



Report and Recommendation of the President to the Board of Directors

Project Number: 55077-001
May 2021

Proposed Loans People's Republic of Bangladesh: Responsive COVID-19 Vaccines for Recovery Project Under the Asia Pacific Vaccine Access Facility

This is the version of the document approved by ADB's Board of Directors that excludes information that is subject to exception to disclosure set forth in ADB's Access to Information Policy.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 14 May 2021)

Currency unit	–	taka (Tk)
Tk1.00	=	\$0.01179
\$1.00	=	Tk84.78

ABBREVIATIONS

ADB	–	Asian Development Bank
AEFI	–	adverse events following immunization
APVAX	–	Asia Pacific Vaccine Access Facility
COVAX	–	COVID-19 Vaccines Global Access
COVID-19	–	coronavirus disease
DGHS	–	Directorate General of Health Services
EPI	–	Expanded Programme on Immunization
GDP	–	gross domestic product
MOHFW	–	Ministry of Health and Family Welfare
MWM	–	medical waste management
NDVP	–	National Deployment and Vaccination Plan for COVID-19 Vaccines
PMU	–	program monitoring unit
RRC	–	rapid response component
SII	–	Serum Institute of India
TA	–	technical assistance
UNICEF	–	United Nations Children’s Fund
WHO	–	World Health Organization

NOTES

- (i) The fiscal year of the Government of Bangladesh and its agencies ends on 30 June. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2021 ends on 30 June 2021.
- (ii) In this report, “\$” refers to United States dollars.

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CONTENTS

	Page
PROJECT AT A GLANCE	
I. THE PROPOSAL	1
II. THE PROJECT	2
A. Rationale	2
B. Project Description	9
C. Value Added by ADB	9
D. Summary Cost Estimates and Financing Plan	10
E. Implementation Arrangements	11
III. DUE DILIGENCE	12
A. Economic Viability	12
B. Governance	13
C. Poverty, Social, and Gender	13
D. Safeguards	14
E. Procurement	15
F. Summary of Risk Assessment and Risk Management Plan	15
IV. ASSURANCES AND CONDITIONS	16
V. RECOMMENDATION	16
APPENDIXES	
1. Design and Monitoring Framework	17
2. List of Linked Documents	19

PROJECT AT A GLANCE

1. Basic Data		Project Number: 55077-001	
Project Name	Responsive COVID-19 Vaccines for Recovery Project under the Asia Pacific Vaccine Access Facility	Department/Division	SARD/SAHS
Country Borrower	Bangladesh People's Republic of Bangladesh	Executing Agency	Finance Division, Ministry of Finance
Country Economic Indicators Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=55077-001-CEI https://www.adb.org/Documents/LinkedDocs/?id=55077-001-PortAtaGlance		
2. Sector		ADB Financing (\$ million)	
✓ Health	Disease control of communicable disease	Total	940.00
			940.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities		GHG reductions (tons per annum)	0.000
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Low
✓ Fostering regional cooperation and integration			
		ADB Financing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.5		Effective gender mainstreaming (EGM)	✓
SDG 3.8			
SDG 5.b		Poverty Targeting	
SDG 10.2		General Intervention on Poverty	✓
4. Risk Categorization: Complex			
5. Safeguard Categorization		Environment: C Involuntary Resettlement: C Indigenous Peoples: C	
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		940.00	
Sovereign Asia Pacific Vaccine Access Facility (Concessional Loan): Ordinary capital resources		470.00	
Sovereign Asia Pacific Vaccine Access Facility (Regular Loan): Ordinary capital resources		470.00	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		940.00	
Currency of ADB Financing: US Dollar			

I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on proposed loans to the People’s Republic of Bangladesh for the Responsive COVID-19 Vaccines for Recovery Project under the Asia Pacific Vaccine Access Facility.

2. The project will provide the Government of Bangladesh with timely financing for procuring safe and effective vaccines against the coronavirus disease (COVID-19) based on an agreed list of eligible expenditures. It will utilize the rapid response component (RRC) under the Asia Pacific Vaccine Access Facility (APVAX).¹ Ongoing technical assistance (TA) will help strengthen the vaccine delivery system.² The project is aligned with three operational priorities of the Asian Development Bank (ADB) Strategy 2030: (i) addressing remaining poverty and reducing inequalities, (ii) accelerating progress in gender equality, and (iii) fostering regional cooperation and integration.³ It is also aligned with ADB’s country partnership strategy for Bangladesh, 2016–2020 in the priority areas of improving human capital and health care, and promoting gender equality.⁴

3. Bangladesh has met all APVAX access criteria by (i) demonstrating the adverse impact of the COVID-19 pandemic; (ii) completing a needs assessment, a vaccination allocation and prioritization plan, and an incremental medical waste management (MWM) plan acceptable to ADB; (iii) a governor’s letter confirming the government’s commitment to implement the plan and ensure compliance with APVAX eligibility criteria for ADB financing;⁵ and (iv) establishing an effective development partner coordination mechanism with a clear role for ADB (para. 19).

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

Access Criteria	ADB Staff Assessment
1. Demonstrated adverse impact of COVID-19	Annual GDP growth declined from 8.2% in FY2019 to 5.2% in FY2020. ^a Exports contracted by 17.1%. The unemployment rate surged to a high of 22.4% during April–July 2020. ^b Employment and income losses fell disproportionately on the poor as they are more likely to be engaged in the informal sector. The pandemic also widened gender inequalities in terms of livelihood, personal safety, health, and mental wellbeing. Overall health service utilization declined year-on-year across most services, with annual average declines of up to 37%. ^c
2. Completed needs assessment	The government has assessed its vaccine readiness based on the WHO vaccine introduction readiness assessment tool. The NDVP presents robust and comprehensive action plans across 10 key focus areas. ^d The needs assessment highlighted that Bangladesh has a high level of readiness for COVID-19 vaccination. Gaps have been identified in key areas such as monitoring and evaluation systems, tracking of bio-waste management, and the development of communication materials for remote and marginalized areas. The NDVP provides strategies to address these gaps.

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

² ADB. 2020. [Technical Assistance for Support to Address Outbreak of COVID-19 and Strengthen Preparedness for Communicable Diseases in South Asia](#). Manila (TA 9982); and ADB. 2020. [Technical Assistance to the People’s Republic of Bangladesh for Supporting COVID-19 Response Emergency Assistance Project](#). Manila (TA 6643).

³ Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 2). The project will increase access to COVID-19 vaccines, including for the poor and vulnerable people in hard-to-reach areas (OP 1). The project will implement measures to encourage participation of women and girls in the vaccination program (OP 2). The project will also contribute to improving regional public health, as inoculations will reduce the transmission and morbidity risk across the region (OP 7).

⁴ ADB. 2016. [Country Partnership Strategy: Bangladesh, 2016–2020](#). Manila.

⁵ Country National Vaccination Prioritization and Allocation Plan (accessible from the list of linked documents in Appendix 2); and ADB. 2021. [Proposed Amendment to ADB’s Support to Enhance COVID-19 Vaccine Access](#). Manila.

Access Criteria	ADB Staff Assessment
3. National vaccination allocation plan	The NDVP was approved by the MOHFW/DGHS on 6 December 2020 and revised on 3 February 2021. The plan details financing and implementation steps for vaccinating 138.2 million people, representing 80% of the population. It includes a prioritization plan that puts health workers, other essential frontline workers, and the elderly first—aligned with the COVID-19 vaccine allocation of the WHO SAGE.
4. Incremental MWM plan	The MOHFW/DGHS, with support from ADB and other development partners, will implement MWM measures following the COVID-19 immunization waste management plan, which builds on experience in MWM, following the COVID-19-Related Medical Waste Management Guidelines. The guidelines provide specific measures for sanitation, disinfection, waste management, and monitoring.
5. Governor's letter	ADB has received the governor's letter confirming the government's commitment to implement its NDVP, including its prioritization plan, and compliance with the APVAX vaccine eligibility criteria. ^e
6. Effective development partner coordination mechanism with clear ADB role	The government has established a COVID-19 Vaccine Preparedness and Deployment Core Committee that serves as a platform to coordinate support from development partners, and includes ADB, the World Bank, WHO, UNICEF, and USAID. ADB's role is to help finance the procurement of vaccines and provide technical assistance to strengthen vaccination-related information technology systems, strengthen last mile service delivery in rural and hard-to-reach areas, and enhance monitoring of MWM.

