slow surge in COVID-19 inpatients but a shortage of intensive care beds is projected as the pandemic progresses. While MOH can mobilize more health workers, there is a shortage of trained intensive care staff.<sup>9</sup> The Kyrgyz Republic's public health spending at about 6.2% of gross domestic product in 2017 is insufficient to handle a surge in COVID-19 inpatients.<sup>10</sup> Health facilities will be overwhelmed, which also threatens the delivery of essential health services including vaccinations.

7. Furthermore, these facilities are not up to safety and quality standards for COVID-19 case management in terms of quarantine and waste management arrangements, medical equipment and supplies, and personnel protective equipment (PPE). WHO's assessment of hospitals found

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Emergency Situations, Ministry of Interior, State National Security Agency, State Committee for Defense, Security Council, Ministry of Foreign Affairs, Ministry of Economy, Ministry of Finance, Ministry of Culture and Tourism, Ministry of Transportation and Roads, State Border Service, State Custom Service, Veterinary Service, Phytosanitary Agency and others

<sup>7</sup> Government of Kyrgyz Republic. 2020. *Inter-sectoral inter-agency contingency plan for COVID-19*.

<sup>8</sup> WHO. [COVID-19 Health System Response Monitor: Policy Responses for Kyrgyzstan](#).

<sup>9</sup> There are 29,502 health workers in Kyrgyzstan, including 8,322 physicians and 21,180 medium-level health workers.

<sup>10</sup> WHO. [Global Health Expenditures Database](#) (accessed 29 April 2020).

that staff and visitors were ill-informed about risks and quarantine and care protocols.<sup>11</sup> Medical personnel account for 20% of infections, suggesting that the capacity to prevent transmission in facilities is very low.

**8. Output 1: Capacity of surveillance and response services to COVID-19 strengthened.** The project will help mitigate the surge in COVID-19 by increasing the health system capacity to screen and test potentially infected persons to reduce the transmission of COVID-19. The output will support the sanitary and epidemiological services and 6 COVID-19 laboratories – on an as needed basis – with procurement of PPE, laboratory equipment, test kits, reagents and other supplies to enable increased screening, testing and case detection. Health workers who are at highest risk of infection will have increased access to diagnostic services.

**9. Output 2: Capacity for infection prevention control and quality of care for COVID-19 patients improved.** The project will improve 8 hospitals that have been designated as COVID-19 quarantine treatment centers. The 8 hospitals include 5 stage 1 hospitals in Bishkek, Osh, and Jalalabad requiring additional support, and 3 stage 2 hospitals in Naryn, Talas, Issyk-Gul region. These hospitals currently have 792 beds with 81 intensive care beds. The hospitals were selected on the basis of COVID-19 cases, geographical coverage, existing capacity to manage infectious diseases, support from other donors, proximity to infection epicenters and projected need for additional ICU beds.

10. The project will assist these hospitals to function as COVID-19 treatment centers including staff, quarantine and waste management arrangements and expansion of ICU by an additional 80 beds. The project will support (i) medical supplies and equipment such as appropriately sized PPEs with face masks and shields, special supplies for female staff, ventilators, oxygenators, anesthetic instruments, monitors and others; (ii) training in staff safety and quality of care for COVID-19 patients, and clinical and services guidelines provided by technical agencies; and (iii) provision of ambulances to project facilities. To ensure the hospitals are well prepared and staffed to provide quality COVID-19 treatment, the project will also provide operational funds to the hospitals for: (i) staff incentives in the form of hardship allowances as approved by Government Regulation;<sup>12</sup> (ii) minor repairs and refurbishment of facilities; and (iii) improvement of facilities for hospital staff and including separate changing and resting facilities for male and female health workers. The enhanced capacity of the 8 hospital facilities will strengthen the resilience of the country to future outbreaks and pandemics.

## II. OBJECTIVES OF THE ASSIGNMENT

18. The objectives of these terms of reference are:

19. The COVID-19 Training and Assessment Firm (CTAF) will be responsible for supporting the EA and PIU to achieve the project's Output 2;

- (i) Undertake a survey of 8 project facilities to identify the capacity and training needs of facility staff on infection prevention control, sanitation and hygiene management and patient triage and management practices;
- (ii) Review the existing WHO guidelines for COVID-19 practices;

<sup>11</sup> WHO, Hospital Readiness Assessment – in the Context of the COVID-19 Outbreak, February 2020.

<sup>12</sup> The Government of the Kyrgyz Republic issued a regulation No.194, dated 3 April 2020 “Regulation of the ordinance of the spending of the funds received for the support of the pandemic measures and its operating mechanism”, determines to add a hardship allowance to health and other workers supporting facilities fighting COVID-19. The allowance in a form of non-refundable payment is payable through MHIF, which supports single payer system in healthcare and have adequate facilities to track transactions and e-Procurement.

- (iii) Provide training and mentoring of health workers on key subjects;
- (iv) Develop baseline and endline surveys for measuring health worker capacity; and
- (v) Undertake gender related activities, including implementing the project gender action plan (GAP) and monitoring progress toward the attainment of GAP outcomes for Output 2 in consultation with all stakeholders including ADB.

### III. SCOPE OF CONSULTING SERVICES

20. The Consultant will provide, for the duration of the entire assignment, a team of international and national key experts who are experienced in infectious diseases and clinical management training need assessments, curriculum development, and training and mentoring.

21. The Consultant is expected to commence in **Q3 2020 (estimated)**. The CTAF will work closely with, and assist, the PIU team, MOH and MOF.

### IV. STAFFING

22. The Consultant will require a minimum of **6 person-months** of international consulting inputs and **56 person-months** of national consulting inputs on an intermittent basis through an international consulting firm for the implementation of the project. The implementation period is **18 months**.

