

# Project Administration Manual

Project Number: 55013-001

Loan Number: {LXXXX}

July 2021

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

## ABBREVIATIONS

ADB	–	Asian Development Bank
APVAX	–	Asia Pacific Vaccine Access Facility
COVAX	–	COVID-19 Vaccines Global Access
COVID-19	–	coronavirus disease
EPI	–	Expanded Programme on Immunization
FMA	–	financial management assessment
MONHSR&C	–	Ministry of National Health Services, Regulations and Coordination
NDMA	–	National Disaster Management Authority
NDVP	–	National Deployment and Vaccination Plan
PAM	–	project administration manual
PIC	–	project investment component
PMU	–	project management unit
RRC	–	rapid response component
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 National Health Services, Regulation and Coordination (MONHSR&C) is wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by Ministry of National Health Services, Regulation and Coordination of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

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

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



## I. PROJECT DESCRIPTION

1. **Impact and outcome.** The project is aligned with the following impacts: (i) vulnerable groups protected from COVID-19;<sup>1</sup> and (ii) spread, morbidity, and mortality of SARS-CoV-2 reduced,<sup>2</sup> and confidence of citizens restored.<sup>3</sup> It is an integral part of the development partner package and will assist the government's efforts to mitigate the health, social, and economic impacts of the pandemic and strengthen the country's immunization system.

2. **Output 1: COVID-19 vaccines procured and delivered to designated points.** The project will provide financing to procure vaccines. The government may procure them through direct contracting with manufacturers and/or via the COVAX Facility. An estimated 39.83 million doses for COVID-19 vaccines will be delivered to provincial Expanded Programme on Immunization (EPI) warehouses.<sup>4</sup> The expenditure items will include: (i) under the rapid response component, vaccines that meet any of the eligibility requirements in the APVAX policy (footnote 3), including advance payments, and international logistics and related services required for the transportation of vaccines from the place of purchase to the warehouse of federal EPI; and, (ii) under the project investment component, safety boxes, syringes, and other items required for the administration of the vaccines, and national logistics and related services required for the transportation of vaccines from the warehouse of federal EPI to designated delivery points in Pakistan.

3. **Output 2: Vaccine program implementation capacity strengthened.** Under the project investment component, the project will strengthen the capacity of the MONHSR&C and Federal EPI through a project management unit (PMU) to help them implement the COVID-19 vaccine program effectively and efficiently. The PMU will receive essential support from consultants funded by the project, covering project management and coordination; procurement and supply chain management, including distribution; gender mainstreaming; monitoring and evaluation; performance audits; and waste management. Additional international expertise may be organized through existing technical assistance.<sup>5</sup>

4. **ADB value addition.** The proposed project is part of ADB's holistic support for Pakistan's response to the COVID-19 crisis, and will help mitigate the adverse health, social, and economic impacts while targeting vulnerable population segments and ensuring gender mainstreaming. The support for the procurement, deployment, and administration of vaccines is coupled with (i) upgraded and expanded medical treatment of COVID-19 cases through an emergency assistance loan,<sup>6</sup> of which \$103 million (including cofinancing of \$20 million from Agence Française de Développement) is for the health sector; (ii) the \$500 million COVID-19 Active Response and Expenditure Support program, which helps alleviate the negative economic and social impacts of the pandemic through government budget support and cash transfers to poor families,<sup>7</sup> and (iii) a quick response to the need for medical supplies, which was provided through

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<sup>1</sup> Islamic Republic of Pakistan, Expanded Programme on Immunization (EPI). 2021. *National Deployment and Vaccination Plan (NDVP) for COVID-19 Vaccines (2021)*. Islamabad (24 June).

<sup>2</sup> SARS-CoV-2 is the virus that causes COVID-19.

<sup>3</sup> Asian Development Bank (ADB). 2020. [ADB's Support to Enhance COVID-19 Vaccine Access](#). Manila; and ADB. 2021. [Proposed Amendment to ADB's Support to Enhance COVID-19 Vaccine Access](#). Manila (together, the APVAX policy).

<sup>4</sup> Based on assumptions of a unit price of \$11 per dose for COVID-19 vaccines and two doses per patient.

<sup>5</sup> ADB. 2020. *Addressing Health Threats in Central Asia Regional Economic Cooperation Countries and the Caucasus*. Manila (TA 6535-REG); and footnote 31.

<sup>6</sup> ADB. 2020. [Emergency Assistance for Fighting the COVID-19 Pandemic](#). Manila.

<sup>7</sup> ADB. 2020. [COVID-19 Active Response and Expenditure Support Program](#). Manila.

the Asia Pacific Disaster Relief Fund.<sup>8</sup> Capacity building and due diligence are organized through technical assistance.<sup>9</sup> To further enhance Pakistan's future resilience to epidemics and pandemics, ADB is exploring support for quality vaccine production by the country's private sector. As for the proposed project, ADB will ensure that internationally reputed and medically certified vaccine(s) will be made available to the population of Pakistan. It will also ensure gender mainstreaming, such as through tailored information for women, access to vaccine, and gender-sensitive vaccination processes. ADB's due diligence on financial management, medical waste management, and cold chain supply chain management will add to efficiencies in line with international best practices.

5. **Lessons learned.** During the initial lockdown and COVID-19 restrictions, the child immunization programs were severely affected. To prevent future disruptions of the ongoing pediatric immunization programs at the sites of Pakistan's Expanded Programme on Immunization (Federal EPI), vaccination takes place at 1,235 COVID-19 vaccination counters and 22 mass vaccination centers. It involves 4,000 nurses and medical personnel (40%–50% of them women) who were trained to safely administer the vaccines and safely dispose of the used needles.

## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

**Table 1: Project Readiness Activities**

Indicative Activities	Months						Responsible Individual/Unit/Agency/ Government
	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	
Advance contracting			x				MONHSR&C / ADB
Retroactive financing			x				MONHSR&C / ADB
Establish project	x	x	x				MONHSR&C / ADB
ADB Board approval				x			ADB
Loan signing					x		ADB/ MONHSR&C
Government legal					x		MONHSR&C / MOJ / ADB
Government budget					x		MONHSR&C
Loan effectiveness						x	ADB

ADB = Asian Development Bank, MONHSR&C = Ministry of National Health Services, Regulations and Coordination, MOJ = Ministry of Justice.

Source: Asian Development Bank.

<sup>8</sup> ADB. 2020. [COVID-19 Emergency Response](#). Manila.

<sup>9</sup> ADB. 2020. [Addressing Health Threats in Central Asia Regional Economic Cooperation Countries and the Caucasus](#). Manila; ADB. 2020. [Regional Support to Address the Outbreak of Coronavirus Disease 2019 and Potential Outbreaks of Other Communicable Diseases](#). Manila; ADB.2020. [National Disaster Risk Management Fund](#). Manila; and ADB. 2017. [Preparing Health Sector Assessment](#). Manila.



## B. Overall Project Implementation Plan

**Table 2: Project Implementation Plan**

Activities		2021				2022				2023			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>A</b>	<b>DMF</b>												
<b>1</b>	<b>Output 1: COVID-19 vaccine procured and delivered to designated points</b>												
1.1	MONHSR&C prepares a contract to vaccine developers/manufacturers and/or via COVAX facility												
1.2	MONHSR&C to sign non-disclosure agreements with and provide advance payments to vaccine developers/manufacturers												
1.3	Vaccines and logistics transported to the Provinces												
1.4	Vaccines distributed to the districts and health facility level												
<b>2</b>	<b>Output 2: Vaccination program implementation capacity strengthened</b>												
2.1	MONHSR&C / Federal EPI engage and sign contracts with the consultants												
2.2	Individual consultants and firm/s commence work to assist MONHSR&C and Federal EPI in the implementation of the project												
2.3	Capacity building programs are developed and delivered to vaccine management human resource in the context of COVID-19 vaccination (storage, administration, management, and reporting, etc.)												
<b>B</b>	<b>Project Management Activities</b>												
1	Recruit consultants as support to MONHSR&C and Federal EPI												
2	Establish data collection systems are in place to report on DMF indicators, including collection of sex-disaggregated, and gender-related information relevant to the Gender Action Plan												
3	Prepare annual audits and quarterly progress reports												
4	Conduct midterm review												
5	Prepare project government completion report												

ADB = Asian Development Bank, COVAX = COVID-19 Vaccines Global Access, DMF = design and monitoring framework, EPI = Expanded Programme on Immunization, MONHSR&C = Ministry of National Health Services, Regulations and Coordination, mth = month, qtr = quarter.

Source: Asian Development Bank.

### III. PROJECT MANAGEMENT ARRANGEMENTS

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

**Table 3: Management Roles and Responsibilities**

Project Implementation Organizations	Management Roles and Responsibilities
<p><b>Executing Agency</b></p> <p>Ministry of National Health Services, Regulation and Coordination</p>	<ul style="list-style-type: none"> <li>• Provide supervisory, strategic advisory role in project planning, processing, project development, and execution of health projects</li> <li>• Deal with International Agreements and Memorandum of Understandings</li> <li>• Sign the supply agreements with vaccine manufacturers, COVAF Facility and / or UNICEF</li> <li>• Has the fiduciary responsibility for the procurement of eligible vaccines</li> <li>• Lead for Pakistan's COVID-19 vaccine communication plan in terms of policy and implementation</li> <li>• Lead the discussions of vaccine supply chain management and administration of vaccine</li> <li>• Coordinate project activities with all stakeholders</li> <li>• Monitoring of the financial management activities and regular conduct of project internal audit</li> </ul>
<p>National Command and Operation Center</p>	<ul style="list-style-type: none"> <li>• Spearhead the overall COVID-19 response and take immediate decisions including vaccine rollout</li> </ul>
<p>Cabinet Committee</p>	<ul style="list-style-type: none"> <li>• Supervise the procurement of the COVID-19 vaccine and take all decision related to administration and management</li> </ul>
<p><b>Implementing agency</b></p> <p>Federal Expanded Programme on Immunization</p>	<ul style="list-style-type: none"> <li>• Responsible for the pooled procurement of logistical, transportation services contracts, and recruitment of individual consultants, consulting firms and logistical/transport services</li> <li>• Responsible for vaccine logistics and supply chain management</li> <li>• Focal point for collaboration and coordination with the provinces, areas, and partners for supply chain management of COVID-19 vaccines.</li> <li>• Coordinate project activities with all stakeholders.</li> <li>• Overall financial management and submission of the annual audited project financial statements to ADB</li> <li>• Responsible for preparing and sending withdrawal applications to ADB.</li> <li>• Responsible and accountable for management of the advance account in accordance with ADB process and policies</li> <li>• Responsible for proper use of advances to the advance account.</li> </ul>
<p>Provincial Expanded Programme on Immunization</p>	<ul style="list-style-type: none"> <li>• Support rollout of vaccine with support of pooled procurement by Federal EPI</li> </ul>
<p>National Disaster Management Authority</p>	<ul style="list-style-type: none"> <li>• Lead the contract negotiations for vaccine procurement for bilateral deals</li> <li>• Explore options for vaccine availability to ensure uninterrupted supplies</li> <li>• May co-sign the vaccine contracts</li> </ul>
<p>Asian Development Bank</p>	<ul style="list-style-type: none"> <li>• Assist the government in preparing for negotiations with vaccine manufacturers</li> <li>• Prior review responsibilities for vaccine contracts</li> <li>• Identify legal risks in proposed contracts, support with price validation; and inform of any adjustments necessary to the contract</li> <li>• Project financing</li> <li>• Provide capacity building/training and work closely with executing agency/implementing agency in the procurement activities</li> <li>• Supervise implementation of the project by:               <ol style="list-style-type: none"> <li>(a) Reviewing terms of references, shortlisting, and interviewing candidates and providing a formal no objection before any of the resulting contracts are signed (endorsing selection of contractors and recruitment of consulting firms and individuals);</li> <li>(b) Reviewing and facilitating approval of project implementation and procurement documents submitted by MONHSR&amp;C &amp; Federal EPI;</li> </ol> </li> </ul>

Project Implementation Organizations	Management Roles and Responsibilities
	(c) Reviewing progress reports and other reporting requirements submitted by MONHSR&C & Federal EPI; (d) Disclosing project information to the public; (e) Fielding review missions; • Facilitate knowledge sharing

AGPR = Auditor General of Pakistan Revenue, ADB = Asian Development Bank, DMF = design and monitoring framework, EPI = Expanded Programme on Immunization, FMS = financial management specialist, MOF = Ministry of Finance, MONHSR&C = Ministry of National Health Services, Regulations and Coordination, UNCIEF = United Nations Children's Fund

Source: Asian Development Bank.

6. The executing agency will be the MONHSR&C. MONHSRR&C will lead the procurement process for eligible vaccines to be procured through GAVI/COVAX Facility and / or directly through UNICEF. The National Disaster Management Authority (NDMA), as part of the procurement committee, will lead the contract negotiations for vaccine procurement through bilateral deals. The fiduciary responsibility for the procurement of eligible vaccines will remain with MONHSR&C who signs the contracts as first party – NDMA may co-sign the contracts.

7. The implementing agency will be the Federal EPI. Only Federal EPI shall be responsible for pooled procurement of logistical, transportation services contracts, and recruitment of consulting services. A joint PMU will be established for the project with funding from ADB, Islamic Development Bank (IsDB), and World Bank. The PMU project director will be located at the Federal EPI, reporting to the National Program Manager of Federal EPI, who in turn will report to the Director General of the MONHSR&C. Project oversight will be provided through the deputy director (P-IV) and supply chain and procurement advisor of MONHSR&C. The Federal EPI is responsible for vaccine logistics and supply chain management. The National Vaccine Task Force is supported by an inter-ministerial and a technical subcommittee, whose guidance and support will be solicited for coordination with provinces and timely implementation of project activities across the country. The Development Partners Coordination Committee will provide technical support to the MONHSR&C for timely implementation of project activities.

