



Report and Recommendation of the President to the Board of Directors

Project Number: 55012-001
March 2021

Proposed Grant Islamic Republic of Afghanistan: COVID-19 Vaccine Support Project under the Asia Pacific Vaccine Access Facility

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 29 March 2021)

Currency unit	–	afghani/s (AF)
AF1.00	=	\$0.01294
\$1.00	=	AF77.2814

ABBREVIATIONS

ADB	–	Asian Development Bank
AMC	–	Advance Market Commitment
APVAX	–	Asia Pacific Vaccine Access Facility
CAREC	–	Central Asia Regional Economic Cooperation
CARES	–	COVID-19 Active Response and Expenditure Support
COVAX	–	COVID-19 Vaccines Global Access
COVID-19	–	coronavirus disease
EAG	–	emergency assistance grant
EPI	–	Expanded Program on Immunization
FCAS	–	fragile and conflict-affected situations
GAVI	–	Gavi, the Vaccine Alliance
GDP	–	gross domestic product
HLHPOC	–	High-Level Health Program Oversight Committee
MOF	–	Ministry of Finance
MOPH	–	Ministry of Public Health
NEPI	–	National Expanded Program on Immunization
NGO	–	nongovernment organization
NPCVA	–	National Plan for COVID-19 Vaccination in Afghanistan
PAM	–	project administration manual
PIU	–	project implementation unit
SCO	–	Sehatmandi Coordination Office
UNICEF	–	United Nations Children’s Fund
WHO	–	World Health Organization

NOTE

In this report, “\$” refers to United States dollars.

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CONTENTS

	Page
PROJECT AT A GLANCE	
I. THE PROPOSAL	1
II. THE PROJECT	2
A. Rationale	2
B. Project Description	7
III. DUE DILIGENCE	11
A. Economic Analysis	11
B. Governance and Anticorruption	12
C. Environment and Social Safeguards	12
D. Poverty, Social, and Gender	13
E. Financial Due Diligence	13
F. Summary of Risk Assessment and Risk Management Plan	13
IV. ASSURANCES AND CONDITIONS	15
V. RECOMMENDATION	15
APPENDIXES	
1. Design and Monitoring Framework	16
2. List of Linked Documents	18

PROJECT AT A GLANCE

1. Basic Data		Project Number: 55012-001	
Project Name	COVID-19 Vaccine Support Project under the Asia Pacific Vaccine Access Facility	Department/Division	CWRD/CWSS
Country Recipient	Afghanistan, Islamic Republic of	Executing Agency	Ministry of Public Health
Country Economic Indicators Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=55012-001-CEI https://www.adb.org/Documents/LinkedDocs/?id=55012-001-PortAtaGlance		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Health	Disease control of communicable disease		50.00
		Total	50.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities		GHG reductions (tons per annum)	0.000
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Low
✓ Fostering regional cooperation and integration			
		ADB Financing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.5		Effective gender mainstreaming (EGM)	✓
SDG 3.8, 3.d			
SDG 5.1		Poverty Targeting	
SDG 10.4		General Intervention on Poverty	✓
4. Risk Categorization:	Complex		
5. Safeguard Categorization	Environment: C Involuntary Resettlement: C Indigenous Peoples: C		
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		50.00	
Sovereign Asia Pacific Vaccine Access Facility: Asian Development Fund		50.00	
Cofinancing		0.00	
None		0.00	
Counterpart		2.00	
Government		2.00	
Total		52.00	
Currency of ADB Financing: US Dollar			

I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed grant to the Islamic Republic of Afghanistan for the COVID-19 Vaccine Support Project under the Asia Pacific Vaccine Access Facility (APVAX).

2. The project will provide the Government of Afghanistan with urgently needed and flexible financing for coronavirus disease (COVID-19) vaccine procurement and logistics, and capacity strengthening activities through the APVAX.¹ Afghanistan has met all APVAX access criteria (Table 1). The project investment component under the APVAX will be utilized. The project will support the implementation of the National Plan for COVID-19 Vaccination in Afghanistan (NPCVA) in line with the fragile and conflict-affected situations (FCAS) approach and Strategy 2030 of the Asian Development Bank (ADB).²

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

Access Criteria	ADB Staff Assessment
Demonstrated adverse impact of the COVID-19 pandemic	The real GDP is estimated to contract by 5.0% in 2020 compared to the pre-COVID-19 projection of 3.0% growth. The unemployment rate is projected to increase from 23.9% in 2019 to 37.9% in 2020. The poverty rate increased drastically in 2020, with 61%–73% of people living below the national poverty line of about \$1 per day—a significant increase from 55% in 2016/2017.
Completed needs Assessment	A needs assessment conducted by the MOF, the MOPH, and development partners identified gaps. The NPCVA addresses the findings of readiness assessments conducted by WHO and UNICEF (VIRAT) and by the World Bank (VRAF).
National vaccination allocation plan	The MOPH has developed the NPCVA in consultation with ministries, institutions, provinces, and partners. The NPCVA is aligned with the WHO SAGE on global COVID-19 policies and strategies. It (i) clearly identifies vulnerable groups first; (ii) provides a financing plan to vaccinate up to 60% of the population; and (iii) outlines implementation arrangements, cold chain systems, and reporting and monitoring systems.
Incremental medical waste management plan	The NPCVA describes the collection and safe disposal of all medical sharps waste and syringes in safety boxes, to centralized health facility for safe destruction or sterilization in WHO-approved facilities. It describes the procedures in place based on the Health Care Waste Management Plan (validated in 2018) for handling and disposal of medical waste.
Governor’s letter	ADB has received the governor’s letter confirming the government’s commitment to implement its NPCVA, including its prioritization plan and compliance with the APVAX vaccine eligibility criteria.
Established an effective development partner coordination mechanism and a clear role for ADB	An effective partner coordination mechanism is in place, which ADB participates in and contributes to. The tight coordination ensures that all contributions are complementary, and that partners can support each other with implementation. It is based on using existing systems and expertise to fast-track procurement and implementation.

ADB = Asian Development Bank, APVAX = Asia Pacific Vaccine Access Facility, COVID-19 = coronavirus disease, GDP = gross domestic product, MOF = Ministry of Finance, MOPH = Ministry of Public Health, NPCVA = National Plan for COVID-19 Vaccination in Afghanistan, SAGE = Strategic Advisory Group of Experts on Immunization, VIRAT = Vaccine Introduction Readiness Assessment Tool, VRAF = Vaccine Readiness Assessment Framework, WHO = World Health Organization.

Source: ADB.

¹ The proposed project was prepared under the “One ADB” approach following the streamlined business processes outlined in the APVAX policy paper. ADB. 2020. [ADB’s Support to Enhance COVID-19 Vaccine Access](#). Manila.

² Islamic Republic of Afghanistan, Ministry of Public Health (MOPH). 2020. *National Plan for COVID-19 Vaccination In Afghanistan*. February; ADB. 2017. Strategy 2030 recognizes the special needs of FCAS and calls for following a differentiated approach to this group of countries. ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila; Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 2). The project is aligned with operational priority 1 through increasing access to COVID-19 vaccines, operational priority 2 by generating skilled jobs for women, and operational priority 7 by breaking the chain of COVID-19 transmission in Asia and the Pacific.

3. The project supports the National Emergency Response Plan for Coronavirus 2020 and will contribute to limiting the impact of COVID-19, which has resulted in additional 1.9 million–6.0 million people falling into poverty in 2020.³ It is an integral part of the development partner package and will help the government's efforts to mitigate the health, social, and economic impacts of the pandemic and strengthen the country's immunization systems. It will also complement efforts to contain the COVID-19 pandemic and foster economic growth in the Central Asia Regional Economic Cooperation (CAREC) region.