23. Consulting Services will be engaged using Biodata Technical Proposal (BTP) procedures based on fixed budget selection (FBS) method following ADB's Procurement Regulations for ADB Borrowers: Goods, Works, Non-consulting and Consulting Services (2017, as amended from time to time). The provisions of ADB's Anticorruption Policy will be included in all invitation documents and contracts for consultants.

24. The expertise and person months required are provided in Table 1.

**Table 1A:  
Consulting Expertise and Person-months Required**

Number	Expertise	Consulting Inputs	
		Number of Positions	Total Person-Months
<b>A.</b>	<b>International Key-Experts</b>		
1	Team Leader	1	6
	<b>Sub-Total International Key Experts</b>	<b>1</b>	<b>6</b>
<b>B.</b>	<b>National Key Experts</b>		
1	Deputy Team Leader	1	18
2	Health Trainers	8	32
	<b>Sub-Total National Key Experts</b>		<b>50</b>
	<b>Grand Total</b>		<b>56</b>

#### A. International Expertise

**25. Team Leader/Training Specialist (6 person-months, intermittent).** The specialist should have an advanced degree in medicine, health administration, public health or related field, preferably with at least 10 years of international experience in a leadership role; more than 15 years of experience in health management, institutional development, and policy development in health; and experience in leading the implementation and monitoring and evaluation of ADB funded projects. The specialist should have excellent writing and communication skills. The Team Leader will guide the implementation of project activities and will have overall responsibility. Core tasks include, but are not limited to, the following:

- (iii) Lead the CTAF team;
- (iv) Serve as focal point for MOH and ADB on project management
- (v) Work closely with WHO and other development partners involved in training to ensure alignment with national COVID-19 guidelines;
- (vi) Overall responsibility for the organization, conduct and delivery of consultancy services and reporting;
- (vii) Support the PIU in project management and reporting to MOH, MOF and ADB;
- (viii) Develop detailed work plans for the consultant team and supervise and coordinate inputs;
- (ix) Dialogue and coordinate with development partners on project activities;
- (x) Assist the Project Director and Project Manager in communicating with ADB on all technical matters related training ensure the quality of technical documentation related to these outputs;
- (xi) Coordinate and oversee completion of baseline studies;
- (xii) Oversee implementation of the GAP related to training;
- (xiii) Develop and lead regular monitoring and evaluation training related activities and produce progress reports for the EA and PIU, and for ADB review missions;
- (xiv) Oversee preparation of all surveys, studies, training materials prepared under the project; and
- (xv) Coordinate and lead preparation of those parts of the project completion report.

## **B. National Expertise**

**26. Deputy Team Leader (18 person-months, continuous).** The specialist should have an advanced degree in medicine, health administration, public health or related field, preferably with at least 12 years of experience; and experience in implementation, monitoring and evaluation of projects funded by ADB or other international development partners. The specialist should have excellent writing and communication skills. The Deputy Team Leader will assist the Team Leader in the overall delivery the services. Core tasks include, but are not limited to, the following:

- (i) Assist the Team Leader of the CTAF team to achieve training outputs;
- (ii) Act as a team leader in the absence of the Team Leader;
- (iii) Serve as focal point for MOH, MOF and ADB on project management in the absence of the Team Leader;
- (iv) Support the Team Leader and have overall responsibility for the organization, conduct and delivery of consultancy services and reporting;
- (v) Support the Team Leader and PIU in project management and reporting to MOH, MOF and ADB;
- (vi) Assist and work closely with the Team Leader in development of the detailed work plans for consultant team and supervise and coordinate the inputs;
- (vii) Conduct dialogue and coordinate with development partners on project activities;

- (viii) Assist and work closely with the Team Leader, Project Director and Project Manager in communicating with ADB on all technical matters related to training and ensure the quality of technical documentation related to these outputs;
- (ix) Conduct, coordinate and oversee completion of baseline studies;
- (x) Coordinate with team members and oversee team members to ensure timely and quality completion of tasks;
- (xi) Develop and lead regular monitoring and evaluation of training related activities and produce progress reports for the EA, PIU and ADB review missions;
- (xii) Develop baseline and endline surveys for measuring health worker capacity and satisfaction with improved knowledge from the training programs;
- (xiii) Prepare, coordinate and lead the preparation and compilation of the project completion report related to training; and
- (xiv) Undertake any other tasks assigned by the Team Leader and the PIU.

27. **Health Trainers (8 consulting positions, 4 person-months each, intermittent).** The specialists should have an advanced degree in medicine, training, capacity development or related field, preferably with at least 10 years of experience in medicine, capacity development, training, and mentoring of health workers. The specialist should have a demonstrated track record of timely delivery of high-quality outputs, excellent interpersonal skills, and good command of spoken and written English. Core tasks include, but not limited to:

- (i.) Assist the team leader and deputy team leader in achieving the consultancy objectives;
- (ii.) Assist and work closely with the team of international specialists in finalizing training materials;
- (iii.) Undertake in-class and online training and mentoring of health workers; and
- (iv.) Undertake other tasks assigned by the Team Leader and Deputy Team Leader.

## **V. FACILITIES TO BE PROVIDED BY THE CLIENT**

28. The Client will provide the Consultant with access to key relevant reports, studies, and data related to the assignment to ensure the Consultant is able to provide the contracted services, including but not limited to, the activities and outputs specified in the Project Agreement, the Report and Recommendation of the President, and the Project Administration Manual. The client will also provide the Consultant with office space in Bishkek, as well as office requirements such as office furniture; office hardware; communications equipment; photocopying equipment; fax machines; computers, printers and associated software; air conditioning

## **VI. FACILITIES TO BE ARRANGED BY THE CONSULTANT**

29. The Consultant will organize its own hiring of vehicles for field activities, surveys and assessments. All documents, equipment, vehicles, and facilities related to the delivery of the Consultant's services will be turned over to the Client after completion of the services.

