

Project Administration Manual

Project Number: 55195-001

Loan Number: xxxx

September 2021

Proposed Loans

Georgia: COVID-19 Vaccine Support Project under the Asia Pacific Vaccine Access Facility

ABBREVIATIONS

ADB	–	Asian Development Bank
APVAX	–	Asia Pacific Vaccine Access Facility
COVID-19	–	coronavirus disease
MOF	–	Ministry of Finance
MOILHSA	–	Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs
NCDC		National Center for Disease Control and Public Health
PIC	–	project investment component
PIU	–	Project implementation unit
RRC	–	rapid response component
UNICEF	–	United Nations Children's Fund
NVDP	–	National Vaccine Deployment Plan (Vaccine National Deployment Plan)
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 Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs 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 Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan 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.

^a The name of the operational financing document may vary on a project-to-project basis; this reference shall be deemed to encompass such variations, e.g., a Framework Financing Agreement, as applicable.

I. PROJECT DESCRIPTION

1. The government has requested for the Asian Development Bank (ADB) support under the Asia Pacific Vaccine Access (APVAX) facility to help finance the National Plan for COVID-19 Vaccination under Georgia's coronavirus disease (COVID-19) emergency response program. The project will support procurement and delivery of COVID-19 vaccines to help reduce negative health, social, and economic effects of COVID-19.

2. **Impact and Outcome.** The project is aligned with the following impacts: (i) stabilize the situation and save lives¹; and (ii) spread, morbidity, and mortality of COVID-19 reduced, and confidence of citizens restored². The project outcome is that the priority populations as per the National Vaccine Deployment Plan (NVDP) are vaccinated against COVID-19.

3. **Output 1. COVID-19 vaccine procured and delivered to designated points.** The project will finance procurement and delivery of vaccines through bilateral deals between the government and manufacturers and/or through the COVID-19 Vaccines Global Access (COVAX) facility. Procurement through bilateral deals with other countries will be considered, subject to due diligence and necessary approvals. To vaccinate an estimated 0.3 million persons, 0.7 million doses of COVID-19 vaccines (assuming 10% adjustment for wastage) will be delivered to regional warehouses according to the NVDP. The expenditure items under the Rapid Response Component (RRC) will include: (i) vaccines that meet any of the eligibility requirements in the APVAX policy, including advance payments; (ii) international logistics and related services required for the transportation of vaccines from the place of purchase to regional warehouses in Georgia; and (iii) ancillary items such as syringes, safety boxes and other items required for the administration of vaccines. National Center for Disease Control (NCDC) will be responsible for transporting the vaccine from the regional warehouses to the vaccine administration sites. Before the disbursement of the loan proceeds, Ministry of Internally Displaced Persons in Occupied Territories, Labour, Health and Social Affairs (MOILHSA) shall submit to ADB purchase agreements subject to confidentiality requirements for the vaccines that comply with APVAX policy requirements.

4. **Output 2. Vaccine program implementation capacity strengthened.** Under the project investment component (PIC), the project will support activities that will strengthen (i) the project implementation unit (PIU) under MOILHSA to help them implement and monitor the COVID-19 vaccination program; and (ii) carry out gender mainstreaming activities. Additional staff will be hired under the project to augment the PIU capacity.

¹ The actual title of the document is Georgia COVID 19 Vaccine National Deployment Plan but it is better known as National Vaccine Deployment Plan (NVDP). Georgia. 2021. *Georgia COVID-19 Vaccine National Deployment Plan*. 8 April

² Asian Development Bank (ADB). 2020. [ADB's Support to Enhance COVID-19 Vaccine Access](#). Manila; ADB. 2021. [Proposed Amendment to ADB's Support to Enhance COVID-19 Vaccine Access](#). Manila.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Activities

Indicative Activities	Months							Responsible Individual/Unit/Agency/Government
	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	
Advance contracting actions			x	x	x			MOILHSA / ADB
Retroactive financing actions			x	x	x			MOILHSA / ADB
Establish project implementation arrangements	x	x						MOILHSA / ADB
ADB Board approval				x				ADB
Loan signing					x	x	x	MOILHSA / ADB
Government legal opinion provided					x			MOILHSA / MOJ / ADB
Government budget inclusion					x			MOILHSA
Loan effectiveness					x	x	x	ADB

ADB = Asian Development Bank; MOILHSA = Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs; MOJ = Ministry of Justice.
Source: Asian Development Bank.

B. Overall Project Implementation Plan

Table 2: Overall Project Implementation Plan

Activities		2021				2022				2023			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A	DMF												
1	Output 1: COVID-19 vaccine procured and delivered to designated points												
1.1	MOILHSA prepares a contract to vaccine developers/manufacturers and/or via COVAX facility												
1.2	MOILHSA to sign non-disclosure agreements with manufacturers and provide advance payments to vaccine developers/manufacturers												
1.3	Vaccines procured and transported to regional warehouses												
2	Output 2: Vaccination program implementation capacity strengthened												
2.1	MOILHSA engage and sign contracts with the consultants to support project implementation												
2.2	Individual consultants and firm commence work to assist MOILHSA in the implementation of the project												
B	Project Management Activities												
1	Recruit consultants as support to MOILHSA												
2	Establish baseline and data collection and reporting systems to report on DMF indicators, including collection of sex- and age-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												

COVAX = COVID-19 Vaccines Global Access; COVID-19 = coronavirus disease; DMF = design and monitoring framework, MOILHSA = Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs; Q = quarter.

Source (s): Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

Table 3: Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Executing agency Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health & Social Affairs (MOILHSA)	<ul style="list-style-type: none"> Facilitate the development and implementation of NVDP in Georgia and coordinate with all stakeholders Responsible for the procurement of vaccines and ancillary items Lead agency for the overall vaccination campaign Sign the supply agreements with vaccine manufacturers, COVAX Facility, and ancillary items Sign international logistics contracts
Coordinating Commission for Procurement of New Coronavirus (SARS-CoV-2) Vaccine (Coordinating Commission)	<ul style="list-style-type: none"> Lead the coordination and oversight of the COVID-19 vaccination campaign Oversee and monitor the implementation of the COVID-19 NVDP
National Immunization Technical Advisory Group (NITAG)	<ul style="list-style-type: none"> Provide technical recommendations such as on priority groups and age restrictions
Technical Working Groups	<ul style="list-style-type: none"> Support preparation and update of NVDP Coordinate the communication campaign
Interagency Coordination Council	<ul style="list-style-type: none"> Engaged high-level decision making on COVID-19 response and vaccination campaign
Implementing unit Project Implementation Unit (PIU)	<ul style="list-style-type: none"> Responsible for recruitment of individual consultants and consulting firm Support implementation of the project and amongst other support procurement of vaccines and ancillary goods PIU, as authorized by MOILHSA, signs the delivery acceptance of vaccines Coordinate project activities with all stakeholders. Responsible to monitor project progress and prepare reports. Overall financial management and submission of the annual audited project financial statements to ADB Responsible for preparing and sending withdrawal applications to ADB. Responsible and accountable for management of the advance account in accordance with ADB process and policies Responsible for proper use of advances to the advance account. Prepare disbursement projections; request budgetary allocations for counterpart funds from MOF (if any), collect supporting documents.
Implementing Partner National Center for Disease Control (NCDC)	<ul style="list-style-type: none"> Responsible for operationalization, management and monitoring of the roll out of the NVDP Responsible for procurement of consumables funded by the state budget (not under project) Operationalize the vaccination campaign and carry out training activities, supervision, addressing vaccination hesitancy, monitoring of vaccine stocks and administration and investigating and reporting any adverse reactions.

	<ul style="list-style-type: none"> • Purchasing of COVID-19 immunization services from medical organizations or institutions • Responsible for vaccine storage, central level logistics • Co-sign the supply agreements for vaccines procured through UNICEF
ADB	<ul style="list-style-type: none"> • Assist the government in preparing for negotiations with vaccine manufacturers • Prior review responsibilities for vaccine contracts • Identify legal risks in proposed contracts, support with price validation; and inform of any adjustments necessary to the contract • Project financing • Provide capacity building/training and work closely with executing agency in the procurement activities • Supervise implementation of the project by: <ul style="list-style-type: none"> (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 firm and individuals); (b) Reviewing and facilitating approval of project implementation and procurement documents submitted by the EA/PIU; (c) Reviewing progress reports and other reporting requirements submitted by EA/PIU; (d) Disclosing project information to the public; (e) Fielding inception, review and completion missions; and (f) Facilitating knowledge sharing.

ADB = Asian Development Bank, COVID-19 = coronavirus disease, EA= executing agency, NVDP = National Vaccine Deployment Plan, PIU = project implementation unit.

Source: Asian Development Bank.

5. MOILHSA will be the executing agency and will be supported by NCDC and the Ministry of Finance. The PIU under MOILHSA which has been established in 2020 under the World Bank financed COVID-19 response project will support implementation of the project and amongst other support procurement of vaccines and ancillary goods. The PIU will closely coordinate with the NCDC and other relevant agencies in carrying out activities. Additional PIU staff will be hired to support financial management, disbursement, environmental safeguards including medical waste management, gender-related activities, and monitoring and evaluation. Additional international expertise may be organized through existing technical assistance.³ The Deputy Minister of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs, will be in charge of overall oversight of the Project implementation.

6. MOILHSA has the overall responsibility for the procurement of vaccines for bilateral deals between the government and manufacturers and/or through the COVAX Facility. Both MOILHSA and NCDC can procure ancillary items – for ancillary items financed by the project it will be MOILHSA. All contracts will be signed by the relevant Deputy Minister of MOILHSA with delegated rights for finances and procurement. The PIU will support the procurement of vaccines and ancillary items and has sufficient capacity to do so. NCDC co-signs vaccine contracts procured via UNICEF including under the COVAX facility.

³ ADB. 2020. [Addressing Health Threats in Central Asia Regional Economic Cooperation Countries and the Caucasus.](#)

7. The Interagency Coordination Council under the Prime Minister is the main decision-maker for high-level decisions concerning the COVID-19 vaccination campaign. The Coordinating Commission chaired by the MOILHSA leads the coordination of the COVID-19 vaccination campaign and monitors the NVDP. National Immunization Technical Advisory Group (NITAG) provides technical recommendations such as priority groups, and age restrictions. Eight technical working groups had been established to support preparation and update of NVDP. The technical working group on communication continues to coordinate the communication campaign. MOILHSA is the lead agency for the overall vaccination campaign and NCDC is responsible for operationalization of the NVDP, carries out training activities, supervision, addressing vaccination hesitancy, monitoring of vaccine stocks and administration and investigating and reporting any adverse reactions. The concerned regulatory authorities approve vaccines. Planning, coordination, management, and monitoring mechanisms have also been established at regional, municipal and service delivery levels.