II. THE PROJECT

A. Rationale

4. **Status of the pandemic and country context.** The World Health Organization (WHO) declared COVID-19 a global pandemic on 11 March 2020. The first case in Afghanistan was confirmed on 22 February 2020, prompting the government to implement control measures. Following a first wave in May–June 2020, with a peak of 1,231 reported COVID-19 cases on 17 June 2020, a second wave started in late 2020.⁴ As of 25 March 2021, the government reported 56,226 cases and 2,467 deaths of COVID-19.⁵ The extent of the pandemic is underreported in the country because of limited testing capacity. The reported case fatality rate is 4.4%. Only 0.2% of cases have been treated in intensive care units because of limited bed capacity.⁶

5. Afghanistan is classified as an FCAS country and faces many challenges, including violent conflict, security issues, political instability, economic problems, large returnee and displaced populations, and high levels of poverty and food insecurity. The country faces risks from disasters, and some parts are difficult to access because of security issues. As a landlocked country it is dependent on trade transit arrangements with neighboring countries. These challenges, combined with developing institutions and limited administrative capacity, have affected the government's response to the COVID-19 pandemic.

6. **Economic cost.** While the pre-shock economic growth was already relatively low, the pandemic had a substantial negative economic impact because of business closures, disruptions in supply chains, a downturn in trade and remittances, and a drop in consumer demand. The Asian Development Outlook estimated a real gross domestic product (GDP) contraction of 5.0% in 2020.⁷ Afghanistan's exports are estimated to decline by 35.4% in 2020 and imports by 2.4%. The fiscal budget deficit (excluding grants and budget support loans) was projected to widen from \$2.65 billion (13.9% of GDP) in 2019 to \$3.96 billion (20.8% of GDP) in 2020.

7. **Impact on poor and vulnerable groups.** The COVID-19 pandemic was projected to increase the unemployment rate (including in the informal sector) from 23.9% in 2019 to 37.9% in 2020.⁸ This was compounded by the increase in food prices, housing, and health services, and dramatic declines in remittances inflows, which were projected to have more than halved in 2020

³ World Bank. 2020. [Afghanistan Development Update: Surviving the Storm](#). Washington, DC.

⁴ WHO. COVID-19 Dashboard. [Afghanistan](#) (accessed 8 February 2021).

⁵ United Nations Office for the Coordination of Humanitarian Affairs and WHO. 2021. [Afghanistan—Strategic Situation Report: COVID-19](#). No. 93. Kabul (25 March). As of 25 March, only 335,965 people had been tested for COVID-19 out of the population of about 38.9 million. A study by the Ministry of Public Health (MOPH) conducted in 2020 found that one-third of the population was likely to have been infected by COVID-19.

⁶ Corona Tracker. [Afghanistan](#) (accessed 22 February 2021). In other countries, about 12% of patients were admitted to intensive care units based on J. Phua et al. [Intensive Care Management of Coronavirus Disease 2019 \(COVID-19\): Challenges and Recommendations](#). *The Lancet Respiratory Medicine*. (8) 5. pp. 506–517.

⁷ ADB. 2020. [Asian Development Outlook 2020 Update: Wellness in Worrying Times](#). Manila.

⁸ Biruni Institute. 2020. [Afghanistan Economic Outlook](#). (1) 2. Kabul (25 July).

(footnote 3). The World Bank estimated that the poverty rate increased drastically in 2020, with 61%–73% of people living below the national poverty line of about \$1 per day; a significant increase from 55% in 2016/2017.⁹ The pandemic has had a disproportionate effect on the poor and vulnerable families, including returnees and internally displaced people.¹⁰

8. **Impact on gender.** The COVID-19 pandemic has rolled back the gains made on women's rights, exacerbating gender inequalities, leading to increased violence against women and girls, and further limiting women's access to critical services and resources to respond to the crisis.¹¹ Women and girls already had limited access to critical health care, including maternal and child health care, particularly in rural areas where 75% of the population live. In Afghanistan, only 15% of nurses and 2% of medical doctors are women, because of rigid gender norms limiting women's roles outside the home as well as their employment opportunities. This critically limits women and girls' access to health care, including COVID-19-related treatment, as some women and girls may not want to be treated by male doctors or health workers. It is crucial to increase the number of female vaccinators to ensure that women are not left out from COVID-19 vaccination.

9. **Impact on the health system.** Although Afghanistan has achieved notable improvements in its health system, it lags significantly behind the rest of the Middle East and Central Asia region in terms of services and key health indicators.¹² During the peak of the pandemic, the health system was unable to provide (i) adequate testing and protection to health care workers and (ii) acceptable clinical management to patients. Hundreds of health care workers were infected with COVID-19 and dozens have died.¹³ Many patients have died because of a shortage of oxygen supply, and only one-third of public hospital beds are designated for COVID-19 patients, with very few in intensive care units. Given these, a surge in severe COVID-19 cases in hospitals will disrupt medical services beyond COVID-19 patients management (footnote 6). A vaccination program is critical to flatten the COVID-19 case curve to ensure health services are not overwhelmed.

10. **Initial measures introduced by the government to control the pandemic.** The Ministry of Public Health (MOPH), in coordination with relevant ministries, prepared the National Emergency Response Plan for Coronavirus in 2020, which was based on the response plans of WHO and the United Nations Children's Fund (UNICEF).¹⁴ The President of Afghanistan chairs the COVID-19 national response coordinating committee (NRCC) of ministries and partners to provide oversight and guide and coordinate the pandemic response, supported by multisector

⁹ World Bank. 2020. [Afghanistan Development Update, July 2020: Surviving the Storm](#). Washington, DC; and Government of Afghanistan, Central Statistics Organization. 2018. [Afghanistan Living Conditions Survey, 2016–17](#). Kabul.

¹⁰ United Nations Development Programme—Afghanistan. 2020. [Afghanistan COVID-19 Impact: Short Term Disruptions and Policy Considerations](#). Kabul (15 April); and Summary Poverty Reduction and Social Strategy (accessible from the list of linked documents in Appendix 2).

¹¹ United Nations Population Fund, WHO, and United Nations Entity for Gender Equality and the Empowerment of Women. 2020. [Women's Access to Health Care during COVID-19 Times](#). *Gender Alert on COVID-19 Afghanistan*. Issue IX. 18 June.

¹² In 2018, Afghanistan had the lowest number of hospital beds per 1,000 people in the Middle East and Central Asia region—one bed versus a regional average of four. As of 2015, the number of health care professionals was very low, with 2.7 physicians and 3.2 nurses and midwives per 10,000 population. United Nations Development Programme in Afghanistan. 2020. *Afghanistan Coronavirus Socioeconomic Impact Assessment July*. Kabul.

¹³ A. Nemat et al. 2020. [A Survey of the Healthcare Workers in Afghanistan during the COVID-19 Pandemic](#). *The American Journal of Tropical Medicine and Hygiene*. 104 (2). pp. 537–539; and H. Erdem and D. Lucey. 2020. [Healthcare Worker Infections and Deaths due to COVID-19: A Survey from 37 Nations and a Call for WHO to Post National Data on their Website](#). *International Journal of Infectious Diseases*. 102 (2021). pp. 239–241.