## **VII. LOGISTICS ARRANGEMENTS BY THE CONSULTANT (OUT OF POCKET EXPENSES)**

37. Out-of-pocket expenses also include: (i) all other facilities and logistics support required for the Consultant's office needs, including living accommodation; (ii) national travel and



miscellaneous transportation; (iii) day-to-day office communications, utilities and other miscellaneous costs which may be required for carrying out the services as per the requirement of the Contract, including any other support or non-key staff required; and (iv) printing, publishing and transmittal and production of all reports and deliverables.

### VIII. REPORTING REQUIREMENTS

38. The consulting team is expected to submit the following required reports to the PIU and ADB as per Table 2.

**Table 2A. Reporting Requirements**

No.	Report name	Report Content	Date of Submission
1	Inception Report	The Consultant will submit a brief report after mobilization including action plan, activity achievement plan, completion timelines and implementation (maximum text – 10 pages excluding appendices).	Within 2 weeks of mobilization
2	Quarterly Progress Report	The Consultant will submit concise reports providing details on the project and key emerging technical or implementation issues. For every year, the first two reports will be incremental reports detailing activities, progress and issues during the previous trimester, and planned activities for the next trimester. These reports must present the findings related to all training activities of the project, and the monitoring requirements identified in the design and monitoring framework (DMF), including progress in delivering outputs, the GAP, and project covenants. The reports will also summarize the results of relevant data collected. The fourth report (which will become the Annual Report) will be cumulative for the full year period. The Quarterly Report is to include that month's Monthly Progress Report (no separate monthly report).	Quarterly. 15 days after the end of the quarter.
3	Midterm Report	This will be scheduled approximately halfway through the consultancy period and should be produced prior to the ADB mid-term mission (note that the number and schedule of missions may vary). The contents of the report will be agreed with the PIU and ADB prior to preparation and would include, but not be limited to: <ul style="list-style-type: none"> <li>(i) Summary of the progress including issues, confirmation elaboration and/ adjustments to the Consultant's program;</li> <li>(ii) Progress against the outputs, loan and the DMF;</li> <li>(iii) Updated detailed implementation plan;</li> <li>(iv) GAP implementation progress;</li> <li>(v) Status of loan covenants;</li> <li>(vi) Updated PAM; and</li> <li>(vii) Summary and discussion of all specialist aspects of the project, including assessments, surveys, training modules, training and mentoring of health workers, and other</li> </ul>	Submitted 1 month after the 1 <sup>st</sup> year of project implementation of the project and/or as agreed with the PIU and ADB, during project implementation.

No.	Report name	Report Content	Date of Submission
		aspects related to training, GAP implementation, social and environmental safeguards, together with conclusions and any recommendations for adjustment.	
4	Draft Final Report	Detailed report on the completion of all tasks required for achieving project outputs. It will present a summary of all aspects of project implementation, as well as a comparison of planned and actual achievement of the loan, GAP and DMF. The report will summarize and discuss the results of the project, together with conclusions, recommendations and lessons learned for future projects. The content of the report will be agreed with the PIU and ADB prior to its preparation.	1 month prior to completion of the services under the Contract.
5	Final Report	Revised detailed report on project completion and the outcome of the project, incorporating comments from the PIU, ADB, Government of the Kyrgyz Republic, and other stakeholders.	Within 1 month of completion of the services under the Contract.

**Attachment 4: Hospital Site Due Diligence/Screening Checklist**

Name and Location of Existing Facility:		
Describe the full scope of works to be undertaken on project site around existing facility, including any works related to utilities like water supply, sanitation, electricity and access roads:		
Describe land needs associated with the refurbishment of the existing facility. Specify if there is a need to allocate/expand ROW for access roads, communications, utilities like water supply, sanitation, electricity. Clarify if there is a need to expand the boundaries of the facility's ROW (e.g., clear and fence a larger area) or expand the structure itself (e.g., provide additional access points to facility or add any physical extensions).		
Describe physical characteristics of the land (type, area, coordinates, including photos and google earth image, if available)		
Describe ownership/cadastral status of the land (project (full or partial), government (full or partial) local government/municipality (full or partial); physical/legal person (full or partial)). Indicate the starting month/year of land tenure. Describe the ownership/cadastral status of any additional land needed.		
Take note of any contested titles or existing incumbrances associated with the project site (e.g., acquisition by government agency was initiated but not completed; existence of claims by any other parties).		
Describe current use of land including the use of any additional land needed:		
	Yes	No
	Comment/Clarification	

Are there any formal or informal leaseholders on the existing parcel/needed parcel?			
Are there any non-registered users on the existing parcel/needed parcel?			
Will there be permanent and/or temporary physical displacement, for example, relocation, loss of residential land, or loss of shelter by any person or legal entity?			
Will there be permanent and/or temporary economic displacement, for example, loss of land, assets, access to assets, income sources or means of livelihood (agricultural, businesses)?			
Will there be any person affected by permanent and/or temporary restriction of access to any economic activity earlier performed on the parcel?			
Will there be any person affected by permanent and/or temporary restriction of access to any natural resource as a result of the project construction/enclosure of the parcel?			
Will there be loss of crops, trees, structures fences and other fixed assets due to project construction?			
Will there be restriction of access to assets, access to natural resources, communal facilities and/or services?			
If land use is changed, will it have adverse impact on social and economic activities (for example, of nearby communities, groups etc.)			
Will the project facility establish a buffer zone which will be outside of the facility's current ROW? If yes, please describe any adverse impacts on social or economic activities (for example, on nearby communities, private persons or legal entities, etc.)			