B. Key Persons Involved in Implementation

Executing Agency

Ministry of Internally Displaced
Persons from the Occupied
Territories, Labour, Health &
Social Affairs (MOILHSA)

Officer's Name: Ekaterine Tikaradze
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Asian Development Bank

Social Sector Division (CWSS)

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Georgia Resident Mission (GRM)

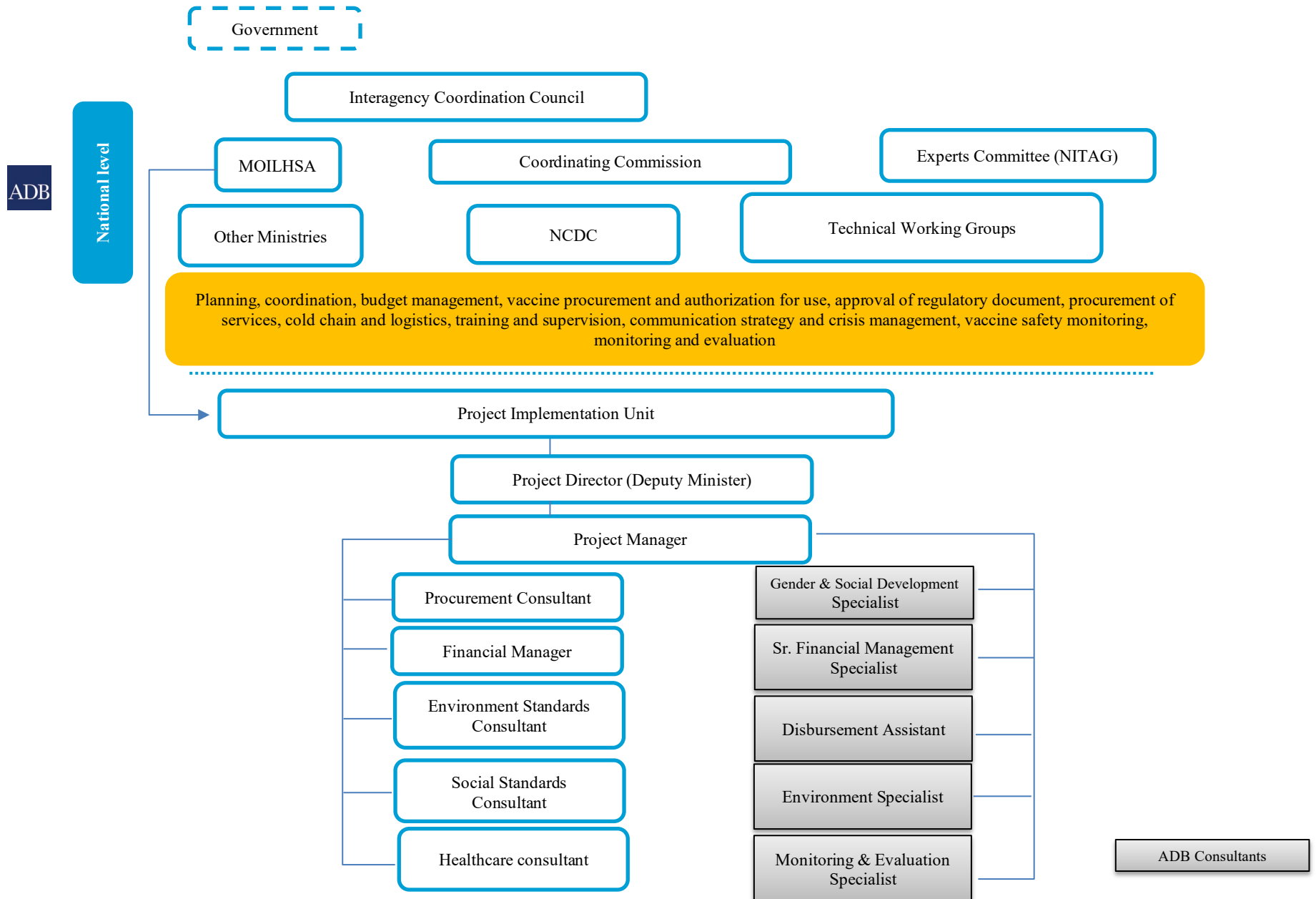
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Mission Leaders

Staff Name: Kirthi Ramesh
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Staff Name: George Kiziria
Position: Senior Project Officer
Telephone No.: 85534104
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C. Project Organization Structure



IV. COSTS AND FINANCING

8. The ordinary capital resources loan is €12,643,000 (\$15,000,000). The government is expected to provide counterpart support equivalent to €2,276,000 (\$2,700,000) which includes taxes & duties exemption, project management cost and their respective contingencies. The project financing plan is set out in Tables below:

Table 4: Financing Plan
(€ million)

Source	Amount (€ million)	Share of total %
Asian Development Bank (Ordinary capital resources, APVAX)		
Rapid response component	12.18	81.6
Project investment component	0.46	3.1
Government of Georgia		
Taxes and duties exemption and other in-kind contributions	2.28	15.3
Total	14.92	100.0

APVAX = Asia Pacific Vaccine Access Facility, RRC = Rapid Response Component, PIC = Project Investment Component.

Source: Asian Development Bank.

9. Below is the summary cost estimate of the project:

Table 5: Summary Cost Estimates
(€)

Item	Amount ^a (€)
A. Base Cost	
1. COVID-19 vaccine procured and delivered to designated points	12.71
2. Vaccine program implementation capacity strengthened	0.50
Subtotal (A)^b	13.21
B. Contingencies^c	1.50
C. Financial charges	0.21
Total (A+B+C)	14.92

Notes:

^a Numbers may not sum precisely due to rounding. In early 2021 prices as of 04 August.

^b Includes taxes and duties of €2.00 million, fully covered by the government counterpart finances via tax and duty exemptions and in-kind contribution in the form of office space for project amounting to €0.05.

^c Contingencies consist of €1.27 million from ADB funding and €0.23 million from government funding. Total physical contingencies represent 7.7% computed at 7% for vaccine procurement and 10% for all other cost categories and price contingencies represent 3.7% which are calculated based on escalation rates for domestic and international costs estimated for Georgia, 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 6.5% for 2021, 4.0% for 2022 and 3.0% for 2023.

Source: Asian Development Bank.

A. Cost Estimates Preparation and Revisions

10. The cost estimates were prepared by the consultants, 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

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

(i) Exchange rate:

\$1.00 = GEL3.10 or €0.842886

€1.00 = \$1.19 or GEL3.65

GEL1.00 = \$0.32 or €0.27

Price contingencies are calculated based on escalation rates for domestic and international costs estimated for Georgia. 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 6.5% for 2021, 4.0% for 2022 and 3.0% for 2023.

(ii) In-kind contributions were calculated using market rates and by applying Georgia 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 (\$ million)	% of Total Base cost
A. Investment Costs				
1 Vaccine procurement	10.21	1.84	12.04	76.8%
2 Procurement ancillary goods	0.23	0.04	0.27	1.7%
3 Procurement supply management	2.35	0.42	2.77	17.7%
4 Consulting services	0.46	0.08	0.54	3.5%
Subtotal (A)	13.24	2.38	15.63	99.7%
B. Recurrent Costs				
Project management	-	0.05	0.05	0.3%
Subtotal (B)	-	0.05	0.05	0.3%
C. Total Base Cost (A+B)	13.24	2.43	15.67	100.0%
D. Contingencies				
1 Physical	1.02	0.18	1.20	7.7%
2 Price	0.49	0.09	0.58	3.7%
Subtotal (D)	1.50	0.27	1.78	11.3%
E. Financial charges	0.25	-	0.25	1.6%
Total Project Cost (C+D+E)	15.00	2.70	17.70	112.9%

^a \$15.5/dose is the average estimated price for vaccines considered to be financed under APVAX.

^b Consulting services includes Performance and Auditing cost of \$0.2 million.

^c Includes Government's in-kind contribution which is equivalent to \$2.7 million

Note: Numbers may not sum precisely due to rounding.

Source: Asian Development Bank.

D. Allocation and Withdrawal of Loan Proceeds

Table 7: Allocation and Withdrawal of Funds for Rapid Response Component

Item	Total amount allocated for ADB Financing (€)	ADB Financing % and Basis for Withdrawal from the Loan Account
1 Eligible vaccines, ancillary goods, international logistic and related services**	10,775,000	100% of total expenditure claimed *
2 Financial charges	205,000	100% of amounts due
3 Unallocated	1,199,000	
Total	12,179,000	

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

** Subject to the condition for withdrawal described in paragraph 10(a) of Schedule 3 of the loan agreement.

Table 8: Allocation and Withdrawal of Loan Proceeds for Project Investment Component

Item	Total amount allocated for ADB Financing (€)	ADB Financing % and Basis for Withdrawal from the Loan Account
1 Consulting services	387,000	100% of total expenditure claimed *
2 Financial charges	7,000	100% of amounts due
3 Unallocated	70,000	
Total	464,000	

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

E. Detailed Cost Estimates by Financier

Table 9: Project Cost Estimates by Financier

Item	ADB RRC		ADB PIC		Govt.		Total cost		
	Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category	Amount (\$ million)	Taxes and duties (\$ million)	
A.	Investment Costs								
1	Vaccine procurement	10.21	85%	-	0%	1.84	15%	12.04	1.84
2	Procurement ancillary goods	0.23	2%	-	0%	0.04	0%	0.27	0.04
3	Procurement supply management	2.35	19%	-	0%	0.42	4%	2.77	0.42
4	Consulting services	-	0%	0.46	4%	0.08	1%	0.54	0.08
	Subtotal (A)	12.79	106%	0.46	4%	2.38	20%	15.63	2.38
B.	Recurrent Costs								
	Project management	-	0%	-	0%	0.05	0%	0.05	-
	Subtotal (B)	-	0%	-	0%	0.05	0%	0.05	-
C.	Total Base Cost (A+B)	12.79	106%	0.46	4%	2.43	20%	15.67	2.38
D.	Contingencies								
	Physical	0.97	8%	0.05	0%	0.18	2%	1.20	-
	Price	0.45	4%	0.04	0%	0.09	1%	0.58	-
	Subtotal (D)	1.42	12%	0.08	1%	0.27	2%	1.78	-
E.	Financial charges	0.24	2%	0.01	0%	-	0%	0.25	-
	Total Project Cost (C+D+E)	14.45	120%	0.55	5%	2.70	22%	17.70	2.38

Source: Asian Development Bank.

F. Detailed Cost Estimates by Outputs and/or Components

Table 10: Project Cost Estimates by Outputs and/or Components

Item	Total Cost	Output 1		Output 2	
	(\$ million)	(\$ million)	% of Cost Category	(\$ million)	% of Cost Category
A. Investment Costs					
1 Vaccine procurement	12.04	12.04	100.0%	-	0.0%
2 Procurement ancillary goods	0.27	0.27	100.0%	-	0.0%
3 Procurement supply management	2.77	2.77	100.0%	-	0.0%
4 Consulting services	0.54	-	0.0%	0.54	100.0%
Subtotal (A)	15.63	15.08	96.5%	0.54	3.5%
B. Recurrent Costs					
Project management	0.05	-	0.0%	0.05	100.0%
Subtotal (B)	0.05	-	0.0%	0.05	100.0%
C. Total Base Cost (A+B)	15.67	15.08	96.3%	0.59	3.7%
D. Contingencies					
Physical	1.20	1.16	96.3%	0.05	3.7%
Price	0.58	0.55	96.3%	0.02	3.7%
Subtotal (D)	1.78	1.71	96.3%	0.07	3.7%
E. Financial charges	0.25	0.24	96.3%	0.01	3.7%
Total Project Cost (C+D+E)	17.70	17.04	96.3%	0.66	3.7%

Source: Asian Development Bank.

G. Detailed Cost Estimates by Year**Table 11: Detailed Cost Estimates by Year**

Item	Total Cost (\$ million)	2021 (\$ million)	2022 (\$ million)	2023 (\$ million)
A. Investment Costs				
1 Vaccine procurement	12.04	-	12.04	-
2 Procurement ancillary goods	0.27	-	0.27	-
3 Procurement supply management	2.77	-	2.77	-
4 Consulting services	0.54	0.01	0.40	0.13
Subtotal (A)	15.63	0.01	15.49	0.13
B. Recurrent Costs				
Project management	0.05	0.01	0.02	0.02
Subtotal (B)	0.05	0.01	0.02	0.02
C. Total Base Cost (A+B)	15.67	0.01	15.51	0.15
D. Contingencies				
Physical	1.20	0.00	1.19	0.01
Price	0.58	-	0.56	0.01
Subtotal (D)	1.78	0.00	1.75	0.03
Financial charges	0.25	0.02	0.08	0.15
Total Project Cost (C+D+E)	17.70	0.04	17.34	0.32

Source: Asian Development Bank.