¹⁴ The initial cost estimate of the National Emergency Response Plan for Coronavirus high-transmission scenario (without vaccination) was \$936 million, including health, social, and business measures. The MOF provided \$25 million for immediate relief, followed by fiscal measures. Government of Afghanistan, MOPH. 2020. *National Emergency Response Plan for Coronavirus 2020*. Kabul.

committees. The MOPH coordinates the health sector response, and the Ministry of Finance (MOF) oversees the overall response. ADB provided a \$40 million emergency assistance grant (EAG), under which (i) 8 hospitals are being constructed (adding 600 new beds) and expected for completion by May 2021, and (ii) medicines and medical equipment were delivered and oxygen concentrators distributed to all provinces in the second half of 2020.¹⁵ The remaining 12 hospitals will be constructed or rehabilitated by the end of 2021 (adding 550 new beds). The World Bank provided \$146 million, and the European Union provided €117 million, in addition to other grants. ADB, with a \$100 million grant through its COVID-19 Active Response and Expenditure Support (CARES) program,¹⁶ the World Bank, and the International Monetary Fund have also provided assistance aimed at reducing the overall social and economic impacts of COVID-19.¹⁷

11. **Lessons.** The project's design is informed by the best practices learned from recent projects. For the EAG, the majority of procurement was done through WHO and UNICEF; this arrangement ensured that supplies were of good quality and has helped mitigate several procurement risks. ADB's support in strengthening the project management capacity of the MOPH proved to be essential for implementation of the EAG. The capacity strengthening process requires a long-term commitment from ADB and should be continued under the project.

12. **Needs assessment.** The high transmission scenario for Afghanistan, projecting 740,000 infected persons seems likely, with at least 46,000 inpatients and 7,208 deaths.¹⁸ It was estimated that not having access to COVID-19 vaccines would cost low-income countries \$28 billion–\$200 billion of their combined GDP.¹⁹ The impact of vaccination will depend on the maintenance of control measures, public hesitancy for vaccination, and possible new viral strains.²⁰ While the threshold of the population to be vaccinated against COVID-19 to induce herd immunity or the capacity of any vaccine so far to reduce the transmission of the virus are not yet known, a degree of “functional immunity” can be met.²¹ Functional immunity corresponds to a level of protection that will not necessarily prevent one from getting infected but will drastically reduce the risk of contracting a severe form of the disease or dying. Protecting selected groups, whether they are more vulnerable or essential to the continuation of prioritized activity in the country, will reduce the burden of medical services in hospitals, reduce mortality because of COVID-19, and maintain essential public services and production capacity. The target is 60% (approximately 23.3 million people) of the total population (excluding those below 18 years old) to reach this goal.

13. The Afghanistan public health system is capable of implementing a public vaccination campaign and has delivered as many as 14 million vaccinations per annum.²² In 31 of the 34 provinces, nongovernment organizations (NGOs) are delivering public health services through service provider contracts.²³ The National Expanded Program on Immunization (NEPI) has

¹⁵ ADB. 2020. [Report and Recommendation of the President to the Board of Directors: Proposed Grant to the Islamic Republic of Afghanistan for the Emergency Assistance for COVID-19 Pandemic Response](#). Manila.

¹⁶ ADB. [Afghanistan: COVID-19 Active Response and Expenditure Support Program](#).

¹⁷ Development Coordination (accessible from the list of linked documents in Appendix 2). ADB has provided a range of assistance, including technical assistance under the CAREC Program.

¹⁸ Imperial College COVID-19 Response Team. 2020. [Report 9: Impact of Non-Pharmaceutical Interventions \(NPIs\) to Reduce COVID-19 Mortality and Healthcare Demand](#). London (16 March).

¹⁹ M. Hafner et al. 2020. [COVID-19 and the Cost of Vaccine Nationalism](#). Cambridge.

²⁰ Vaccine Needs Assessment (accessible from the list of linked documents in Appendix 2).

²¹ WHO. 2020. [Coronavirus Disease \(COVID-19\): Herd Immunity, Lockdowns and COVID-19](#). Q&A. 31 December.

²² UNICEF. 2018. [Nearly 14 Million Children in Afghanistan to be Immunized Against Measles Following a Growing Increase in Reported Cases](#). News release. 1 September.

²³ The World Bank's Sehatmandi Project finances performance-based contracts to deliver a basic package of health services and an essential package of hospital services through NGOs in 31 provinces. Under the World Bank project,

extensive experience with vaccination programs, with support of service providers, and manages the regular cold chain (–20 degrees Celsius at the national, regional, and provincial levels; and 2 to 8 degrees Celsius at the health facilities). Financing, procurement, and logistics systems are established and monitored. The cold chain system is being improved. Potential hurdles, which mainly concern rural areas, include local leaders' buy-in, public hesitancy, availability of female staff, and staff security. Alternative vaccination strategies have been developed for remote locations, such as using mobile clinics and providing incentives for community vaccination drives.

14. **National Plan for COVID-19 Vaccination in Afghanistan.** The MOPH has developed the NPCVA in consultation with ministries, institutions, provinces, and partners.²⁴ The program aims to vaccinate at least 20% of the population by December 2021, and another 40% in 2022, subject to vaccine availability. The prioritized 20% (7.78 million people) are ranked in the following order: (i) health workers, (ii) teachers, (iii) security personnel, (iv) prisoners, (v) people with comorbidities, (vi) people over 50 years of age, (vii) nomadic people, (viii) internally displaced people, (ix) returnees from countries with high COVID-19 prevalence, (x) government employees who are working with crowds, and (xi) people living in urban slums and others for emergency use. Children below 18 years old will not be vaccinated. Vaccinating pregnant women will depend on clinical trials and political support.

15. The NRCC has been extended to include COVID-19 vaccination. The MOPH has established a strong coordination structure, including the High-Level Health Program Oversight Committee (HLHPOC) chaired by the minister of public health, which brings together key development partners including ADB; the World Bank; United Nations agencies; and representatives from civil society, private sector, and the MOF. The HLHPOC is responsible for COVID-19 vaccine rollout, primarily through the NEPI, and provides programmatic directions and coordination among all involved ministries, provinces, and partners. The NPCVA provides a budget and financing plan to provide up to 60% of the population with COVID-19 vaccination at a cost of \$319 million. Afghanistan is a beneficiary of the COVID-19 Vaccines Global Access (COVAX) Advance Market Commitment (AMC) mechanism through the COVAX initiative led by Gavi, the Vaccine Alliance (GAVI).²⁵ As such, it will receive vaccines and ancillary items for vaccinating 16%–20% of the population. Several vaccines are being considered for emergency approval by the Afghanistan National Regulatory Authority.²⁶

16. The MOPH and partners have made detailed plans for the cold chain system to make vaccines available in 2,227 health facilities. Storage, transportation capacity, and quality control of vaccines are also to be increased. Vaccination will be delivered through the NEPI structure and staff for routine immunization as well as medical facilities. To address a gender-based challenge for women who will be vaccinated, MOPH will ensure that 1,000 female vaccinators will be recruited among the 2,000 additional vaccinators to be hired, in addition to the existing 4,454 vaccinators, half of whom are women. The government is committed to ensure equal access to

there is a strong emphasis on performance, transparency, and accountability, with established fiduciary, project management, and monitoring and evaluation mechanisms. World Bank. 2018. [Restructuring Paper on a Proposed Project Restructuring of Afghanistan Sehatmandi Project](#). 28 March; and World Bank. 2018. [Afghanistan Sehatmandi Project](#). 12 March.

²⁴ The NPCVA follows international standards of the Vaccine Introduction Readiness Assessment Tool of WHO and UNICEF and the Vaccine Readiness Assessment Framework of the World Bank, and it is aligned with the WHO Strategic Advisory Group of Experts on Immunization on global COVID-19 policies and strategies. Government of Afghanistan, MOPH. 2020. *National Plan for COVID-19 Vaccination in Afghanistan*. Kabul (February).

²⁵ Government of Afghanistan, MOPH. 2020. *National Plan for COVID-19 Vaccination in Afghanistan*. Kabul (February).