# Code of Construction Practice

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**Project Number:**  
**April 2020**

**Kyrgyz Republic: COVID-19 Pandemic Emergency  
Project**

**Prepared by**

**ABBREVIATIONS**

ADB	–	Asian Development Bank
CoCP	–	Code of Construction Practice
COVID	–	coronavirus disease
PIU	–	project implementation unit
PPE	–	personal protective equipment
MOF	–	Ministry of Finance
MOH	–	Ministry of Health
MHIF	–	Mandatory Health Insurance Fund
SAEPF	–	State Agency for Environmental Protection and Forestry
UN	–	United Nations
WHO	–	World Health Organization

## I. INTRODUCTION

1. The Project is expected to strengthen people-centered systems that ensure public health and deliver quality services throughout life, aimed at maximum improvement of health outcomes of population, reducing health inequalities and providing financial protection (aligned with The Program of the Kyrgyz Republic Government on Public Health Protection and Health Care System Development for 2019–2030). The Ministry of Health (MHO) will be the executing agency, the MOH COVID-19 headquarters will function as the response coordination center in the health sector. The outputs of the project are as follows:

2. **Output 1: Capacity of surveillance and response services to COVID-19 strengthened.** The project will help mitigate the surge in COVID-19 by increasing the health system capacity to screen and test potentially infected persons to reduce the transmission of COVID-19. The output will support the sanitary and epidemiological services and 6 COVID-19 laboratories – on an as needed basis – with procurement of PPE, laboratory equipment, test kits, reagents and other supplies to enable increased screening, testing and case detection. Health workers who are at highest risk of infection will have increased access to diagnostic services.

3. **Output 2: Capacity for infection prevention control and quality of care for COVID-19 patients improved.** The project will improve 8 hospitals that have been designated as COVID-19 quarantine treatment centers. The 8 hospitals include 5 stage 1 hospitals in Bishkek, Osh, and Jalalabad requiring additional support, and 3 stage 2 hospitals in Naryn, Talas, Issyk-Gul region. These hospitals currently have 792 beds with 81 intensive care beds. The hospitals were selected on the basis of COVID-19 cases, geographical coverage, existing capacity to manage infectious diseases, support from other donors, proximity to infection epicenters and projected need for additional ICU beds.

4. The project will assist these hospitals to function as COVID-19 treatment centers including staff, quarantine and waste management arrangements and expansion of ICU by an additional 80 beds. The project will support (i) medical supplies and equipment such as appropriately sized PPEs with face masks and shields, special supplies for female staff, ventilators, oxygenators, anesthetic instruments, monitors and others; (ii) training in staff safety and quality of care for COVID-19 patients, and clinical and services guidelines provided by technical agencies; and (iii) provision of ambulances to project facilities. To ensure the hospitals are well prepared and staffed to provide quality COVID-19 treatment, the project will also provide operational funds to the hospitals for: (i) staff incentives in the form of hardship allowances as approved by Government Regulation;<sup>65</sup> (ii) minor repairs and refurbishment of facilities; and (iii) improvement of facilities for hospital staff and including separate changing and resting facilities for male and female health workers. The enhanced capacity of the 8 hospital facilities will strengthen the resilience of the country to future outbreaks and pandemics.

5. The proposed project will cover most urgent priorities, such as PPE's, medical equipment for ICUs and lab supplies. There may be very small-scale refurbishment works for preparing the infrastructures for the equipment and hospital beds within the existing facilities. Hence minimal environmental impacts are envisaged. Category C for environmental safeguards has therefore

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<sup>65</sup> The Government of the Kyrgyz Republic issued a regulation No.194, dated 3 April 2020 "Regulation of the ordinance of the spending of the funds received for the support of the pandemic measures and its operating mechanism", determines to add a hardship allowance to health and other workers supporting facilities fighting COVID-19. The allowance in a form of non-refundable payment is payable through MHIF, which supports single payer system in healthcare and have adequate facilities to track transactions and e-Procurement.

been proposed.

6. The Project will not entail land acquisition or civil works except for minor refurbishment and repair of pre-existing facilities to provide increased capacity at these treatment centers. Involuntary resettlement is not expected to occur under this project, as any works will be on existing facilities on government land.

7. **Environment Categorization.** The project is classified as Category C for environment per ADB Safeguards Policy Statement (SPS) as it is likely have minimal or no adverse environmental impacts. Potential impacts are limited to small-scale, site-specific and short-duration construction works during refurbishment of health facilities into treatment centers and installation of medical equipment. An environmental impact assessment or initial environmental examination is not required, however the environmental implications need to be reviewed.

8. This code of construction practice (CoCP) sets out the recommendations and guidelines to which contractors and workers involved in small-scale construction work must adhere in order to manage the potential environmental impacts and occupational health and safety risks during the COVID-19 outbreak. The purpose of this CoCP is to: (i) identify necessary procedural requirements and mitigation measures in respect of anticipated impacts during small-scale construction works; (ii) identify roles and responsibilities; (iii) provide guidelines for the workers; and (iv) provide the safety measure to be implemented at the construction sites.

9. The recommendations and guidelines contained in this CoCP are based on current information that is publicly available in international recommendations and best practices.<sup>66</sup> The local laws shall be consulted and if necessary, update this CoCP, prior to start of construction works to keep abreast with evolving guidelines.

10. This CoCP will be included in the bid and contract documents and shall be made binding on all contractors operating on the site and will be included in the contractual clauses. Non-compliance with, or any deviation from, the conditions set out in this document shall constitute a failure in compliance.

