

Project Administration Manual

Project Number: 55206-001

Loan and/or Grant Numbers: LXXXX; GXXXX

October 2021

Kyrgyz Republic: 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
CAREC	–	Central Asia Regional Economic Cooperation
CPD	–	Client Portal for Disbursements
CPEP	–	COVID-19 Pandemic Emergency Project
DMF	–	design and monitoring framework
FMA	–	financial management assessment
GAP	–	gender action plan
MOEF	–	Ministry of Economy and Finance
MOHSD	–	Ministry of Health and Social Development
NVDP	–	National Vaccination Deployment Plan
PAM	–	project administration manual
PIU	–	project implementation unit
UNICEF	–	United Nations Children’s Fund
WHO	–	World Health Organization

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Project Administration Manual Purpose and Process

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

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

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

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

I. PROJECT DESCRIPTION

1. The project responds to the government's request for ADB support under APVAX to help meet the COVID-19 vaccine response challenges. Following the guidance in Appendix 5 of the APVAX policy, the rapid response component will support the procurement of vaccines and the project investment component will support project implementation.

2. **Impacts and outcome.** The project is aligned with the following impact: the spread of COVID-19 reduced and confidence of citizens restored.¹ The project's outcome is priority populations vaccinated against COVID-19.² The project outputs are described below.

3. **Output 1. COVID-19 vaccines procured and delivered to designated points.** Under the rapid response component, the project plans to finance vaccine procurement with UNICEF as the procurement agent, through a turnkey service either through COVAX or directly and, possibly, through bilateral agreements. The project will support the procurement of about 1.7 million doses, which will be sufficient to vaccinate more than 0.76 million people or about 12% of the population (assuming two doses per person). The expenditure items will include (i) vaccines that meet the eligibility requirements of the APVAX policy,³ including advance payments; (ii) safety boxes, syringes, and other ancillary items required to administer the vaccines; and (iii) international and national logistics and related services required to transport vaccines from the place of purchase to national, regional, and district health facilities.

4. **Output 2. Vaccination program implementation capacity strengthened.** Under the project investment component, the output will help strengthen the MOHSD's capacity to manage the procurement and delivery of COVID-19 vaccines effectively and efficiently. The capacity-strengthening activities will be coordinated with the existing emergency assistance project and regional technical assistance under the CAREC framework to support information and knowledge sharing with other CAREC member countries.⁴ Consultant support will be provided to strengthen the PIU in project management and coordination, procurement, financial management and disbursement, gender mainstreaming, monitoring and evaluation, performance and financial audits, and a satisfaction survey among vaccine recipients. Local logistics and the transport of vaccines may be covered as required.

¹ ADB. 2020. [ADB's Support to Enhance COVID-19 Vaccine Access](#). Manila.

² The design and monitoring framework is in Appendix 1.

³ The eligibility of vaccines for APVAX financing will adhere to the criteria in para. 29, including footnotes 28, 29, and 30, of the APVAX policy paper.

⁴ ADB. [Regional: Addressing Health Threats in Central Asia Regional Economic Cooperation Countries and the Caucasus](#).

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Schedule of Project Readiness Activities

Indicative Activities	2021				Responsible Individual/Unit/Agency/Government
	September	October	November	December	
Advance contracting actions					MOHSD/MOEF/ADB
Retroactive financing actions					MOHSD/MOEF/ADB
Establish project implementation arrangements					MOHSD/MOEF
Loan/grant negotiations					MOHSD/MOEF/ADB
Selection of national consultants					MOHSD/MOEF
ADB Board approval					ADB
Loan and Grant signing					MOHSD/MOEF/ADB
Government legal opinion provided					MOJ
Government ratification					MOEF
Loan and Grant effectiveness					ADB

ADB = Asian Development Bank, MOEF = Ministry of Economy and Finance, MOHSD = Ministry of Health and Social Development, MOJ = Ministry of Justice.

Source: Asian Development Bank.