H. Contract and Disbursement S-Curve

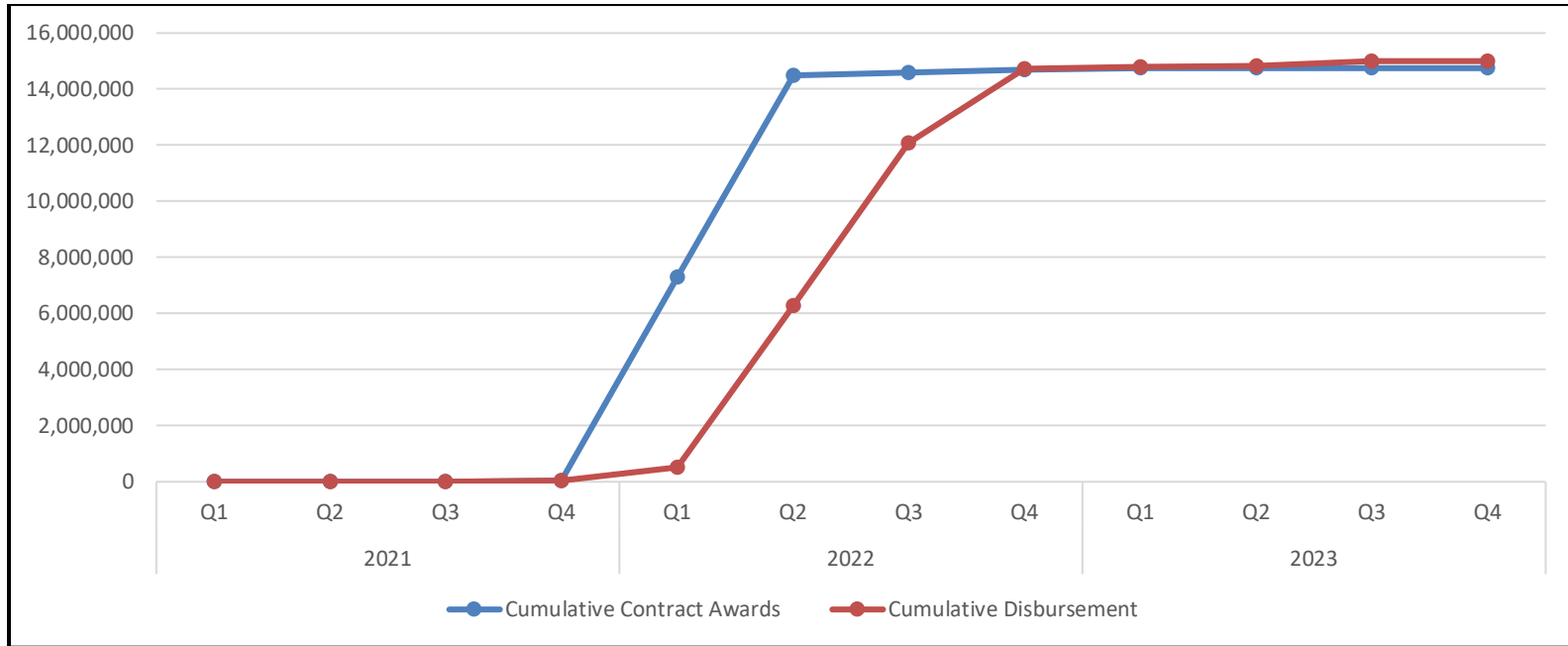
12. Table 12 and Figure 1 show the quarterly contract awards and disbursement projections over the life of the project. The S-curve is only for ADB financing, which will be recorded in ADB's systems and reported through e-Ops, Counterpart funds are excluded. The projections include contingencies and unallocated amounts.

Table 12: Disbursement and Contract Awards

Years	Contract Awards					Disbursement				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2021	-	-	-	38,210	38,210	-	-	-	32,092	32,092
2022	7,249,543	7,214,963	95,524	89,512	14,649,542	486,683	5,768,519	5,810,091	2,626,395	14,691,688
2023	60,588	-	-	-	60,588	76,598	43,030	156,592	-	276,220
Total					14,748,340					15,000,000

Note: IDC amounting to \$251,660 is not included in contract awards schedule.

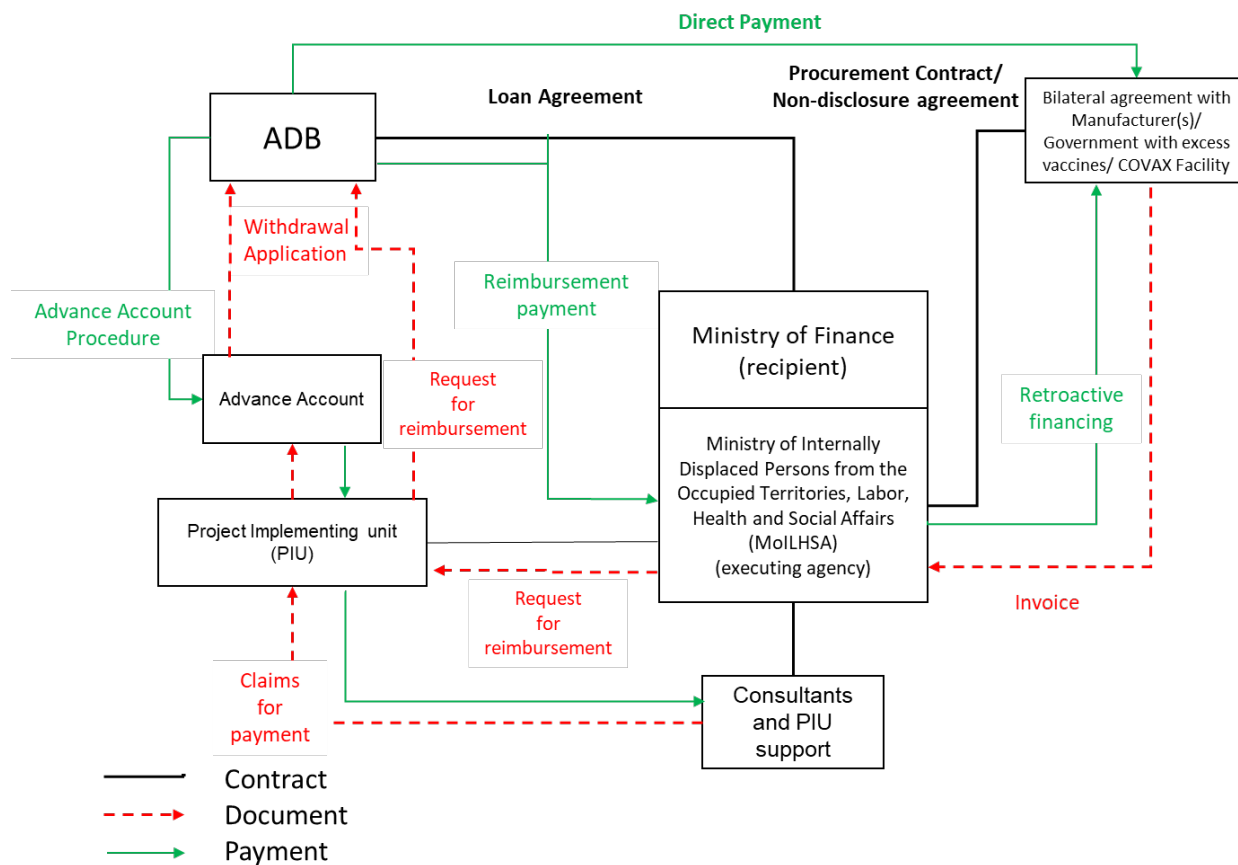
Figure 1: S-curve - Contract Awards and Disbursement Schedules



I. Fund Flow Diagram

13. The proposed funds flow arrangements for the project is shown below:

Figure 2: Funds Flow



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

14. A financial management assessment (FMA) was conducted in June 2021 in accordance with ADB’s Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. The FMA considered the capacity of the MOILHSA, the executing agency and PIU within the MOILHSA, including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. Based on the assessment, MOILHSA’s financial management (FM) system and applied procedures have some well-functioning elements, however, the key FM risks identified are external audit issues of MOILHSA; no external audit for externally financed projects by the State Audit Office (SAO), no prior experience with ADB projects, fiduciary risks due to vaccines delays, hesitancy of population, capacity of service providers and cold chain facilities; potential below cost fee paid to service providers and no data quality review. It is concluded that the overall pre-mitigation FM risk of MOILHSA and PIU is **substantial**.

15. Georgia’s public financial management (PFM) system is overall very well-developed and functioning. However, some weaknesses exist, including related to public investment management, public asset management, annual financial reporting, and legislative scrutiny of audit reports.

16. Because the PIU does not have experience with ADB’s FM requirements and procedure, ADB will provide a training, including self-training using ADB eLearning for International Public Sector Accounting Standards (IPSAS) and project financial management, to existing and new PIU staff as well as Finance and Economics Department staff. In addition to the training of ADB’s FM procedures, the PIU requires the capacity to administer advance fund and Statement of Expenditures (SOE) procedures. MOILHSA has agreed to implement an action plan as key measures to address the deficiencies. The financial management action plan (FMAP) is provided in Table 13.

Table 13: Time-Bound Financial Management Action Plan (FMAP)

Weakness	Mitigation Action	Responsibility	Target Date
<i>MOILHSA and PIU FM System</i>			
<u>Entity-specific risks:</u> The MOILHSA’s FM functions are adequately organized, but the audit opinions issued by the SAO on the consolidated annual financial statements show that there are many significant weaknesses in the applied FM procedures. Also, staff do not have experience with ADB-financed projects, and thus is not familiar with ADB’s FM requirements and procedures.	Engage a Senior Financial Management Specialist and a Disbursement Assistant to oversee and manage the FM-related aspects of the ADB-financed project.	PIU	Within a month from loan effectiveness date
	Provide training on ADB’s FM requirements and procedures, including self-training using ADB eLearning for IPSAS and project financial management, to existing and new PIU staff as well as Finance and Economics Department staff.	PIU ADB	Within a month from loan effectiveness date
<u>Accounting and internal control:</u> The Finance and Economics		PIU	

Weakness	Mitigation Action	Responsibility	Target Date
Department does not have a FM or accounting manual or guidelines in place.	Prepare a FM manual for the ADB-financed project, which will be based on the PAM and will be approved by ADB.	ADB	Within 3 months from loan effectiveness
<u>Accounting and internal control:</u> The SAO's audit reports on the MOILHSA's 2018 and 2019 consolidated financial statements show that there are many significant weaknesses in the MOILHSA's FM procedures, including consolidation, registration of receivables and liabilities, and fixed asset management.	Implement SAO's recommendation in FY2020 audited financial statements	Finance and Economics Department of MOILHSA	Q1 2022
<u>Financial reporting:</u> There are shortcomings in the MOILHSA's preparation of its consolidated annual financial statements in terms of financial transactions between the MOILHSA's central office and subordinate agencies that are being eliminated / excluded as required.			
<u>External audit:</u> While the external audit function of the SAO is strong, it does not audit the financial statements of externally financed projects.	Engage a private firm to conduct an annual audit of the project financial statements in accordance with ISA and using an ADB-approved TOR.	MOILHSA	At the end of each covered fiscal year
<i>NVDP Implementation</i>			
<u>Program implementation:</u> There is a possibility that fiduciary risks may increase due to potential program implementation delays brought about by insufficient vaccine supplies, vaccine hesitancy, inadequate capacity of service delivery providers, and insufficient cold chain capacity.	Engage a Monitoring and Evaluation Specialist to provide guidance on the management of the inventory and supply chain, evaluate data quality of systems as well as support implementation of necessary actions set out in the NVDP.	PIU	2 months after loan effectiveness
	Implement communication and awareness raising campaigns to increase trust in the vaccination program as well as in vaccines.	NCDC	2 months before loan effectiveness
	Engage a private firm to conduct an annual performance audit of the design and operational effectiveness of the vaccination program.	MOILHSA	At the end of each fiscal year
<u>Service provision unit costs:</u> The unit costs of providing services could be set too low (below actual costs) which would adversely affect the roll-out of the vaccination program.	The NCDC will, in collaboration with service provider representatives, regularly assess the cost calculations and adjust the established unit costs, if and as required.	NCDC Service provider representatives MOILHSA	Quarterly

ADB = Asian Development Bank, FM = financial management, GoG = Government of Georgia, IPSAS = International Public Sector Accounting Standards, ISA = International Standard on Auditing, MOF = Ministry of Finance, MOILHSA = Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs, NCDC =

National Center for Disease Control and Public Health, PAM = Project Administration Manual, PIU = Project Implementation Unit, Q = quarter, SAO = State Audit Office, TOR = terms of reference.