8. The National Coordination Committee on COVID-19 supervises the COVID-19 vaccine deployment and takes all the necessary decisions relating to administration and management under direct guidance from the Prime Minister. To ensure consensus-based national decision-making and deployment, the government established the National Command and Operation Center (NCOC) to spearhead the overall COVID-19 response and take immediate decisions, including on the vaccine rollout. The NCOC is chaired by the Minister of Planning, Development and Special Initiatives; and attended by the Minister, Secretary, and Director General of MONHSR&C; Federal EPI; and representatives from the Ministry of Foreign Affairs, Ministry of Finance, Ministry of Information and Broadcasting, the Drug Regulatory Authority of Pakistan, and the National Database and Registration Authority. National decision-making is supported by provincial officials, health ministers, chief secretaries, secretaries and directors general of health, as well as provincial EPI teams. A performance auditor shall also be recruited to monitor the performance of the project from procurement to distribution of the COVID-19 vaccines in accordance with the National Plan for COVID-19 Vaccination, and to conduct a performance audit on an annual basis.

9. The Director General, Health office leads all the discussions of vaccine supply chain management and administration of vaccine, aligning all the effort through the health department. Provinces being the key stakeholder in the implementation of the deployment process are taken on board, both by MONHSR&C and Federal EPI, while NCOC is also connected via daily video

calls to apprise the whole process, clearly demarcating the roles and responsibilities. The vaccine deployment related discussions are taking place on daily basis and consensus is achieved over matters requiring thorough debate. The message that should go to public/ media in terms of vaccines is also discussed at the NCOC first and then it goes on air. Inter-sectoral collaboration among various line department/ministries is also being considered as the social mobilization component can be leveraged in mobilizing adult population for vaccination and it becomes a common cause as a nation, and everyone contributes its share to protect masses against the deadly coronavirus disease.

10. Federal EPI is responsible for vaccine logistics and supply chain management. The entire process of procurement as well as supply chain management is however, carried out under the leadership of MONHSR&C and guidance of cabinet committee and NCOC. The cabinet committee supervises and oversees the COVID-19 vaccine deployment, and where required, takes all the necessary decisions related to administration and management under the direct guidance from the Prime Minister.

11. The tested and proven EPI framework and system will be used to distribute the COVID-19 vaccines. However, as during the initial lockdown and COVID-19 restrictions, even child immunization programs were severely affected, it was decided not to impede on ongoing immunization programs, but use the network of adult vaccination counters, renamed as COVID-19 vaccination counters (CVCs). There are currently 1,235 designated CVCs throughout Pakistan in health facilities where nurses have been trained with support from WHO to administer the vaccines.

12. Recruitment for individual national consultants to immediately strengthen the implementation capacity of MONHSR&C and Federal EPI will be handled as per ADB's Procurement Policy (2017 as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017 as amended from time to time). Following the APVAX policy,<sup>10</sup> the ADB's member country procurement eligibility requirements are waived for goods (including vaccines and medical goods/equipment) and services. Prior to the disbursement of the loan proceeds, all parties have signed, or will sign vaccine purchase agreements shall confirm publication of contract award information.

## **B. Key Persons Involved in Implementation**

### **Executing Agency**

Ministry of National Health  
Services, Regulation and  
Coordination (MONHSR&C)

Officer's Name: Dr Sabeen Afzal  
Position: Deputy Director (P-IV)  
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### **Asian Development Bank Social Sector Division (CWSS)**

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<sup>10</sup> The proposed project was prepared under the One ADB approach following streamlined business processes outlined in the APVAX policy paper [R195-20]. ADB. 2020. *ADB's Support to Enhance COVID-19 Vaccine Access*. Manila.

Pakistan Resident Mission  
(PRM)

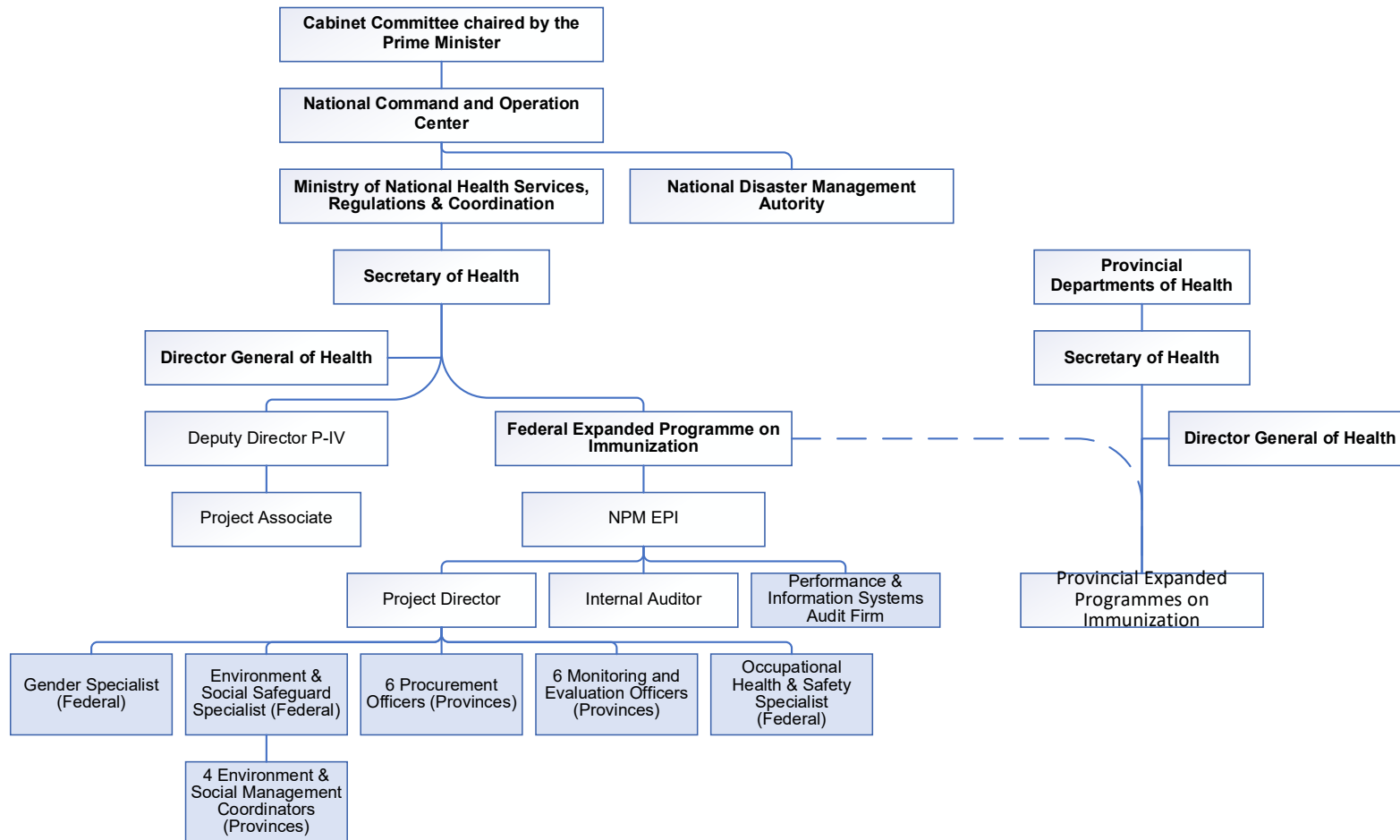
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**C. PROJECT ORGANIZATION STRUCTURE**



Abbreviations:

DOH = Department of Health, EPI = Expanded Programme on Immunization, NPM EPI = National Program Manager of the Expanded Program on Immunization, DGHS = Directorate General of Health Services

Consultants financed by ADB Loan

## IV. COSTS AND FINANCING

### A. Cost Estimates Preparation and Revisions

13. The concessional ordinary capital resources loan is \$500 million. The project cost includes price and physical contingencies, taxes and duties. The government is expected to provide counterpart support equivalent to \$81 million which includes taxes & duties exemption, project management cost, their respective contingencies and interest charges during project implementation. The Project investment plan is set out in Tables below:

**Table 4: Financing Plan**  
(\$ million)

Source	Amount (\$ million)	Share of total %
Asian Development Bank		
Ordinary capital resources (concessional, APVAX RRC loan)	491,723,078	84.6
Ordinary capital resources (concessional, APVAX PIC loan)	8,276,922	1.4
Government of Pakistan		
Taxes and duties exemption and other in-kind contributions	55,744,684	9.6
Interest payment during implementation	25,255,316	4.4
<b>Total</b>	<b>581,000,000</b>	<b>100</b>

APVAX = Asia Pacific Vaccine Access Facility, PIC = project investment component, RRC = rapid response component  
Source: Asian Development Bank.

**Table 5: Summary Cost Estimates**  
(\$)

Item	Amount <sup>a</sup> (\$)
<b>A. Base Cost</b>	
1. COVID-19 vaccine procured and delivered to designated points	502.92
2. Vaccine program implementation capacity strengthened	2.07
<b>Subtotal (A) <sup>b</sup></b>	<b>504.99</b>
<b>B. Contingencies <sup>c</sup></b>	<b>50.75</b>
<b>C. Financial charges</b>	<b>25.26</b>
<b>Total (A+B+C)</b>	<b>581.00</b>

Note:

<sup>a</sup> Numbers may not sum precisely due to rounding. In early 2021 prices as of June 17.

<sup>b</sup> Includes taxes and duties of \$50.55 million, fully covered by the government counterpart finances via tax and duty exemptions.

<sup>c</sup> Physical contingencies computed at 10% for all cost categories.

Price contingencies are calculated based on escalation rates for domestic and international costs estimated for Pakistan, includes 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 from 2022–2023. Annual escalation rate for domestic costs is estimated at 8.5% for 2021, 7.0% for 2022 and 6.0% for 2023.

Source: Asian Development Bank.

14. The cost estimates were prepared by the consultants under a project preparatory technical assistance, reviewed by ADB staff and the executing agency. Cost estimates will be reviewed prior to sending invitations to bid to confirm that they remain valid and revised as required.

## B. Key Assumptions

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

- (i) Exchange rate: \$1.00 = PRs 155.875 as of 17 June 2021.
- (ii) Price contingencies are calculated based on escalation rates for domestic and international costs estimated for Pakistan. Annual escalation rate for international costs is estimated at 1.6% for 2021 and 1.7% for each year from 2022 – 2023. Annual escalation rate for domestic costs is estimated at 8.5% for 2021, 7.0% for 2022 and 6.0% for 2023.
- (iii) In-kind contributions were calculated using market rates and by applying Pakistan tax and duty rate to the cost items qualified for exemption.

## C. Detailed Cost Estimates by Expenditure Category

**Table 6: Detailed Cost Estimates by Expenditure Category**

Item	Foreign Exchange (\$ million)	Local Currency (\$ million)	Total Cost <sup>c</sup> (\$ million)	% of Total Base cost
<b>A. Investment Costs</b>				
1 Vaccine procurement <sup>a</sup>	486.38	-	486.38	96.3%
2 Procurement ancillary goods	4.74	-	4.74	0.9%
3 Transportation, Distribution & Clearance	11.81	-	11.81	2.3%
4 Consulting services <sup>b</sup>	0.53	0.13	0.66	0.1%
5 Printing	-	0.28	0.28	0.1%
<b>Subtotal (A)</b>	<b>503.45</b>	<b>0.41</b>	<b>503.86</b>	<b>99.8%</b>
<b>B. Recurrent Costs</b>				
Project management	-	1.13	1.13	0.2%
<b>Subtotal (B)</b>	<b>-</b>	<b>1.13</b>	<b>1.13</b>	<b>0.2%</b>
<b>C. Total Base Cost (A+B)</b>	<b>503.45</b>	<b>1.54</b>	<b>504.99</b>	<b>100.0%</b>
<b>D. Contingencies</b>				
1 Physical	50.34	0.14	50.49	10.0%
2 Price	0.02	0.25	0.26	0.1%
<b>Subtotal (D)</b>	<b>50.36</b>	<b>0.39</b>	<b>50.75</b>	<b>10.0%</b>
<b>E. Financial charges</b>	<b>25.26</b>	<b>-</b>	<b>25.26</b>	<b>5.0%</b>
<b>Total Project Cost (C+D+E)</b>	<b>579.07</b>	<b>1.93</b>	<b>581.00</b>	<b>115.1%</b>

<sup>a</sup> Vaccine cost is estimated at \$11/dose

<sup>b</sup> Consulting services includes auditing cost of \$0.12 million.

<sup>c</sup> Includes Government's interest during construction (IDC) and in-kind contribution which is equivalent to \$81 million  
Source: Asian Development Bank.



**D. Allocation and Withdrawal of Loan Proceeds**

**Table 7: Allocation and Withdrawal of Funds**

<b>Item</b>		<b>Total amount allocated for ADB Financing (\$) **</b>	<b>ADB Financing % and Basis for Withdrawal from the Loan Account</b>
1	Rapid response component	491,723,078	100% of total expenditure claimed *
2	Project investment component	8,276,922	100% of total expenditure claimed *
<b>Total</b>		<b>500,000,000</b>	

\* Exclusive of taxes and duties imposed within the territory of the Borrower.

\*\* Subject to the disbursement condition described in the loan agreement.

Source: Asian Development Bank.