²⁶ The Afghanistan National Regulatory Authority has issued approval for use of the AstraZeneca COVID-19 vaccine produced by the Serum Institute of India, which will also be delivered under the COVAX AMC. The government will seek approvals from the Regulatory Authority for other vaccines, when required.

vaccination regardless of who controls the area, with NEPI vaccinators operating throughout the whole country. A training plan for vaccinators has been prepared. Special arrangements are being made to ensure the safety of health staff in remote locations and areas controlled by anti-government elements, including obtaining letters of guarantee/clearances. Innovative options may have to be considered to improve access (e.g., mobile clinics), and to overcome vaccine hesitancy (e.g., incentives). For every target group, a specific implementation strategy has been prepared, with dedicated means of identification implemented with partners.²⁷

17. The NPCVA has plans, protocols, and reporting requirements to (i) inform, manage, and screen potential recipients of the vaccine; and (ii) ensure the quality of vaccines, vaccination, and how to handle adverse events following immunization. The MOPH has strengthened its system (based on District Health Information Software 2) for registration, data collection, and reporting.²⁸ Patients will be identified based on a procedure detailed in the NPCVA. The MOPH plans to roll out smart paper technology to provide real-time data from the health facilities and use data collected by partner supervisors. Tracking of vaccination and performance monitoring will be implemented by a third-party monitoring firm (Acasus), in coordination with donors.²⁹ There is a strong emphasis in the NPCVA on accountability, transparency, and monitoring. The NPCVA covers a community engagement and communication plan, including a wide range of methods tailored to different target groups.³⁰ It describes the procedures in place based on Afghanistan's Health Care Waste Management Plan validated in 2018 for handling and disposal of medical waste.³¹

18. **Development partner coordination.** ADB's proposed grant of \$50 million will support procurement and transportation of vaccines and capacity strengthening of the MOPH, and will fully complement assistance of other development partners. The MOPH is coordinating the health sector response with all partners—with WHO, UNICEF, and the World Bank taking a co-leading role. The first round of vaccines for 16%–20% of the population will be financed through the COVAX AMC mechanism with \$84 million. This funding will also support distribution, strengthening of cold chains, provision of technical assistance, and capacity building. The World Bank is processing a project of \$113 million which includes \$50 million in cofinancing from the Afghanistan Reconstruction Trust Fund that will support vaccine procurement, other areas covered by GAVI, and delivery of vaccines to the population.³² Key support will also be provided by UNICEF and WHO, which will support procurement and distribution of vaccines, training, and service delivery and administration of vaccines to the population; and other partners.³³ The vaccination process started in February 2021, and GAVI delivered the first batch of 468,000 doses of AstraZeneca vaccine produced by the Serum Institute of India, on 8 March 2021.

²⁷ People living in camps for internally displaced people aged 30–50 years will be vaccinated by additional vaccinators using a mobile strategy, and their identification will be managed by the International Organization for Migration, United Nations High Commissioner for Refugees, and the Ministry of Returnees and Repatriation.

²⁸ District Health Information Software 2 (DHIS2) is an open-source health management information system.

²⁹ Acasus. [Health](#). Acasus will provide real-time reports by health facility, which can be aggregated to provincial and national levels to help ensure that vaccinations reach the delivery points in the right quantities and quality.

³⁰ For example, mass media (TV and/or radio) campaigns, media workshops and monitoring, and social media. Developing IPC/I skills of frontline workers and media representative's knowledge of the vaccine.

³¹ The NPCVA provides guidance for (i) segregation according to color coding for different types of biomedical waste; (ii) collection using different types of containers; (iii) designated storage locations within health care facilities; (iv) safe transportation for treatment (on-site and off-site); (v) use of personal safety devices mandatory for all personnel handling waste; and (vi) adequate treatment and disposal of syringes, needles, glass vials, and other materials.

³² Development Coordination (accessible from the list of linked documents in Appendix 2).

³³ The Government of India has confirmed a donation of 500,000 doses of the AstraZeneca vaccine manufactured by the Serum Institute of India, which will be used for medical workers and teachers.

B. Project Description

19. **Impact and Outcome.** The project is aligned with the following impacts: (i) vulnerable groups are protected from COVID-19 (footnote 25); and (ii) the spread of severe acute respiratory syndrome coronavirus 2 is reduced, and confidence of citizens is restored.³⁴ The project is aligned with the following outcome: priority populations vaccinated against COVID-19.³⁵ The project outputs are described below.

20. The government requested ADB to support its COVID-19 vaccination program. Following the guidance provided in Appendix 4 of the APVAX policy paper (footnote 1), the project investment component will be utilized. This approach will provide the flexibility needed to respond to the challenging operating environment in Afghanistan.

21. **Output 1: COVID-19 vaccines procured and delivered to designated points.** The project will provide financing to procure vaccines through the COVAX AMC facility with UNICEF support, as well as procurement of vaccines by UNICEF outside of the COVAX AMC facility, if required. A minimum of 6 million doses of COVID-19 will be delivered to the national store in Kabul and regional and provincial centers. The expenditure items will include (i) vaccines that meet any of the eligibility criteria of the APVAX policy paper,³⁶ including advance payments; (ii) safety boxes, syringes, and other items required for the administration of the vaccines; and (iii) international and national logistics and related services required for the transportation of vaccines from the place of purchase to designated delivery points. UNICEF will also provide transportation support from the national store in Kabul to regional and provincial vaccine store centers and to other designated points of delivery to support the overall COVID-19 vaccine rollout under the NPCVA, including for vaccines procured by other development partners (such as GAVI through the COVAX AMC) that meet the APVAX eligibility criteria (footnote 36). Prior to the disbursement of the grant proceeds, the MOPH shall submit to ADB purchase agreements for the vaccines that comply with the APVAX vaccine eligibility criteria.

22. **Output 2: Vaccine program implementation capacity strengthened.** This output will support strengthening the capacity of the MOPH to effectively and efficiently manage vaccine implementation. The output will provide consultant support to strengthen the MOPH's capacity related to planning, communications, coordination, and implementation at the national and provincial levels. The project will also support the strengthening of the project implementation unit (PIU) within the MOPH, which is also used for the EAG (footnote 15), by providing additional consultant support. All capacity strengthening activities will ensure women staff's participation. Technical trainings will include tailored gender sensitivity sessions to ensure that vaccines are administered to women in a culturally sensitive manner. Community campaigns to promote the demand for vaccines from the targeted population groups will set targets for women to be reached. Under this output, a performance auditing firm will be engaged to ensure that ADB-financed vaccines are delivered as per the NPCVA, and a waste management firm will be engaged to provide the technical support and capacity building for waste disposal. The capacity strengthening activities will be coordinated with other regional technical assistance.³⁷

³⁴ Severe acute respiratory syndrome coronavirus 2 is the virus that causes COVID-19; ADB. 2020. [ADB's Support to Enhance COVID-19 Vaccine Access](#). Manila.

³⁵ The design and monitoring framework is in Appendix 1.

³⁶ Eligibility of vaccines for APVAX financing will adhere to the criteria stated in paragraph 29 (including footnotes 28, 29, and 30) of the APVAX policy paper. ADB. 2020. [ADB's Support to Enhance COVID-19 Vaccine Access](#). Manila.

³⁷ Under the CAREC program, ADB is providing more than \$4 million technical assistance supporting CAREC countries' joint efforts in responding to COVID-19, building national health systems and strengthening regional health security.

23. **Value addition.** The pandemic has had significant social and economic impacts on the Afghan population. ADB has added value in terms of its infrastructure and administrative expertise and in-depth understanding of the local development process and is considered a trusted partner. ADB's overall support for the government's response to COVID-19 is holistic. It involves an expansion of ADB's portfolio to the health sector through the \$40 million EAG and provision of \$100 million in budget support (through the CARES program), covering treatment in hospitals through the EAG, prevention with the APVAX, and mitigation of socioeconomic impact through the CARES program (footnote 16). ADB has established monitoring mechanisms under the CARES program, on which this project builds for efficiently monitoring its implementation. The support for COVID-19 vaccines is essential for overcoming the pandemic and moving toward economic recovery. ADB's support will ensure that internationally reputed and medically certified safe and high-quality vaccines are made available to the Afghan people. Furthermore, given Afghanistan's location at the crossroads of Central Asia, the project will generate significant regional public goods and complement efforts to contain the COVID-19 pandemic and foster growth in the CAREC region, through addressing pandemic risks and cross-border health threats.