ADB = Asian Development Bank, APVAX = Asia Pacific Vaccine Access Facility, COVID-19 = coronavirus disease, DGHS = Directorate General of Health Services, FY = fiscal year, GDP = gross domestic product, MOHFW = Ministry of Health and Family Welfare, MWM = medical waste management, NDVP = National Deployment and Vaccination Plan for COVID-19 Vaccines, SAGE = Strategic Advisory Group of Experts, UNICEF = United Nations Children's Fund, USAID = United States Agency for International Development, WHO = World Health Organization.

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

^b Bangladesh Bureau of Statistics. 2020. *Report on Perception Survey on Livelihood (PSL) 2020*. Dhaka.

^c ThinkWell Bangladesh. Forthcoming. *Enhancing Essential Services Provision During and Beyond Covid-19 in Bangladesh Activity*. Dhaka.

^d The NDVP covers key areas including (i) planning and coordination, (ii) lessons from previous vaccine introductions, (iii) regulatory and import requirements, (iv) vaccine safety and surveillance, (v) advocacy and communication, (vi) human resources planning, (vii) supply chain planning, (viii) monitoring and evaluation, (ix) resource needs, and (x) private sector engagement.

^e The governor's letter attaching the NDVP is in Annex 2 of the Country National Vaccination Prioritization and Allocation Plan (accessible from the list of linked documents in Appendix 2).

Source: Asian Development Bank.

II. THE PROJECT

A. Rationale

1. The Pandemic

4. **Background.** Since the first case of COVID-19 was confirmed in Bangladesh in March 2020, 776,257 cases have been confirmed and 12,005 people have died from the virus as of 11 May 2021.⁶ The pandemic has resulted in high costs to the country's overall health, wellbeing, and the economy. Bangladesh is currently experiencing a second wave, which has led to a rapid spike in new cases, with the highest number of deaths (112) in a single day on 19 April 2021.⁷ The resurgence in infections threatens to incur prolonged health and economic costs. Recognizing the need for vaccinations, the government acted swiftly to roll out vaccinations starting 7 February 2021. The government has secured a pipeline of 33.2 million doses and more

⁶ Government of Bangladesh, Ministry of Health and Family Welfare (MOHFW), Directorate General of Health Services (DGHS). [Coronavirus COVID-19 dashboard](#) (accessed 11 May 2021).

⁷ Government of Bangladesh, MOHFW, DGHS. [Coronavirus COVID-19 dashboard](#) (accessed 18 May 2021). The test positivity rate is 13% as of 24 April 2021. This figure is high compared with the 5% benchmark set by the World Health Organization (WHO).

than 9.3 million people have been vaccinated as of 9 May 2021.⁸ The government aims to inoculate 80% of its population. However, Bangladesh's vaccine needs have not been fully met and a significant share of the targeted population is yet to be vaccinated. It requires timely financing support to procure safe and effective vaccines, and avert prolonged risks from the pandemic.

2. Impact of the Pandemic

5. **Costs to the economy.** Following years of steady and robust economic growth, the pandemic led to a decline in the gross domestic product (GDP) growth rate from 8.2% in fiscal year (FY) 2019 to 5.2% in FY2020.⁹ Because of the global economic slowdown, Bangladesh's exports fell by 17.1%, widening the trade deficit and affecting livelihoods (footnote 10). A contraction in garment exports alone (by 18.1%) affected 2.3 million workers.¹⁰ Domestic mobility restrictions further reduced consumer demand and disrupted production and supply across the agriculture, industry, and service sectors. The unemployment rate surged to a high of 22.4% during April–July 2020, coinciding with a strict lockdown.¹¹ In response to the pandemic, the government introduced a countercyclical expenditure plan worth \$15.1 billion (4.6% of GDP, the highest in South Asia).¹² Financing of the economic stimulus packages, together with declines in export and domestic tax revenues, resulted in increased financing needs of \$6.8 billion in FY2020, representing 11.4% of the FY2020 budget.¹³ Unless herd immunity is reached through vaccination, economically damaging policy responses such as the extension of lockdown measures in place to curb the second wave will further deteriorate economic output and the government's fiscal position.

6. **Impact on poor and vulnerable groups.** The poor and vulnerable groups face multidimensional adverse impacts of the pandemic, including impacts on income, food security, and education. Employment and income losses have fallen disproportionately on the poor as they are more likely to be engaged in the informal sector, which was most affected.¹⁴ Around 13 million to 16 million people may have fallen into poverty in 2020.¹⁵ Informal employment for the poor means that they were largely uninsured from income losses. The pandemic has also heightened food insecurity. Almost 90% of the beneficiaries of a poverty reduction program¹⁶ were reportedly food deficient during the government lockdown period—nearly four times more than before the

⁸ The government has purchased 30 million doses from Serum Institute of India (SII), of which 7 million doses have been delivered. In addition, it received a donation of 3.2 million doses from the Government of India. Government of Bangladesh, MOHFW, DGHS. [COVID-19 Vaccination dashboard](#) (accessed 11 May 2021).

⁹ ADB. 2020. [Asian Development Outlook 2020 Update: Wellness in Worrying Times](#). Manila.

¹⁰ The Bangladesh Garment Manufacturers and Exporters Association. [Export Performance](#).

¹¹ Bangladesh Bureau of Statistics. 2020. *Report on Perception Survey on Livelihood (PSL) 2020*. Dhaka.

¹² Government of Bangladesh, Ministry of Finance, Finance Division. 2020. [Medium Term Macroeconomic Policy Statement 2020–21 to 2022–23](#). Dhaka. ADB estimates based on announcements from the Government of Bangladesh.

¹³ Government of Bangladesh, Ministry of Finance, Finance Division. 2020. *Monthly Report on Fiscal Position, December 2020*. Dhaka; and Government of Bangladesh, Ministry of Finance. 2020. *Budget Speech 2020–21*. Dhaka.

¹⁴ From the detection of the first case in Bangladesh and the lifting of the national lockdown, average earnings dropped sharply, with greater declines in the informal (49% decrease) than the formal sector (17% decrease). D. Bhattacharya et al. 2021. [Are We Asking the Right Questions? Choices and Challenges in Assessing COVID-19 Impact on the Vulnerable in Bangladesh](#). *Citizen's Platform Working Paper 1*. Dhaka: Citizen's Platform for SDGs, Bangladesh.

¹⁵ Bangladesh Institute of Development Studies. 2020. [Poverty in the Time of Corona: Short-Term Effects and Policy Responses](#). Dhaka.

¹⁶ Government of Bangladesh. 2017. *National Urban Poverty Reduction Program*. Dhaka.

lockdown.¹⁷ The nearly year-long school closure puts students from poor and rural households without access to connectivity at greater risk of learning losses that can have lasting impacts on their human capital development.