Source: Asian Development Bank.

17. The FMAP should be considered a rolling plan subject to regular implementation progress review, and updated on this basis as well as if new elements are identified to require improvements.

B. Disbursement

Disbursement Arrangements for ADB Funds

18. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time)⁴, and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.⁵ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

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

20. The PIU has experience in administering World Bank (WB) and other development partners project with similar procedures in advance account and Statement of Expenditures (SOE), hence, the PIU has the capacity to administer the Advance Account and SOE procedure but will require specific training on ADB procedures.

21. **Advance fund procedure.** The advance account will be established in the Treasury Account of MOF with National Bank of Georgia (NBG) and will be administered by PIU. The currency of the advance account is Euro. The advance account is to be used exclusively for ADB's share of eligible expenditures. The PIU who administers the advance account is accountable and responsible for proper use of advances to the advance account.

22. 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 six months. The PIU may request for initial and additional advances to the advance account based on an Estimate of Expenditure Sheet⁶ setting out the estimated expenditures to be financed through the account(s) for the forthcoming six months. Supporting documents should be submitted to ADB or retained by the borrower PIU in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) when liquidating or replenishing the advance account.

23. **Statement of expenditure procedure.**⁷ The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance account. The

⁴ The handbook is available electronically from the ADB website <https://www.adb.org/documents/loan-disbursement-handbook>

⁵ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning

⁶ Estimate of Expenditure sheet is available in Appendix 8A of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),

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

ceiling of the SOE procedure is the equivalent of \$100,000.00 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 more than 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 (WA), the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per WA is stipulated in the *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below such amount should be paid (i) by the PIU and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements (CPD)⁸ system is encouraged for submission of withdrawal applications to ADB.

Disbursement Arrangements for Counterpart Fund

29. MOF and MOILHSA 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. Its financing of the taxes and duties for the vaccines is through tax exemption.

C. Accounting

30. The MOILHSA 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 MOILHSA 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

31. The MOILHSA will cause the detailed project financial statements and performance audit to be audited in accordance with International Standards on Auditing, by an independent auditor acceptable to ADB.⁹ The audited project financial statements (APFS) and performance audit report together with the auditor's opinion will be presented in the English language to ADB within six months from the end of the fiscal year by the MOILHSA.

32. 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

⁸ The CPD facilitates online submission of WA to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>.

⁹ The Terms of Reference for the audit of project financial statement can be found in Appendix 1 of the PAM. The model TOR for APFS can be retrieved from in Appendix 9 of the Handbook for Borrowers on Financial Management and Financial Analysis of Projects (<https://www.adb.org/sites/default/files/institutional-document/31337/borrowers-financial.pdf>)

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).

33. 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.

34. The government, MOILHSA and PIU have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the APFS.¹⁰ 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.

35. Public disclosure of the APFS, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.¹¹ After the review, ADB will disclose the APFS 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.¹²

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

36. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The borrower has been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

¹⁰ ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

¹¹ Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

¹² This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

37. **Advance contracting.** Advance contracting will be undertaken for the recruitment of individual consultants: gender & social development specialist, monitoring & evaluation officer, environment specialist, finance and disbursement and performance auditing & APFS audit firm. Syringes, safety boxes and other items required for the administration of vaccines will initiate process under advance contracting. ADB will be involved in reviewing TORs, shortlisting, request for expressions of interest and 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; and (iii) shortlisting, evaluation, and contract awards.

38. **Retroactive financing.** Retroactive financing is envisaged for reimbursement of eligible expenditures for COVID-19 vaccines eligible under APVAX, national consultants, logistics, and transportation of vaccines to designated points/regional warehouses, 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 the allocation of resources for it, 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 six 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 APVAX Facility policy being fully met.

B. Procurement of Goods, Works, and Consulting Services

39. Procurement will be undertaken in a manner consistent with the simplified and expedient procedures permitted under 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 para 33 of the APVAX policy paper, ADB's member country procurement eligibility requirement is waived. Whether through bilateral deals with manufacturers and/or countries with excess vaccines, or procuring additional doses through COVAX, MOILHSA's PIU will support procurement activities and has sufficient capacity to do so. Consultants will be engaged for key specializations to ensure implementation activities are achieved. In all cases, procurement transactions will be subject to prior review.

40. Value for money will be achieved by (i) engaging in bilateral deals that offer multiple options to the government, thus balancing supply availability and brand choice for the national vaccination program, (ii) entering into bilateral agreements that are reasonable, noting the significantly constrained supply market, (iii) having sellers deliver into Georgia or contract for logistics separately, either way transferring international cold chain risk to specialist service providers, and (iv) augmenting the PIU for key positions that will help ensure safe and successful implementation.

41. Under output 1, vaccines shall be procured through bilateral deals between government and manufacturers and/or through COVAX facility. Procurement through bilateral deals with other countries will be considered, subject to due diligence and necessary approvals. International transport and other logistical support, if not covered in vaccine contracts, shall also be procured

under this output.¹³ 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.

42. All vaccines financed by ADB will be required to meet the APVAX vaccine eligibility criteria.¹⁴ All procurement of vaccines will be subject to ADB's 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 they are acceptable to ADB, subject to non-disclosure requirements. To confirm that a vaccine contract is acceptable to ADB, for it to be financed under a loan, ADB must be provided with the full unredacted version of the contract for review.¹⁵ Unless unavoidable, the negotiated contract shall be shared before it is signed by the parties. Contracts will be required to include ADB's standard anticorruption, authorized facility, and audit terms.

43. The Procurement Regulations for ADB Borrowers (para. 2.18) requires that, after a contract is signed, the borrower publishes certain contract award information. Similarly, ADB publishes contract award information on its website (www.adb.org)¹⁶. In the event the terms of any proposed contract precludes the ability of the Government to publish information related to the contract award, the Government shall immediately inform ADB. Such a condition may prevent ADB from financing the contract. ADB has discussed this matter with the Government, who are aware of ADB's requirements and the parties have agreed to be proactive and work collaboratively to address this important matter.

44. Under output 2, five individual national experts in various categories including gender & social development, monitoring & evaluation, environment (waste management), financial management and disbursement shall be recruited to support the existing PIU under MOILHSA, which was established in 2020 under the World Bank financed COVID-19 response project, for project implementation. A performance auditing firm shall also be recruited to 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. The performance audit will be conducted on an annual basis. Recruitment for individual national consultants and firm to immediately strengthen the implementation capacity of MOILHSA & the existing PIU 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 project financial statement 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 as appropriate, with prior approval of ADB.

45. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section

¹³ Cargo insurance, in accordance with industry standards, shall be procured to reimburse the borrower in the event of any damage or loss of goods in transit.

¹⁴ Refer to footnote #1 of this SPP.

¹⁵ ADB may join the contract negotiations as observer and provide advice to the government to maximize value for money of the negotiated contract.

¹⁶ ADB publishes contract award information for all goods and civil works contracts with a value greater than \$1,000,000.

C. Procurement Plan

Basic Data

Project Name: COVID-19 Vaccine Support Project under the Asia Pacific Vaccine Access Facility		
Project Number: 55195-001	Approval Number:	
Country: Republic of Georgia	Executing Agency: MOILHSA	
Project Procurement Risk: Moderate	Implementing Agency: N/A	
Project Financing Amount: \$17,700,000 ADB Financing: \$15,000,000 Cofinancing (ADB Administered): Non-ADB Financing: \$2,700,000	Project Closing Date: 31 October 2023	
Date of First Procurement Plan: 13 Aug 2021	Date of this Procurement Plan: 13 Aug 2021	
Procurement Plan Duration (in months): 18	Advance Contracting: Yes	e-GP: 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	Contracts for logistics services with specialist cold chain service providers, if not provided by vaccine manufacturers, will be acquired through RFQ
Direct Contracting for Goods	Vaccine supply contracts will be subject to Direct Contracting with manufacturers, to COVAX, or to Government entities with excess vaccines
Open Competitive Bidding (OCB)	Planned for acquiring ancillary supplies. Flexibility to utilize national or international advertisement.

Consulting Services	
Method	Comments
Consultant's Qualification Selection for Consulting Firm	Performance audit & project financial statements audit firm
Individual Consultant Selection (ICS)	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 \$)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments
G01	Procurement of COVID-19 Vaccines	12,043,492	DC	Prior	N/A	Q3 / 2021	Non-Consulting Services: Yes No. Of Contracts: multiple Advance Contracting: Yes

							High Risk Contract: Yes Covid-19 Response? Yes Comments: RRC component; Bilateral agreement(s) and/or through COVAX facility Advance contracting and retroactive financing
L01	Procurement of International Logistics from vaccine origin(s) to regional warehouses	2,770,004	RFQ	Prior	1S1E	Q3 / 2021	Non-Consulting Services: Yes No. Of Contracts: multiple Advance Contracting: Yes High Risk Contract: Yes Covid-19 Response? Yes Comments: RRC component; advance financing and retroactive financing.
G02	Procurement of ancillary items such as safety boxes, syringes and other items required for the administration of vaccines	270,081	OCB	Prior	1S1E	Q3 / 2021	Non-Consulting Services: Yes No. Of Contracts: Multiple Advance Contracting: Yes High Risk Contract: Yes Covid-19 Response? Yes Comments: RRC component National or international advertisement

Consulting Services							
Package	General	Estimated	Selection	Review	Type of	Advertisement	Comments

Number	Description	Value (in \$)	Method		Proposal	Date (quarter/year)	
CS01	Gender & Social Development Specialist	46,728	Competitive	Prior		Q4 / 2021	Non-Consulting Services: No Type: Individual Assignment: National Expertise: Gender Covid-19 Response? Yes Comments: PIC; 12 person-months
CS02	Sr Financial Management Specialist	49,560	Competitive	Prior		Q4 / 2021	Non-Consulting Services: No Type: Individual Assignment: National Expertise: FM Covid-19 Response? Yes Comments: PIC; 12 person-months
CS03	Disbursement Asstant	93,456	Competitive	Prior		Q3/2021	Non-Consulting Services: No Type: Individual Assignment: National Expertise: Finance Covid-19 Response? Yes Comments: PIC; 24 person-months
CS04	Monitoring & Evaluation Officer	93,456	Competitive	Prior		Q3/2021	Non-Consulting Services: No Type: Individual Assignment: National Expertise: M&E Covid-19

							Response? Yes
							Comments: PIC; 24 person-months
CS05	Environment Specialist (Waste Management)	46,728	Competitive	Prior		Q3/2021	Non-Consulting Services: No Type: Individual Assignment: National Expertise: Environmental safeguards Covid-19 Response? Yes Comments: PIC; 12 person-months
CS06	Performance audit & APFS audit firm	212,400	CQS	Prior	BTP	Q3/2021	Non-Consulting Services: Yes Type: Firm Assignment: National Audit Covid-19 Response? Yes Comments: PIC; 2 years

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 \$)	Procurement Method	Review	Bidding Procedure	Comments
None						

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

D. Consultant's Terms of Reference

49. Detailed Terms of Reference is in Appendix.

VII. SAFEGUARDS

50. In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are as follows.¹⁷

51. **Environmental safeguards. Environment (Category C).** The project will be limited to the procurement of ready-to-use COVID-19 vaccines, including delivery to designated points in the regions. No works will be required and/or supported under the project. The distribution and use of new vaccines will result in increased amounts of hazardous healthcare waste (HCW) at the point of use (i.e., local health centers/hospitals and vaccination points). The project is categorized as 'C' for environmental safeguards because the procurement of COVID-19 vaccines, including delivery to designated points, is not anticipated to result in any significant adverse environmental impacts or significant health and safety risks.