## II. LEGAL AND REGULATORY FRAMEWORK

11. The environmental management of the project is governed by the ADB SPS 2009 and all relevant laws, regulations and administrative orders of the Government of the Kyrgyz Republic. Table 1 provides the summary of Kyrgyz Republic laws and regulations applicable to the project.

**Table 1A. Laws and Regulations of the Kyrgyz Republic**

<b>Laws and Regulations</b>	<b>Description</b>
The Constitution of the Kyrgyz Republic (2010)	Land, its mineral resources, airspace, waters, forests, flora and fauna and other natural resources are used, but at the same time are under protection. Everyone is obliged to take care of the environment, flora and fauna of the country.
The Environmental Safety Concept of KR (2007)	This law establishes the basic principles of environmental policy and determines global, national and local environmental issues; priorities in

<sup>66</sup> <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/advice-for-public>, ILO Standards and COVID-19 (coronavirus) FAQs (23 March 2020 - Version 1.2), and World Bank Group Environmental, Health, and Safety Guidelines (known as the "EHS Guidelines").



	the field of environmental protection at the national level as well as tools to ensure environmental safety.
Law of KR "On Environmental Protection" (1999)	This law establishes the basic principles of environmental protection and provides legal authority to establish environmental quality, designate special protected areas, promulgate rules and procedures for the use of natural resources, establish environmental monitoring and control system and reinforce procedures for overcoming emergency situations. Among the standards and norms of environmental quality authorized under this law and related to the project there are: (i) Standards of Maximum Safe Concentration of Hazardous Substances in Air, Water; and (ii) Standards of Natural Resources Use; Standards of Maximum Safe Noise, Vibration Levels and Other Hazardous Physical Impacts. This law establishes the requirements for environmental examination (environmental assessment) intended by economic or other activities to prevent potential adverse environmental impacts. In addition, it prohibits financing or implementation of projects related to the use of natural resources without obtaining approval from the State Environmental Expertise.
Law of KR "On Environmental Impact Assessment" (1999)	The main law related to environmental assessment. Its task is to prevent negative impacts on human health and environment occurring as a result of economic or other activities, and to ensure compliance of these activities with environmental requirements of the country.
Law of KR "General technical rules and regulations for environmental safety in the Kyrgyz Republic" (2009)	This law is meant to protect the environment. It determines the main provisions for technical regulation of environmental safety and establishes general requirements for ensuring environmental safety during design and operations of businesses and other facilities of all legal and physical entities.
Regulation on procedure for conducting environmental impact assessment in the Kyrgyz Republic (2015)	This regulation establishes the procedure for assessing the environmental impact of the proposed activity (hereinafter EIA). The purpose of EIA is to prevent and/or mitigate the environmental impacts of the proposed activity and other related social, economic and other consequences.
Rules for the protection of surface waters in KR (2016)	These rules govern the protection of surface waters from pollution and depletion, in the implementation of the water users of different types of business activities that have or may have an adverse impact on the status of surface waters, irrespective of their legal form, as well as regulate the procedure for implementation of measures for the protection of surface water.
Law of KR "On Protection of Atmospheric Air" (1999)	This law governs the relations on use and protection of atmospheric air.
Law of KR "On Production and Consumption Waste" (2001)	This law defines the national policy in production and consumption waste management. It is aimed at preventing negative impacts from production and consumption waste on the environment and human health while handling it and their maximum involvement in the economy as an additional source of raw materials.
Temporary Instruction on Medical Waste Handling (2018)	This instruction has been developed to ensure the sanitary-epidemiological well-being of the population, to prevent harmful effects on human health and the environment, to improve and systematize the rules of waste management of public health organizations, and is intended for medical organizations, regardless of their form of ownership.
<b>Environmental Standards and Procedures</b>	
Air Quality, Sampling and Analysis	<ul style="list-style-type: none"> <li>• GN 2.1.6.695-98 "Maximum Permissible Concentrations (MPC) of polluting substances in the atmospheric air of the populated areas".</li> <li>• GOST17.2.1.03-84. Environmental Protection. Terms and definitions</li> </ul>

	<p>of pollution control.</p> <ul style="list-style-type: none"> <li>• GOST 17.2.4.02-81. Environmental Protection. General requirements for polluting substance detecting methods.</li> <li>• GOST17.2.3.01-86 Environmental Protection. Atmosphere. Rules to control quality of the air in populated areas.</li> <li>• GOST17.2.6.01-85. Environmental Protection. Atmosphere. Instruments for air sampling in the populated areas.</li> <li>• GOST17.2.6.02-85 Environmental Protection. Atmosphere. Automated gas analyzers to control atmospheric pollution.</li> <li>• RD 52.04.186-89 "Guidelines to control atmospheric pollution".</li> </ul>
Water Quality and Sampling	<ul style="list-style-type: none"> <li>• SanPiN 2.1.4.002-03. "Drinking water. Hygienic requirements for water quality of the centralized drinking water supply. Quality control".</li> </ul>
Noise Levels, Measurement and Protection	<ul style="list-style-type: none"> <li>• MSN 2.04-03-2005 "Noise protection"</li> <li>• SN 2.2.4/2.1.8.562-96 "Noise in the workplace, in residential and public buildings and in the residential area";</li> <li>• GOST 23337-78 "Methods of noise measurement in the residential area and in residential and public buildings";</li> <li>• MUK 4.3.2194-07 "Control of noise level in residential areas, residential and public buildings and premises»</li> <li>• SNIP 23-03-2003 "Noise protection "</li> </ul>

### III. ANTICIPATED ENVIRONMENTAL IMPACTS AND RISKS

12. The anticipated impacts of refurbishment work include:
- (i). air pollution from dust emissions from on-site excavation and emission from heavy equipment and construction vehicles used for construction.
  - (ii). water pollution from run-off or soil erosion from stockpiled construction materials, wastewater from domestic sewage of construction workers, and accidental spillage of oil and other lubricants from washing of construction equipment.
  - (iii). noise pollution from construction activities that may disturb sensitive receptors and/or nearby communities.
  - (iv). generation of solid wastes from construction workers and construction and demolition wastes.
  - (v). occupational health and safety risks to construction workers.
  - (vi). community health and safety impacts, primarily as a result of exposure to noise, smell of paints and solvents and dangerous excavated work areas.