7. **Impact on gender.** Although the disease burden from COVID-19 has been lower among women,¹⁸ the pandemic has affected women disproportionately and widened gender inequalities in terms of livelihoods, personal safety, health, and mental wellbeing. Women were more likely to be engaged in the informal sector than men (91.2% versus 82.3%),¹⁹ comprised well over half of the garment sector workforce (60%), and were thus more vulnerable to job losses (paras. 5–6). Health services data reveal declines in the use of family planning methods (up to 34%) and antenatal care services (17%) from 2019 to 2020, adding to risks of an increase in unintended pregnancies, unsafe abortions, and maternal deaths.²⁰ The lockdown and continuous school closures have put an additional burden on women by increasing the time they spend on childcare and household responsibilities. The pandemic has also led to an increase in reported cases of violence against women and girls, adding to their mental health toll.²¹ Moreover, 94% of nurses in the country are women, which further increases their exposure to the virus.²²

8. **Impacts on the health system.** The COVID-19 pandemic has accentuated preexisting human resources and infrastructure constraints in Bangladesh's health system. More than 8,000 health workers have been infected (with at least 150 deaths).²³ Hospital treatment capacity for COVID-19 has been under increasing pressure, with bed occupancy rates increasing nationally, particularly in Dhaka City.²⁴ The pandemic has adversely affected essential health services through both demand-side channels (e.g., fear of facility-acquired COVID-19 infection and lockdown-related mobility restrictions) and supply-side constraints (e.g., shortage of health workers and essential supplies). These declines in service utilization from COVID-19 related disruptions were large initially (e.g., 40% decline in outpatient consultations,²⁵ 71% decline in routine immunization, and 29% decline in facility births),²⁶ but recovery has started with key measures introduced by the government.

9. **Measures introduced by the government to control the pandemic.** Since the first COVID-19 case was confirmed, the government has introduced several measures to control the pandemic. Starting 16 March 2020, the government introduced mandatory quarantine requirements for international arrivals followed by a shutdown of all educational institutions on 17 March 2020. In the same month, it announced the closure of nonessential businesses and a ban on public transport. The national lockdown was lifted at the end of May 2020. However, with the resurgence of infections in April 2021, the government has tightened mobility restrictions and schools are to remain closed until mid-May 2021; mask mandates and mandatory negative

¹⁷ Government of Bangladesh, Ministry of Finance, Finance Division. 2020. [Bangladesh Economic Review 2020](#). Dhaka.

¹⁸ Government of Bangladesh, MOHFW, DGHS. 2020. *COVID-19 Health Bulletin 2020*. Dhaka.

¹⁹ Bangladesh Bureau of Statistics. 2018. *Labor Force Survey 2016–2017*. Dhaka.

²⁰ Marie Stopes International. 2020. [Resilience, Adaptation and Action: MSI's Response to COVID-19](#). London.

²¹ In a multi-district survey of 27 out of 64 districts in Bangladesh, 26.2% of 4,249 female respondents reported being the victim of domestic violence in April 2020, with 39% of those reporting domestic violence for the first time. S. H. Ranaja. 2020. [Amid Lockdown, 4,249 Women and 456 Children Became Victims of Domestic Violence in April: MJF](#). Manusher Jonno Foundation. Press release. 6 May.

²² UN Women. 2020. [COVID-19 Bangladesh Rapid Gender Analysis](#). Dhaka.

²³ [Bangladesh Medical Association](#) (accessed on 8 March 2021).

²⁴ WHO Bangladesh. [COVID-19 Morbidity and Mortality Weekly Update, 8 March 2021. No. 54](#). Dhaka.

²⁵ [USAID'S MaMoni Maternal and Newborn Care Strengthening Project](#) (accessed on 11 March 2021).

²⁶ ThinkWell Bangladesh. Forthcoming. *Enhancing Essential Services Provision for Universal Health Coverage (EESPUHC), in the context of COVID-19 (analysis using DGFP's FP-MIS data)*. Dhaka; and WHO. 2020. *Impact of COVID-19 on MNCAAH*. Geneva.

polymerase chain reaction test requirements for inbound travelers remain in place. The National Preparedness and Response Plan for COVID-19 adopted in March 2020 guides the economic, societal, and health sector responses to the pandemic and priority health system investments.²⁷ In line with this plan, the government has rolled out vaccines against COVID-19 and has made significant progress to date (para. 4).²⁸ In addition, Bangladesh contributed \$1.5 million to the South Asia Association for Regional Cooperation COVID-19 Emergency Fund²⁹ and has supported regional efforts for disease monitoring and surveillance.

3. Government's Response

10. **Main issues and gaps identified in the needs assessment.** Bangladesh has a robust routine immunization program. The Expanded Programme of Immunization (EPI) has demonstrated high capacity in introducing new vaccines and implementing vaccination campaigns down to the community level.³⁰ The government has leveraged the infrastructure, systems, and expertise of its routine immunization program to roll out COVID-19 vaccinations at an impressive pace. Bangladesh is at a high level of readiness to implement the COVID-19 vaccination program, as assessed by the World Health Organization (WHO) vaccine introduction readiness assessment tool. However, there remain challenges related to scale, coverage, and uptake in rural areas. Key gaps include the lack of (i) robust plans for vaccine waste management, (ii) funding to develop materials on vaccine communication and outreach to close gaps in hard-to-reach areas through mobile vaccination campaigns, and (iii) integrated digital tools for vaccine monitoring, linking vaccination coverage data with disease incidence data and reporting of adverse events following immunization (AEFI), as well as ensuring measures for data protection. The government is addressing these gaps (paras. 16–18).³¹

11. **National vaccine road map, prioritization, and allocation plan.**³² The National Deployment and Vaccination Plan for COVID-19 Vaccines (NDVP), developed in consultation with the National Immunization Technical Advisory Group, presents the road map for vaccination, including plans for the deployment and monitoring of COVID-19 vaccines, covering the entire value chain from importation to inoculation.³³ The NDVP is equity-focused and includes plans to address the specific needs of women, the marginalized, and hard-to-reach, as well as the displaced persons from Myanmar (para. 12).

12. The government aims to vaccinate 80% of the population (138.2 million Bangladeshis above the age of 18 years) within 18–24 months,³⁴ with a timeline dependent on vaccine availability. It plans to secure 306 million doses of COVID-19 vaccines, with two doses allocated per person, assuming 10% wastage. The prioritization and allocation plan (Table 2) is organized

²⁷ Government of Bangladesh, MOHFW, DGHS. 2020. [National Preparedness and Response Plan for COVID-19, Bangladesh: Version 5](#). Dhaka.

²⁸ More than 1,000 vaccination sites are operating, staffed by health care workers from many public facilities, including the national army. Over 4,000 volunteers from the Red Crescent Society are supporting the vaccination effort.

²⁹ South Asia Association for Regional Cooperation Disaster Management Centre. [COVID-19 Emergency Fund](#).

³⁰ The coverage of routine immunization is 99% and full immunization is 82%—much higher than the 68% average for lower middle-income countries.

³¹ Vaccine Needs Assessment (accessible from the list of linked documents in Appendix 2).

³² The NDVP is in Annex 2 of the Country National Vaccination Prioritization and Allocation Plan (accessible from the list of linked documents in Appendix 2).

³³ The NDVP covers key areas including (i) planning and coordination, (ii) lessons from previous vaccine introductions, (iii) regulatory and import requirements, (iv) vaccine safety and surveillance, (v) advocacy and communication, (vi) human resources planning, (vii) supply chain planning, (viii) monitoring and evaluation, (ix) resource needs, and (x) private sector engagement.

³⁴ The targeted 80% of the population comprises all adults above 18 years of age—in line with WHO guidance.

into three phases and five stages; and defines target groups, priorities, and eligibility for the vaccination program in line with the WHO Strategic Advisory Group of Experts, recommendations of the National Immunization Technical Advisory Group, and the country context. The government aims to vaccinate 80% of the displaced persons from Myanmar (689,237 people) and will follow the same prioritization plan as for the Bangladeshi population.

Table 2: Phases of COVID-19 Vaccine Rollout Plan in Bangladesh and Population Coverage

Phase	Stage	Population (%)	Population Number	Key Groups Targeted	Total Number of Doses with 10% Wastage
1	la	3	5,184,282	Health care/frontline workers	11,509,106
	lb	7	12,096,657	Older people > 60 years of age	26,854,579
2	II	11–20	17,280,938	People > 55 years of age, adults with co-morbidity/hard-to-reach areas/ teachers	38,363,682
3	III	21–40	34,561,877	Export-oriented manufacturing/private and public essential workers, slum population	76,727,367
	IV	41–80	69,123,754	Adults > 18 years of age, the remaining eligible population not covered in earlier stages	153,454,734
Total population coverage			138,247,508		306,909,468

COVID-19 = coronavirus disease.