3. Summary Cost Estimates and Financing Plan

24. The project is estimated to cost \$52 million (Table 2). Detailed cost estimates by expenditure category and financier are included in the project administration manual (PAM).³⁸ The major expenditure items are the purchase and delivery of COVID-19 vaccines, the supply of other ancillary items required for the administration of the vaccines, international and national logistics and related services required for the transportation of vaccines to designated delivery points, and consulting services for capacity development of the MOPH.

Table 2: Summary Cost Estimates
(\$ million)

Item	Amount ^a
A. Base Cost^b	
1. Output 1: COVID-19 vaccines procured and delivered to designated points	44.9
2. Output 2: Vaccine program implementation capacity strengthened	2.1
Subtotal (A)	47.0
B. Contingencies^c	5.0
Total (A+B)	52.0

COVID-19 = coronavirus disease.

Note: Numbers may not sum precisely because of rounding.

^a Includes taxes and duties of \$1.94 million. Such amount does not represent an excessive share of the project cost. The government will finance taxes and duties of \$1.91 million through exemption.

^b In early 2021 prices as of 21 January 2021.

^c Physical contingencies computed at 9% for all cost categories. Price contingencies are calculated based on escalation rates for domestic and international costs estimated for Afghanistan, including provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate. Annual escalation rate for international costs is estimated at 1.6% for 2021 and 1.7% for each year during 2022–2023. Annual escalation rate for domestic costs is estimated at 4.5% for each year during 2021–2023.

Source: Asian Development Bank.

25. The government has requested a grant not exceeding \$50 million from ADB's Special Funds resources (Asian Development Fund) to help finance the project. The summary financing plan is in Table 3. ADB will finance the expenditures in relation to COVID-19 vaccine procurement and delivery to designated vaccine administration points, including other items needed for

A CAREC health strategy leading to 2030 is being formulated, which will guide CAREC countries including Afghanistan in strengthening health cooperation in the long run.

³⁸ Project Administration Manual (accessible from the list of linked documents in Appendix 2).

vaccine administration, goods, consulting services, and recurrent costs. The government provided assurance to cover any shortfall in the finances required. The government will contribute \$2 million to cover taxes and duties through exemption and will provide office space and counterpart staff as an in-kind contribution.

Table 3: Summary Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank ADF grant ^a	50	96.2
Government ^b	2	3.8
Total	52	100.0

ADF = Asian Development Fund.

^a The project will be funded by the freed-up ADF grant resources from savings and cancellations of ongoing projects of \$45 million, and the Expanded Disaster and Pandemic Response Facility grant of \$5 million.

^b Government in-kind contribution includes a tax and duty exemption for vaccines (including ancillary goods items and transportation costs), office space, and counterpart staff.

Sources: Asian Development Bank; and Government of Afghanistan.

4. Implementation Arrangements

26. Implementation arrangements are summarized in Table 4 and detailed in the PAM (footnote 38). The executing agency will be the MOPH. The deputy minister for policy and planning, MOPH will serve as the project coordinator, with support from the NEPI, MOPH, which will coordinate vaccination rollout and will be responsible and accountable for distribution and vaccine administration to groups identified by the NPCVA. The Grant and Service Contract Management Unit, MOPH will support the NEPI Division on the procurement and administrative side, including maintaining robust inventory management and controls and monitoring and tracking systems, while the Sehatmandi Coordination Office (SCO), MOPH, will coordinate project activities with all stakeholders.³⁹ Project oversight will be provided through the HLHPOC, which will meet regularly to review the project's progress and ensure coordinated efforts by all stakeholders (para. 15 and footnote 2).

27. The MOPH has established the National Immunization Technical Advisory Group as well as technical working groups in operation, cold chain, communication, surveillance, adverse events monitoring, and training committees to oversee specific aspects of the NPCVA. The national-level committees are supported by technical committees at the provincial levels, which (i) are led by the Provincial Expanded Program on Immunization (EPI) Management Team and regional EPI management teams, and (ii) bring all relevant partners on the ground. All committees will meet regularly to ensure timely implementation of the NPCVA. The delivery of the vaccines to the population will be done through 2,227 existing EPI centers with 4,454 vaccinators and 2,000 additional vaccinators. The MOPH's capacity will be augmented with additional staff (consultants) to ensure adequate inventory management and controls and monitoring and tracking systems.

28. UNICEF will be engaged through direct contracting as a turnkey procurement agent to handle all aspects of goods and logistics procurement in accordance with the ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time).⁴⁰ UNICEF will also be engaged to provide transportation and logistics services to designated points to support the overall COVID-19

³⁹ The SCO of the MOPH oversees implementation of the World Bank's Sehatmandi Project. It also oversees the implementation of the ADB EAG. The SCO will help coordinate project activities with all stakeholders.

⁴⁰ As the sole procurement coordinator under COVAX, UNICEF is ideally positioned to handle all aspects of the vaccine supply chain, including procurement, contract management, and distribution.

vaccine rollout under the NPCVA, including vaccines procured by other development partners, which will be carried out in accordance with UNICEF's Supply Manual.⁴¹ Value for money will be achieved through utilizing a procurement agent with relationships across all major supply chains for the vaccines, ancillary items, and logistics which matches the intent to need to deliver fast, safe and high-quality vaccines. UNICEF has the required resources to immediately begin providing services either through or outside of COVAX and is also best positioned to navigate the quickly evolving vaccine market to ensure availability of fast, safe, and high-quality vaccines. UNICEF is also well positioned in Afghanistan to handle in-country logistics, and UNICEF's cold chain experience is critical for the safe handling of vaccines.

29. UNICEF will be engaged to strengthen the capacity of the MOPH to manage vaccine implementation. Recruitment of national consultants to strengthen the implementation capacity of the PIU and MOPH will be handled through UNICEF (footnote 41) or the government's recruitment system.⁴² Recruitment for consulting services for firms and supply of the office furniture and equipment for MOPH will be handled in line with the ADB Procurement Policy and the Procurement Regulations for ADB Borrowers. Following the APVAX policy paper (footnote 1), ADB's member country procurement eligibility requirements are waived for goods (including vaccines and medical goods/equipment) and consulting services.

Table 4: Implementation Arrangements

Aspects	Arrangements		
Implementation period ^a	May 2021–December 2022		
Estimated completion date	31 December 2022		
Estimated grant closing date	30 June 2023		
Management			
(i) Oversight body	High-Level Health Program Oversight Committee		
(ii) Executing agency	MOPH		
(iii) Key implementing agencies	Not applicable		
(iv) Implementation Unit	The National Expanded Program on Immunization Division of the MOPH will coordinate the overall vaccination rollout, the Grant and Service Contract Management Unit of the MOPH will support procurement and administration, and the Sehatmandi Coordination Office of the MOPH will help coordinate project activities with all stakeholders.		
Procurement	Direct contracting to UNICEF for vaccine supply, auxiliary items, and transportation	1 contract	\$41 million
	Direct contracting to UNICEF for transportation and logistics to designated points to support the overall COVID-19 vaccine rollout under the NPCVA	1 contract	\$2.000 million
	PIU equipment and furniture	1 contract	\$0.060 million
Consulting Services	Individual consultants, PIU, research assistants ^a	Multiple contracts	\$0.760 million
	Single-source selection to UNICEF (capacity strengthening of the MOPH)	1 contract	\$0.900 million
	CQS (performance auditor firm)	1 contract	\$0.156 million
	CQS (waste management firm)	1 contract	\$0.052 million
	CQS (project financial statement auditors)	1 contract	\$0.072 million

⁴¹ ADB. 2010. *Strengthening the Partnership between the Asian Development Bank and the United Nations Children's Fund: Procurement Arrangements*. Manila. Under this Board-approved paper, ADB agrees to the use of UNICEF's Supply Manual and UNICEF's Human Resources Manual for the procurement of associated goods, equipment, and services (including consulting services); and the procurement of goods, equipment, and services in a nonmember country or the procurement of goods, equipment, and services produced in a nonmember country.