### IV. MITIGATION MEASURES

13. The following activities are strictly prohibited on or near the project site:
- (i). Cutting of trees for any reason outside the approved construction area;
  - (ii). Hunting, fishing, wildlife capture, or plant collection;
  - (iii). Use of unapproved toxic materials, including lead-based paints, asbestos-containing materials;
  - (iv). Deposition of chemicals, sanitary wastewater, spoil, waste oil, and concrete agitator washings in water courses;
  - (v). Disturbance to anything with architectural or historical value;
  - (vi). Employment of workers under the age of 16;
  - (vii). Discrimination regarding recruitment, wages and compensation.

14. Table 2 provides the mitigation measures to addresses the potential impacts and risks during small-scale construction works.

**Table 2A: Mitigation Measures**

Aspect	Potential Impact and Risks	Mitigation Measures
<b>Pre-construction phase</b>		
<b>Permits</b>	Failure to secure necessary permits and clearances prior to construction	<ul style="list-style-type: none"> <li>• Obtain all necessary permits prior to start of works</li> </ul>
<b>Construction phase</b>		
<b>Risks associated with COVID-19 pandemic</b>	COVID-19 may cause illness or deaths in humans and animals.	<ul style="list-style-type: none"> <li>• Stay aware of the latest information on the COVID-19 outbreak, available on the national, state and local public health authority.</li> <li>• Non-essential visits to the construction sites should be cancelled or postponed.</li> <li>• Ensure the physical distance by creating more than one route of entry and exit to the site.</li> <li>• Ensure all workers are aware about proper cough hygiene, physical distancing, hand washing protocol, and health/well-being check procedures.</li> <li>• Workers or delivery personnel who need to visit the construction site must go through temperature check before entering and should be given clear instructions for precautions to be taken while on site.</li> <li>• Provide workers with all necessary personal protective equipment.</li> <li>• Require workers to regularly and thoroughly wash hands with soap and water or with an alcohol-based hand sanitizer (at least 70%).<sup>67</sup></li> <li>• Provide hand washing and/or hand sanitizer stations with signs and notices on proper hand washing protocols.</li> <li>• Ensure the availability of the thermal gun at the entry and exit of the construction site and no worker should be allowed without getting his/her temperature checked.</li> <li>• Provide instructions to truck/delivery drivers to remain in their vehicles and whenever possible make use of contactless methods, such as mobile phones, to communicate with workers.</li> <li>• Maintain at least 2 meters (6 feet) distance between workers. Consider reorganizing the workplace, limiting gatherings, and adjusting shift structures where necessary</li> <li>• Instruct workers to avoid touching eyes, nose and mouth.</li> <li>• Require every worker to change into standard working attire at the time of commencement of duty and change back to their regular dress after taking shower when their duty hours end.</li> <li>• If a worker develops fever, cough and difficulty breathing, seek medical advice promptly as this may be due to a respiratory infection or other serious condition.</li> </ul>

<sup>67</sup> List of approved disinfectant and/or their active ingredients is given at <https://www.epa.gov/pesticide-registration/list-n-disinfectants-use-against-sars-cov-2>

Aspect	Potential Impact and Risks	Mitigation Measures
		<ul style="list-style-type: none"> <li>• Prohibit workers from reporting to work if they experience COVID-19 symptoms.</li> <li>• Postpone non-essential work trainings to avoid gathering of people.</li> <li>• Document all incidences of appearance of COVID-19 symptoms, maintain on-site records and immediately inform designated health facility for advice and further actions.</li> <li>• Persuade the workers to inform the authorities for their safety and of other if they observe any signs and symptoms in a colleague</li> <li>• Discourage workers from using other workers' phones, desks, offices, or other work tools and equipment, when possible.</li> <li>• In case of workers sleeping in at the site of construction, a safe distance of 2 meters must be ensured in the sleeping rooms</li> <li>• Provide supply of safe drinking water at the project sites.</li> <li>• Sanitize work vehicles that are shared by multiple persons after each journey by thoroughly cleaning all internal surfaces and external handles and touch points.</li> </ul>
<b>Environment, Health and Safety (ESH) Capacity</b>	Inadequate EHS management capacity may lead to non-conformances, accidents/incidents or even deaths	<ul style="list-style-type: none"> <li>• Assign qualified EHS manager at construction site</li> </ul>
<b>Water and soil pollution</b>	Leakage of spills of fuel and lubricants that may contaminate soil, surface water and groundwater	<ul style="list-style-type: none"> <li>• Prevent pollution of soil, surface water/ groundwater by ensuring the following:</li> <li>• Locate storage facilities for fuel/oil/cement/ chemicals 200m away from the river, stream and waterways</li> <li>• Ensure soil surfaces are impermeable and provided with bunds</li> <li>• Provide linings, bunds and impermeable soils in areas for vehicles/heavy equipment maintenance and re-fueling</li> <li>• Prevent spillage of fuel, oil and hazardous materials</li> <li>• Provide oil traps shall vehicle maintenance and service areas;</li> <li>• Locate fuel storage and refilling areas at least 50 m from water sources and protected by temporary bunds to contain spills.</li> </ul>
<b>Air quality</b>	Air pollution due to construction machinery exhausts and generated from construction works	<ul style="list-style-type: none"> <li>• Prohibit use of machinery or equipment that can be a source of excessive pollution (for example, visible exhaust gases);</li> <li>• Shut down vehicles at the construction site if it is not in use or remains unattended for more than 3 minutes.</li> </ul>
<b>Dust</b>	Caused by earthmoving and construction haulage traffic can cause poor air quality and nuisance to householders and farmers.	<ul style="list-style-type: none"> <li>• Equip concrete mixing equipment and dust-producing machineries with dust shrouds</li> <li>• Cover stockpile materials.</li> <li>• Conduct regular water spraying when dust is observed on construction sites, construction roads, and stockpiled materials.</li> </ul>