Source: Government of Bangladesh, Ministry of Health and Family Welfare, Directorate General of Health Services. *National Deployment and Vaccination Plan for COVID-19 Vaccines in Bangladesh, 3 February 2021*. Dhaka.

13. **Vaccine options.** The government has been using the AstraZeneca vaccine manufactured by Serum Institute of India (SII) (footnote 8). However, it is exploring a diverse portfolio of vaccines and is discussing with other manufacturers and suppliers.³⁵ It is aiming for vaccines that are safe, effective, meet Bangladesh's cold chain capacity, likely to achieve WHO approval, and available for delivery in 2021.

14. **Program financing needs and funding sources.** The government has estimated a total cost of \$3.7 billion, including \$614.4 million in operational costs³⁶ to implement the NDVP. It has secured vaccines for at least 8.7% of its population through (i) SII,³⁷ and (ii) a gift of 3.2 million doses from the Government of India. In addition, the government has identified ADB, the World Bank, and COVID-19 Vaccines Global Access (COVAX) as the key financing partners supporting vaccine procurement for 42.6% of the population.³⁸ The remaining 28.7% of the target population will be covered by either the government or other development partners. The government has requested \$500 million as cofinancing from the Asian Infrastructure Investment Bank for vaccine procurement; discussions on cofinancing arrangements with ADB are ongoing. The World Bank

³⁵ The government aims to secure eligible vaccines (e.g., AstraZeneca/SK Bioscience, Janssen, Sputnik, Novavax, Sinopharm, Covaxin) through advance market commitments, subject to WHO Emergency Use Listing.

³⁶ Operational costs are estimated at \$2 per dose and are mainly recurrent costs related to vaccine deployment.

³⁷ The government has purchased 30 million doses from SII through a tripartite agreement between the DGHS, SII, and Beximco Pharmaceuticals Ltd. (a procurement agent)—a leading pharmaceutical company in Bangladesh. The cost of vaccines under the SII contract may be financed through retroactive financing provided that the ADB requirements relating to anticorruption are met.

³⁸ The proposed ADB financing will cover 44.7 million doses for 11.6% of the population at \$20 per dose. The World Bank has provided \$412.3 million to cover 42.2 million doses and 11% of the population at \$10 per dose. COVAX will provide 76.7 million doses as a grant at an indicative price of \$7 per dose for 20% of the population. The government has also approached COVAX for an additional 100 million doses on a cost-sharing basis. ADB is financing \$20 per dose as the government is considering vaccines that are likely to cost \$20 per dose, given the price volatility ([United Nations Children's Fund \(UNICEF\) COVID-19 Vaccine Market Dashboard](#)).

has provided \$87.7 million and the government has allocated \$60 million for operational costs. The government is engaging with other development partners to finance the remaining operational costs for vaccine deployment of \$466 million, as well as vaccine procurement, if needed.³⁹ Additionally, a cost of \$8.3 million is estimated for vaccinating the displaced persons from Myanmar to be financed by development agencies.⁴⁰

15. **Vaccine deployment, monitoring, and evaluation.** The government has a well-organized “cascading” planning and coordination mechanism from central to *upazila* (sub-unit of district) levels to oversee the planning and deployment of vaccines.⁴¹ The NDVP builds on this system and provides for a coordination committee and a working group at each administrative level (national, district and *upazila*), with clearly defined roles. At the central level, the National COVID-19 Vaccination Task Force, chaired by the health minister, and a working group on vaccine management under the additional secretary, Health Services Division, expedite decisions related to vaccination. The COVID-19 Vaccine Preparedness and Deployment Core Committee under the Directorate General of Health Services (DGHS) oversees coordination and implementation. Detailed micro-level planning is undertaken at each of the 6,500 vaccination sites.⁴² A COVID-19 Vaccination Coordination Cell has also been set up to support the Vaccine Preparedness and Deployment Core Committee in monitoring and supervision. ADB will augment the capacity of this cell (paras. 21–22).

16. The DGHS is utilizing the EPI’s logistics and cold chain network to support COVID-19 vaccination. To vaccinate 80% of the population within 24 months, a stock of 10 million–12 million doses per month is required. As stated in the NDVP, a shortfall in cold chain capacity was present in 26 districts for vaccines to be stored at positive temperature (2°C–8°C). The DGHS has ensured adequate cold chain capacity by leveraging COVAX support of \$2.4 million worth of cold chain equipment, to expand storage capacity to 19 million doses at a time. In addition, the DGHS plans to lease additional cold rooms at the central level. The DGHS has developed a monitoring and evaluation framework and implementation tools, including a monitoring dashboard, to track and monitor the vaccine rollout. Several information technology (IT) systems are running in parallel, with partial interoperability. These systems include the vaccine registration platform (Surokkha), the AEFI portal, the vaccine logistics management system, and the national COVID-19 telehealth services. The government is collaborating with the United Nations Development Programme and ADB to develop an integrated and interoperable IT system to track vaccines and monitor vaccinations, which will include a platform for a grievance redress mechanism (para. 21). An individual case management system is also being developed to track cases from registration to issuance of QR coded certificates, and enable management of cases at all service points.

³⁹ The following development partners have shown strong indicative interest in supporting operational costs: German development cooperation through KfW (€220 million), Agence Française de Développement (€150 million) and the Japan International Cooperation Agency.

⁴⁰ The government has confirmed that vaccines provided as a grant through COVAX will be used. In addition, the World Bank COVID-19 pandemic assistance grant for the displaced persons from Myanmar (the Government of Bangladesh uses the term “forcibly displaced Myanmar nationals [FDMN]”) will be restructured to fund operational costs. WHO and UNICEF are providing technical support for vaccine deployment at the camps in Cox’s Bazaar.

⁴¹ The role of the central government includes planning, coordination, resource mobilization, financing and procurement of vaccines, and maintaining cold chain facilities. The local governments provide trained human resources, undertake communication, and monitor outreach activities.

⁴² Micro-level planning includes the place, date, hours of operation, target population, vaccination team members, supervisor, vaccine and logistics requirements, and distribution plan.

17. **Immunization waste management.** Building on its MWM experience,⁴³ the government has prepared a detailed COVID-19 immunization waste management plan that includes segregation at the health care facility, collection, and transportation to the designated waste treatment and disposal site.⁴⁴ Centralized MWM is proposed in Dhaka. The vaccine working groups for districts, *upazilas*, and city corporations will be responsible for vaccine waste management under their jurisdictions, following the existing national policy on injection safety. The DGHS has trained 2,200 doctors, nurses, and other staff from 240 health facilities on infection prevention and control. Offsite waste management, related technologies, stakeholder capacity in awareness and monitoring, and a web portal for MWM need to be enhanced. These will be supported by ongoing ADB and World Bank projects, and ADB TA (paras. 21 and 36).

18. **Reaching women, the marginalized, and hard-to-reach.** While vaccine hesitancy is historically low in Bangladesh,⁴⁵ potential challenges to vaccinating women and the marginalized in rural and remote areas stem from barriers such as transport costs and accessibility to the nearest vaccination site. Lack of connectivity, technological know-how, and information on the vaccination process also pose challenges as the registration for vaccination is an online process. The government plans to expand vaccination sites to union and community levels and operate mobile vaccination camps, but this will depend on adequate vaccine supply. To increase registration and vaccinations in remote areas, the DGHS has partnered with nongovernment organizations (NGOs), religious and ethnic leaders, and community health workers to conduct registration drives. The government is engaging with development partners, including the World Bank, the United Nations Children’s Fund (UNICEF), and ADB to develop communication materials and tools (para. 22). It is also operating a helpline. To vaccinate the displaced persons from Myanmar, the DGHS is partnering with United Nations agencies, NGOs, mothers’ and women’s groups, and community leaders in the camps to generate awareness about vaccines and the vaccination process, including registration and vaccination.