52. The Government of Georgia has the Technical Regulations No. 294 4 On Medical Waste Management issued on June 16, 2017 for the collection, storage and disposal of waste from medical institutions. The healthcare medical facilities are required to prepare corporate waste management plans and to appoint Environmental Manager if waste generation will reach 120 kilograms per year. The project, through a National Environment Specialist (Waste Management) consultant will (i) assess adequacy of existing corporate waste management plans and assist in addressing gaps on HCW management, if any; (ii) assist in preparation of HCW Management Plan for small healthcare facilities/vaccination points, if required; and (iii) develop Standard Operating Procedures (SOP) on HCW Management following ADB Guidance Note on Managing Infectious Medical Wastes During COVID-19 Pandemic¹⁸ and internationally accepted practices such as World Bank Group's Environment, Health and Safety Guidelines and WHO's interim guidance on waste management. Monitoring of the management of incremental waste generated from this activity will be carried out to ensure proper implementation of the SOP. Furthermore, training of the healthcare staff involved in the vaccination program will also be carried out to further increase awareness about HCW and occupational health and safety.

53. To avoid or mitigate the potential negative impacts at medical facility/vaccination points, the following measures are recommended. The Environment Specialist (Waste Management Expert) will provide technical and advisory support during implementation.

- (i) Appoint a person to be responsible for HCW management at each medical facility/vaccination point.
- (ii) Following the examination of the HCW management and disposal practices applied in each beneficiary healthcare facility or vaccination point, existing HCW Management Plan shall be enhanced¹⁵ or new HCW Management Plan shall be prepared using Appendix 1 of the Environmental Safeguards Due Diligence Report (ESDDR). The HCW Management Plan shall contain detailed instructions on handling HCW at a given facility/vaccination point.
- (iii) Designate HCW storage locations within health care facilities/vaccination points.
- (iv) Ensure safe transportation of HCW for treatment (on-site and off-site).

¹⁷ ADB. [Safeguard Categories](#).

¹⁸ ADB. [Managing Infectious Medical Waste during the COVID-19 Pandemic](#).

- (v) Impose mandatory use of personnel safety device for all personnel handling HCW.

54. The National Environment Specialist (Waste Management Expert) will coordinate with other PIU experts in preparing the SOP and include the recommended measures:

- (i) provide guidance for (i) classification; (ii) segregation according to color coding for different types of bio-medical waste; (iii) collection using different types of marking; (iv) designated storage location within health care facilities; (v) safe transportation for treatment (on-site and off-site); (vi) use of personnel safety device mandatory for all personnel handling waste; (vii) adequate treatment and disposal; (viii) responsibility of all involved parties during the mass vaccination with the step by step referral scheme.
- (ii) wastes shall be segregated according to the sorting, labelling, and container requirements per Government of Georgia Technical Regulations No. 294 4 On Medical Waste Management issued on June 16, 2017 (Appendix 4 of the Environmental Due Diligence Report);
- (iii) medical waste, including any waste suspected to contain pathogens shall be segregated and marked “infectious” with international infectious symbol in a strong, leak proof plastic bag, or a container capable of being autoclaved or incinerated.
- (iv) medical waste shall be sterilized via chemical disinfection, wet thermal treatment (i.e. autoclave), microwave irradiation, or incineration prior to disposal.
- (v) sharps, including needles, scalpels, blades, knives, infusion sets, saws, broken glass, and nails etc. shall be segregated in a rigid, impermeable, puncture-proof container (e.g. steel or hard plastic) container for sterilization and disposal in accordance with the WHO guidelines.
- (vi) needles and syringes shall undergo mechanical mutilation (e.g., milling or crushing) prior to treatment, particularly chemical, wet thermal treatment, or microwave irradiation.
- (vii) opened, unused vaccines, vaccines from broken cold chain equipment should be stored in a closed container, marked, and transported to the central health facility
- (viii) Glass vials and personal protective equipment (PPE) used by healthcare workers should be sealed in plastic bags, marked as infected medical waste (class-B) and managed according to instructions.

55. **Occupational Health and Safety.** The HCW Management Plan will address (i) applicable elements of occupational health and safety management as described in the World Bank Group’s EHS Guidelines and (ii) will deal with the ensuring adequate facilities for handwashing, cleaning and decontamination procedures, use of personal protective equipment (PPEs), and disposal of HCW.

56. **Implementation Arrangement.** The existing PIU has dedicated staff in charge of the environmental and social safeguards. They will ensure the Project is carried out in compliance with the national environmental and social legislation (including labor and occupational health and safety laws) and ADB SPS requirements. The project will support engagement of a National Environment Specialist (Waste Management) to support PIU in ensuring medical facilities and vaccination points are capable of HCW management, monitoring and reporting.

57. Following the national regulations, if business operator generates more than 120 kg hazardous waste annually, it is obligated to hire a dedicated professional for waste management (commonly called “Environmental Manager”) as part of its organizational structure for infections

control. These personnel will be designated to counterparty with PIU's Environment Specialist to implement the HCW Management Plan.

58. **Compliance Reporting.** There will be two types of reports: monthly reports from the beneficiary healthcare facilities/vaccination points to the PIU and quarterly monitoring reports from the PIU to ADB.

- (i) **Monthly Reports.** Individual healthcare facilities/vaccination points, in coordination with NEPI, will prepare monthly reports to the PIU on activities being undertaken related to the implementation of the HCW Management Plan;
- (ii) **Quarterly Progress Report.** Compliance with legal, financial, economic, environmental, social, and other covenants contained in the loan agreement will be monitored by the PIU and reported to ADB on a quarterly basis. The PIU will include a section on environmental safeguards compliance in the Quarterly Progress Report to be submitted to ADB until Project Completion Report is issued. This section will include summary of activities for each individual beneficiary healthcare facility/vaccination points, HCW generation, storage, treatment and disposal according to the HCW Management Plan. Suggested Outline is attached as Appendix 3 of the ESDDR.

59. **Involuntary resettlement and indigenous peoples (category C).** The Project is classified as category C for involuntary resettlement impacts and indigenous peoples. The Project will not entail civil works or other activities with potential for land acquisition and resettlement impacts. While Georgia has many ethnic groups, as per the constitution, all citizens have equal human rights. There are no indigenous people affected by the project as defined by the ADB Safeguard Policy Statement (2009), thus, the project is categorized as C for involuntary resettlement as per ADB SPS 2009.

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

VIII. GENDER AND SOCIAL DIMENSIONS

61. The pandemic has exacerbated existing gender disparities such as in access to services and information about the pandemic. More women than men have been infected with COVID-19, at 57% and 43% of the total COVID-19 cases, respectively.¹⁹ More women than men reportedly do not believe on the effectiveness of vaccines. In rural areas, only 15% of the population believe that vaccines are effective, which reflects limited awareness in rural areas.²⁰

62. The project is categorized *effective gender mainstreaming*. It will contribute to addressing gender issues on limited access to information and vaccination services of women in remote communities. It will (i) integrate gender sensitivity in guidelines for mobile teams to reach marginalized groups, especially women; (ii) conduct gender sensitivity training sessions to enhance knowledge and skills of health workers and staff of vaccination centers, primary care providers, doctors, and nurses on gender sensitive vaccine administration; (iii) update communication plan to address vaccine hesitancy and improve people's awareness on the benefits of vaccination and on safe post-vaccination care procedures; (iv) design a sex-

¹⁹ <https://civil.ge/archives/393378>

²⁰ CAREC Institute. 2021. *Analysis of Public Attitudes Towards COVID-19 Vaccination in CAREC*. Manila.

disaggregated database of the target vaccine recipients; and (v) conduct a satisfaction survey on the vaccinated population to assess the gender sensitive approaches to vaccination and inform the sex-disaggregated database.

63. The executing agency through the PIU will ensure that the project's gender targets identified in the Gender Action Plan are met during implementation, with resources allocated for gender activity monitoring and reporting. The PIU, through the Gender and Social Development Specialist as project implementation consultant, is responsible for the achievement of GAP targets.

Table 13: Gender Action Plan^a

Activity	Performance Targets/Indicators	Responsibility	Time Frame
Outcome: Target populations vaccinated against COVID-19			
a. Develop and implement sex-disaggregated monitoring system	a.1 Sex and age disaggregated data on the following vaccination priority groups collected ^b : (1a) health care sector, residents and staff of long-term care facilities, and persons of 75 years and above, (1b) persons of 65-74 years, (2a) essential service providers and persons of 55-64 years, (2b) persons 18-54 years with chronic illness, and (3) all other persons of 18 years and above (2020 baseline:0)	PIU M&E Specialist with Gender Specialist	2022
	a.2 By 2022: about 0.3 million people vaccinated (2021 baseline: xx)		
b. Conduct a satisfaction survey ^c among vaccine recipients on vaccine services received	b.1 At least 80% men and 80% women vaccine beneficiaries expressed satisfaction regarding vaccination access and quality of services, including adequacy of information provided (2020 baseline: 0)	PIU M&E Specialist with Gender Specialist	Q3 2022
Output 2: Vaccination program implementation capacity strengthened			
2.1 Capacitate health workers on globally accepted protocols for on gender-sensitive and safe vaccination practices	2.1.1 Gender sensitivity training module developed, for inclusion in capacity building sessions ^d of trainees ^e on gender-sensitive administration of COVID-19 vaccine (2020 baseline: N/A)	PIU Gender Specialist	Q4 2021
	2.1.2 80% of the trainees (at least 40% women), demonstrated gender-sensitive skills in COVID-19 vaccine administration (2020 baseline: N/A)	PIU Gender Specialist	Q4 2021-2022
2.2 Review the extent of gender responsiveness of	2.2.1 Budget and guidelines for mobile teams to reach marginalized	PIU Gender Specialist,	Q4 2021

Activity	Performance Targets/Indicators	Responsibility	Time Frame
current guidelines and communication plans on vaccine administration	groups, especially women, updated and approved ^f (2021 Baseline: 0)	MOILHSA, MOF	Q4 2021
	2.2.2 Updated communication plan include strategies to reach poor and vulnerable communities, especially women, elderly, and persons with disabilities in remote villages, and facilitate their understanding of the benefits of vaccination, address vaccine hesitancy, as well as understand the procedures to follow before, during, and after vaccination (2021 Baseline: 0)		

Project Management

a. Put in place mechanisms for gender responsive project implementation	a.1. National Gender Specialist recruited in the PIU by August 2021	PIU	Q3 2021
	a.2 Project monitoring and reporting system developed with gender indicators and regularly updated with sex-disaggregated data	PIU M&E Specialist with Gender Specialist	Q3 2021-2023

COVID-19 = coronavirus disease; M&E = monitoring and evaluation; NA = not applicable; NVDP = National Vaccine Deployment Plan; PIU = project implementation unit

^a These are proposed targets and their corresponding activities. Finalization of these targets and activities is subject to the baseline data that will be collected by the gender specialist, and in agreement with the government.