B. Overall Project Implementation Plan

Table 2: Overall Project Implementation Plan

Activities		2021						2022						2023								
		Q3			Q4			Q1			Q2			Q3			Q4			Q1		
		J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M
A. Design and Monitoring Framework:																						
Output 1: COVID-19 vaccines procured and delivered to designated points																						
1.1	Submit contracts for retroactive financing (if applicable)																					
1.2	Sign contract with UNICEF to procure, transport and deliver vaccines and related supplies																					
Output 2: Vaccination program implementation capacity strengthened																						
2.1	Complete consultant selections for additional PIU staff																					
2.2	Negotiate contract for performance and financial audit with CPEP audit firm																					
2.3	Continue public outreach and communication plan to reduce vaccine hesitancy																					
B. Management Activities																						
3.1	Confirm assignments from CPEP PIU																					
3.2	Confirm TOR for supplemental PIU consultants																					
3.3	Approve TOR and sign contract for audit firm																					
3.4	Review and plan mainstreaming of gender action plan and social safeguards																					
3.5	Review MOHSD COVID-19 vaccine expenditures from government budget and process retroactive financing (if necessary)																					
3.6	Establish project monitoring and evaluation system including for safeguards																					
3.7	Produce monthly activity report and quarterly progress reports																					
3.8	Facilitate ADB inspection and audit, including annual financial audits due every June of the subsequent year and special purpose audits																					

ADB = Asian Development Bank, COVID-19 = coronavirus disease, CPEP = COVID-19 Pandemic Emergency Project, M&E = monitoring and evaluation, MOEF = Ministry of Economy and Finance, MOHSD = Ministry of Health and Social Development, PIU = project implementation unit, TOR = terms of reference, UNICEF = United Nations Children's Fund.

Source: 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
Project steering committee	<p>The Republican Headquarters for the Prevention of the Spread of COVID-19, with the Prime Minister of the Kyrgyz Republic (chair) and the representatives of all ministries and state agencies (members) will provide:</p> <ul style="list-style-type: none"> • Overall policy guidance • Coordinate with other government agencies and departments • Monitor and evaluate project activities and outputs
Executing agency – Ministry of Health and PIU	<p>The Ministry of Health will be the executing agency and will be responsible for overall management with the PIU, including but not limited to:</p> <ul style="list-style-type: none"> • Manage bidding process through UNICEF, sign contracts and select consultants • Lead Tender Committee - involving other Ministries, such as Ministry of Economy and Finance, Ministry of Emergency • Monitor inventories and assets management • Track and report on vaccination plan implementation • Policy coordination and guidance for implementation • Monitoring and supervision of project implementation, project indicators, covenants • Timely submission of reports to ADB
MOEF-PIU	<p>The project Implementation unit of the MOEF will be responsible for fiduciary duties including but not limited to:</p> <ul style="list-style-type: none"> • Treasury management • Disbursements • Accounting and financial reporting • Financial records management • Arranging annual audits (financial and performance audits)
ADB	<p>ADB will:</p> <ul style="list-style-type: none"> • Provide Project funds and oversee project implementation; • Monitor compliance with loan and grant agreements and the project administration manual; • Monitor implementation arrangements, disbursement, procurement, consultant selection, and reporting; • Monitor schedules of activities, including funds flow; • Review compliance with agreed procurement procedures and loan and grant covenants; • Monitor effectiveness of the project to achieve its expected outputs and outcomes, safeguards, and anti-corruption measures; • Approve procurement activities and withdrawal applications; • Undertake an inception mission and periodic review missions as well as joint mid-term and project completion review missions with the government.

ADB = Asian Development Bank, COVID-19 = coronavirus disease, MOEF = Ministry of Economy and Finance, MOHSD = Ministry of Health, PIU = project implementation unit. UNICEF = United Nations Children's Fund.
Sources: Asian Development Bank; and Government of Kyrgyz Republic.

5. The MOHSD will be the executing agency. The project will utilize the existing PIU for the COVID-19 Pandemic Emergency Project (CPEP) supplemented by additional consultant positions, as necessary as the implementing unit. The Deputy Minister of Health and Social Development will be the project director and be responsible for overall project implementation. The Republican COVID-19 Headquarters will function as the response coordination center for the health sector. The PIU functions will be split between the PIU under the MOHSD for day-to-day implementation and project management and the Ministry of Economy and Finance's (MOEF's) existing PIU, responsible for fiduciary management.