## E. Detailed Cost Estimates by Financier

Table 8: Project Cost Estimates by Financier

Item	ADB RRC		ADB PIC		Government		Total cost	
	Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category	Amount (\$ million)	Taxes and duties (\$ million)
<b>A. Investment Costs</b>								
1 Vaccine procurement	438.18	90%	-	0%	48.20	10%	486.38	48.20
2 Procurement ancillary goods	-	0%	4.27	90%	0.47	10%	4.74	0.47
3 Transportation, Distribution & Clearance	8.64	73%	1.54	13%	1.63	14%	11.81	1.63
4 Consulting services	-	0%	0.60	91%	0.06	9%	0.66	0.06
5 Printing	-	0%	0.24	86%	0.04	14%	0.28	0.04
<b>Subtotal (A)</b>	<b>446.82</b>	<b>89%</b>	<b>6.65</b>	<b>1%</b>	<b>50.40</b>	<b>10%</b>	<b>503.86</b>	<b>50.40</b>
<b>B. Recurrent Costs</b>								-
Project management	-	0%	0.87	77%	0.26	23%	1.13	0.16
<b>Subtotal (B)</b>	<b>-</b>	<b>0%</b>	<b>0.87</b>	<b>77%</b>	<b>0.26</b>	<b>23%</b>	<b>1.13</b>	<b>0.16</b>
<b>C. Total Base Cost (A+B)</b>	<b>446.82</b>	<b>88%</b>	<b>7.52</b>	<b>1%</b>	<b>50.66</b>	<b>10%</b>	<b>504.99</b>	<b>50.55</b>
<b>D. Contingencies</b>								
Physical	44.68	89%	0.75	1%	5.05	10%	50.49	-
Price	0.22	85%	0.00	1%	0.04	13%	0.26	-
<b>Subtotal (D)</b>	<b>44.91</b>	<b>88%</b>	<b>0.76</b>	<b>1%</b>	<b>5.09</b>	<b>10%</b>	<b>50.75</b>	<b>-</b>
<b>E. Financial charges</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>	<b>25.26</b>	<b>100%</b>	<b>25.26</b>	<b>-</b>
<b>Total Project Cost (C+D+E)</b>	<b>491.72</b>	<b>85%</b>	<b>8.28</b>	<b>1%</b>	<b>81.00</b>	<b>14%</b>	<b>581.00</b>	<b>50.55</b>

PIC = project investment component, RRC = rapid response component

Source: Asian Development Bank.

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

Table 9: Project Cost Estimates by Outputs and/or Components

Item	Total Cost	Output 1		Output 2	
	(\$ million)	(\$ million)	% of Cost Category	(\$ million)	% of Cost Category
<b>A</b>					
<b>Investment Costs</b>					
1 Vaccine procurement	486.38	486.38	100.0%	-	0.0%
2 Procurement ancillary goods	4.74	4.74	100.0%	-	0.0%
3 Transportation, Distribution & Clearance	11.81	11.81	100.0%	-	0.0%
4 Consulting services	0.66	-	0.0%	0.66	100.0%
5 Printing	0.28	-	0.0%	0.28	100.0%
<b>Subtotal (A)</b>	<b>503.86</b>	<b>502.92</b>	<b>99.8%</b>	<b>0.94</b>	<b>0.2%</b>
<b>B. Recurrent Costs</b>					
Project management	1.13	-	0.0%	1.13	100.0%
<b>Subtotal (B)</b>	<b>1.13</b>	<b>-</b>	<b>0.0%</b>	<b>1.13</b>	<b>100.0%</b>
<b>C. Total Base Cost (A+B)</b>	<b>504.99</b>	<b>502.92</b>	<b>99.6%</b>	<b>2.07</b>	<b>0.4%</b>
<b>D. Contingencies</b>					
Physical	50.49	50.28	99.6%	0.21	0.4%
Price	0.26	0.26	99.6%	0.00	0.4%
<b>Subtotal (D)</b>	<b>50.75</b>	<b>50.54</b>	<b>99.6%</b>	<b>0.21</b>	<b>0.4%</b>
<b>E. Financial charges</b>					
	<b>25.26</b>	<b>25.15</b>	<b>99.6%</b>	<b>0.10</b>	<b>0.4%</b>
<b>Total Project Cost (C+D+E)</b>	<b>581.00</b>	<b>578.62</b>	<b>99.6%</b>	<b>2.38</b>	<b>0.4%</b>

Source: Asian Development Bank.

## G. Detailed Cost Estimates by Year

Table 10: Detailed Cost Estimates by Year

Item	Total Cost (\$ million)	2021 (\$ million)	2022 (\$ million)	2023 (\$ million)
<b>A. Investment Costs</b>				
1 Vaccine procurement	486.38	486.38	-	-
2 Procurement ancillary goods	4.74	4.74	-	-
3 Transportation, Distribution & Clearance	11.81	11.81	-	-
4 Consulting services	0.66	0.12	0.34	0.20
5 Printing	0.28	-	0.25	0.03
<b>Subtotal (A)</b>	<b>503.86</b>	<b>503.04</b>	<b>0.59</b>	<b>0.23</b>
<b>B. Recurrent Costs</b>				
Project management	1.13	0.02	0.86	0.25
<b>Subtotal (B)</b>	<b>1.13</b>	<b>0.02</b>	<b>0.86</b>	<b>0.25</b>
<b>C. Total Base Cost (A+B)</b>	<b>504.99</b>	<b>503.06</b>	<b>1.45</b>	<b>0.48</b>
<b>D. Contingencies</b>				
Physical	50.49	50.30	0.14	0.04
Price	0.26	-	0.19	0.07
<b>Subtotal (D)</b>	<b>50.75</b>	<b>50.30</b>	<b>0.34</b>	<b>0.11</b>
<b>Financial charges</b>	<b>25.26</b>	<b>5.04</b>	<b>10.10</b>	<b>10.12</b>
<b>Total Project Cost (C+D+E)</b>	<b>581.00</b>	<b>558.41</b>	<b>11.88</b>	<b>10.71</b>

Source: Asian Development Bank.

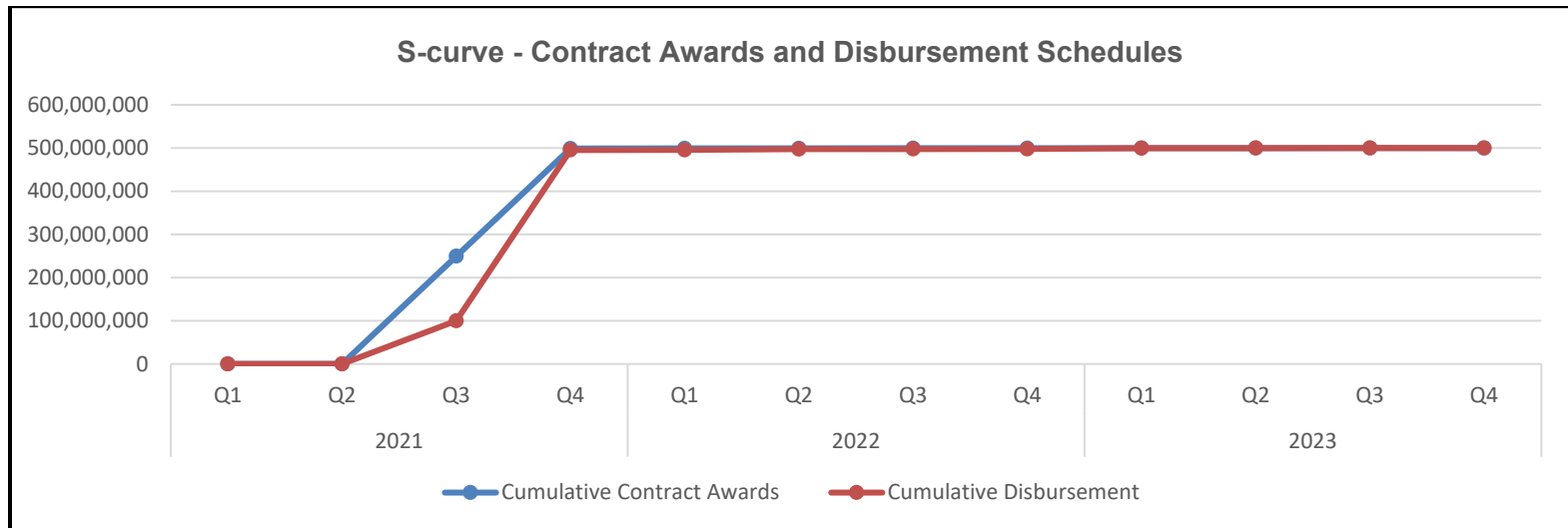
**H. Contract and Disbursement S-Curve**

16. Table 11 and figure below 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 include contingencies, unallocated amounts.

**Table 11: Disbursement and Contract Awards**

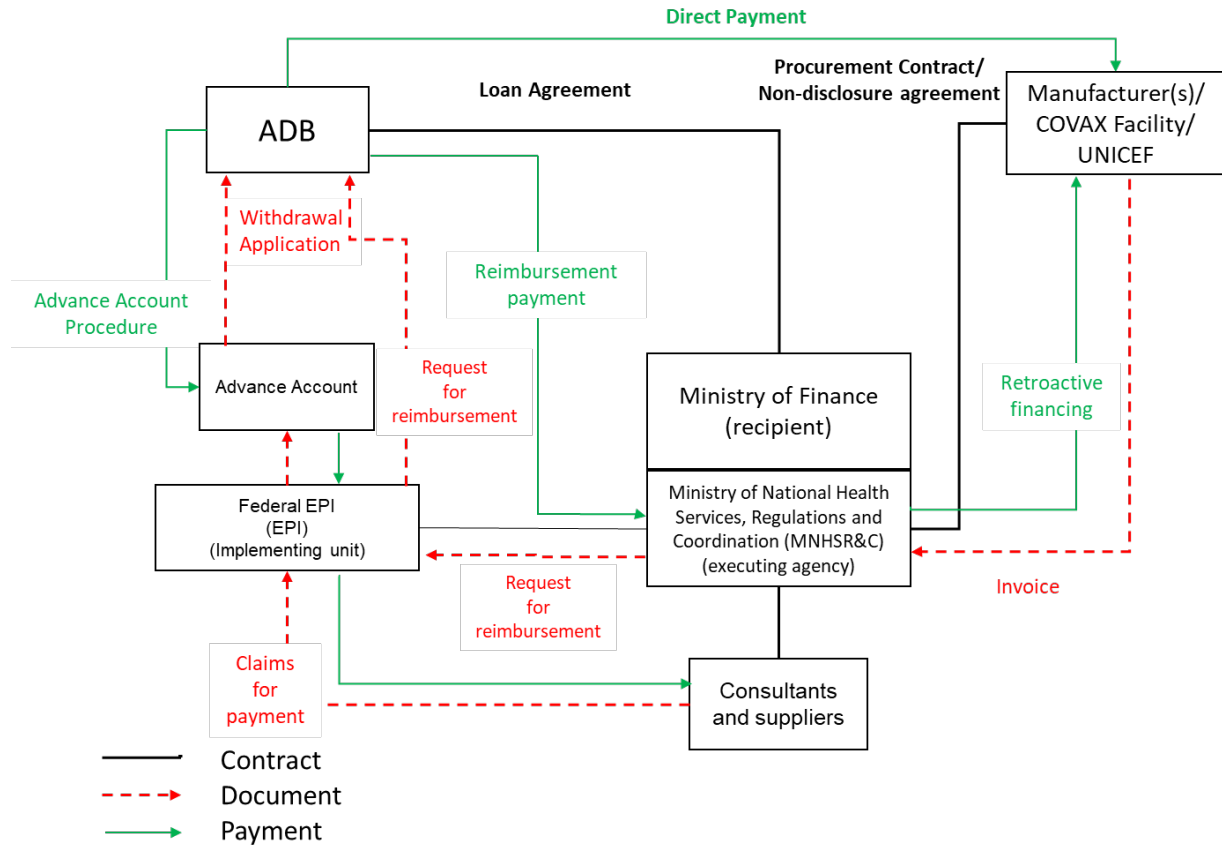
Year s	Contract Awards					Disbursement				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2021	-	-	249,164,151	249,569,233	498,733,384	-	-	99,638,813	398,372,197	498,011,009
2022	633,308	-	477,121	-	1,110,429	625,463	403,542	277,506	217,204	1,523,714
2023	156,187	-	-	-	156,187	124,036	124,036	154,186	63,018	465,276
<b>Total</b>					<b>500,000,000</b>					<b>500,000,000</b>

Source: Asian Development Bank.



Source: Asian Development Bank.

# I. Fund Flow



ADB = Asian Development Bank, COVAX = COVID-19 Vaccines Global Access, EPI = Expanded Programme on Immunization.

Source: Asian Development Bank.

## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

17. A financial management assessment (FMA) has been conducted for MONHSR&C, the executing agency, and Federal EPI, the implementing agency of the project funded by ADB, in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and ADB's Financial Due Diligence: A Methodology Note,<sup>11</sup> for the purpose of this project. The FMA focuses on vaccination plan, funds flow, staffing, accounting policies and procedures, internal controls, financial reporting and monitoring, and internal and external audit. The purpose of the FMA is to ensure that adequate financial management arrangements are in place for the proposed project.

18. FMA concluded that the overall pre-mitigated financial management risk of the project is **substantial** owing in part to the risks associated with country's public financial management system related to overall internal control, accounting, recording, reporting, and external scrutiny and audit, as well as having no experience with ADB projects. To address these weaknesses the following mitigation measures, per the timebound financial management action plan (FMAP) in Table 12 were agreed with the MONHSR&C and Federal EPI: (i) financial management specialist (FMS) with prior ADB or World Bank experience will be engaged to support the project financial management by MONHSR&C and Federal EPI for the project who will be funded by World Bank; (ii) training will be provided by ADB to MONHSR&C and EPI staff on ADB financial management and disbursement policies, procedures and guidance; (iii) quarterly reconciliation of records from other financier whom ADB shared the same expenditure; (iv) a separate bank account shall be created for ADB project; (iv) on time quarterly financial management progress reports will be obtained from executing agency / implementing agency; (v) inclusion of the project in the annual audit program of the internal auditor of MONHSR&C and Federal EPI and (vi) independent annual project performance audits will be arranged and results will be timely shared with ADB. MONHSR&C has a considerable experience in implementing international funded projects and has adequate capacity to use advance fund and Statement of Expenditures (SOE) procedures.<sup>12</sup>

19. MONHSR&C is responsible for ensuring an adequate audit trail, and an independent auditor acceptable to ADB will audit the annual financial statements in accordance with international standards on auditing.