^b As defined by Government of Georgia in National Deployment and Vaccination Plan (or NVDP) 2021.

^c 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

^d The trainings may include (i) practical immunization; (ii) adverse events following immunization; (iii) communication.

^e May include vaccinator nurses and doctors, primary care providers, public health personnel, and staff assisting the vaccination process at the Vaccination Centers;

^f These include consideration of gender-differentiated risks, exposure, barriers to access vaccines, and needs of men and women, e.g., need of poor women with little education and exposure to public information and social media to understand, accept, and access COVID-19 vaccinations, and be informed of how to address possible side effects, among others

Source: Asian Development Bank.

IX. Performance Monitoring, Evaluation, Reporting, and Communication

A. Project Design and Monitoring Framework

Table 14. Design and Monitoring Framework

Impacts the Project is Aligned with:			
<ul style="list-style-type: none"> Stabilize the situation and save lives (NVDP for Georgia) COVID-19 spread, morbidity, and mortality reduced, and confidence of citizens restored (ADB's Support to Enhance Access to COVID-19 Vaccine, 2020) 			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Assumptions
Outcome			

Target populations per the NVDP vaccinated against COVID-19	By 2023: About 0.3 million people vaccinated, disaggregated by sex (2021 baseline:0) (OP 1.1)	Periodic progress reports prepared by MOILHSA PIU	A: Vaccines are utilized right away. A: Wastage rate is 10%. R: Vaccine hesitancy slows down vaccination rates.
Outputs			
1. COVID-19 vaccine procured and delivered to designated points	By 2022: 1.1 At least 0.7 million doses (assuming two doses per person) of COVID-19 vaccine delivered to regional vaccine stores (with retroactive financing, 2021 baseline: 0) (OP 1.1.2)	Periodic progress reports prepared by MOILHSA PIU	A: Timely approval of vaccines by national regulatory authority and NITAG A: Adequate transport and storage capacity R: Delays in procurement because of supply constraints
2. Vaccine program implementation capacity strengthened	2.1. MOILHSA PIU strengthened to effectively oversee ADB-financed procurement and the delivery of vaccines and monitoring of supply and vaccination (2020 baseline = NA) 2.2. Budget and guidelines for mobile teams to reach marginalized groups, especially women, updated and approved ^a (2021 baseline: 0) 2.3. 80% of trainees (at least 40% women) demonstrated gender-sensitive skills in COVID-19 vaccine administration (2020 baseline= N/A) (OP1.1.1)	Periodic progress reports prepared by MOILHSA PIU MOILHSA PIU progress report	R: Price and exchange rate fluctuations beyond project projections may raise costs.

Key Activities with Milestones

Output 1: COVID-19 vaccine procured and delivered to designated points

- 1.1 MOILHSA to award contracts to vaccine manufacturer for procurement of COVID-19 vaccines (Q3 2021–Q2 2022)
- 1.2 Plan and finalize ancillary items to be procured (Q3–Q4 2021).
- 1.3 Procure COVID-19 vaccines (Q3 2021–Q3 2022).
- 1.4 Coordinate with NCDC and development partners on the vaccine rollout (Q3 2021–Q1 2023).
- 1.5 Closely monitor COVID-19 vaccine rollout (Q3 2021–Q1 2023).

Output 2: Vaccine program implementation capacity strengthened

- 2.1. Hire PIU support staff in financial management, disbursement, monitoring and evaluation, environmental safeguards (waste management), and gender and social development (Q3–Q4 2021).
- 2.2. PIU to recruit performance and project financial statements audit firm (Q4 2021)

Project Management Activities

- Establish baseline and data collection and reporting systems to report on design and monitoring indicators, including collection of sex- and age-disaggregated and gender-related information relevant to the gender action plan.
- Prepare annual audits and quarterly progress reports.
- Conduct midterm review by Q3 2022.
- Prepare project completion report by Q4 2023.

Inputs

ADB: €12.64 million (ordinary capital resources, APVAX)

Government: €2.28 million (in-kind contribution)

Assumptions for Partner Financing

The government will finance operational expenses of the COVID-19 vaccination program.

A = assumption; ADB = Asian Development Bank; APVAX = Asia Pacific Vaccine Access Facility; COVID-19 = coronavirus disease; MOILHSA = Ministry of Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs; NITAG = National Immunization Technical Advisory Group; NVDP = National Vaccine Deployment Plan (Georgia COVID-19 Vaccine National Deployment Plan); OP = operational priority; Q = quarter; R = risk.

^a These include consideration of gender-differentiated risks, exposure, barriers to accessing vaccines, and needs of men and women, e.g., need of poor women with little education and exposure to public information and social media to understand, accept, and access COVID-19 vaccinations, and be informed of how to deal with possible side effects, among others.

Contribution to Strategy 2030 Operational Priorities

The expected values and methodological details for all OP indicators to which the 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, the operation will contribute results for the following:

OP 2.2.2: Health services for women and girls established or improved (number)

OP 6.2: Entities with improved service delivery (number)

OP 7.3: Regional public goods initiatives successfully reducing cross-border environmental or health risks, or providing regional access to education services (number)

B. Monitoring

64. **Project performance monitoring.** Project performance will be monitored based on the quarterly consolidated report provided by the MOILHSA. 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 MOILHSA quarterly progress reports

(see para 69 on reporting requirements) and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.²¹

65. **Compliance monitoring.** Compliance with legal, financial, economic, environmental, social, vaccine related, and other covenants contained in the loan agreement will be monitored by MOILHSA. 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).

66. **Safeguards monitoring.** The PIU will include a section on environmental safeguards compliance in the Quarterly Progress Report to be submitted to ADB until Project Completion Report is issued. This section will include summary of activities for each individual beneficiary healthcare facility/vaccination points, HCW generation, storage, treatment and disposal according to the HCW Management Plan. Suggested Outline is attached as Appendix 3 of the ESDDR.

67. **Gender and social dimensions monitoring.** The MOILHSA, through the PIU will report on the progress of implementation of the GAP, in its periodic progress reports. Gender targets at the outcome level and in Output 2 will be monitored using ADB's GAP Monitoring Framework and informed through regular collection of sex-disaggregated data relevant to the indicators and targets in the GAP and DMF. The Gender and Social Development Specialist will participate in review missions, including the mid-term review mission and project completion mission.

C. Evaluation

68. Within six months of physical completion of the project, MOILHSA will submit a project completion report to ADB.²²

D. Reporting

69. The MOILHSA 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, (d) updated implementation plan for the next 12 months; progress of implementation of the GAP, (e) a section on environmental safeguards compliance 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

70. MOILHSA 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.

²¹ ADB's project performance reporting system is available at <https://www.adb.org/sites/default/files/institutional-document/33431/pai-6-05.pdf>

²² Project completion report format is available at <https://www.adb.org/sites/default/files/institutional-document/33431/pai-6-07a.pdf>

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 MOILHSA website	ADB and MOILHSA	No later than 14 days of Board approval of the project	General public
Project administration manual (PAM)	ADB and MOILHSA websites	ADB and MOILHSA	No later than 14 days of Board approval of the project, always available after update	General public, suppliers, and contractors
Quarterly progress reports	MOILHSA website and ADB internal reporting	MOILHSA	A month after each quarter	General public
Project Completion Report (PCR)	ADB and MOILHSA website	ADB and MOILHSA	A year after project financial closing	General public

ADB = Asian Development Bank, MOILHSA = Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health, and Social Affairs.
Source: Asian Development Bank.

71. A risk communication and community engagement strategy exist and is implemented under the leadership of MOILHSA with support from several development partners.²³ It aims at increasing confidence, acceptance and demand for a COVID-19 vaccine. There are targeted activities to increase uptake of vaccination amongst certain population groups like health workers and the Red Cross Society works with NCDC on video clips in local languages to broadcast through local television.

72. The PIU gender & social development specialist will strengthen the communication plan that will include strategies to reach poor and vulnerable communities, especially women, elderly, and persons with disabilities in remote villages, and facilitate their understanding of the benefits of vaccination, address vaccine hesitancy, as well as understand the procedures to follow before, during, and after vaccination.

X. ANTICORRUPTION POLICY

73. 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.²⁴ 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

²³ Strategic communication elements include (i) capacity building of healthcare specialists, (ii) social listening, media engagement and disinformation management, (iii) risk communication and public engagement and (iv) a crisis communication, including in case of possible complications after immunization

²⁴ ADB. 1998. Anticorruption Policy. Manila.

to participate in ADB-financed, administered or supported activity and may not be awarded any contracts under the project.²⁵

74. 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 ADB's standard anticorruption clause for vaccine supply contracts, and as applicable, for any side letter agreements, has been shared with MOILHSA.

75. Specific risks are corruption and poor governance, and vaccine theft and misappropriation and mitigating measures include engagement of performance and financial auditors and a monitoring and evaluation consultant under the project to provide fiduciary checks and assurances. These are described in more detail in the risk assessment and risk management plan.²⁶

76. The scope of work of the performance audit engaged under the loan to support MOILHSA 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 annual basis.

XI. ACCOUNTABILITY MECHANISM

77. 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.²⁷

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

78. 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.

²⁵ ADB. Anticorruption and Integrity. Anticorruption Sanctions List. <https://www.adb.org/site/integrity/sanctions>.