4. Development Partner Coordination

19. The COVID-19 Vaccine Preparedness and Deployment Core Committee coordinates technical and financial assistance from development partners. The committee, which is led by the DGHS, includes representatives from the government and development partners, including ADB, the World Bank, WHO, UNICEF, and the United States Agency for International Development. The committee was engaged in preparing the NDVP, and supports its implementation and monitoring. The coordination meetings are held on a monthly basis. ADB is a key member of the committee, fulfilling a large unmet need for vaccine financing and gaps in monitoring and evaluation systems, and vaccine communication and outreach in rural areas. ADB has held several rounds of discussions with all development partners to identify areas of complementarity and synergy, and to avoid duplication of efforts. A separate subcommittee supports the vaccination of the displaced persons from Myanmar, comprising government representatives,

⁴³ Government of Bangladesh, MOHFW, DGHS. 2011. [Environmental Assessment and Action Plan For the Health, Population and Nutrition Sector Development Program \(HPNSDP\)](#). Dhaka.

⁴⁴ The government’s immunization waste management plan is in Annex 2 of the Country National Vaccination Prioritization and Allocation Plan (accessible from the list of linked documents in Appendix 2).

⁴⁵ A survey conducted to understand people’s attitudes toward COVID-19 vaccination in the country found a high level of acceptance of COVID-19 vaccines, with 84% of respondents indicating an interest in taking vaccines; 32% of respondents stated they would take the vaccine immediately after the start of the immunization program. Institute of Health Economics, University of Dhaka and Bangladesh CoMo Modeling Team. 2021. *People’s Attitudes Towards Vaccination against COVID 19: Evidence from Bangladesh*. Dhaka.

United Nations agencies, and NGOs that work with district and *upazila* vaccination working groups to plan, implement, and monitor the vaccination in refugee camps.⁴⁶

B. Project Description

20. The project is aligned with the following impact: accelerated health, social, and economic recovery of the COVID-19 affected population in Bangladesh (footnote 27). The project will have the following outcome: target populations vaccinated against COVID-19.⁴⁷

21. **Output: Safe and effective COVID-19 vaccines delivered.** The project will support the procurement of safe and effective vaccines against COVID-19 through APVAX's RRC, in compliance with ADB's vaccine eligibility criteria. It will procure an estimated 44.7 million doses of vaccines, which will be administered to 20.13 million Bangladeshis by 2024 based on the NDVP. The eligible vaccines will be procured through either COVAX, UNICEF, or bilateral arrangements with vaccine manufacturers or distributors. The government expects to swiftly introduce the vaccines to the population, following the NDVP and vaccination protocols and standards, including those governing waste management and monitoring of AEFI. In addition, ongoing TA resources of \$1.7 million will support strengthening of the vaccine delivery system, including (i) technical experts to augment the capacity of the COVID-19 Vaccination Coordination Cell; (ii) capacity building of vaccinators in online registration and generating vaccination cards in rural and hard-to-reach areas; (iii) upgrading the interoperability of vaccine-related IT systems to improve tracking and monitoring of vaccines, cold chain and logistics, AEFI, and MWM, including features to flag gender-differentiated gaps and benefits; and (iv) strengthening MWM practices by revising guidelines, training materials, and the web portal to enhance monitoring (footnote 2).

C. Value Added by ADB

22. The project will contribute to the government's NDVP to address the unmet need for vaccine procurement to inoculate 20.13 million Bangladeshis or 11.6% of its population. The project builds on previous ADB support to contain and address COVID-19, as well as its long-term engagement in improving access to primary health care services in urban areas.⁴⁸ These projects have affirmed the need for strengthening health systems, enhancing resilience, and improving universal health coverage to reach the poor and the marginalized. Based on these experiences, ongoing ADB TA will add significant value. Enhancing interoperability among vaccine-related IT systems will maximize efficiency and strengthen the overall vaccine management system. Strengthening capacity and systems for vaccine delivery in rural and hard-to-reach areas will ensure better implementation and equitable distribution of vaccines in future pandemics. Support to strengthen the COVID-19 Vaccination Coordination Cell will be critical for the overall coordination and implementation of the vaccination program. Strengthening MWM and web-based monitoring across different administrative levels is likely to incur benefits for the overall immunization program. In addition, separate TA resources will enhance equitable access to vaccination in remote areas through mobile registration and vaccination teams, and gender-sensitive communication on vaccination process and vaccine safety.⁴⁹

⁴⁶ Development Coordination (accessible from the list of linked documents in Appendix 2).

⁴⁷ The design and monitoring framework is in Appendix 1.

⁴⁸ ADB. [Bangladesh: COVID-19 Active Response and Expenditure Support Program](#); and ADB. [Bangladesh: Urban Primary Health Care Services Delivery Project](#).

⁴⁹ ADB. 2020. [Technical Assistance for Regional Support to Address the Outbreak of Coronavirus Disease 2019 and Potential Outbreaks of Other Communicable Diseases](#). Manila (TA 9950).

D. Summary Cost Estimates and Financing Plan

23. The project is estimated to cost \$940 million. The summary cost estimates are in Table 3. ADB will finance expenditures in relation to the procurement of COVID-19 vaccines that meet the APVAX eligibility criteria. The project team will be guided by the Indicative Master List of Eligible Items and Agreed List of Acceptable Expenditure Items (“Positive List”) for ADB financing under the RRC.⁵⁰

Table 3: Summary Cost Estimates

Item	Description	Amount (\$ million) ^a	Share of Cost (%)
A. Base Cost^b			
1.	Safe and effective COVID-19 vaccines delivered	893.08	95.01
B. Contingencies^c		23.27	2.48
C. Financing Charges During Implementation^d		23.64	2.51
Total Cost (A+B+C)		940.00	100.00

COVID-19 = coronavirus disease.

Note: Numbers may not sum precisely because of rounding.

^a COVID-19 vaccines will be tax-exempt.

^b In March 2021 prices.

^c Physical and price contingencies, and a provision for exchange rate fluctuation, are included.

^d Includes interest and commitment charges during implementation for the ordinary capital resources portion of the loan. For the concessional portion of the loan, only interest during implementation is included and this has been computed at 2% per annum.

Source: Asian Development Bank.

24. The government has requested (i) a regular loan of \$470 million, and (ii) a concessional loan of \$470 million, both from ADB’s ordinary capital resources to help finance the project. The regular loan will have a 15-year term, including a grace period of 3 years; an annual interest rate determined in accordance with ADB’s London interbank offered rate (LIBOR)-based lending facility; a commitment charge of 0.15% per year (the interest and other charges to be capitalized in the loan); and such other terms and conditions set forth in the draft loan agreement. Based on the straight line method, the average maturity is 9.25 years, and there is no maturity premium payable to ADB. The concessional loan will have a 25-year term, including a grace period of 5 years; an interest rate of 2.0% per year during the grace period and thereafter; and such other terms and conditions set forth in the draft loan agreements.

25. **Government contribution.** The government will provide in-kind contributions in the form of counterpart staff, logistics, cold chain, and various facilities to support the deployment of ADB-financed vaccines. The government will finance all taxes and duties for the project through tax exemption. The summary financing plan is in Table 4.

Table 4: Summary Financing Plan

Source	Project		COVID-19 Vaccination Program ^a	
	Amount (\$ million)	Share of Total (%)	Amount (\$ million)	Share of Total (%)
Asian Development Bank	940.00	100.00	940.00	25.43
OCR (concessional loan)	470.00	50.00	470.00	12.72
OCR (regular loan)	470.00	50.00	470.00	12.72
Government of Bangladesh ^b			1,704.09	46.10
Others ^c			1,052.29	28.47
Total	940.00	100.00	3,696.38	100.00

⁵⁰ Indicative Master List of Eligible Items, and Agreed List of Acceptable Expenditure Items (“Positive List”), for ADB-financing under the Rapid Response Component (accessible from the list of linked documents in Appendix 2).