20. Major risks and mitigating measures are summarized in the table below, and further details are in the risk assessment and risk management plan. The integrated benefits and impacts are expected to outweigh the costs.

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<sup>11</sup> ADB. 2015. *Financial Management Assessment Technical Guidance Note*. Manila; ADB. 2009. *Financial Due Diligence: A Methodology Note*. Manila.

<sup>12</sup> Some requested documents were not fully provided and no test of controls was conducted during the financial due diligence, hence, the effectiveness of Pakistan's logistic management system and compliance of SOPs will also be covered under monitoring and evaluation activities.

**Table 12: Summary of Financial Management Action Plan**

<b>Weakness</b>	<b>Mitigation Action</b>	<b>Responsibility</b>	<b>Target Date</b>
Staffing and EA/IA experience. MONHSR&C and Federal EPI has no previous experience with ADB in implementing financial management and audit requirements for projects.  Current staff may be overburdened due to additional project activities related to vaccine	In coordination with the World Bank, MONHSR&C will recruit new FMS with prior ADB or World Bank work experience for the project to manage more volume of work.  As the workload of Federal EPI will also increase, there is a need to fill the Financial Management Officer/consultant position to support the financial management activities of EPI for the project.	ADB, World Bank, MONHSR&C, Federal EPI	1 month before loan effectiveness
	MONHSR&C and Federal EPI's existing and new staff will be given training on ADB's Loan Disbursement procedures including CPD to the present and new staff.	ADB, MONHSR&C, Federal EPI,	1 month before loan effectiveness
Funds Flow. Risk of sharing or merging of funds with another financier	Dedicated bank account will be maintained for the ADB funds.	MONHSR&C/ Federal EPI	Prior to loan effectiveness
	The FMS to provide quarterly reconciliation document from other financiers whom ADB shared the same expenditures.  Regular coordination meeting on the project progress	ADB, World Bank, MONHSR&C, Federal EPI	Every quarter
	A separate bank account shall be created for ADB project	MOF, MONHSR&C	Before loan effectiveness
Periodic financial management report	Prepare quarterly reports for the ADB project with financial and disbursement information, as well as variance analysis of physical and financial progress. The report should include the status of the financial management action plan.	MONHSR&C, Federal EPI	Every quarter
Internal Audit. Exclusion of ADB projects in the internal audit plan of the ministry	MONHSR&C and Federal EPI will ensure all project financial management activities and project accounts will be covered by the internal auditor of MONHSR&C and Federal EPI which is fully functional and effective at present and also report their findings to MOF.	ADB, MONHSR&C, Federal EPI	2 months after loan effectiveness
Financial and performance audit are not performed in a timely and effective manner	AGPR will conduct the annual audit of project financial statements in accordance with ISSAI using ADB reviewed terms of reference.	MONHSR&C, Federal EPI	At the end of each covered fiscal year
Risk associated on the implementation of Vaccination Program Performance and inventory management	A "Report on Governance, Internal Controls, and Inventory Management and Utilization" for each fiscal year, covering the implementation of the national program, in a mutually agreed format, will be submitted to ADB,	MONHSR&C, Federal EPI	No later than 3 months from end of relevant fiscal year.
	ADB will recruit a performance auditor to arrange annual performance audit of the "Report on Governance, Internal	ADB, MONHSR&C, Federal EPI	No later than 2 months after the date of loan effectiveness



Weakness	Mitigation Action	Responsibility	Target Date
	Controls, and Inventory Management and Utilization” to assess the design and operating effectiveness of the vaccine program on an annual basis.		Annual performance audit report shall be submitted to ADB by no later than 6 months from the end of financial year.
	An M&E specialist will provide monitoring and evaluation on the inventory and supply chain management.	ADB, MONHSR&C, Federal EPI	2 months after loan effectiveness

ADB = Asian Development Bank, AGPR = Auditor General of Pakistan Revenue, CPD = Client’s Portal for Disbursement, DMF = design and monitoring framework, EA = executing agency, EPI = Expanded Programme on Immunization, FMS = financial management specialist, IA = implementing agency, ISSAI = International Standards of Supreme Audit Institution, M&E = monitoring and evaluation, MOF = Ministry of Finance, MONHSR&C = Ministry of National Health Services, Regulations and Coordination.

Source: Asian Development Bank.

## B. Disbursement

### 1. Disbursement Arrangements for ADB Funds

21. The loan proceeds will be disbursed in accordance with ADB’s *Loan Disbursement Handbook* (2017, as amended from time to time)<sup>13</sup>, and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.<sup>14</sup> Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

22. Federal EPI will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds from Ministry of Finance (MOF) (if any), (iii) collecting supporting documents, and (iv) preparing and sending withdrawal applications to ADB.

23. **Advance fund procedure.** Separate advance account{s} should be established and maintained by Federal EPI for each funding source. The currency of the advance account(s) is the US dollar. The advance account is to be used exclusively for ADB’s share of eligible expenditures. The Federal EPI who administers the advance account is accountable and responsible for proper use of advances to the advance account.

24. 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 Federal EPI may request for initial and additional advances to the advance account{s} based on an Estimate of Expenditure Sheet<sup>15</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 Federal EPI in accordance with ADB’s *Loan Disbursement Handbook* (2017, as amended from time to time) when liquidating or replenishing the advance account.

<sup>13</sup> The handbook is available electronically from the ADB website (<http://www.adb.org/documents/loan-disbursement-handbook>)

<sup>14</sup> Disbursement eLearning. [http://wpqr4.adb.org/disbursement\\_elearning](http://wpqr4.adb.org/disbursement_elearning)

<sup>15</sup> Estimate of Expenditure sheet is available in Appendix 8A of ADB’s *Loan Disbursement Handbook* (2017, as amended from time to time),

25. **Statement of expenditure procedure.**<sup>16</sup> The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance account. The ceiling of the SOE procedure is the equivalent of \$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.

26. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the persons who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is stipulated in the *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below such amount should be paid (i) by Federal EPI and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The recipient should ensure sufficient category and contract balances before requesting disbursements.

27. Withdrawals related to vaccine procurement shall be within the eligibility criteria of the APVAX facility.

## **2. Disbursement Arrangements for Counterpart Fund**

28. MONHSR&C and Federal EPI will be responsible for the relevant disbursement and liquidation procedures for government funds and will be responsible for (i) preparing disbursement projections, and (ii) requesting budgetary allocations for counterpart funds. The government will finance recurrent costs including the corresponding taxes and duties (\$55.69 million). Its financing of the taxes and duties for the vaccines is through tax exemption.

### **C. Accounting**

29. The MONHSR&C 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 MONHSR&C will prepare project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

### **D. Auditing and Public Disclosure**

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

31. 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

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<sup>16</sup> SOE forms are available in Appendix 7B and 7D of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose(s) of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

32. 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.

33. The government, MONHSR&C and Federal EPI 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. 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.

34. 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>17</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>1</sup>

## VI. PROCUREMENT AND CONSULTING SERVICES

### A. Advance Contracting and Retroactive Financing

35. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement *Policy* (2017, as amended from time to time) and *Procurement Regulations for ADB Borrowers* (2017, as amended from time to time). 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 recipient and MONHSR&C were advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

36. **Advance contracting.** Advance contracting will be undertaken for the recruitment of individual consultants: gender specialist (1), procurement officers (6), monitoring & evaluation officers (6), occupational health safety specialist (1), environment & social safeguards specialist (1), environment & social safeguards coordinators (4), and performance auditing & information system audit firm. Few packages of syringes and safety boxes including other accessories (kit, cotton rolls, carrier, etc.) may also initiate process under advance contracting. ADB will be involved in reviewing TORs, shortlisting, request for proposal, request for quotation, and will provide a formal no objection before any of the resulting contracts are signed. Advance contracting activities will include: (i) preparation of terms of reference; (ii) advertisements for request for expressions of interest; (iii) shortlisting, evaluation, and contract awards.

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<sup>17</sup> Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

37. **Retroactive financing.** Retroactive financing is envisaged for reimbursement of eligible expenditures for COVID-19 vaccine, as well as national consultants, logistics, and transportation related to delivery of vaccines to designated points, subject to a maximum of 30% of the loan amount, provided that expenditures are incurred prior to loan effectiveness but after the declaration of the COVID-19 emergency or allocation of resources therefor, and not earlier than 12 months before the date of the loan agreement, and provided that disbursement conditions are met. Withdrawals from the loan account may be made for advance financing in an amount of up to 6 months of estimated eligible expenditures or 50% of the RRC loan amount, whichever is lower. The combined outstanding balance of advance financing and retroactive financing should not, at any time, exceed 60% of the RRC loan amount, while the advance financing and retroactive financing remain within their respective ceilings. Any advance financing and retroactive financing will be subject to the vaccine eligibility criteria and other requirements under the Asia Pacific Vaccine Access Facility policy being fully met.

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

38. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).

39. Under output 1, vaccine shall be procured through bilateral deals and/or through COVAX facility. International transport and other logistical support, if not covered in vaccine contracts, shall also be procured under this output. Syringes, safety boxes, and other related items, if procured in the same contract with the vaccines for which they are intended, will also be procured under this output. MONHSR&C, being an executing agency shall be involved in the vaccine procurement contracts. The Cabinet has exempted the COVID-19 vaccine procurement from the Public Procurement Regulatory Authority rules 2004. The Cabinet constituted a sub-committee of cabinet for the procurement of COVID-19 vaccines in terms of Rule 17 (2), of Rules of Business 1973. Under the direction of the NCOC, a dedicated National Vaccine Task Force was set up with two sub-committees: (i) Inter-Ministerial Committee for COVID-19 Vaccine and (ii) Technical Committee for COVID-19 Vaccine. The technical committee is responsible for evaluating the vaccines, reviewing the development of the global vaccine situation, and formulating Pakistan-specific guidelines for COVID-19 vaccines based on global best practices. The task force is further supported by a vaccine negotiating team. Direct negotiations for bilateral deals with vaccine manufacturers are led by NDMA as part of the procurement committee. Procurement of vaccine through COVAX Facility and / or through UNICEF will be led by MONHSR&C. Fiduciary responsibility for the procurement of eligible vaccines will remain with MONHSR&C. Vaccine contracts shall be signed by the Director General, Health.

40. Vaccines will be required to meet ADB's vaccine eligibility criteria and procurement will be undertaken in accordance with ADB's Procurement Policy and the Procurement Regulations for ADB Borrowers.<sup>18</sup> Following the APVAX policy,<sup>19</sup> ADB's member country procurement eligibility requirements are waived for goods, works, consulting, and non-consulting services. All vaccine contracts shall be subject to ADB prior review, inclusive of contracts signed, and/or contract variations. ADB shall be provided with the complete contents of all vaccine contracts, for review, prior to confirming that they are acceptable to ADB. To confirm that a vaccine contract is acceptable to ADB, for it to be financed under a loan, ADB must be provided with a full unredacted

<sup>18</sup> ADB. [ADB Procurement Policy](#); ADB. [Procurement Regulations for ADB Borrowers](#).

<sup>19</sup> The proposed project was prepared under the One ADB approach following streamlined business processes outlined in the APVAX policy paper [R195-20], including an abbreviated Board circulation period. ADB. 2020. [ADB's Support to Enhance COVID-19 Vaccine Access](#). Manila

version of the contract for review and confirmation of its acceptability. Unless avoidable, negotiated contract shall be shared before it is signed by the parties.

41. The Procurement Regulations for ADB Borrowers (para. 2.18) requires that, after a contract is signed, the borrower publishes certain contract award information.<sup>20</sup> Similarly, ADB publishes contract award information on its website ([www.adb.org](http://www.adb.org)).<sup>21</sup> In the event that the terms of any proposed contract precludes the ability of the government to publish information related to the contract award, it shall immediately inform ADB. Such a condition may prevent ADB from financing the contract.

42. Under output 2, nineteen individual national experts in various categories including gender, procurement, monitoring & evaluation, environment & social safeguards, occupational health safety, shall be recruited to support MONHSR&C and Federal EPI for project implementation. A performance auditing firm shall also be recruited to monitor the performance of the program and COVIM system from procurement to distribution of the COVID-19 vaccines in accordance with the National Plan for COVID-19 Vaccination. The performance audit will be conducted on an annual basis. Recruitment for individual national consultants and firm to immediately strengthen the implementation capacity of MONHSR&C and Federal EPI will be carried out as per ADB's Procurement Policy (2017 as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017 as amended from time to time). Performance auditing and information systems audit firm shall be recruited using consultant's qualification selection (CQS) method. Open Competitive Bidding, National (OCB, national) and or Request for Quotation may be used for the goods supply (syringes, safety boxes etc.), transportation, logistics services and printing as appropriate, with prior approval of ADB.

43. Prior to the disbursement of the loan proceeds, all parties have signed, or will sign vaccine purchase agreements shall confirm publication of contract award information.

44. Value for money in procurement will be achieved by securing multiple types of vaccines either through several bilateral deals or through COVAX and or directly through UNICEF on reasonable commercial terms including timely procurement of contracts under PIC component and through close monitoring of contract implementation to improve the probability of timely delivery of vaccine and its rollout.