²⁶ Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

²⁷ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

TERMS OF REFERENCE

A. INDIVIDUAL CONSULTANTS

1. **Monitoring and Evaluation Specialist (national, 24 person-months).** The specialist should have an university degree in public health, epidemiology, social sciences or related field. The specialist should have about 8 years of experience in the health sector with about 5 years in monitoring and evaluation with demonstrated experience in internationally funded and/or government-managed development projects. The specialist should have about 3 years of experience in conducting quantitative and qualitative research including designing survey design, sampling, and statistical analysis. Experience with developing and monitoring indicators, collecting relevant data and setting up monitoring and reporting in the health sector is a must. 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) Support overall implementation of the project working closely with the coordinator of the project implementation unit
- (ii) Flag any issues with project progress to MOILHSA, PIU and ADB
- (iii) Set up the monitoring, reporting and data collection system for the project which is sex disaggregated and in line with the requirements of the NVDP roll out
- (iv) Regularly gather data along agreed upon indicators to inform project reporting and monitor progress and conduct field visit as feasible
- (v) Work with gender & social development specialist to design and conduct of satisfaction survey among vaccine recipients
- (vi) To provide monitoring and evaluation on the inventory and supply chain management.
- (vii) Evaluate and use existing systems for data collection and monitoring systems as needed and coordinate with relevant government agencies to collect data
- (viii) Make recommendation to improve monitoring of VNDP roll out as needed including suggestion to reach vulnerable population groups

2. **Gender and Social Development Specialist (national, 12 person-months).** The specialist should have an university degree in gender studies, public health, public administration, development studies, social sciences, or related field, with short courses on gender. The specialist should have about 5 years' experience on social development work and 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 about 2 years' experience in designing and conducting gender and social development related training. The specialist should have about 2 years' experience in leading and conducting gender-related quantitative research. 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, including concerns related to marginalized/vulnerable groups, and conduct the gender session in all relevant training activities for health workers, staff in vaccination centers, and mobile vaccination teams
- (ii) integrate gender in relevant guidelines related to access to vaccines and vaccine administration

- (iii) integrate gender and development components in the communication plan and campaign to raise public awareness on the vaccination program
- (iv) lead the design and conduct of satisfaction survey among vaccine recipients
- (v) guide gender integration in the communication plan to promote vaccination benefits and address vaccine hesitancy
- (vi) design and conduct gender and development orientation/training for MOH and PIU staff to enhance their capacity in integrating gender in data collection, and project planning, monitoring, and reporting
- (vii) advise on the integration of gender and social indicators in the project monitoring and evaluation system and regularly provide updated sex-disaggregated data to inform project reporting
- (viii) collect sex-disaggregated data, including conducting field visits as feasible, on the progress of implementation of each gender action and target in the GAP to inform project progress reports
- (ix) coordinate with government agencies in collecting sex-disaggregated data for implementation and monitoring of the vaccination plan;
- (x) lead the implementation of the GAP, ensuring the accurate and timely data collection and proper documentation of results
- (xi) provide guidance to PIU staff on the collection, consolidation, and analysis of sex-disaggregated data
- (xii) lead the report preparation on gender equality results, including preparation of GAP updates of the project and submission of periodic reports to the PIU using ADB's GAP Monitoring Framework
- (xiii) participate in project review missions, including but not limited to mid-term review mission and project completion mission
- (xiv) respond to request from gender and social development focal of Georgia Resident Mission and ADB on any inquiries and request for additional data

3. **Environment Specialist (Waste Management) (national, 12 person-months).** The specialist should have an university degree in environmental management or related field, preferably with short courses on solid wastes and/or hazardous waste management. The specialist should have about 5 years' experience on environmental management, capacity building activities, and knowledge management in internationally funded and/or government-managed development projects. The consultant should have knowledge and direct working experience in the management of wastes. 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 specialist will be mobilized to support PIU to do the tasks, among others:

- (i) Review existing healthcare facilities corporate management plans and assist in addressing gaps in HCW management, if any;
- (ii) Assist in preparation of HCW Management Plan, if required;
- (iii) Prepare the SOP on Management of HCW from COVID-19 vaccination to be distributed in each medical facility/vaccination point. The SOP shall describe and provide a scheme for sorting out, collection, storage, transportation, disinfection, and safe disposal of all medical waste including: (i) empty, open, damaged, or unused vaccine vials; (ii) used syringes with needles; and (iii) other items used during vaccination such as masks, gloves, cotton swabs.
- (iv) Establish the monitoring system on the implementation of the SOP
- (v) Conduct monitoring of the SOP implementation and HCW management;
- (vi) Provide inputs to the periodic progress and monitoring reports in terms of HCW

- management;
- (vii) Propose corrective action in case of any environmental non-compliances recorded during the monitoring; and
- (viii) Provide training to the healthcare staff involved in the vaccination program to further increase awareness about injection safety and HCW management.

4. **Senior Financial Management Specialist (national, 12 person-months).** The specialist should have Masters or equivalent university degree in Accounting and Finance, or MS Finance, Profession qualification (CPA, CMA, ACCA) with 10 years' relevant post-qualification experience in financial management, including about 5 years' experience of working in Foreign-Aided Development Projects in a similar role. Good communication skill and have experience of working government agencies and with prior experience of working in donor funded and public sector projects will be accorded due weightage. Demonstrated Computer Skill (Proficiency in using computer desktop application MS Office (Word, Excel, and Power Point). The specific tasks and responsibilities are as follows:

General Management and Leadership

- (i) Liaise with the ADB on all aspects of project's financial management.
- (ii) Lead capacity building activities in the area of financial management under the projects to capacitate MOILHSA account officers with the PFM reforms in MOILHSA and the ADB's fiduciary guidelines and policies and procedures as well as compliance with ADB's policies and procedure and Loan Disbursement Handbook²⁸
- (iii) Conduct trainings for the project staff and MOILHSA on the importance of financial management and educating staff on financial responsibilities.
- (iv) Keep abreast with the latest developments and issues in project's financial management and provide suggestion to the best possible option.
- (v) Open (when needed), maintain and be joint signatory of assignment account (s) in accordance with revolving fund account procedures issued by Ministry of Finance.
- (vi) Preparation of Financial Management Manual for the Project
- (vii) Maintain liaison with the ADB where the assignment account is opened or to be opened.

Budgeting and Planning

- (i) Overall responsible and ensure for budget allocation for COVID-19 vaccines and operational costs are continuous adequate and can be easily tracked within the system.
- (ii) Analyze and prepare operational budgets for the MOILHSAs based on acceptable and approved parameters.
- (iii) Prepare annual, quarterly and semi-annually disbursement forecasts for all components of the project/s in line with project/s procurement plan and Work Plan/Cash Plan.

Funds Management

- (i) Ensure timely releases of funds
- (ii) Liaison with relevant department in connection with budget, releases, disbursement and other issues of financial management.

²⁸ [ADB Loan Disbursement Handbook 2017](#)

- (iii) Prepare request for authorization of signatories to sign Withdrawal Applications, Interim Financial Reports and/or correspond with the ADB. Ensure confirmation in this regard is received from the ADB.
- (iv) Prepare realistic cash forecasts on quarterly basis in coordination with the project team and submit to the ADB for advance and replenishment of advance, once allowed.
- (v) Process withdrawal application in accordance with the ADB's Disbursement Guidelines for drawing funds from the assignment account(s) opened for the project
- (vi) Track funds and follow up with the designated bank and the ADB to ensure timely credit of funds into the project/s assignment account(s).

Expenditure/Payment Processing

- (i) Ensure compliance with internal control framework (VNDP, SOPs and the ADB's fiduciary guidelines etc.) and government rules and procedures while processing payments.
- (ii) Analyze, plan, design, implement, and monitor a system to augment internal controls in line with best practices in the process of payment and expenditure management.
- (iii) Apply pre-audit checks on all payments before payment from the assignment account(s) including budget availability, sanction of competent authority and compliance with applicable financial rules & regulations.
- (iv) Ensure that procurement activities are entered in the Procurement Plan prior to making any payments.
- (v) Ensure that No Objection Letter (NOL) is obtained from the ADB for every prior review activity before processing any payment.
- (vi) Prepare request for payment and forward to PIU Project Manager.
- (vii) Ensure that only eligible payments are forwarded PIU Project Manager's approval and drawing funds from the assignment account.
- (viii) Manage financial aspects of the contracts under implementation, including payment terms, purchase orders and variation orders.

Accounting and Record Management

- (i) Record all transactions timely and accurately in the books of accounts (*both in GEL and \$*) and ensure that no expenditure remained unaccounted.
- (ii) Maintain accounts on cash basis as per government accounting procedure.
- (iii) Ensure that transactions are recorded/punched in the accounting system
- (iv) Oversee the process of entering transaction level data in the accounting system
- (v) Ensure up-to-date maintenance of adequate registers, books of accounts and records in appropriate order and format to meet the government and ADB's requirements and to facilitate classification and analyzing the financial information for monitoring the project progress.
- (vi) Prepare supplementary record, which provides timely and up-to-date financial information of contracts.
- (vii) Prepare monthly ADB reconciliation statements of assignment account both in GEL and \$.
- (viii) Reconcile the expenditure on government prescribed format.
- (ix) Be the payroll manager and process monthly payroll of project employees. Ensure proper payroll controls are applied and the payments are made directly in the ADB accounts.

- (x) Ensure that the inventory records are maintained for the project identifying location and user of each inventory and arrange for the annual and periodical inventory of the assets/consumables and report it to the management, ADB, and MOILHSA.
- (xi) Ensure safe custody of all financial records for review by ADB Missions, monitoring and evaluation specialist; and external & internal auditors.
- (xii) Ensure in-kind grants are properly accounted for budgeting purposes and accurately recorded and reported in the system.

Financial Reporting

- (i) Prepare quarterly financial reports and submit to MOILHSA and ADB in a timely fashion for review and approval.
- (ii) Ensure that annual financial statements and other monthly and quarterly reports as specified under the Financing Agreements and as per recommended/suggested by ADB supervision missions are accurately prepared and timely submitted – annual financial statements to be prepared in accordance with Cash Basis IPSAS ‘ Financial Reporting under Cash Basis of Accounting’.
- (iii) Prepare and consolidate Annual financial statements of the project/s including and submit for review and approval to MOILHSA.
- (iv) Define and produce other financial reports, as and where required on utilization of funds to facilitate MOILHSA in decision-making process.
- (v) Ensure that all government financial reporting requirements are complied with:

Audit

- (i) Make arrangements for timely initiation and completion audit of project and ensure that report produced is in compliance with audit requirements of the Government and the ADB.
- (ii) Ensure that the vaccination program is adequately reflected in overall COVID-19 program audit plan of Internal Audit Department.
- (iii) Cooperating with ADB, Government and other partners to improve project financial management, particularly in terms of following up the action points agreed in the project legal documents, during the ADB supervision missions, Aide Memoires and the recommendations of external auditors and internal auditors.
- (iv) Attend entry and exit meetings with external auditors, facilitate timely completion of audits by arranging timely submission of annual financial statement in appropriate format, supply of information and documents responding to queries, initiate actions for holding tripartite meetings and coordinating with various units of MOILHSA in settling audit observations.
- (v) Prepare working papers on audit observations raised by external auditors and arrange to convene a meeting to settle the audit observations to the extent legally and logically possible.

Reporting

- (i) FMS shall report to PIU Manager. It is recognized that activities may undergo with frequent changes in a view of dynamic environment and implementation operational & ground realities. Therefore, the FMS is expected to be flexible and adapt to requirement of process.

5. **Disbursement Assistant (national, 24 person-months).** The specialist should have a university degree in Accounting or Finance with 5 years’ relevant post-qualification experience in financial management, including about 3 years’ experience of working in Foreign-Aided

Development Projects in a similar role. Good communication skill and have experience of working government agencies and with prior experience of working in donor funded and public sector projects will be accorded due weightage. Demonstrated Computer Skill (Proficiency in using computer desktop application MS Office (Word, Excel, and Power Point). The specific tasks and responsibilities are as follows:

Expenditure/Payment Processing

- (i) Analyze and determine the appropriateness of disbursement requests and the supporting documentation for compliance with ADB's policies and procedure and Loan Disbursement Handbook, provisions of legal agreement and other related documents.
- (ii) Prepare withdrawal application in accordance with the ADB's Disbursement Guidelines for drawing funds from the assignment account(s) opened for the project
- (iii) Handle and respond to questions regarding payments and disbursement procedures as well as on disbursement-related issues.
- (iv) Ensure compliance with internal control framework (VNDP, SOPs and the ADB's fiduciary guidelines etc.) and government rules and procedures while processing payments.
- (v) Ensure that procurement activities are entered in the Procurement Plan prior to making any payments.
- (vi) Ensure that only eligible payments are forwarded FMS's review and approval and drawing funds from the assignment account.