Aspect	Potential Impact and Risks	Mitigation Measures
		<ul style="list-style-type: none"> <li>Cover vehicles carrying soil, sand, or other fine materials to/from the construction sites</li> </ul>
<b>Noise levels</b>	Increased noise levels due to construction works and operation of construction equipment	<ul style="list-style-type: none"> <li>Limit construction work to daytime hours (i.e. from 08:00am to 19:00AM), limit the transportation of construction materials through the settlements. Nearby community will be informed regarding schedule and duration of construction works.</li> <li>Avoid using older vehicles and machinery with significant noise</li> <li>Avoid idling of equipment when not in use</li> </ul>
<b>Water Quality</b>	Pollution of water courses through sediment	<ul style="list-style-type: none"> <li>Conduct risk assessment on all activities near to water courses and apply appropriate controls</li> <li>Avoid refueling of vehicles or equipment within river beds or within 25 meters of the edge of the water course</li> </ul>
<b>Construction waste and spoil</b>	Unauthorized or careless storage and disposal of waste can damage property, vegetation, agricultural land, and block natural drainage.	<ul style="list-style-type: none"> <li>Segregate wastes. Reduce, reuse and recycle to the extend possible.</li> <li>Locate temporary storage of spoil waste shall be away from the rivers, streams and waterway</li> <li>Secure construction waste in containers to prevent spillage</li> <li>Ensure waste and spoils disposal sites are approved by the regulatory authorities.</li> </ul>
<b>Waste from workers</b>	The construction workforce will generate domestic wastewater & garbage (food wastes, paper, and other solid waste including food-laden wash water) which causes impacts if poorly disposed	<ul style="list-style-type: none"> <li>Segregate wastes. Reduce, reuse and recycle to the extend possible.</li> <li>Provide sufficient waste bins at strategic locations</li> <li>Ensure waste receptables, bins and collection points are protected from birds and vermin</li> <li>Empty waste receptables and bins regularly to prevent overflow</li> <li>Ensure waste disposal sites are approved by the regulatory authorities.</li> </ul>
<b>Community health and safety (this also applies to sensitive receptors during COVID-19 related construction works)</b>	Construction work poses safety hazards and threats to nearby residents and passers-by, including staff, patients and guests of adjacent hospitals. Excavations, loss of access and movements of large machinery and vehicles all potentially impact on existing utilities, community safety and day-to-day operation of existing/adjacent hospitals.	<ul style="list-style-type: none"> <li>Plan construction activities to minimize disturbances to sensitive receptors, residents, passers-by, and utilities</li> <li>Plan well all temporary land requirements and consult with the affected community</li> <li>Reinstate and/or restore land, buildings and/or spaces to its original condition after construction works</li> <li>Implement safety measures around the construction sites to protect the public</li> <li>Provide warning signs to alert the public to potential safety hazards</li> <li>Provide barriers to prevent public access to construction sites, and a watch person, where necessary.</li> </ul>
<b>Road safety (through movement of vehicle and equipment for construction)</b>	Increased motorised vehicle movement including heavy goods vehicles to and from the site during construction may increase road safety risks for local residents and passers-by.	<ul style="list-style-type: none"> <li>Ensure drivers of all vehicles strictly follow road rules and maintain good road safety standards</li> <li>Supervise deliveries of construction materials by use of banksmen / traffic marshals</li> </ul>

Aspect	Potential Impact and Risks	Mitigation Measures
<b>Occupational health and Safety</b>	Workers are subject to safety hazards while operating and/or moving around machinery, as well as dust and noise impacts from extended exposures at the work site.	<ul style="list-style-type: none"> <li>• Ensure that all reasonable steps are taken to protect any person on the site from health and safety risks</li> <li>• Ensure construction sites are safe and healthy workplaces</li> <li>• Ensure only certified and tested machineries and equipment is used</li> <li>• Ensure adequate training or instruction for occupational health and safety is provided</li> <li>• Ensure adequate supervision of safe work systems is implemented</li> <li>• Ensure all means of access to and exit from the site are without risk to health and safety</li> <li>• First aid kits shall be available on each construction site</li> <li>• All member of staff is responsible for first aid and shall be aware of local health care facilities</li> </ul>
<b>Human health and environmental pollution – Site Hand Over</b>	Hazardous waste materials, unprotected latrines and organic waste remaining after construction will pose a risk to human health and safety.	<ul style="list-style-type: none"> <li>• Remove all unused construction and waste materials</li> <li>• Reinstate/restore to pre-works conditions or better all land, buildings, and/or areas</li> <li>• Remove all temporary dwellings, cook houses and latrines upon completion of the construction and the site cleaned.</li> </ul>
<b>Construction completion</b>	Facility does not conform to approved plans and specifications; Improper site clean-up and restoration	<ul style="list-style-type: none"> <li>• Secure a Fire Safety Inspection</li> <li>• Secure an Occupancy Permit from the local government</li> <li>• Ensure proper restoration of disturbed areas and clean-up of site.</li> </ul>