45. An 18-month procurement plan indicating procurement method, bidding procedures, and review requirements is appended in Section C.

### C. Procurement Plan

#### Basic Data

<b>Project Name:</b> COVID-19 Vaccine Support Project under the Asia Pacific Vaccine Access Facility	
<b>Project Number:</b> 55013-001	<b>Approval Number:</b>
<b>Country:</b> Islamic Republic of Pakistan	<b>Executing Agency:</b> Ministry of National Health Services, Regulations and Coordination
<b>Project Procurement Risk:</b> High	<b>Implementing Agency:</b> Federal Expanded Programme on Immunization

<sup>20</sup> Para. 2.18: "After the contract is signed, the borrower shall publish in an English language newspaper or in English on a publicly and freely accessible website the name of the provider of the goods, works, or services, and the price, duration, and summary scope of the contract. This publication may be done quarterly and in the format of a summarized table covering the previous period."

<sup>21</sup> ADB publishes contract award information for all goods and civil works contracts with a value greater than \$1,000,000

<b>Project Financing Amount:</b> US\$ 581,000,000 <b>ADB Financing:</b> US\$ 500,000,000 <b>Cofinancing (ADB Administered):</b> <b>Non-ADB Financing:</b> US\$ 81,000,000	<b>Project Closing Date:</b> 31 December 2023	
<b>Date of First Procurement Plan:</b> 30 Jun 2021	<b>Date of this Procurement Plan:</b> 30 Jun 2021	
<b>Procurement Plan Duration (in months):</b> 18	<b>Advance Contracting:</b> Yes	<b>e-GP:</b> No

## 1. Methods, Review and Procurement Plan

46. Except as ADB may otherwise agree, the following methods shall apply to procurement of goods, works, and consulting services.

Procurement of Goods and Works	
Method	Comments
Request for Quotation for Goods	All contracts shall be subject to prior review
Open Competitive Bidding (National)	For ancillary items (safety boxes, syringes etc). All contracts shall be subject to prior review
Direct Contracting for Goods	Procurement of vaccine through bilateral and or through COVAX facility, all contracts shall be subject to prior review

Consulting Services	
Method	Comments
Consultant's Qualification Selection for Consulting Firm	Performance auditing firm & Information system audit firm
Competitive for Individual Consultant	National consultants

## 2. Lists of Active Procurement Packages (Contracts)

47. 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.

Goods and Works							
Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments

G01	Procurement of COVID-19 Vaccines	482,046,452.00	DC	Prior		Q3 / 2021	<p>Non-Consulting Services: No</p> <p>No. Of Contracts: multiple</p> <p>Advance Contracting: Yes</p> <p>High Risk Contract: Yes</p> <p>Covid-19 Response? Yes</p> <p>Comments: RRC component; Bilateral agreement and/or through COVAX and/or through UNICEF</p> <p>Advance contracting and retroactive financing</p>
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G02	International transportation	9,046,334	RFQ	Prior		Q3 / 2021	<p>Non-Consulting Services: No</p> <p>No. Of Contracts: multiple</p> <p>Advance Contracting: Yes</p> <p>High Risk Contract: No</p> <p>Covid-19 Response? Yes</p> <p>Comments: RRC component; advance financing and retroactive financing</p> <p>Procurement method shall be agreed prior to proceeding with procurement</p>
G03	Port clearance (Clearing Agent)	452,317	OCB	Prior	1S1E	Q3 / 2021	<p>Non-Consulting Services: No</p> <p>No. Of Contracts: multiple</p> <p>Advance Contracting: Yes</p> <p>High Risk Contract: Yes</p> <p>Covid-19 Response? Yes</p> <p>Comments: RRC component; advance financing and retroactive financing</p> <p>National Advertisement For flights</p>



							carrying approx. 1 m doses of vaccines
G04	Procurement of safety boxes and syringes	2,280,430	OCB	Prior	1S1E	Q3 / 2021	<p>Non-Consulting Services: No</p> <p>No. Of Contracts: One</p> <p>Advance Contracting: Yes</p> <p>High Risk Contract: Yes</p> <p>Covid-19 Response? Yes</p> <p>Comments: PIC component</p> <p>National advertisement</p>
G05	Procurement of AEFI kits, cotton rolls and vaccine carrier	2,413,703	OCB	Prior	1S1E	Q3 / 2021	<p>Non-Consulting Services: No</p> <p>No. Of Contracts: multiple</p> <p>Advance Contracting: Yes</p> <p>High Risk Contract: Yes</p> <p>Covid-19 Response? Yes</p> <p>Comments: PIC component</p> <p>National advertisement</p>
G06	Printing forms of for vaccine process	238,012	RFQ	Prior		Q3 / 2021	<p>Non-Consulting Services: No</p> <p>No. Of Contracts: multiple</p> <p>Advance Contracting: Yes</p> <p>High Risk Contract: No</p>

							<p>Covid-19 Response? Yes</p> <p>Comments: PIC component</p>
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Consulting Services							
Package Number	General Description	Estimated Value (in US\$)	Selection Method	Review	Type of Proposal	Advertisement Date (quarter/year)	Comments
CS01	Gender Specialist	55,548.00	Competitive	Prior		Q3 / 2021	<p>Non-Consulting Services: No</p> <p>Type: Individual</p> <p>Assignment: National</p> <p>Expertise: Gender</p> <p>Covid-19 Response? Yes</p> <p>Comments: PIC; 24 person-months, at Federal EPI</p>
CS02	6 Monitoring & Evaluation Officers	119,034.00	Competitive	Prior		Q3 / 2021	<p>Non-Consulting Services: No</p> <p>Type: Individual</p> <p>Assignment: National</p> <p>Expertise: M&amp;E</p> <p>Covid-19 Response? Yes</p> <p>Comments: PIC; 24 person-months each; 1 at each EPI (Punjab, Sindh, KP, Balochistan, AJK and GB)</p>
CS03	Environment & Social Safeguard Specialist	55,548.00	Competitive	Prior		Q3/2021	<p>Non-Consulting Services: No</p> <p>Type: Individual</p> <p>Assignment: National</p> <p>Expertise: Safeguards</p>

							<p>Covid-19 Response? Yes</p> <p>Comments: PIC; 24 person-months At Federal EPI</p>
CS04	4 Environment & Social Safeguard Specialist Coordinators	79,356.00	Competitive	Prior		Q3/2021	<p>Non-Consulting Services: No</p> <p>Type: Individual</p> <p>Assignment: National</p> <p>Expertise: Safeguards</p> <p>Covid-19 Response? Yes</p> <p>Comments: PIC; 24 person-months each; 1 at each EPI (Punjab, Sindh, KP, Balochistan)</p>
CS05	6 Procurement Officers	119,034.00	Competitive	Prior		Q3/2021	<p>Non-Consulting Services: No</p> <p>Type: Individual</p> <p>Assignment: National</p> <p>Expertise: Procurement</p> <p>Covid-19 Response? Yes</p> <p>Comments: PIC; 24 person-months each; 1 at each EPI (Punjab, Sindh, KP, Balochistan, AJK and GB)</p>
CS06	Performance auditing firm & Information system audit firm	116,129.00	CQS	Prior	BTP	Q3/2021	<p>Non-Consulting Services: Yes</p> <p>Type: Firm</p> <p>Assignment: National</p> <p>Covid-19 Response? Yes</p>

							Comments: PIC; 2 years
CS07	Occupational Health Safety Specialist	55,548.00	Competitive	Prior		Q3/2021	Non-Consulting Services: No  Type: Individual  Assignment: National  Expertise: Health & Safety  Covid-19 Response? Yes  Comments: PIC; 24 person- months; at Federal EPI

### 3. List of Indicative Packages (Contracts) Required Under the Project

48. 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						

49. The terms of reference for all consulting services are detailed in Section D.

#### D. Consultant's Terms of Reference

50. Detailed TORs are in Appendix.

### VII. Safeguards

51. In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are as follows.<sup>22</sup>

<sup>22</sup> ADB. [Safeguard Categories](#).

52. **Environmental safeguards.** The proposed project is categorized as 'C' for environmental safeguards considering small-scale environmental impacts related to incremental medical waste generation are anticipated. Moreover, as per guidance provided in the policy paper on COVID-19, due diligence on updated national health care waste management plan will be carried out to identify any gaps and provide suitable recommendations. A firm commitment to manage the medical waste in an adequate manner has also been provided in the Governor's letter. Certain challenges are expected in implementation of the required measures mentioned in the Environmental and Social Management Plan (ESMP) due to the capacity and resource constraints in the health care sector across the country, particularly in smaller districts and remote areas located away from the major urban centers. The Environmental Safeguards Due Diligence Report makes recommendations for the government to carry out with support from the consultants mentioned in para. 3.<sup>23</sup>

53. The potential environmental impacts include:

54. **Medical waste generation.** The main potential impacts during operation are expected from the storage and disposal of medical waste. Potential impacts are generation of solid waste/paper waste, medical waste, and occupational, and community health risks. This may comprise used personal protective equipment (PPE), used syringes, vials etc. Hence, the same would need to be properly handled, stored, and disposed of in accordance with various national and international guidelines and best practices. The Federal EPI in collaboration with World Bank has prepared ESMP for the safe collection of EPI waste and similarly another Pandemic Response Effectiveness in Pakistan- Environmental and Social Management Plan has been prepared in accordance with Hospital Waste Management Rules, 2005 for the safe collection, storage, transportation, and environment friendly disposal of the COVID-19 waste. ADB has also developed a guidance note on Managing Infectious Waste during COVID-19 Pandemic. The guidance note provides suitable consideration and recommendations to enable developing member countries to deal with such waste types.<sup>24</sup> Hence, the incremental medical waste will be handled, stored, and disposed of in accordance with the ESMP, ADB's guidance note as well as other international best practices (e.g., those developed by WHO).

55. **Socioeconomic and occupational health and safety.** It is anticipated that potential impacts to the socioeconomic environment will be mostly positive and on income and unemployment trends. However, potential impacts in terms of spreading and transmitting of COVID-19 in employees of and workers during vaccination and transportation operation is anticipated. Mitigation measures such as social distancing, use of PPE (face mask, hand gloves, etc.) washing of hands with soap and hot water, and use of sanitizer after regular intervals are recommended. Moreover, adherence with national and international (i.e. WHO) Standard Operating Procedures (SOPs) will need to be followed to ensure any such impacts remain minimal.

56. **Involuntary resettlement.** The project only covers procurement of COVID-19 vaccines, including delivery to existing designated points. The project will not include any components involving infrastructure development and construction works or any other activities that may cause adverse land acquisition and resettlement impact. Thus, the project is categorized as C for involuntary resettlement.

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<sup>23</sup> Environmental Safeguards Due-Diligence Report (accessible from the list of linked documents).

<sup>24</sup> ADB Guidance Note on Managing Infectious Medical Waste

57. **Indigenous peoples.** There are no indigenous people affected by the project as defined by the ADB Safeguard Policy Statement (2009) (SPS), thus the project is initially categorized C for indigenous peoples.

58. **Prohibited investment activities.** Pursuant to SPS, ADB funds may not be applied to the activities **described** on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

### VIII. Gender and Social Dimensions

59. Even before the outbreak of COVID-19, Pakistan's poverty incidence was quite high. Measured at \$3.2/day, it was 33.9% in 2017, surging to 34.3% in 2018, and to 35.4% in 2019. The pandemic exacerbated the situation with a spike to 39.1% in 2020.<sup>25</sup> Government's containment measures such as; partial lockdown, reduced hours for business activities, festivals, and travel restrictions, closure of schools and shopping malls, will have negative impacts on the country's economy while hitting the most vulnerable and poor segments of the population the hardest. Almost 6% of the population over age of 5 have functional disabilities increasing to 31% for those aged 60 and over with higher rates of disability in rural, poorer, and less educated populations. Indications suggest persons over the age of 60 account for the majority of COVID deaths. Pakistan's already under-resourced health services and infrastructure has been further challenged by the COVID-19 crisis, while it may have negative effects on health seeking behaviors particularly among the poor and remote populations with limited or no access to online consultations or e-health services.

60. Government is currently using social media, internet, and mobile services for the dissemination of vital information related to COVID-19 preventive measures, lockdown announcements, registration processes for vaccination, and vaccination centers sites. Majority of Pakistanis living in remote and bordering district are not well-connected through internet and mobile services hence will be hard-to-reach through mainstream media. Compared to 81% men, only 50% of the women own mobile phones, and only 19% of them use mobile internet.<sup>26</sup> There are still a significant number of Pakistanis and migrants who do not have CNICs – majority of them are women. Special efforts would be required to reach out to those segments who are more likely to be excluded from the vaccination coverage.

61. Reduced economic opportunities in the country and rise in poverty levels may further widen the gender inequalities. Pre-COVID-19, the country had some 22.8 million out of school children with slightly half of them girls.<sup>27</sup> It is feared that the pro-longed schools' closure will increase the risk of dropouts particularly for girls. Women who are responsible for the health and well-being of their households, are impacted with more care work when any member gets sick. As they are also responsible for preparing food, the loss of income puts more stress on women who need to feed their families. Reliable and scientific information on the virus do not reach poor communities, and especially women with low literacy. Women in remote and culturally sensitive areas with limited or no access to information and communication channels will be hard to reach. The key gender-related barriers will include; : (i) government's current COVID-19 related mass communication is digitized and is largely through mobile phones whereas women have limited access to mobile and internet facilities – there is 33% gender gap in mobile usage; (ii) more than

<sup>25</sup> J. Bulan et al. 2020. "COVID-19 and Poverty: Some Scenarios." Unpublished note prepared for ADB's Economic Research and Regional Cooperation Department.