⁴² This process is currently utilized for recruitment of PIU staff in Afghanistan under ADB-financed projects in the energy, transport and agriculture sectors. ADB staff will be involved in reviewing terms of reference, short-listing, and interviewing candidates. ADB will also provide a formal no objection before any resulting contracts are signed.

Aspects	Arrangements
Retroactive financing and/or advance contracting	Retroactive financing up to 30% of the grant amount is envisaged. Grant funds may be used for reimbursement of eligible expenditures incurred under the project before the effective date in connection with capacity strengthening, national consultants, logistics, and transportation related to delivery of vaccines to designated points, ^b subject to a maximum amount equivalent to 30% of the grant amount, provided that expenditures are incurred after the allocation by the government of resources to respond to the COVID-19 emergency, ^c but not earlier than 12 months before the date of the grant agreement, and provided that disbursement conditions are met. The issuance of (i) invitations for bids and (ii) consulting services recruitment notices under advance contracting and retroactive financing will be subject to ADB approval. The government and executing agency were advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.
Disbursement	The grant proceeds will be disbursed following ADB's <i>Loan Disbursement Handbook</i> (2017, as amended from time to time) and detailed arrangements agreed between the government and ADB.

ADB = Asian Development Bank, COVID-19 = coronavirus disease, CQS = consultants' qualifications selection, MOPH = Ministry of Public Health, NPCVA = National Plan for COVID-19 Vaccination in Afghanistan, PIU = project implementation unit, UNICEF = United Nations Children's Fund.

^a The government recruitment system will be used (para. 29 of the main text).

^b Relating to logistics and transportation for delivery of vaccines procured for the overall COVID-19 vaccine rollout under the NPCVA, including vaccines procured by other development partners.

^c On 25 February 2020, the government approved a budget allocation toward its COVID-19 response.

Source: ADB.

30. The individual consultants engaged by the MOPH will work in Kabul and the provinces. Their expertise will include coordination, planning, communication, inventory control, accountability mechanisms, vaccine recall plans and procedures, and other areas of expertise as needed. The project will also support the strengthening of the PIU and will include recruitment of consultants with the following expertise: project coordination, financial management, environmental safeguards, social safeguards and gender, procurement, contract management, accountancy, monitoring and evaluation, and administration.

III. DUE DILIGENCE

31. ADB's standard due diligence requirements for processing sovereign operations have been applied.

A. Economic Analysis

32. The COVID-19 pandemic is both a health and an economic crisis, generating loss of lives and major economic downturn arising from the introduction of containment measures that restrict economic activities and a wider economy-wide slowdown in investment and international trade. Averting further loss and paving the way for recovery from economic stagnation will require comprehensive vaccination combined with other effective suppression measures. While the reduction of morbidity and mortality of vaccinated vulnerable populations will result quickly in a reduction of the stress on hospital activities, the achievement of functional immunity (footnote 21) against COVID-19 through the vaccination program, in addition to natural infection, will result in sustainable reduction of mortality and morbidity. It will contribute to setting the economy back on a normal development track by encouraging the resumption of economic activities, including production, investment, and trade, and will have positive cross-border spillover effects.

B. Governance and Anticorruption

33. A governance risk assessment was carried out in line with ADB's Second Governance and Anticorruption Action Plan.⁴³ The government is committed to improving the quality of governance,⁴⁴ and it undertook several governance initiatives during 2016–2019.⁴⁵ However, a political risk analysis undertaken in 2020 highlighted the likely scenario of continued political and security risks, with no final peace deal reached between the state and the Taliban before 2025.⁴⁶ A prolonged government formation under a tumultuous peace process and a weak legal enforcement regime imply that the political and regulatory risks are likely to persist, and proposed reforms are unlikely to fully materialize with corruption persisting in public bodies and state decision-making.⁴⁷ The government's effectiveness is further constrained by poor links between the national and subnational levels of governance, combined with institutional and human capacity challenges. To mitigate the risks, the general scope of procurement will rely upon UNICEF performing the role of a procurement agent to carry out turnkey procurement and logistics services for vaccines and ancillary items. ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government and MOPH. The specific policy requirements and corruption mitigation measures are described in the PAM. All vaccines must be either on the WHO Emergency Use Listing or WHO prequalified.⁴⁸ ADB will provide financing for vaccine procurement only once the APVAX vaccine eligibility criteria have been met (footnote 36). All cold chain equipment—from the national to the service delivery levels—is WHO prequalified.

C. Environment and Social Safeguards

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

35. **Environment (category C).** The availability of COVID-19 vaccines will result in a temporary increase of immunization waste (e.g., used syringes, needles, personal protective equipment) at service points. Hence, minimal environmental impacts are envisaged, as this waste will be disposed following the national medical health care waste management plan, which was reviewed and confirmed to be adequate.⁴⁹

36. **Involuntary resettlement and indigenous peoples (category C).** The project does not entail any physical intervention to cause any involuntary resettlement and indigenous peoples impacts.

⁴³ ADB. 2006. *Second Governance and Anticorruption Action Plan (GACAP II)*. Manila.

⁴⁴ Afghanistan ranked 169th out of 176 economies (scoring 15 out of 100) in Transparency International's Corruption Perceptions Index 2016, and it made high-level commitments under the 2017 National Strategy for Combating Corruption, Afghanistan National Peace and Development Framework, and Mutual Accountability Framework.

⁴⁵ These initiatives are (i) the adoption of the Anti-Corruption Strategy; (ii) the establishment of the Anti-Corruption Justice Center and the High Council for Rule of Law and Anti-Corruption; and (iii) legislative changes, including the Anti-Corruption Law, the Whistle Blower Protection Law, and the Attorney General's Law. The new Penal Code has been aligned with the United Nations Convention against Corruption. Reforms in the civil service and framework for anti-money laundering and combating the financing of terrorism have been strengthened.

⁴⁶ Risk Advisory. 2020. *Political Risk Analysis for Afghanistan*. Washington, DC (10 September).

⁴⁷ The investment climate remains challenging because of insecurity, although Afghanistan improved its ranking in the World Bank's Doing Business index from 183rd in 2018 to 167th out of 190 economies in 2019.

⁴⁸ Government of Afghanistan, MOPH. 2010. *Regulation Number 15*. Kabul (28 June).

⁴⁹ The update to the medical waste management plan dealing with incremental medical waste from the immunization process was not reviewed, as it is still being prepared. Environmental Due Diligence (accessible from the list of linked documents in Appendix 2).