Budgeting and Planning

- (i) Assist the Financial Management Specialist (FMS) in ensuring budget allocation for COVID-19 vaccines and operational costs are continuous adequate and can be easily tracked within the system.
- (ii) Assist the FMS in preparation of annual, quarterly and semi-annually disbursement forecasts for all components of the project/s in line with project/s procurement plan and Work Plan/Cash Plan.

Reporting

- (i) DA shall report to FMS. It is recognized that activities may undergo with frequent changes in a view of dynamic environment and implementation operational & ground realities. Therefore, the FMS is expected to be flexible and adapt to requirement of process.

B. CONSULTING FIRM

Project Financial Statements and Performance Audit

1. Introduction

6. Georgia's program on NVDP 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

7. The Asian Development Bank (“ADB”) has provided Vaccine Support under the Asia-Pacific Vaccine Access Facility (Project) for Georgia (“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 Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs (MOILHSA), while the implementing agencies are the project implementation unit (PIU) under MOILHSA.

8. 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 program from procurement to distribution of the COVID-19 Vaccine in accordance with the VNDP.

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

- (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

10. The MOILHSA is currently seeking to engage the services of an audit firm to carry out annual audit services for the Project for the following:

- (i) year 1: financial year ended 31 Dec 2021;
- (ii) year 2: financial year ended 31 Dec 2022; and
- (iii) year 3: financial year ended 31 Dec 2023.

1. Audit Reporting Period

11. The following outlines the required reporting period for the Project Financial Statements and Performance Audit report, as well as the due date when the Performance Audit report shall be submitted to MOILHSA.

Report	Fiscal Year		Due Date
	From	To	
Year 2021	date of loan effectiveness	31 st Dec-2021	30 th Jun 2022

Year 2022	1 st Jan 2022	31 st Dec-2022	30 th Jun 2023
Year 2023	1 st Jan 2023	31 st Dec-2023 or financial closing date, whichever comes first	30 th Mar 2024

2. Audit Objective

a. Project Financial Statements Audit

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

b. Performance Audit

13. The objective of the assignment is to conduct a performance audit on an annual basis. The performance audit is an evaluation of governance, financial accountability, and transparency, hereafter referred to as a "performance audit". This performance audit is required for a more comprehensive fiduciary assurance to ADB. The main objective of performance auditing is constructively to promote economical, effective and efficient governance. It also contributes to accountability and transparency. The principles of economy, efficiency and effectiveness can be defined as follows²⁹:

- (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.

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

15. 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.

3. Management Responsibility for Preparing Project Financial Statements

16. Management is responsible for preparing and fairly presenting the project financial statements, and for maintaining sufficient internal controls to ensure that the financial statements are free from material misstatement, whether due to fraud or error. In addition, management is

²⁹ ISSAI 3000: Fundamental Principles of Performance Auditing

responsible for ensuring that funds were used only for the purpose(s) of the project, for compliance with financial covenants (where applicable), and for ensuring that effective internal controls, including over the procurement process, are maintained. In this regard, management must:

- (i) Prepare and sign the Audited Project Financial Statements.
 - (ii) Prepare and sign a Statement of Compliance.
17. Management must include the following in the Statement of Compliance:
- (i) That project financial statements are free from material misstatements including omissions and errors, and are fairly presented;
 - (ii) That the borrower or executing agency has utilized the proceeds of the loan only for the purpose(s) of the project;
 - (iii) That the borrower or executing agency was in compliance with the financial covenants of the legal agreement(s) (where applicable);
 - (iv) That the advance account procedure, where applicable, has been operated in accordance with the Asian Development Bank's (ADB) Loan Disbursement Handbook;
 - (v) That adequate supporting documentation has been maintained to authenticate claims stated on the statement of expenditures (SOE), where applicable, for reimbursement of eligible expenditures incurred and liquidation of advances provided to the imprest account; and
 - (vi) That effective internal control, including over the procurement process, was maintained.

Audit Scope

c. Project Financial Statement Audit

Project Financial Reporting Framework

18. The auditor will verify that the project financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) promulgated by the International Public Sector Accounting Standards Board (IPSASB). The executing agency is responsible for preparing the project financial statements, not the auditor.

Audit Deliverables

19. **Audited Financial Statements.** An auditor's opinion providing reasonable assurance over the project financial statements, and project financial statements comprising the following:

Table 1: Content of the Project Financial Statements

For Cash-Based Financial Statements
A statement of cash receipts and payments
A statement of budgeted versus actual expenditures
A statement of imprest account (where applicable)
A summary statement of expenditures (where applicable)
Significant accounting policies and explanatory notes
Any additional schedules agreed (e.g., a summary of assets)

For Cash-Based Financial Statements

20. **Reasonable Assurance Opinion over the Use of Loan Proceeds and Compliance with Financial Covenants.** The auditor will provide a reasonable assurance opinion following ISAE 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information” for the following confirmations provided by Management in the Statement of Compliance:

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

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

22. **Management Letter.** The auditor will provide a management letter containing, at a minimum, the following:

- (i) Any weaknesses in the accounting and internal control systems that were identified during the audit, including any irregularity in the use of the imprest fund and statement of expenditures (SOE) procedures (where applicable);
- (ii) Any identified internal control weaknesses related to the procurement process such as, over the bidding, evaluation and contract management domains;
- (iii) Recommendations to rectify identified weaknesses;
- (iv) Management’s comments on the audit recommendations along with the timeframe for implementation;
- (v) The status of significant matters raised in previous management letters;
- (vi) Any other matters that the auditor considers should be brought to the attention of the project’s management; and
- (vii) Details of any ineligible expenditure³⁰ identified during the audit. Expenditure is considered ineligible if it refers to (i) expenditures incurred for purposes other than the ones intended under the legal agreement(s); (ii) expenditures not allowed under the terms of the legal/financing agreements; and (iii) expenditures incurred in violation of applicable government regulations.

23. **Specific Considerations.** The auditor will, during the course of the audit, pay particular attention to the following:

- (i) The use of external funds in accordance with the relevant legal and financing agreements;
- (ii) The provision of counterpart funds in accordance with the relevant agreements and their use only for the purposes intended;
- (iii) The maintenance of proper books and records;
- (iv) The existence of project fixed assets and internal controls related thereto;
- (v) Where the audit report has been issued under ISA 800, it shall include the mandatory Emphasis of Matter paragraph alerting users of the audit report that the

³⁰ If the auditor reports any ineligible expenditure in the management letter, the details of the findings should include the funding source to which the observation relates.

project financial statements are prepared in accordance with a special purpose framework and that, as a result, the project financial statements may not be suitable for another purpose. The auditor shall include this paragraph under an appropriate heading;

- (vi) Where reasonable assurance has been provided using ISAE 3000 or ISSAI 4200, the assurance report must contain, among others:
 - A statement that the engagement was performed in accordance with ISAE 3000 or ISSAI 4200;
 - Subject matter;
 - Criteria for measurement;
 - A summary of the work performed; and
 - The auditor's conclusion.
- (vii) On the advance account procedure (where applicable), audit procedures are planned and performed to ensure (a) the imprest account (and any sub-accounts) has been managed in accordance with ADB's Loan Disbursement Handbook, (b) the cash balance of the imprest account (and any sub-accounts) is supported by evidence, (c) the expenditures paid from the advance account (and any sub-accounts) comply with the approved project purpose and cost categories stipulated in the loan agreement, and (d) the amount of expenditures paid from the imprest account (and any sub-accounts) comply with disbursement percentages stipulated in the loan agreement;
- (viii) Adequate supporting documentation has been maintained to authenticate claims stated in the SOE for reimbursement of eligible expenditures incurred and liquidation of advances provided to the imprest account (where applicable);
- (ix) On the SOE procedure (where applicable), audit procedures are planned and performed to ensure that (a) the SOEs have been prepared in accordance with ADB's Loan Disbursement Handbook, (b) the individual payments for expenditures stated in the SOE are supported by evidence, (c) the expenditures stated in the SOEs comply with the approved project purpose and cost categories stipulated in loan agreement, and (d) the amount of expenditures stated in the SOEs comply with disbursement percentages stipulated in the loan agreement; and
- (x) Any weaknesses in internal controls over the procurement process.

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

25. Public disclosure of the project financial statements, including the auditor's opinion on the audited project financial statements, will be guided by ADB's Public Communications Policy (2011). After review, ADB will disclose the audited project financial statements and the opinion of the auditor on the audited project financial statements no later than 14 calendar days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter and the additional auditor's opinions will not be disclosed³¹.

d. Performance

26. The auditor assessment shall include:

³¹ This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

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

27. The auditor's examination should include an evaluation of the systems and overall operating procedures. An analysis of explanations submitted to the auditor and all information necessary to support the auditor's opinion and to construct the report of the auditor, shall be provided by responsible executing agencies.

28. In undertaking the audit, the audit shall review the following documents³² (including any update to such documents)

- (i) Project documents;
- (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) Georgia COVID-19 Vaccine National Deployment Plan

29. The audit team will provide the required document list to the MOILHSA one week in advance from the date of the confirmed audit schedule.

30. **Internal Control Systems.** 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; (viii) management does not override the normal procedures and the internal control structure; and (ix) inventories are property accounted for, safeguarded and can be physically inspected.

³² Project documents are available at <http://www.adb.org/projects/documents>. ADB's guidelines are available at <http://www.adb.org/publications/guides>.

1. Auditing Standards

a) Auditing Standards and Program - Performance

31. 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.

32. The entities to be covered in the audit are: (i) MOILHSA; (ii) PIU of MOILHSA established to implement the Project; and (iii) National Center for Disease Control and Public Health (NCDC).

b) Auditing Standards – Project Financial Statements

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

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

Standards promulgated by the International Auditing and Assurance Standards Board (IAASB):

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

34. In complying with ISA, the auditor will pay particular attention to the following standards:

- ISA 800 – Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks.
- ISA 240 – The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements.
- ISA 250 – Consideration of Laws and Regulations in an Audit of Financial Statements.
- ISA 260 – Communication With Those Charged with Governance.

- ISA 265 – Communicating Deficiencies in Internal Control To Those Charged with Governance and Management.
- ISA 330 – The Auditor’s Responses to Assessed Risks.

2. Audit Report Submission

35. 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:

- (i) 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.
- (ii) Roles and Responsibilities -For maintaining records, preparing the financial statements, auditing the financial statements, etc.
- (iii) Audit objectives and Methodology used - Informing the type of work, agencies/institutions audited, type of transactions verified, procedures tested, etc.
- (iv) Findings - This part should cover the main findings and responses obtained.
- (v) Conclusion - This should contain the professional opinions based on the objectives and results of the audits, following applicable international auditing standards.
- (vi) Recommendations - This part should provide the recommended measures to help manage the Project.

3. Other Matters

36. **Statement of Access.** 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.

37. 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.

38. **Independence.** 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.

39. **Health and Safety.** 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.

40. **Auditor and Staff Competence.** 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.

41. 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.

42. **ADB Policy on Financial Reporting and Auditing.** The auditor shall adhere with ADB's policy on financial reporting and auditing with ADB's Financial Management Technical Guidance Note: Project Financial Reporting and Auditing (<https://www.adb.org/sites/default/files/institutional-document/33926/tgn-project-financial-reporting-auditing.pdf>)

4. Audit Team (Key Positions)

43. **Lead Auditor (Team Leader).** 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 about 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.

44. 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.

45. **Auditor / Engagement Manager (2 persons).** 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 experience as a performance auditor.

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

5. Audit Deliverables

46. 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

6. Submission of Proposal and Work Plan

47. 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 yearend);
- (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.

7. Client Support

48. 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.