COVID-19 = coronavirus disease, OCR = ordinary capital resources.

Note: Percentages may not total 100% because of rounding.

- ^a The COVID-19 vaccination program is financed through the government's own resources, development partners, and other donors. The total program cost was estimated assuming 10% vaccine wastage. Total vaccine costs are estimated at \$3.08 billion, with vaccine prices of \$4.0–\$20.0 per dose and total operational costs of \$614.4 million based on \$2.0 per dose.
- ^b The government will finance all taxes and duties for the project through tax exemption. In addition, the government will provide in-kind contribution and common program costs in the form of counterpart staff, logistics, cold chain, and various facilities needed for the deployment of Asian Development Bank-financed vaccines. The taxes and duties and the government in-kind contribution for the project is not included in the project cost and will not be included in the audited project financial statement.
- ^c Financing from various development partners and donors, including the COVID-19 Vaccines Global Access Facility and the Asian Infrastructure Investment Bank.

Source: Asian Development Bank.

26. Key findings from the debt sustainability analysis. Public debt in Bangladesh is estimated at \$125 billion in FY2020 (38.6% of GDP) and external public and publicly guaranteed debt is estimated at \$51 billion (about 15.5% of GDP). The debt sustainability analysis confirmed the debt sustainability of Bangladesh with the additional financing for the procurement of COVID-19 vaccines and other expected additional borrowings. With the additional \$4.22 billion of external borrowings and \$150.00 million of domestic financing, the external public and publicly guaranteed debt-to-GDP ratio will increase to 16.5% and the public debt-to-GDP ratio will increase to 40.8% in FY2021. Both the external debt ratio and the public debt ratio will remain stable over the medium term, with all external debt and public debt indicators well below the threshold levels for debt burden indicators, even under various stress scenarios.⁵¹

E. Implementation Arrangements

27. The Finance Division of the Ministry of Finance will be the executing agency and the DGHS under the Health Services Division, Ministry of Health and Family Welfare (MOHFW) will be the implementing agency of the project. The Finance Division will manage the advance account and the DGHS will procure the vaccines. A program monitoring unit (PMU) will be established under the DGHS to provide implementation support and monitor the project before loan disbursement (Table 5). The PMU will be staffed with a dedicated program director, deputy program director, and financial management and procurement staff. ADB TA will support the engagement of individual consultants (procurement, financial management, and audit experts) to assist the PMU.⁵²

28. Procurement will be undertaken in a manner consistent with simplified and expedient procedures permitted under the ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). Since the project will be financed under APVAX, ADB member country eligibility restrictions will be waived and universal procurement will apply. The procurement of a proportion of the vaccines may be done through COVAX. In addition, given the severely constrained vaccine market, the MOHFW may negotiate directly with vaccine manufacturers to agree on bilateral contracts, and direct contracting with UNICEF. Before being confirmed as an eligible expenditure under the loan, ADB will review all bilateral vaccine agreements. Value for money in procurement will be achieved by (i) selecting vaccines that are best suited to the domestic supply chain; (ii) identifying vaccines that will efficiently meet the project disbursement conditions; (iii) engaging with manufacturers that have advantageous vaccine delivery timelines; and (iv) entering into agreements on terms

⁵¹ Debt Sustainability Analysis (accessible from the list of linked documents in Appendix 2).

⁵² The TA will be utilized for PMU consultant support. ADB. 2020. [Technical Assistance to the People's Republic of Bangladesh for Supporting COVID-19 Response Emergency Assistance Project](#). Manila (TA 6643).

and conditions that are reasonable, noting the currently constrained market for vaccines globally. ADB's Anticorruption Policy (1998, as amended to date) will apply to all contracts to be financed under the loan.

29. Implementation arrangements are summarized in Table 5 and described in detail in the project administration manual.⁵³

Table 5: Implementation Arrangements

Aspects	Arrangements		
Implementation period	June 2021–May 2024 ^a		
Estimated completion date	31 May 2024		
Estimated loan closing date	30 November 2024		
Management			
(i) Oversight body	Project steering committee (to be established) Senior Secretary or Secretary, Finance Division, MOF (chair) Relevant government officials and development partners (members) The committee will provide guidance to the PMU and oversee overall project implementation. It will meet at least twice a year, or more frequently, as needed.		
(ii) Executing agency	Finance Division, MOF		
(iii) Key implementing agencies	DGHS, MOHFW		
(iv) Implementation unit	DGHS. A PMU will be established. In addition, a project implementation committee, chaired by the additional director general, DGHS, will provide technical oversight and hands-on supervision, meeting at least quarterly. The project implementation committee will work directly under the supervision of the director general, DGHS and be guided by the steering committee. The PMU will also coordinate with and be guided by the COVID-19 Vaccine Preparedness and Deployment Core Committee, including development partners and technical experts.		
Procurement	Direct contracting	Multiple contracts	\$893.08 million
Retroactive financing and advance financing	Withdrawals from the loan account for (i) advance financing for up to 6 months of estimated eligible expenditures or 50% of the total loan amount, whichever is lower; and (ii) eligible expenditures in relation to vaccine procurement incurred before loan effectiveness, but not more than 12 months before the signing of the loan agreement, equivalent to a maximum of 30% of the loan amount. The combined outstanding balance of the advance financing and retroactive financing should not exceed 60% of the loan amount and their respective ceilings. Any advance financing and retroactive financing will be subject to the vaccine eligibility criteria and other requirements of the APVAX being fully met.		
Disbursement	The loan proceeds of ADB will be disbursed following ADB's <i>Loan Disbursement Handbook</i> (2017, as amended from time to time).		

ADB = Asian Development Bank, APVAX = Asia Pacific Vaccine Access Facility, COVID-19 = coronavirus disease, DGHS = Directorate General of Health Services, HSD = Health Services Division, MOF = Ministry of Finance, MOHFW = Ministry of Health and Family Welfare, PMU = program monitoring unit.

^a The extended time frame until 2024 is to provide flexibility to the government given the global vaccine shortage.

Source: Asian Development Bank.

III. DUE DILIGENCE

A. Economic Viability

30. The COVID-19 pandemic is both a health and an economic crisis, which has resulted in loss of lives, an increase in morbidity, loss of livelihoods, a slowdown of the economy, and disruptions to education and human capital development necessary for long-term economic growth. In the absence of vaccinations, the costs of the pandemic could be prolonged and exacerbated. The achievement of herd immunity from COVID-19 through vaccinations will result

⁵³ Project Administration Manual (accessible from the list of linked documents in Appendix 2).

in substantially reduced mortality and morbidity, and help get the economy back on track by enabling the resumption of economic activities and thus restore livelihoods.

B. Governance

31. A financial management assessment has been conducted for the project, including inventory management, data management, accounting, oversight, and audit. The assessed pre-mitigation financial management risk is *substantial* because of the (i) scale and complexity of the project, (ii) potential funding challenges, and (iii) lack of fully integrated systems for tracking the vaccine distribution and for managing inventory. Measures to ensure accountability, transparency, and good governance include (i) each batch of vaccines purchased with ADB support being assigned a unique batch number that will be tracked and reported by the vaccine logistics management information system; and (ii) in addition to the annual project financial audit, an annual performance audit focusing on good governance will be conducted by the auditor general and submitted yearly to ADB. A designated PMU will be established and staffed before project implementation, which will be supported by financial management consultants. Direct payment procedures may be used for eligible high-value contracts.

32. Bangladesh has legislative frameworks to prevent corruption. However, adequate implementation remains a challenge.⁵⁴ ADB's Anticorruption Policy (1998, as amended to date) was explained to and discussed with the government.⁵⁵ The specific policy requirements and supplementary measures are described in the project administration manual (footnote 53).