D. Poverty, Social, and Gender

37. The project supports poverty alleviation with measures to safeguard the health of citizens, maintain jobs, and ensure equal access to vaccines to the poor and vulnerable people.⁵⁰

38. The project is categorized *effective gender mainstreaming*.⁵¹ It addresses the need to protect those on the COVID-19 front line, such as health workers (including community health workers) and teachers (about 40% of whom are women), by prioritizing these population groups for vaccination. Also included in the prioritized groups for vaccination are nomadic groups, internally displaced persons, and those living in slums, about 49% of whom are women. The project will collect sex-disaggregated data on the targeted population groups and information on the cultural appropriateness of vaccination sites for monitoring of the vaccination plan. MOPH staff and consultants, 30% of whom are women, from the central, regional, and provincial offices will be trained on the effective procurement and management of the vaccines in a gender-sensitive way. The project endeavors to create a gender-sensitive vaccination environment by including gender-inclusive provisions in the local operational plans on vaccine distribution, such as providing separate vaccination areas for women, training female health workers who will communicate safety procedures to women after vaccination and in between doses, and using gender-fair messages in community-targeted campaigns to raise vaccine demand, among others.

E. Financial Due Diligence

39. Financial management assessment concluded that the overall pre-mitigated financial management risk of the project is *substantial* owing in part to the risk associated with inherited country security risks, weak institutional governance, a weak internal control system, and limited experience with ADB-funded projects. To address these weaknesses, the following mitigation measures, as presented in the financial management assessment time-bound financial management action plan, were discussed and agreed with the MOPH: (i) financial management consultants will be engaged to support the MOPH, (ii) training will be provided by ADB to MOPH PIU staff on ADB financial management and disbursement guidelines and policies, (iii) PIU staff with prior ADB or World Bank project experience will be deployed, (iv) an information system to track vaccines and monitor implementation will be operational, (v) internal controls and financial reporting will be strengthened as recommended in the financial management action plan, and (vi) independent auditors will conduct both project financial reporting and performance audits.

40. Basic public health services are provided free of charge. A project financial viability assessment was not undertaken since project outputs are not meant to produce cost recovery. The fiscal sustainability of the country's vaccination program is at risk because of the country's fiscal limitations, and so is the national health care system, which fully relies on the support of development partners.⁵² There is a high probability that funding from partners will continue.

F. Summary of Risk Assessment and Risk Management Plan

41. Major risks and mitigating measures are summarized in Table 5 and described in detail in the risk assessment and risk management plan.⁵³

⁵⁰ Summary Poverty Reduction and Social Strategy (accessible from the list of linked documents in Appendix 2).

⁵¹ Gender Action Plan (accessible from the list of linked documents in Appendix 2).

⁵² Financial Analysis (accessible from the list of linked documents in Appendix 2).

⁵³ Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2).

Table 5: Summary of Risks and Mitigating Measures

Major Risks	Mitigation Measures
Long vaccine lead times: high global demand far exceeds supply of approved vaccines	(i) Risk transferred to UNICEF, a qualified procurement agent with purchasing and negotiating power (ii) UNICEF to also explore use of bilateral arrangements such as direct procurement of eligible vaccines from India or other appropriate sources
Vaccines not allocated according to the prioritization plan	(i) Strong oversight and coordination structure in place (ii) The MOPH to monitor compliance through a monitoring and evaluation database (iii) ADB will hire consultants to supplement coordination and surveillance
Security situation and high criminality affect delivery of vaccines	(i) The MOPH to provide security personnel during the transit of vaccines (ii) UNICEF and government to use firms with proven logistics track record (iii) Low-profile approach with appropriate security measures
Insufficient on-the-ground arrangements for the delivery of vaccines to the population	(i) Use of existing EPI centers with a proven track record in delivering vaccines supported by medical centers and 2,000 additional vaccinators (ii) Use of the SCO to support coordination, including monitoring of integrity risks and controls, and NGOs to support deployment
Monitoring of adverse vaccine effects not effective	(i) Training provided by UNICEF and WHO to the existing EPI centers and 2,000 additional vaccinators (1,000 mobile teams) (ii) Digital tracking systems will be used by the regional and provincial EPI monitoring teams to detect, report, and manage patients presenting adverse effects
Vaccine theft and misappropriation	(i) Standard operating procedures for storekeepers with an established accountability and transparency framework
Ineffective system for stock management and tracking of vaccines	(i) Ensure that the MOPH and service providers fully utilize the VSSM tool established by WHO, and DHIS2 and HMIS up to the health facilities (ii) Monitoring cell to be established to monitor the vaccination process and develop a supervision plan for national, regional, and province managers
Vaccines not delivered to difficult-to-reach places and areas controlled by the Taliban	(i) 1,000 additional mobile teams supported by the Red Cross and NGOs (ii) The Taliban have expressed support for the vaccination process (iii) Special letters of guarantee and/or clearance to be provided by the Taliban
Implementing entity has little ADB experience in financial management and no experience of audit requirements and previous unresolved audit observations from other projects	(i) Training of MOPH PIU staff on ADB financial management and disbursement guidelines and policies, including integrity risks and controls (ii) Financial management consultants will be engaged to support the MOPH (iii) An independent auditor will conduct a project financial reporting and performance audit using ADB-reviewed terms of references; the scope will include integrity risks and controls
Widespread corruption and poor governance	(i) Implementation will be aligned with the MOPH's anticorruption strategy through the High Office of Oversight and Anti-Corruption; the strategy will be implemented to minimize the risk of corruption (ii) Strong oversight and donor coordination mechanisms should contribute to preventing and mitigating the corruption risk (iii) The project financial management system has been designed to encourage accountability and minimize risks of corruption, and will include a review of primary payment documentation before endorsing for payment (iv) ADB will conduct integrity knowledge management session(s) for the MOPH and other project stakeholders to increase awareness of and compliance with ADB's Anticorruption Policy (1998, as amended to date) (v) The Anti-Corruption Commission, the National High Council for Rule of Law and Anti-Corruption, and the Anti-Corruption Justice Center will support and be engaged in preventing the risk of widespread corruption
Weak internal framework and controls with unreliable systems result in risk of vaccines not being used for targeted groups	(i) ADB will recruit a performance auditor to assess the implementation of the vaccine program and support the MOPH through engagement of consultants under ADB technical assistance (ii) The MOF will support capacity building of internal audit units
Lack of standard financial data causes delay in producing data at the project and entity levels	In collaboration with the World Bank, a new information system will be considered for the MOPH to ensure timely financial information

Major Risks	Mitigation Measures
Issues may not surface, as the internal audit does not audit the finance functions and PIU	An internal audit unit will be required to audit the use of ADB funds; the detailed scope will be agreed with the MOPH to consider various aspects
Risk of misappropriation of funds and difficulty in reconciliation of records due to MOPH's inability to monitor NGOs' work in some places due to security reasons	(i) Strong emphasis on performance monitoring by the MOPH to ensure that only NGOs of good repute implement the project, including monitoring by a third-party monitoring firm (ii) All financial records of ADB-funded projects will be maintained centrally at the PIU and new financial management staff will be recruited

ADB = Asian Development Bank, DHIS2 = District Health Information Software 2, EPI = Expanded Program on Immunization, HMIS = health management information system, MOF = Ministry of Finance, MOPH = Ministry of Public Health, NGO = nongovernment organization, PIU = project implementing unit, SCO = Sehatmandi Coordination Office, UNICEF = United Nations Children's Fund, VSSM = vaccination supplies stock management, WHO = World Health Organization.

Source: ADB.

IV. ASSURANCES AND CONDITIONS

42. The government and the MOPH have assured ADB that implementation of the project shall conform to all applicable ADB policies, including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, financial management, and disbursement as described in detail in the PAM and the grant documents. The government and the MOPH have agreed with ADB on certain covenants for the project, which are set forth in the draft grant agreement.