<sup>26</sup> GSMA. 2020. Connected Women – The Mobile Gender GAP Report.

<sup>27</sup> [Education | UNICEF Pakistan](#), accessed 20 April 2021.

40% of women have limited or no literacy skills, increasing to more than 75% for older women, particularly in the remote, and culturally sensitive areas –reaching out women in these areas through mainstream electronic and print media will be a challenge; (ii) compared to men, women are less likely to have a Computerized National Identity Card (CNIC); (iii) restricted mobility, inadequate transportation facilities and limited access to vaccination facilities particularly in the rural and bordering districts; (iv) vulnerable women such as widowed, single, with disabilities or those with no male family members will need to be reached out through special measures and mechanisms; and (v) apprehensions linked to the vaccines' supposed effect fertility further restrain women's access to vaccine.

62. The project will directly benefit 18.11 million (8%) people in the government's priority groups. Vaccination takes place in stages starting with the frontline health care workers, followed by remaining health care workers, and the elderly by decreasing age group while prioritizing those with co-morbidities. Refugees and internally displaced persons, whether registered or not, will have equal access based on the same age and health-risk criteria. Indirectly, the project will help in economic recovery and will provide relief to the overall population, particularly poor, and vulnerable segments of the population. Classified as "Effective Gender Mainstreaming," the project will have following gender actions; The project will vaccinate 70% of the targeted priority groups (i.e., 8% of the total population) with over 40% women. The key gender actions will include: (i) collection of sex and age-disaggregated data on all government priority target groups to be vaccinated; (ii) developing and implementing comprehensive communication and outreach plan for hard-to-reach communities and vulnerable groups; (iii) establishing mechanisms for registering women and vulnerable segments without CNIC and mobile services; (iv) inclusion of women and vulnerable groups in perception and satisfaction surveys; (v) establishing help-lines for women and vulnerable groups to seek advice and guidance on accessing vaccine, vaccination counters, side effects of vaccine and other related information; and (vi) capacity building program of MONHSR&C and Federal EPI includes 40% of female staff and consultants.

## IX. GENDER ACTION PLAN

Activities	Performance Targets/Indicators	Responsibility	Timeframe
<b>Outcome: Priority populations vaccinated against COVID-19</b>			
<p>a. Develop and implement sex-disaggregated monitoring systems.</p> <p>b. Conduct a satisfaction survey<sup>c</sup> on vaccine services provided.</p>	<p>a.1 Sex- and age-disaggregated data on the following vaccination priority groups collected,<sup>a</sup> and reported on (i) frontline health workers;<sup>b</sup> (ii) population aged 65 and above; (iii) population aged 18–64 (including marginalized groups refugees and internally displaced eligible recipients) (2020 baseline:0)</p>	MONHSR&C and Federal EPI PMU	Q4 2021
	<p>a.2 About 18.11 million people of priority population, based on NDVP (2021), vaccinated, disaggregated by sex (2021 baseline: 0)</p>		
	<p>a.3 At least 70% men and 70% women vaccine beneficiaries expressed satisfaction regarding vaccination access and quality of services, including adequacy of information provided (2020 baseline: 0)</p>		
<b>Output 2: Vaccine program implementation capacity strengthened</b>			
<p>2.1 Capacitate government vaccinators on globally accepted protocols for vaccine delivery, and on gender-sensitive, and safe vaccination practices.</p> <p>2.2 Review and update the gender-responsiveness of current guidelines and communication plans on vaccine administration.</p>	<p>By 2021:</p> <p>2.1.1 Gender sensitivity training module developed, for inclusion in capacity building sessions of vaccinators and staff<sup>d</sup> at vaccination centers on gender-sensitive administration of COVID-19 vaccine (2020 baseline: N/A).</p> <p>2.1.2 80% of the trained vaccinators and staff at vaccination centers (at least 40% women), demonstrated gender-sensitive skills and knowledge about COVID-19 vaccine administration<sup>e</sup> (2020 baseline: N/A).</p> <p>2.1.3 Updated guidelines on vaccine administration incorporate gender-sensitive and culturally appropriate vaccination procedures.<sup>f</sup></p> <p>2.1.4 Updated communication plans include strategies to reach poor and vulnerable communities, especially women who may be illiterate, and facilitate their understanding of the benefits of vaccination, address vaccine hesitancy, as well as</p>	MONHSR&C and Federal EPI, PMU, Gender Specialist	Q3 2021



Activities	Performance Targets/Indicators	Responsibility	Timeframe
	understand the procedures to follow before, during, and after vaccination.		
2.3 Develop and implement gender-responsive COVID-19 vaccine awareness and demand generation campaigns for vulnerable groups. <sup>g</sup>	2.3.1 At least 2 multi-media campaigns (on the benefits of vaccination, registration process to access vaccines, access to vaccination sites, feedback mechanisms, and myths linked to vaccine, and other related topics), using gender-inclusive language and images, developed and rolled out to general population including refugees and hard-to-reach communities, through community-based interventions, dissemination of messages in local languages and local communication channels <sup>h</sup> (2020 baseline: N/A).	MONHSR&C and Federal EPI, PMU Gender, Specialist	Q3 2021
2.4 Ensure gender-sensitive provisions and facilities in vaccination centers.	2.4.1 Vaccination centers with provisions such as sex-separated safe and well-lit waiting areas and vaccination rooms, and separate male and female toilets (2021 Baseline: 0).  2.4.2 At least 40% of all vaccinators on duty at the vaccination centers are women (2021 Baseline: 40%).	MONHSR&C and Federal EPI PMU Gender Specialist	Q2 2021

CNIC = citizen national identity card, COVID-19 = coronavirus disease, EPI = Expanded Programme on Immunization, MONHSR&C = Ministry of National Health Services Regulations and Coordination, N/A = not applicable, NDVP = National Deployment and Vaccination Plan, PMU = project implementation unit.

<sup>a</sup> As defined by Government of Pakistan in National Deployment and Vaccination Plan.

<sup>b</sup> Sex- and age-disaggregated data of vaccination groups collected and reported at National Command and Control Center website.

<sup>c</sup> Satisfaction survey conducted using digital technologies, and/or on-site recording feedback of men and women right after vaccination, and/or other survey methodologies using randomized sampling techniques.

<sup>d</sup> Staff assisting the vaccination process at the Mass/Adult Vaccination Centers (designated by the Government of Pakistan).

<sup>e</sup> Trainings will include a quick test (separate from the training evaluation) after the session, to evaluate participants' understanding of the sessions.

<sup>f</sup> Gender-sensitive vaccination procedures include consideration of gender-differentiated needs of men and women, e.g., many women's preference for a female vaccinator, women's need for privacy, need of women with little education and exposure to public information and social media to understand, accept, and access covid vaccinations, and be informed of how to address possible side effects, among others.

<sup>g</sup> Vulnerable groups including; refugees and migrants and those who may not be reached through mainstream media (*social, electronic and print*).

<sup>h</sup> Communication channels including; local leaders, community-based organizations, women's groups, religious leaders, teachers, female health workers, local radio programs, and other relevant local channels.

## X. Performance Monitoring, Evaluation, Reporting, and Communication

### A. Project Design and Monitoring Framework

**Table 14: Design and Monitoring Framework**

<b>Impacts of the Project are Aligned with</b>			
<ul style="list-style-type: none"> <li>▪ Protect vulnerable groups from morbidity and mortality due to COVID-19 disease (National Deployment and Vaccination Plan to introduce COVID-19 in the Islamic Republic of Pakistan [2021])</li> <li>▪ Spread, morbidity and mortality of SARS-CoV-2 reduced, and confidence of citizens restored (ADB's Support to Enhance Access to COVID-19 Vaccine, 2020)</li> </ul>			
<b>Results Chain</b>	<b>Performance Indicators</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks and Critical Assumptions</b>
<p><b>Outcome</b></p> <p>Priority population segments vaccinated against COVID-19</p>	<p>By 2023:</p> <p>a. At least 18.11 million people of priority population segments,<sup>a</sup> based on NDVP for 2021 vaccinated (2021 baseline: 0) (OP1.1, OP2.1.4) [data disaggregated by sex, age, and priority groups, including marginalized groups, refugees, and internally displaced eligible recipients]</p> <p>b. At least 70% men and 70% women vaccine recipients expressed satisfaction regarding vaccination access and quality of services, including adequacy of information provided<sup>b</sup> (2020 baseline: 0)</p>	<p>Periodic progress reports prepared by MONHSR&amp;C, Federal EPI, WHO</p>	<p>A: Vaccines get utilized right away</p> <p>A: Wastage rate is 10%</p> <p>R: Vulnerable groups are not prioritized in practice because of political pressures</p> <p>R: Adverse events following immunization significantly increase vaccine hesitancy and reduce the number of persons willing to be vaccinated</p> <p>R: Weaknesses in subnational supply chain systems disrupt delivery of vaccines to health facilities, which may result in higher than acceptable closed vial wastage rates</p>
<p><b>Outputs</b></p> <p>1. COVID-19 vaccines procured and delivered to designated points</p>	<p>By 2023:</p> <p>1.1 An estimated 39.83 million doses of COVID-19 vaccine (with syringes and safety boxes) delivered to designated delivery points (2021 baseline: 0) (OP1.1.2, OP6.1.1, OP6.1.4)</p>	<p>Periodic progress reports prepared by MONHSR&amp;C, Federal EPI, WHO</p>	<p>A: Timely approval of vaccines by DRAP</p> <p>R: Delays in procurement because of supply limitations</p> <p>R: Vaccine cost is higher than anticipated</p>

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
2. Vaccine program implementation capacity strengthened	<p>2.1 Federal EPI has a gender sensitivity training module<sup>c</sup> for inclusion in capacity building sessions of vaccinators and staff<sup>d</sup> (2020 baseline: N/A)</p> <p>2.2 80% of the trained vaccinators and staff at vaccination centers (at least 40% of them women), demonstrated gender-sensitive skills and knowledge about COVID-19 vaccine administration (2020 baseline: N/A) (OP1.1.1, OP2.1.1, OP2.2.2, OP6.2.1)</p> <p>2.3 At least 2 multimedia campaigns (—on the benefits of vaccination, registration process to access vaccines, access to vaccination sites, feedback mechanisms, and myths linked to vaccine, and other related topics), —using gender-inclusive language and images, rolled out to general population the public (including refugees and hard-to-reach communities,) through community-based interventions, dissemination of messages in local languages, and local communication channels<sup>e</sup> (2020 baseline: N/A0) (OP6.2.4)</p> <p>2.4 At least 40% of all vaccinators on duty in vaccination centers are women (2021 baseline: 40%) (OP2.3.2)</p>	<p>Periodic progress reports prepared by MONHSR&amp;C, Federal EPI, WHO, and Gender Specialist gender specialist</p> <p>Post-training skills-based assessment.</p> <p>Report on (at least 2) multimedia campaigns.</p> <p>Periodic progress reports prepared by MONHSR&amp;C, Federal EPI</p>	
<p><b>Key Activities with Milestones</b></p> <p><b>1. COVID-19 vaccine procured and delivered to designated points</b></p> <p>1.1 MONHSR&amp;C to award contract to vaccine manufacturer for procurement COVID-19 vaccines (Q2-Q3 2021)</p> <p>1.2 Coordinate with Federal EPI and development partners on the vaccine rollout (Q2 2021–Q4 2022)</p> <p>1.3 Closely monitor COVID-19 vaccine rollout (Q2 2021–Q4 2022)</p> <p><b>2. Vaccine program implementation capacity strengthened</b></p> <p>2.1 Federal EPI to recruit individual consultants (Q3–Q4 2021)</p> <p>2.2 Federal EPI to recruit performance audit and information systems firm (Q3–Q4 2021)</p> <p><b>Project Management Activities</b></p> <ul style="list-style-type: none"> <li>- Strengthen MONHSR&amp;C and Federal EPI by recruiting consulting services.</li> <li>- Establish data collection systems to report on DMF indicators, including collection of sex- and age- disaggregated and gender-related information relevant to the gender action plan.</li> <li>- Prepare annual audits and quarterly progress reports.</li> <li>- Conduct midterm review by Q3 2022.</li> <li>- Prepare project completion report by Q4 2023.</li> </ul>			
<b>Inputs</b>			

ADB: \$500,000,000 (concessional ordinary capital resources, APVAX)
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Government: \$81,000,000 (interest during implementation and in-kind contribution)
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A = assumption, ADB = Asian Development Bank, AEFI = Adverse events following immunization, APVAX = Asia Pacific Vaccine Access Facility, COVID-19 = coronavirus disease, DMF = design and monitoring framework, DRAP = Drug Regulatory Authority of Pakistan, EPI = Expanded Programme on Immunization, MONHSR&C = Ministry of National Health Services, Regulations and Coordination, N/A = not applicable, NDVP = National Deployment and Vaccination Plan, OP = operational priority, Q = quarter, R = risk, WHO = World Health Organization.

<sup>a</sup> As defined by Government of Pakistan in NDVP.

<sup>b</sup> Satisfaction survey conducted using digital technologies, and/or on-site recording feedback of men and women right after vaccination, and/or other survey methodologies using randomized sampling techniques.

<sup>c</sup> Gender-sensitive vaccination procedures include consideration of gender-differentiated needs of men and women, e.g., many women's preference for a female vaccinator, women's need for privacy, need of women with little education and exposure to public information and social media to understand, accept, and access COVID-19 vaccinations, and the need to be informed of how to address possible side effects.

<sup>d</sup> Staff assisting the vaccination process at the mass vaccination or COVID-19 vaccination centers (designated by the Government of Pakistan).

<sup>e</sup> Communication channels such as local leaders, community-based organizations, women's groups, religious leaders, teachers, female health workers, local radio programs, and other relevant local channels.