C. Poverty, Social, and Gender

33. **Poverty and social considerations.** Multiple factors have adversely affected incomes and poverty levels as a result of the pandemic, including (i) the shutdown of predominantly urban formal industries earlier in the pandemic period, (ii) internal movement of informal workers to rural areas increasing labor supply, and (iii) increased inflows of returning overseas Bangladeshi migrant workers. Economic disruption, together with low health insurance coverage and high out-of-pocket expenses, could present significant cost barriers to immunization (e.g., through transport and mobility costs and consultation costs)—costs which often affect the poor and vulnerable groups the most. The NDVP highlights that the vaccine will be made available free of charge, reducing cost entry barriers, and will be deployed at the community level and through outreach campaigns where possible, thus helping to reduce cost and financial barriers to access.

34. **Gender.** The project is categorized *effective gender mainstreaming*. TA resources (footnote 2) will support the following gender-related actions: (i) 50% women vaccinators trained in online registration and generating vaccination cards to encourage vaccination of women in rural areas; (ii) strengthen the interoperability of existing vaccine-related IT systems to generate integrated data sets, including automated triggers on specific measures such as the registration and vaccination rate, number and sex of vaccinators, AEFI, highlighting gaps, including on gender, for appropriate action to be taken; and (iii) the COVID-19 Vaccination Coordination Cell will be staffed with 30% women technical experts, and all women staff in the cell will be trained on vaccination and relevant issues. In addition, separate TA (footnote 49) will strengthen women's participation in the vaccination process and increase vaccination coverage among women in

⁵⁴ [Transparency International: Corruption Perceptions Index](#) and World Bank governance ratings indicate that improvement is required in Bangladesh's performance on anticorruption.

⁵⁵ ADB TA will support integrity knowledge management session/s for the Ministry of Finance, DGHS, MOHFW, and other project stakeholders to increase their awareness and compliance with ADB's Anticorruption Policy. ADB. 2018. [Technical Assistance for Capacity Building and Integrity](#). Manila (TA 9703).

selected rural and remote areas. These include (i) local level consultations with community leaders to encourage women's registration and vaccination; (ii) reaching women through mobile registration and vaccination teams in hard-to-reach areas, following the prioritization plan; (iii) developing gender-sensitive communication materials on the COVID-19 vaccination process and vaccine safety; (iv) providing separate vaccination booths for men and women; and (v) supporting female vaccinators to encourage women's vaccination.

D. Safeguards

35. In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are as follows.⁵⁶

36. **Environment (category C).** The project will support the procurement of vaccines and will not entail civil works or other activities with potential for significant adverse impacts on the environment. The distribution and use of COVID-19 vaccines will result in a temporary increase in immunization waste.⁵⁷ The NDVP defines immunization waste management arrangements and responsibilities, and includes a training program for local health care facilities on handling immunization waste. Immunization waste will be managed in compliance with the Bangladesh Medical Waste (Management and Processing) Rules of 2008, COVID-19-Related Medical Waste Management Guidelines and Standard Operating Procedure, and Infectious Diseases (Prevention, Control and Elimination) Act of 2018.⁵⁸ The government aims to modernize MWM through the provision of autoclaves and dual-chamber incinerators, and the establishment of effluent treatment plants in all government medical colleges, specialized hospitals, and district hospitals during 2021–2024. ADB is supporting the preparation of a site-specific MWM plan for 45 health care facilities in eight districts through the ongoing Urban Primary Health Care Services Delivery Project. The World Bank-supported COVID-19 Emergency Response and Pandemic Preparedness project is supporting MWM in 10 medical colleges and hospitals as well as government hospitals in 10 districts, and establishing new facilities for MWM in 14 districts.

37. **Involuntary resettlement (category C).** The project will not require any land acquisition or lead to any involuntary resettlement impact. MWM will not result in civil works under the project. If any civil works or other investments become necessary that could potentially result in impacts on land and resources, the impacts will be screened and, if necessary, avoided, reduced, mitigated, or compensated in line with international best practice and/or the ADB Safeguard Policy Statement.

38. **Indigenous peoples (category C).** While tribes, minor races, ethnic sects, and ethnic communities are present in the country, they will not be targeted as distinct and vulnerable indigenous peoples as a group, as defined by ADB's indigenous peoples safeguard policies. The project will ensure that members of indigenous peoples groups will not be excluded and will not suffer any disadvantages in targeting because of the fact of belonging to an indigenous peoples group. The project is not expected to have any direct or indirect impacts on the dignity, human rights, livelihood systems, or culture of indigenous peoples, or the territories or natural or cultural resources that indigenous peoples own, use, occupy, or claim as an ancestral domain or asset.

⁵⁶ ADB. [Safeguard Categories](#).

⁵⁷ Due Diligence Report on the Bangladesh COVID-19 Immunization Waste Management Plan (accessible from the list of linked documents in Appendix 2).

⁵⁸ Government of Bangladesh. 2008. *Bangladesh Medical Waste (Management and Processing) Rules of 2008*. Dhaka; and Government of Bangladesh. 2018. *Infectious Diseases (Prevention, Control and Elimination) Act of 2018*. Dhaka.

E. Procurement

39. A strategic procurement planning assessment of the executing and implementing agencies was conducted for the project. The overall assessment revealed that the procurement and contract management risk is *substantial*, but manageable. The DGHS and the Central Medical Stores Depot's overall procurement capacity is acceptable. However, these entities have limited experience in undertaking procurement following ADB's procurement policies and regulations, as well as limited knowledge in the procurement of COVID-19 vaccines. To mitigate these constraints, ADB will assist the DGHS and the Central Medical Stores Depot with vaccine procurement by advising on the volatile market and associated procurement-related risks, reviewing contracts under bilateral agreements, supporting price validation, and assisting in the preparations for negotiations with vaccine manufacturers. In addition, ADB TA will support a national procurement consultant (footnote 52).

F. Summary of Risk Assessment and Risk Management Plan

40. Significant risks and mitigating measures are summarized in Table 6 and described in detail in the risk assessment and risk management plan.⁵⁹

Table 6: Summary of Risks and Mitigating Measures

Risks	Mitigation Measures
Country-specific. Limited capacity of vaccine suppliers to meet global demand may lead to delays in delivering vaccines to Bangladesh.	<ul style="list-style-type: none"> (i) The government has procured 30 million doses from SII. (ii) The government is engaging with different vaccine manufacturers and COVAX to secure vaccines through advance market commitments. (iii) The proposed loan of \$940 million will provide the government with financial security to obtain eligible vaccines and diversify its vaccine portfolio. (iv) ADB will continue to advise on global supply chain constraints and the vaccine selection best suited for the domestic supply chain, with a favorable delivery timeline.
Program-specific. Ambitious vaccination target of up to 138.2 million Bangladeshis within the next 2 years may impact other essential health services, including routine immunization.	<ul style="list-style-type: none"> (i) The DGHS will deploy more than 10,000 additional vaccinators and train over 20,000 volunteers. (ii) The DGHS is leveraging the private sector for cold chain and vaccine logistics. (iii) COVAX will provide additional cold chain equipment support worth \$2.4 million. (iv) Both routine and COVID-19 vaccination communication efforts are supported by development partners to ensure demand and equitable access. (v) Development partners are working with the government to assess and address the gaps.
Project-specific. Challenges related to vaccine hesitancy may occur among the population in rural and hard-to-reach areas, where awareness and case detection are low.	<ul style="list-style-type: none"> (i) The DGHS is implementing demand generation and risk communication plan, engaging with health workers and community organizations. (ii) Other development partners, along with ADB, will support vaccine communication in rural and hard-to-reach areas.
Project-specific. Timely implementation may be affected by operational constraints such as logistics and staffing.	<ul style="list-style-type: none"> (i) Strong capacity at national and subnational levels in introducing and implementing new vaccine programs under the existing EPI system. (ii) Additional cold chain equipment sourced through COVAX is adequate to hold 19 million doses at one time. (iii) The DGHS plans to deploy additional vaccinators once the vaccine supply is ensured.

⁵⁹ Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2).