43. No withdrawals shall be made from the grant account (i) for financing the UNICEF turnkey contract to supply vaccines and ancillary items, until ADB has received a letter from the government confirming (a) which COVID-19 vaccine(s) have been selected to be procured using the proceeds of the grant; (b) which of the eligibility criteria in the definition of an eligible vaccine (footnote 36) have been satisfied in respect of the COVID-19 vaccine(s); and (c) that such COVID-19 vaccine(s) have received all necessary authorizations of the government, and have been authorized by the Afghanistan National Regulatory Authority and any other relevant regulatory authorities for distribution and administration within the territory of Afghanistan, and based on the information provided in the aforementioned letter, ADB has notified the government that the COVID-19 vaccine(s) to be procured are designated as eligible vaccines; (ii) for financing of the project implementation expenses under the project, until the relevant financial management and accounting staff have been appointed to the PIU of the MOPH, and have completed training on ADB's financial management and disbursement policies, procedures and guidelines; and (iii) until the relevant consultants have been engaged to provide capacity support to the MOPH.

V. RECOMMENDATION

44. I am satisfied that the proposed grant would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve the grant not exceeding \$50,000,000 to the Islamic Republic of Afghanistan from ADB's Special Funds resources (Asian Development Fund) for the COVID-19 Vaccine Support Project under the Asia Pacific Vaccine Access Facility, on terms and conditions that are substantially in accordance with those set forth in the draft grant agreement presented to the Board.

Masatsugu Asakawa
President

30 March 2021

DESIGN AND MONITORING FRAMEWORK

Impacts the Project is Aligned with			
Vulnerable groups are protected from COVID-19 (National Vaccination Deployment Plan ^a The spread of severe acute respiratory syndrome coronavirus 2 is reduced, and confidence of citizens is restored ^b (ADB's Support to Enhance COVID-19 Vaccine Access) ^c			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
Outcome Priority populations vaccinated against COVID-19	By 2022: a. At least 2.55 million people in priority groups based on the NPCVA (about 7% of the total population, disaggregated by sex) vaccinated against COVID-19 (2020 baseline: 0%) (OP 1.1 and 7.3.3)	a. Periodic progress reports prepared by the MOPH, WHO, and UNICEF	A: Priority population is willing to get vaccinated A: Sufficient human resource capacity at vaccine delivery points to administer vaccines by targeted date A: Wastage rate is 15% R: Vulnerable groups not prioritized in practice because of political pressures R: Weaknesses in subnational supply chain systems disrupt delivery of vaccines to health facilities, including resulting in higher-than-acceptable closed vial wastage rates
Outputs 1. COVID-19 vaccines procured and delivered to designated points	By 2021: 1.1 At least 6 million doses of COVID-19 vaccine (with syringes and safety boxes) delivered to designated delivery points (2020 baseline: 0) (OP 1.1.2)	1.1 Periodic progress reports prepared by the MOPH, WHO, and UNICEF	A: Timely approval of vaccines by the Afghanistan National Regulatory Authority R: Delays in procurement because of supply shortages
2. Vaccine program implementation capacity strengthened	By 2022: 2.1 NPCVA-aligned operational plans that include gender-inclusive criteria on the (i) design of mobile and outreach strategies, and (ii) management of vaccination sites, approved and budgeted (baseline 2020: 0) 2.2 At least five regional or provincial offices of the MOPH have strengthened capacity to effectively oversee procurement, delivery, and management of vaccines in a gender-sensitive way, with at least 30% women trainees ^d (2020 baseline: 0) (OP 2.2.2)	1.1 Periodic progress reports prepared by the MOPH; micro-plans will be checked on explicit mention of gender-inclusive criteria ^d 2.2 Measurement of the indicator will include (i) the number of health workers (male and female) who attended the trainings on gender sensitivity, and (ii) the number of trainings conducted that included sessions on gender sensitivity	R: Price and exchange rate fluctuations beyond project projections may raise costs

	2.3. Awareness of 100 staff of the MOPH (including 30% women) raised in the safe disposal and waste management of vaccine waste and other medical waste (baseline 2020: 0)	2.3 Information to be collected by the waste management firm and the communication specialists	
<p>Key Activities with Milestones</p> <p>1. COVID-19 vaccines procured and delivered to designated points</p> <p>1.1 The MOPH to award a contract to UNICEF for transportation to support the overall COVID-19 vaccine rollout under the NPCVA, including vaccines procured by other development partners such as GAVI through COVAX AMC (Q2 2021)</p> <p>1.2 The MOPH to award a contract to UNICEF for procurement of COVID-19 vaccines (Q2 2021)</p> <p>1.3 UNICEF to procure vaccines and distribute them to provinces (Q2 2021–Q1 2022)</p> <p>1.4 ADB to coordinate with MOPH and other development partners on the vaccine rollout (Q2 2021–Q4 2022)</p> <p>1.5 ADB to closely monitor COVID-19 vaccine rollout (Q2 2021–Q4 2022)</p> <p>2. Vaccine program implementation capacity strengthened.</p> <p>2.1 The MOPH to award a contract to UNICEF for capacity strengthening (Q2 2021)</p> <p>2.2 The MOPH to recruit consultants (Q1–Q2 2021)</p> <p>2.3 The MOPH to recruit financial audit and performance audit firms and a medical waste management firm (Q3 2021)</p> <p>Project Management Activities</p> <p>Strengthen the implementation unit under the MOPH with additional PIU staff and consultant recruitment.</p> <p>Establish data collection systems to report on DMF indicators, including collection of sex-disaggregated and gender-related information relevant to the Gender Action Plan.</p> <p>Prepare annual audits and quarterly progress reports.</p> <p>Conduct midterm review by Q1 2022.</p> <p>Prepare project completion report by Q1 2023.</p>			
<p>Inputs</p> <p>ADB: \$50,000,000 (ADF grant)</p> <p>Government: \$2,000,000 (in-kind)</p>			

A = assumption; ADB = Asian Development Bank; ADF = Asian Development Fund; AMC = Advance Market Commitment; COVAX = COVID-19 Vaccines Global Access; COVID-19 = coronavirus disease; DMF = design and monitoring framework; GAVI = Gavi, the Vaccine Alliance; MOPH = Ministry of Public Health; NPCVA = National Plan for COVID-19 Vaccination in Afghanistan; OP = operational priority; Q = quarter; R = risk; UNICEF = United Nations Children's Fund; WHO = World Health Organization.

^a Government of Afghanistan, MOPH. 2020. *National Plan for COVID-19 Vaccination in Afghanistan*. Kabul (February).

^b Severe acute respiratory syndrome coronavirus 2 is the virus that causes COVID-19.

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

^d (i) outreach activities, e.g., strategies to reach women who are in the confines of their homes; and (ii) management of vaccination sites, e.g., separate vaccination rooms are provided for men and women, or women vaccinators are employed in vaccinating women

^e Training will include a 2-hour session on gender sensitivity that includes awareness of gender issues related to vaccine delivery such as inclusion of women in technical training on vaccine procurement, delivery and management, culturally appropriate engagement with women beneficiaries, and security of both female health workers and beneficiaries from potential gender-based violence, among others.

Contribution to Strategy 2030 Operational Priorities

The expected values and methodological details for all OP indicators to which this project will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 2). In addition to the OP indicators tagged in the DMF, this operation will contribute results for

OP 7.3.3: Measures to improve regional public health and education services supported in implementation.

Source: ADB.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/RRPs/?id=55012-001-2>

1. Grant Agreement
2. Vaccine Needs Assessment
3. Project Administration Manual
4. Contribution to Strategy 2030 Operational Priorities
5. Development Coordination
6. Country Economic Indicators
7. National Plan for COVID-19 Vaccination in Afghanistan
8. Financial Analysis
9. Governor's Letter
10. Summary Poverty Reduction and Social Strategy
11. Gender Action Plan
12. Risk Assessment and Risk Management Plan
13. APVAX Strategic Procurement Planning
14. Environmental Safeguards Due Diligence Report

Supplementary Documents

15. Financial Management Assessment
16. Performance Evaluation and Monitoring Systems for Vaccination Rollout in Afghanistan