#### **Contribution to Strategy 2030 Operational Priorities**

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

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: Asian Development Bank.

## **B. Monitoring**

63. **Project performance monitoring.** Project performance will be monitored based on the quarterly consolidated report provided by the MONHSR&C. These reports will include: (i) progress achieved by activities as measured against the implementation schedule (Section II A), (ii) key implementation issues and solutions, (iii) updated procurement plan, and (d) updated implementation plan. To ensure the loan funds are spent on eligible items, loan financial statements, together with the associated auditor's report, should be adequately reviewed. Disaggregated baseline data for output and outcome indicators gathered during project processing will be updated and reported quarterly through MONHSR&C 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>28</sup>

64. **Compliance monitoring.** Compliance with legal, financial, economic, environmental, social, vaccine related, and other covenants contained in the loan agreement will be monitored by the Federal EPI. Loan covenants will be regularly monitored through various reports (quarterly progress reports and annual reports), and discussion during project review missions and tripartite review meeting (TPR).

65. **Safeguards monitoring.** The Federal EPI in collaboration with World Bank has prepared an ESMP for the safe collection of EPI waste and similarly another ESMP has been prepared in accordance with Hospital Waste Management Rules, 2005, for World Bank's Pandemic Response Effectiveness in Pakistan project for the safe collection, storage, transportation and environment friendly disposal of the COVID-19 waste. It is recommended to carry out a due diligence study during the implementation phase to identify any gaps in the ESMP and to provide suitable recommendations to fill any gaps. An environmental consultant will be recruited during the implementation phase to carry out this due diligence study. Monitoring reports providing

<sup>28</sup> ADB's project performance reporting system is available at <https://www.adb.org/sites/default/files/institutional-document/33431/pai-6-05.pdf>

details on monitoring of medical waste will be submitted to ADB on a regular basis. Trainings will also be provided by the environmental consultant to health care workers and nongovernment organizations dealing with the medical waste to increase capacity related with management of waste.

66. **Gender and social dimensions monitoring.** A Gender Specialist will be recruited at the federal level to assist in the monitoring and implementation of the Gender Action Plan (GAP) prepared for the project. In close coordination with the relevant project staff, development partners and consultants, the Gender Specialist will ensure that all GAP related activities are conducted. He/She will be responsible for preparing the GAP progress reports and ensure that the project's quarterly reports and all review missions adequately report on the progress of GAP implementation.

### C. Evaluation

67. Within 6 months of physical completion of the project, MONHSR&C will submit a project completion report to ADB.<sup>29</sup>

### D. Reporting

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

### E. Stakeholder Communication Strategy

69. MONHSR&C and ADB will maintain and regularly update its website with information on the project, and regularly consult with the public, civil societies, and development partners in respect of each of the preceding matters.

**Table 15: Stakeholder Communication Strategy**

Project Document	Means of Communication	Responsible Party	Frequency	Audience(s)
Report and recommendation of the President (RRP)	ADB's website	ADB	No later than 14 days of Board approval of the project loan	General public
Project loan Agreement	ADB and MONHSR&C website	ADB and MONHSR&C	No later than 14 days of Board approval of the project	General public
Project administration manual (PAM)	ADB and MONHSR&C websites	ADB and MONHSR&C	No later than 14 days of Board approval of the project, always available after update	General public, suppliers, and contractors
Quarterly progress	MONHSR&C	MONHSR&C	A month after each quarter	General public

<sup>29</sup> Project completion report format is available at: <https://www.adb.org/sites/default/files/institutional-document/33431/pai-6-07a.pdf>

reports	website and ADB internal reporting			
Completion Report	ADB and MONHSR&C websites	ADB and MONHSR&C	A year after project financial closing	General public

ADB = Asian Development Bank, MONHSR&C = Ministry of National Health Services, Regulations and Coordination.  
Source: Asian Development Bank.

70. The MONHSR&C is the lead for Pakistan's COVID-19 vaccine communication plan in terms of policy and implementation. In addition, Federal EPI, provincial programs and partners are assisting in the formulation and implementation of the communication strategies and plans for COVID-19 rollout in Pakistan. The communication strategies for COVID-19 vaccine will be founded on dynamic social listening and vaccine-acceptance surveys. Information on Covid-19 situation will be disseminated through TV, radio, social media and through SMS in areas with relevant media penetration. Areas with low media penetration will be approached through robocalls, flyers, SMS, and mosque announcements and loudspeaker announcements. In the context of social distancing, and during the current phase, the use of interpersonal communication will be limited, and alternate measures of engaging communities such as interactive programs on radio and TV and social media platforms such as chatbots will be considered. Similarly, with social distancing as a key mitigation strategy, the advocacy and capacity building initiatives shall be considered through online and digital platforms.

71. The gender consultant will help strengthen the current communication and outreach plan of the government to reach out the most marginalized segments of the population and those who may not be accessed through mainstream media such as social, print, and electronic media.

## **XI. Anticorruption Policy**

72. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy (1998, as amended to date) relating to the project.<sup>30</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, administered or supported activity and may not be awarded any contracts under the project.<sup>31</sup>

73. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the project. ADB's Anticorruption Policy was explained to and discussed with the government and MONHSR&C. ADB's standard anticorruption clause for vaccine supply contracts, and as applicable, for any side letter agreements, has been shared with MONHSR&C.

74. Specific risks that need to be addressed to prevent fraud and corruption are a lack of project oversight, political interference, and weak internal controls. Mitigating measures include anticorruption and integrity risks and controls considerations in relation to procurement, asset management and financial management at the coordination meeting on the project progress, independent audits by the Directorate General Audit (DGA), capacity building by MOF's internal audit units at the executing agency, and the hiring of an FMS. These are described in more detail in the risk assessment and risk management plan.<sup>32</sup>

<sup>30</sup> ADB. 1998. Anticorruption Policy. Manila.

<sup>31</sup> ADB. Anticorruption and Integrity. Anticorruption Sanctions List.

<sup>32</sup> Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

75. The scope of work of the performance audit engaged under the loan to support MONHSR&C should include a review of the integrity risks and controls. A performance auditor shall monitor the performance of the program from procurement to distribution of the COVID-19 vaccines in accordance with the National Plan for COVID-19 Vaccination and to conduct a performance audit on an annual basis.

## **XII. Accountability Mechanism**

76. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>33</sup>

## **XIII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL**

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

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<sup>33</sup> Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

## TERMS OF REFERENCE

### A. Individual Consultants

1. **Gender Specialist (national, 24 person-months)** The specialist should have an advanced degree in gender studies, public health, public administration, development studies, social sciences, or related field, with short courses on gender. The specialist should have at least 5 years' experience in mainstreaming gender in project management, capacity building activities, and knowledge management in internationally funded and/or government-managed development projects, preferably in the field of public health. The specialist should have at least 5 years' experience in designing and conducting gender training. 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. The specific tasks are:

- (i) Develop a gender sensitivity module to be used in the gender training of MONHSR&C and Federal EPI staff, and health workers;
- (ii) Advise on the integration of gender indicators in the project monitoring and evaluation system;
- (iii) Provide guidance to MONHSR&C, Federal EPI, and project staff on the collection, consolidation, and analysis of sex-disaggregated data on the priority groups to be vaccinated under the project;
- (iv) Coordinate with government agencies in collecting sex-disaggregated data for implementation and monitoring of the vaccination plan;
- (v) Review government's COVID-19 related communication plan and ensure that it supports dissemination of information, messages, and materials through communication channels that are effective to reach the target audiences living in remote and hard-to-reach areas;
- (vi) Work closely with the communication specialist to ensure gender-sensitive awareness raising campaigns are designed and rolled out for hard-to reach and vulnerable segments<sup>34</sup> of the population living in remote areas;
- (vii) Participate, as needed, in project review missions, including but not limited to midterm review mission and project completion mission;
- (viii) Consolidate GAP updates of the project and submit quarterly progress reports using ADB's GAP Monitoring Framework.
- (ix) Coordinate closely with relevant project experts and development partners to ensure gender representation in project related activities, gender-sensitive messaging in training modules and knowledge products, and effective delivery of gender session in all training activities; and
- (x) Respond to request from gender focal of Pakistan Resident Mission and ADB on any inquiries and request for additional data, as needed.

2. **Monitoring & Evaluation Officers (6 national, 24 person-months each).** The consultant will have a post graduate degree in public health or equivalent with at least 3 years of experience in managing field activities including M&E of interventions and results in public and private health sector. Experience in program/project design and formulation, management, and evaluation. Knowledge of recent developments in program/project M&E, data management, acquisition, analysis and result reporting. Demonstrated knowledge and experience of Pakistan Public Health Sector in general and provincial health sector. Experience in working with

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<sup>34</sup> Those who may not be reached out through mainstream media (social, print, and electronic media)



development partners, report writing, communication and presentation skills are preferred skills. The specific tasks are:

- (i) Develop project monitoring plan of the projects in line with project scope and objectives in consultation with program team and partners;
- (ii) Collect data against agreed indicators and provide feedback to partners and program teams on projects' performance based on monitoring data findings;
- (iii) Assist Project Director in designing, coordinating, and conducting project evaluations (midterm and end-line);
- (iv) Design and conduct Post Implementation Monitoring plan and conducting Program Data Review;
- (v) Develop quarterly, six-month, and annual reports;
- (vi) Develop and share field visit reports;
- (vii) Review project plans and quality of data/ statistics;
- (viii) Share learning from M&E process with the wider team;
- (ix) Promote culture of two-way learning in the organization;
- (x) Contribute Effectiveness of the Program;
- (xi) Work collaboratively for strengthening integration and cross-learning; and
- (xii) Proactively volunteer in various team activities

**3. Environment & Social Safeguards Specialist (national, 24 person-months).** The consultant will have at least a bachelor's degree or equivalent in environmental science or related field. A minimum of 7 years of relevant experience in environmental safeguards related works in Pakistan or the region and must be familiar with practices of multilateral financial institutions. The specific tasks are:

- (i) Conduct due diligence of the existing ESMP document and identify gaps;
- (ii) Establish the monitoring system on the implementation of the Standard Operating Procedure (SOP), "The procedure for disposal of medical waste after vaccination against COVID-19;"
- (iii) Review and regularly follow up on the implementation of the ESMP;
- (iv) Supervise the district level waste management staff to monitor implementation of required measures and to identify any gaps that might exist and preparation of Corrective Action Plans (CAPs) and their implementation;
- (v) Develop training content and conduct trainings to develop capacities of district level waste management staff on implementing the ESMP;
- (vi) Conduct visits to the different vaccination centers across the country to conduct monitoring and oversee activities being conducted by the district level waste management staff;
- (vii) Prepare monitoring reports and environmental due diligence documentation for submission to ADB and national agencies; and
- (viii) Conduct any additional tasks as required.

**4. Environment & Social Safeguards Coordinators (4 national, 24 person-months each).** The Consultant will have at least a bachelor's degree or equivalent in environmental science or related field. A minimum of 4 years of relevant experience in environmental safeguards related works in Pakistan or the region and must be familiar with practices of multilateral financial institutions. This expert will be expected to conduct the following tasks:

- (i) Be well versed with the ESMP and all its clauses to ensure compliance during project implementation;

- (ii) Use the ESMP and refer to it regularly to ensure all project implementation activities are being conducted in compliance of it;
- (iii) Closely liaise with public sector health focal points to monitor implementation of required measures and to identify any gaps that might exist and preparation of CAPs and their implementation;
- (iv) Coordinate closely and provide all support, as required, to the Environmental Expert for completion of necessary tasks;
- (v) Conduct visits to the different vaccination centers across the country to conduct monitoring and oversee activities being conducted by the district level waste management staff;
- (vi) Prepare monitoring reports and environmental due diligence documentation for submission to the Environment Expert;
- (vii) Conduct any additional tasks as required

5. **Procurement Officers (6 national, 24 person-months each).** The Consultant will have BBA/Masters with preferably 5 years' experience in the relevant field. This expert is be expected to assist the National Procurement Manager from Divisional Level in the following:

- (i) All Operations and Supply Chain Coordination on Warehousing, inland & air/seaports operations;
- (ii) In consultation with Ministry, prepare a distribution plan and arrange inland transportation of commodities from suppliers to all provinces including federating areas;
- (iii) Maintain an online Inventory Management System to provide live updates for each transaction from order placement till delivery to their desired warehouse;
- (iv) Plan efficient and cost-effective delivery routes and regularly updating as necessary to minimize any gaps;
- (v) Monitor shipment pipeline of all funded commodities to be procured;
- (vi) Liaise with relevant staff of MONHSR&C and other organizations for commodities procurement, warehousing, distribution, data entry, and stock record & maintenance and stock delivery to end destinations/facility level;
- (vii) Coordinate with the Ministry on stock status; and
- (viii) Develop and oversee the national requirements and help regions and other procuring entities or beneficiaries to provide unique order identifier for procurements from suppliers central tracking of consolidated orders to avoid duplication of orders between the donors and others;
- (ix) Participate in inspection of local suppliers to check on availability of supplies and quality on request of procuring or receiving entities;
- (x) Process purchase request forms and issue purchase orders, ensuring appropriate approvals and accounting charge codes;
- (xi) Prepare requests for quotes to obtain competitive bids/offers from vendors or contractors for procurement of goods and services;
- (xii) Conduct market research and price analysis for the required goods and services;
- (xiii) Conduct pre-award verifications for selected vendors;
- (xiv) Coordinate with selected vendors on timely supply and delivery of purchased items;
- (xv) Evaluate and monitor contract performance to ensure compliance with contract terms and deliverables; and assist the requesting unit in resolving any discrepancies;
- (xvi) Review, verify, and process invoices for payments;

- (xvii) Identify and maintain lists of prequalified vendors and sources of supply for goods and services; and
- (xviii) Establish and manage an efficient and effective procurement management system.