Risks	Mitigation Measures
Project-specific. Limited knowledge of ADB Procurement Procedure and management of vaccines contracts.	(i) DGHS/MOHFW may utilize COVAX and UNICEF. (ii) Procurement consultant and ADB to support CMSD and DGHS.

ADB = Asian Development Bank, CMSD = Central Medical Stores Depot, COVAX = COVID-19 Vaccines Global Access, COVID-19 = coronavirus disease, DGHS = Directorate General of Health Services, EPI = Expanded Programme on Immunization, SII = Serum Institute of India, UNICEF = United Nations Children's Fund.

Source: Asian Development Bank.

IV. ASSURANCES AND CONDITIONS

41. The government has assured ADB that implementation of the project shall conform to all applicable ADB requirements, including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, financial management, and disbursement as described in detail in the project administration manual and loan documents. The government has agreed with ADB on certain covenants for the project, which are set forth in the draft loan agreements.

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

V. RECOMMENDATION

43. I am satisfied that the proposed loans would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve (i) the loan of \$470,000,000 from ADB's ordinary capital resources, in regular terms, with interest to be determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; for a term of 15 years, including a grace period of up to 3 years; and (ii) the loan of \$470,000,000 from ADB's ordinary capital resources, in concessional terms, with an interest charge at the rate of 2% per year during the grace period and thereafter; for a term of 25 years, including a grace period of 5 years; both to the People's Republic of Bangladesh for the Responsive COVID-19 Vaccines for Recovery Project Under the Asia Pacific Vaccine Access Facility; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan agreements presented to the Board.

Masatsugu Asakawa
President

31 May 2021

DESIGN AND MONITORING FRAMEWORK

Impact the Project is Aligned with			
Accelerated health, social, and economic recovery of the COVID-19 affected population in Bangladesh (National Preparedness and Response Plan for COVID-19, Bangladesh: Version 5) ^a			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
Outcome Target populations vaccinated against COVID-19	By 2024: a. Up to 20.13 million Bangladeshis (11.6% of the total population) vaccinated against COVID-19, based on government's vaccine allocation plan ^b (2021 baseline: 0) (disaggregated by sex, age) (OP 1.1)	a. DGHS Hospital Information Management System COVID-19 vaccination coverage weekly report; COVID-19 vaccination dashboard; and WHO and UNICEF immunization estimates to supplement	A: The government runs an effective and planned campaign to make target populations aware of the advantages of getting vaccinated against COVID-19.
Output Safe and effective COVID-19 vaccines delivered	By 2024: 1a. Up to 44.7 million doses of COVID-19 vaccine delivered to the country ^c (2020 baseline: 0) (OP 1.1.2) (Under technical assistance) ^d 1b. COVID-19 Vaccination Coordination Cell staffed with 12 technical experts (30% women) ^e (2020 baseline:0) (OP 2.3) 1c. 3,000 health staff trained in online registration and generating vaccination cards in rural and hard-to-reach areas (50% women) ^f (2020 baseline: 0) (OP 2.2) 1d. Interoperability of existing vaccine-related IT systems, ^g including features to flag gender-differentiated gaps and benefits strengthened (data disaggregated by sex, age, priority groups, and location) (2020 baseline: parallel IT systems with partial interoperability) (OP 2.4.1)	1a.–1d. DGHS/MOHFW updates, project progress report, and data from vaccine information management system	R: Limited supply of vaccines because of high global demand, inadequate supply of vaccines that meet APVAX eligibility criteria, and low commitments to Bangladesh, leading to delay in vaccine delivery. A: Vaccine doses delivered with required cold storage (both cross-country and in-country), thereby maintaining quality and efficacy against COVID-19.
Key Activities with Milestones			
1. Safe and effective COVID-19 vaccines delivered			
1.1 Procure the required number of vaccine doses for ADB financing (Q3 2021–Q2 2024)			
1.2 International logistics to point-of-entry in Bangladesh (Q3 2021–Q2 2024)			
1.3 Provide technical and logistics support to the COVID-19 Vaccination Coordination Cell and build capacity of female staff in the cell (Q3 2021)			
1.4 Training in online registration, generating vaccination cards, and post-immunization reporting to vaccinators and other staff (Q3–Q4 2021)			

1.5 API interoperability between the existing COVID-19 vaccination-related IT systems, and develop web-based waste management monitoring portal, including appropriate hosting support (Q3–Q4 2021)
<p>Project Management Activities</p> <p>Conduct procurement arrangements/direct contracting contracts for COVID-19 vaccines. Prepare and submit quarterly and annual progress reports, including progress on medical waste management. Submit annual audited project financial statement and annual performance audit report. Prepare project completion report.</p>
<p>Inputs</p> <p>ADB: \$940 million (loan) ADB: \$1.7 million (technical assistance)^h</p>

A = assumption, ADB = Asian Development Bank, API = application programming interface, APVAX = Asia Pacific Vaccine Access Facility, COVID-19 = coronavirus disease, DGHS = Directorate General of Health Services, IT = information technology, MOHFW = Ministry of Health and Family Welfare, OP = operational priority, Q = quarter, R = risk, UNICEF = United Nations Children's Fund, WHO = World Health Organization.

- ^a Government of Bangladesh, MOHFW, DGHS. 2020. [National Preparedness and Response Plan for COVID-19, Bangladesh: Version 5](#). Dhaka.
- ^b Country National Vaccination Prioritization and Allocation Plan (accessible from the list of linked documents in Appendix 2).
- ^c ADB-assisted vaccine batches will be tracked (unique batch numbers) and reported by the vaccine logistics management information system.
- ^d Output indicators 1b.–1d. will be financed by ADB. 2020. [Technical Assistance for Support to Address Outbreak of COVID-19 and Strengthen Preparedness for Communicable Diseases in South Asia](#). Manila (TA 9982).
- ^e Technical experts (12) include a program coordinator (1), public health experts (4), lead health expert (1), medical officers (4), IT expert (1), and communication expert (1). Additional staff includes accountants (2) and office assistants (2).
- ^f The number of rural areas is to be determined. Presently, there is only one official online registration system. To reach excluded and vulnerable people, targeted awareness-raising and community communication tools addressing the needs of semiliterate/illiterate will be used.
- ^g These systems are online registration system, vaccine logistics management system, AEFI portal, COVID-19 vaccination dashboard, and medical waste management.
- ^h Technical assistance is broken down as follows: \$1.5 million (TA 9982) and \$0.2 million (TA 6643). ADB. 2020. [Technical Assistance for Support to Address Outbreak of COVID-19 and Strengthen Preparedness for Communicable Diseases in South Asia](#). Manila (TA 9982); and ADB. 2020. [Technical Assistance to the People's Republic of Bangladesh for Supporting COVID-19 Response Emergency Assistance Project](#). Manila (TA 6643).

Contribution to 2030 Operational Priorities:

Expected values and methodological details for all OP indicators to which this project will contribute results are detailed in the 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.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/RRPs/?id=55077-001-3>

1. Loan Agreement (Concessional)
2. Loan Agreement (Regular)
3. Vaccine Needs Assessment
4. Project Administration Manual
5. Contribution to Strategy 2030 Operational Priorities
6. Development Coordination
7. Country Economic Indicators
8. Debt Sustainability Analysis
9. Country National Vaccination Prioritization and Allocation Plan
10. Summary Poverty Reduction and Social Strategy
11. Gender Equality and Social Inclusion Action Plan
12. Risk Assessment and Risk Management Plan
13. Indicative Master List of Eligible Items, and Agreed List of Acceptable Expenditure Items (“Positive List”), for ADB Financing under the Rapid Response Component

Supplementary Documents

14. Eligibility Criteria for Use of Funds under the Rapid Response Component
15. Due Diligence Report on the Bangladesh COVID-19 Immunization Waste Management Plan
16. Strategic Procurement Planning Report
17. Financial Management Assessment
18. Sector Assessment (Summary): Vaccines