## V. SAFEGUARDS ROLES AND RESPONSIBILITIES

15. **Executing and implementing agencies.** The MOH will be the executing agency and will nominate a senior government official as project director who will be responsible for overall project implementation. The MOH COVID-19 Headquarters will function as the response coordination center in the health sector. PIU functions will be split between MOH-Project Implementation Unit (PIU), responsible for procurement and assets management, monitoring and evaluation, and MOF's existing PIU, responsible for fiduciary management. MOH-PIU will ensure the bid and contract documents include this CoC and monitor contractor's implementation of the CoCP.

16. **Contractors.** The contractor is required to implement this CoCP and will be responsible for providing implementation reports to the Project Implementation Unit (PIU). The contractor shall appoint an Environment, Health and Safety (EHS) Manager who will be responsible on a day-to-day basis for (i) ensuring implementation of CoCP, (ii) coordinating with PIUs and/or environment and safeguards specialists of the project teams; (iv) field-level grievance redress; and (iv) reporting.

17. A copy of the CoCP shall be kept on-site during the construction period. Non-compliance with, or any deviation from, the conditions set out in the CoCP constitutes a failure in compliance and will require corrective actions.

18. The contractor is required to take the following measures to address potential impacts and

risks to environment, health and safety of workers and communities:

- (i) strict implementation of mitigation measures specified in Table 2;
- (ii) ESH manager must maintain a register of all workforce including contact details, ID number, phone number and addresses of all present at the site in case a follow up or tracing and tracking of contacts is required at a later stage.
- (iii) develop the employee roaster to decrease the number of people on the site very day. Split the shifts of the workers in morning and evening with limit of each shift to 8 working hours.
- (iv) in addition to all other internationally recognized safety precaution for construction workers and other staff, the contractor shall provide every worker with PPE. It must be ensured that all workers shall wear PPE and be replaced as and when soiled or otherwise removed.
- (v) ensure safe transport arrangements for worker which should not be crowded and should have social distancing in place during the entire process from pickups till drops at destination;
- (vi) establish a link with a nearby healthcare facility with arrangements for quick transportation of workers in case of an emergency;
- (vii) report CoCP implementation to MOH-PIU on a bi-weekly basis until the completion of the construction works using suggested outline in Appendix 1.

## **VI. SAFEGUARDS MONITORING AND REPORTING**

19. MOH will submit quarterly and annual reporting to ADB on CoCP implementation as part of the quarterly progress and annual monitoring reports, which will be reviewed and disclosed on ADB's website. The status of safeguard implementation, issues, and corrective actions including associated costs and schedule are to be clearly reported to ADB. The status of safeguards implementation will also be discussed at each ADB review mission and with necessary issues and agreed actions recorded in Aide Memoires.

20. ADB will also carry out annual reviews of the project. ADB's monitoring and supervision activities are carried out on an ongoing basis until a project completion report (PCR) is issued. Thus, submission of monitoring report will be submitted to ADB until PCR is issued.

Appendix 1: Contractor’s EHS Progress Monitoring Report

**Contract** (Insert Contract ref/number)  
**Completed by** (Insert name of Contractor’s Environmental Health and Safety Officer)  
**Company name** (Insert name of Company)

**Reporting Frequency:** Quarterly

<b>Date of this report</b>	<b>DD-MM-YY</b>	<b>Reporting Period</b>	<b>MM/YY – MM/YY</b>
<b>Permits and licenses secured</b> (e.g. ECC, construction permits, licenses)	<ul style="list-style-type: none"> <li>• Xxx</li> <li>• Xxx</li> <li>• Xxx</li> <li>• xxx</li> </ul>		
<b>Key construction activities since last report</b>			
<b>Planned construction activities in next reporting period</b>			

<b>Progress with EHS Activities this month</b>	
<b>Recruitment of construction workers</b> <b>Compliance with labor laws and regulations</b>	<ul style="list-style-type: none"> <li>• Total number of construction workers as of DD-MM-YY: Xxx women, xxx men; xxx% unskilled labor</li> <li>• Number of new recruitments in reporting period: xxx women, xxx men</li> <li>• We confirm the following:                             <ul style="list-style-type: none"> <li><input type="checkbox"/> Adherence to the International Labor Organization (ILO) Co Labor Standards</li> <li><input type="checkbox"/> Compliance with Labor Code of the Philippines (PD 442)</li> <li><input type="checkbox"/> Compliance to Republic Act 6685</li> </ul> </li> </ul>
<b>Trainings Undertaken</b> <i>– all training related to EHS</i>	EHS Training Provided: Participants: Who provided the training:
<b>Personal Protective Equipment</b>	New construction PPE issued this month:  Number of incidents of workers not wearing adequate construction PPE:
<b>Emergency Response</b>	
<b>Use of site accident Book</b>	Accidents reported: Description and Actions taken: Outcome:
<b>Spillages</b>	Number of spills: Description and Actions taken: Impact of spill:
<b>Other incidents</b>	Number of incidents: Description and Actions taken: Impact of incident:
<b>Concerns and Complaints</b>	
	Number of complaints: Action taken for each complaint: Outstanding complaints:
<b>Describe COCP Compliance Issues, Problems or Other issues PIU should be aware of</b>	



<b>Prepared by:</b> _____ <b>(Contractor)</b>	<b>Verified by:</b> _____ <b>(authorized Staff)</b>