**6. Occupational Health Safety Specialist (national, 24 person-months each).** The Consultant will have Master's in public health or occupational health or equivalent. A minimum of 10 years' experience of working in health sector at national or international level (more specifically in the public sector and across both public and private sector in general). With experience in working and coordinating with the development partners, national and international NGOs. With in-depth knowledge of the occupational health and safety sector reform initiatives and devolution process and knowledge and working experience of donors supported project management and procedures related to Occupational Health and Safety. This expert will be expected to conduct the following tasks:

- (i) Review, evaluate, and analyze work environments and design programs and procedures to control, eliminate, and prevent disease or injury caused by chemical, physical, and biological agents, or ergonomic factors. May conduct inspections and enforce adherence to laws and regulations governing the health and safety of individuals. May be employed in the public or private sector. Includes environmental protection officers. They also recommend measures to help protect workers from potentially hazardous work methods, processes, or materials.
- (ii) Order suspension of activities that pose threats to workers' health or safety.
- (iii) Investigate accidents to identify causes or to determine how such accidents might be prevented in the future.
- (iv) Inspect or evaluate workplace environments, equipment, or practices to ensure compliance with safety standards and government regulations.
- (v) Collaborate with engineers or physicians to institute control or remedial measures for hazardous or potentially hazardous conditions or equipment.
- (vi) Develop or maintain hygiene programs, such as noise surveys, continuous atmosphere monitoring, ventilation surveys, or asbestos management plans.
- (vii) Coordinate "right-to-know" programs regarding hazardous chemicals or other substances.

#### **A. Consulting Firm**

##### **1 - Auditing Firm (Independent Performance Auditor)**

#### **B. Introduction**

5. Pakistan's program on National Deployment and Vaccine Plan (NDVP) objectives are (i) protect vulnerable groups from morbidity and mortality due to COVID-19 disease, (ii) prevent further transmission of COVID-19 (iii) protect critical social and routine health services

6. The Asian Development Bank (ADB) has provided the COVID-19 Vaccine Support under the Asia Pacific Vaccine Access Facility (project) for the Islamic Republic of Pakistan ("Government") in its response to the coronavirus disease (COVID-19) pandemic. The project, as defined in schedule of the grant agreement, will: (i) procure COVID-19 vaccine and deliver to designated points, and (ii) support capacity building and resilience strengthening of the executing

agency. The executing agency for the project is the Ministry of National Health Services, Regulation and Coordination (MONHSR&C).

7. Though ADB's role in the vaccination plan is only up to the procurement of vaccine and transport to delivery points, the primary objective of this assignment is to monitor the performance of the national program from procurement to distribution and administration of the COVID-19 Vaccine in accordance with the NDVP.

8. As part of their obligations under ADB-financed projects, the executing agencies are required to submit the following documents:

- (i) Proposals including costing for operations, vaccines and non-vaccines supplies, communication, technical support, cold chain for the mobilization of financial resources;
- (ii) Vaccine arrival report and stock report for the receiving and delivery/distribution of vaccine and non-vaccine supplies;
- (iii) Cold chain assessment report for the assessment of cold chain capacity and provision of equipment;
- (iv) Training report, staff contract, payroll, and list of vaccinators by province and district/Health Facility for the identification, training, and deployment of vaccinators;
- (v) Coverage reports to assess the eligibility of target group who received the vaccines;
- (vi) Monitoring checklists for the monitoring of vaccination sessions; and
- (vii) Adverse event following immunization report for post vaccine introduction study.
- (viii) Management's minutes of the meeting for the coordination of vaccination at national and sub-national levels
- (ix) Other reports deemed necessary

9. The MONHSR&C is currently seeking to engage the services of an audit firm to carry out annual audit services for the project for the following:

- year 1: financial year ended 30 June 2022; and
- year 2: financial year ended 31 July 2023. \*

### C. Audit Reporting Period:

10. The following outlines the required reporting period for the performance audit report, as well as the due date when the performance audit report shall be submitted to MONHSR&C.

Report	Fiscal Year		Due Date
	From	To	
Year 2022	1 July-2021 or date of loan effectiveness whichever is later	30 Jun-2022	31 Dec 2022
Year 2023	1 July-2022	31 July-2023*	15 Dec 2023

\* Final audit period shall include up to project completion date.

## E. Audit Objective

11. The objective of the assignment is to conduct a performance audit on the “Report on Governance, Internal Controls, and Inventory Management and Utilization” (the Report) prepared by the MONHSR&C for each financial year on an annual basis. The performance audit is an evaluation of governance, financial accountability, and transparency, hereafter referred to as a "performance audit." This performance audit is required for a more comprehensive fiduciary assurance to ADB. The main objective of performance audit is to promote economical, effective, and efficient governance. It also contributes to accountability and transparency. The principles of economy, efficiency and effectiveness can be defined as follows:

- (i) The principle of economy means minimizing the costs of resources. The resources used should be available in due time, in and of appropriate quantity and quality and at the best price.
- (ii) The principle of efficiency means getting the most from the available resources. It is concerned with the relationship between resources employed and outputs delivered in terms of quantity, quality, and timing
- (iii) The principle of effectiveness concerns meeting the objectives set and achieving the intended results.

12. Performance auditing promotes accountability by assisting those with governance and oversight responsibilities to improve performance.

13. Performance auditing promotes transparency by affording Parliament, taxpayers and other sources of finance, those targeted by government policies and the media an insight into the management and outcomes of different government activities

## F. Audit Scope

14. The auditor examination should include:

- (i) Economy. Whether the vaccine was available in due time, in and of appropriate quantity and quality and at the best price.
- (ii) Efficiency. Whether all best available resources were fully utilized and delivered to eligible recipients.
- (iii) Effectiveness. Whether the targeted groups to receive the vaccine were vaccinated in a timely manner.

15. The auditor’s examination should include an evaluation of the systems, overall operating procedures and internal controls to mitigate risks. An analysis of explanations submitted to the auditor and all information necessary to support the auditor’s opinion on the Report for each financial year, and to construct the report of the auditor, shall be provided by responsible implementing agencies.

16. In undertaking the audit, the audit shall review the following documents<sup>35</sup> (including any update to such documents)

- (i) Project documents;

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<sup>35</sup> Project documents are available at <http://www.adb.org/projects/documents>. ADB’s guidelines are available at <http://www.adb.org/publications/guides>.

- (ii) Financial Management and Analysis of Projects of ADB for the Borrower;
- (iii) Legal Agreements (Grant agreements);
- (iv) *Loan Disbursement Handbook*, June 2017;
- (v) Monthly or quarterly activity reports (programmatic as well as financial);
- (vi) Important correspondence pertaining to implementation matters;
- (vii) Internal audit reports relevant to the expenditures or any systems, governance or other issue which impinges on the project/program;
- (viii) External audit reports relevant to the expenditures or any systems, governance or other issue which impinges on the project/program;
- (ix) Reports and documents generated by the management information systems utilized in the procurement, distribution and administration of vaccines;
- (x) Procurement Guidelines; Anticorruption Policy, Integrity Principles and Guidelines; and
- (xi) National Deployment Vaccine Plan of Pakistan.

17. The audit team will provide the required document list to the MONHSR&C one week in advance from the date of the confirmed audit schedule.

#### **G. Auditing Standards and Program.**

18. The performance audit should follow International Standards on Auditing (ISA) in general, and ISAE 3000 in particular. These standards require that the auditor comply with ethical requirements and plan and perform the audit. An audit involves performing procedures to obtain audit evidence about the economy, effectiveness, and efficiency. The procedures selected depend on the auditor's judgment, including the assessment of the (i) inherent risk on key processing (ii) risks of fraud and corruption, risk on (iii) integrity, (iv) governance, monitoring and supervision, (v) general environment, (vi) human resources, (vii) finance and administration, (viii) needs assessment and targeting, (ix) implementing partner, and (x) purchasing and procurement.

19. The entities to be covered in the audit are: (i) MONHSR&C; (ii) the Federal EPI established to implement the project; and (iii) Provincial, Districts and Health Facility levels.

#### **H. Internal Control Systems.**

20. The auditor will assess the adequacy of the overall management systems, including internal controls, including whether: (i) proper authorizations are obtained and documented before transactions or activities are entered into; (ii) accuracy and consistency are achieved in recording, classifying, summarizing and reporting activities; (iii) reconciliations with internal and external evidence are performed on a timely basis by the appropriate level of management; (iv) adequate documentation and an audit trail is retained to support activities; (v) activities are allowable under the national plan governing the project; (vi) errors and omissions are detected and corrected by project personnel in the normal course of their duties, and management is informed of recurring problems or weaknesses; (vii) management does not override the normal procedures and the internal control structure; and (ix) inventories are properly accounted for, safeguarded and can be physically inspected.

## **I. Audit Report Submission**

21. All reports must be presented in the English language within 6 months following the end of the fiscal year. The auditors are expected to produce a report which should contain, at the minimum, the following information:

- a. Background - Covering the objective, scope and history of the project, the legal and governmental framework, information on cash and in-kind donations, including bank account details where transfers of donations were made from overseas and details on its use.
- b. Roles and Responsibilities -For maintaining records, preparing the financial statements, auditing the financial statements, etc.
- c. Audit objectives and methodology used - Informing the type of work, agencies/institutions audited, type of transactions verified, procedures tested, etc.
- d. Findings - This part should cover the main findings and responses obtained.
- e. Conclusion - This should contain the professional opinions based on the objectives and results of the audits, following applicable international auditing standards.
- f. Recommendations - This part should provide the recommended measures to help manage the project.

## **J. Other Matters**

### **Statement of Access**

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

23. The auditor will be provided with full cooperation by all employees of executing agencies and the project management offices, whose activities involve, or may be reflected in, the annual 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.

### **Independence**

24. The auditor will be impartial and independent from any aspects of management or financial interest in the entity 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.

### **Health and Safety**

25. The firm will be responsible for their own health and safety arrangements at all times during the assignment. In addition, the firm shall ensure compliance with national safety measures for social distancing and/or other COVID-19 prevention and control measures throughout the entire implementation period.

## **Auditor and Audit Staff Competence**

26. The auditor must be authorized to practice in the country and conform to ISA. The auditor must be well-established and reputable. The auditor should have adequate staff, with appropriate professional qualifications and suitable experience, including experience in auditing the accounts of entities comparable in nature, size, and complexity to the entity whose audit they are to undertake. Prior to commencement of project audits, the auditor will discuss and confirm with the Ministry of Public Health their understanding of the documents and process flows. The auditor should also have prior minimum 10 Year experience of conducting audits within a government framework or multi- lateral agency project accounts.

27. To this end, the auditor is required to provide curriculum vitae (CV) of team leader, Senior Auditors & auditors who will provide the opinions plus reports and to be involved in the audit work. These CVs should include details of audits carried out by these staff, including ongoing assignments.

### **Audit Team (Key Positions)**

#### **1- Lead Auditor (Team Leader)**

28. The lead auditor/ Engagement partner (Team leader) is a qualified professional or holding a post graduate degree and an internationally recognized professional qualification such as member of Association of Chartered Certified Accountants (ACCA), Chartered Accountant (CA), Certified Public Accountant (CPA), Certified Fraud Examiner (CFE), Certified Internal Auditor (CIA) or its equivalent. The expert shall have at least 15 years' experience as a performance auditor with experience in the audit of major international infrastructure projects and programs funded by multilateral development banks or other donors.

29. The lead auditor (team leader) shall manage and coordinate the consulting team to ensure that the assignment is implemented and completed in accordance with the contract. Duty shall include but not limited to: management of audit team, liaison with the client, the preparation of approved audit plan, the implementation of audit, all required reporting and, presentation of key findings to the client.

#### **2- Auditor / Engagement Manager (2 Persons)**

30. The auditor / Engagement Manager is preferably a qualified accountant with recognized professional qualification such as member of ACCA, CPA, CFE, CIA or its equivalent. The expert shall have 5-year work experience as a performance auditor.

31. The auditor / Engagement Manager shall undertake all audit duties as directed by the lead auditor and senior auditor.

### **Audit Deliverables**

32. The performance audit report shall include the following:

- (i) Objectives, scope, and methodology
- (ii) Compliance finding and recommendation
- (iii) Efficiency and effectiveness finding and recommendation
- (iv) Management response



### **Submission of Proposal and Work Plan**

33. You are invited to submit a proposal and a work plan to provide the audit services described in this letter. Proposals should address, among other things:

- (i) the extent (if any) that you would not conform to the agreed auditing standards and indicate any alternative standards to which you may (be required to) conform;
- (ii) whether the audit would be conducted as a completed audit (i.e., will the auditors carry out their audit after financial year-end);
- (iii) whether an audit carried out after financial year-end would be supplemented by one or more interim audits during a financial year. The principal purpose is to test ongoing systems and internal controls, and to relieve pressure on the staff of the entity and on the auditor at year-end;
- (iv) the manner in which the auditor proposes to address any statutory requirements relating to audit or to which they may be implicitly bound by contractual obligations of the employer (e.g., ADB auditing requirements);
- (v) procedural requirements for certain verification procedures (e.g., checking of stocks, inventories, assets, etc.);
- (vi) specific actions required on the part of the employer (e.g., access to computer systems and records, disclosures);
- (vii) discussions before signing the opinion and report on any matters arising from the audit, and with whom these discussions would be held; and
- (viii) the timetable for provision of opinions and reports, including indications of audit commencement, time required for completing field work, preparation, and submission of audit observations etc.

### **Client Support**

34. The client will provide the auditor's office space with all facilities, full and complete access at reasonable time to all project related information including books of accounts, contract agreements, bank records, invoices, etc. deemed necessary by the auditors.