6. The PIU will (i) procure vaccines and related supplies and ensure distribution and delivery through the contract with the United Nations Children's Fund (UNICEF), (ii) monitor inventories and asset management, (iii) track and monitor implementation of the national vaccination plan, (iv) liaise with other development partners on overall vaccination effort, and (v) monitor and evaluate project indicators and covenants, and compliance with all safeguards, gender, and social requirements. The PIU has five existing staff positions to support implementation of the CPEP. Three of these existing specialists (health specialist, the monitoring and evaluation specialist and procurement specialist) will continue to work on APVAX implementation after the CPEP is closed in 2022. Two additional experts will be recruited to support the PIU for APVAX, specifically a gender specialist and waste management specialist. The PIU is physically located in MOHSD building and will continue reporting to the Project Director, MOHSD.

7. The MOEF-PIU was established in 2002 and has experience in procurement and fiduciary responsibilities for three past ADB projects and three ongoing World Bank projects. The MOEF-PIU has seven experienced staff. The MOEF-PIU will support the PIU with (i) financial management, (ii) procurement supervision, as necessary, (iii) disbursements, (iv) financial reporting and accounting, (v) financial records management, and (vi) managing annual financial and special audits. The existing procurement specialist will be outposted to PIU on an as-needed basis. The MOEF-PIU will continue to report to the PIU Director, who will in turn report to the Project Director, MOHSD. The MOEF-PIU disbursement specialist recruited to support disbursements of ADB and World Bank COVID-19 emergency projects will continue to support donor financed vaccination projects. In total, 10 existing staff will be available across MOEF-PIU (7 positions) and PIU (3 positions) to support project implementation. Two additional experts under the PIU will be recruited as national consultants and will be charged 100% to APVAX project costs (see Table 5 on page 30 for details). The salaries of the existing MOEF-PIU and PIU staff will be charged 50% to the CPEP project and 50% to the proposed APVAX project. Upon CPEP closure, 100% will be charged to APVAX project.

B. Key Persons Involved in Implementation

Executing Agency

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IV. COSTS FINANCING

8. The concessional loan from ordinary capital resources is \$12.5 million and the grant is \$12.5 million. The government is expected to provide counterpart support equivalent to \$2.6 million which includes taxes & duties exemption, project management costs, and their respective contingencies. The loan will have a 24-year term, including a grace period of 8 years; with an interest charge at the rate of 1% per year during the grace period and 1.5% per year during the repayment period; and such other terms and conditions set forth in the draft loan agreement. The Project investment plan is set out in Table 4 below.

Table 4: Financing Plan
(\$)

Source	Amount (\$)	Share of total %
Asian Development Bank		
Ordinary capital resources (concessional, APVAX RRC loan)	12,500,000	45.3
Asian Development Fund (APVAX RRC Grant)	11,896,426	43.1
Asian Development Fund (APVAX PIC Grant)	603,574	2.2
Government of Kyrgyz Republic		
Taxes, duties exemption and other in-kind contributions	2,600,000	9.4
Total	27,600,000	100.0

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

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

Table 5: Summary Cost Estimates
(\$)

Item	Amount (\$)
A. Base Cost	
1. COVID-19 vaccine procured and delivered to designated points	23,809,658
2. Vaccine program implementation capacity strengthened	626,243
Subtotal (A)	24,435,901
B. Contingencies	3,074,528
C. Financial charges	89,571
Total (A+B+C)	27,600,000

Note:

^a Numbers may not sum precisely due to rounding. In early 2021 prices as of 15 July.

^b Includes taxes and duties of \$2.2 million which will be covered by government counterpart tax and duty exemptions.

^c Physical contingencies computed at 8% for all cost categories. Price contingencies are calculated based on escalation rates for domestic and international costs estimated for Kyrgyz Republic, 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 7% for each year from 2021 to 2022 and 5.0% for 2023.

Source: Asian Development Bank.

A. Cost Estimates Preparation and Revisions

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

11. After any retroactive financing is processed, the grant will be applied first (front loading), followed by the loan. The government will provide in-kind support in the form of exemptions of customs duties and taxes on grant and project management support.

B. Key Assumptions

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

- (i) Exchange rate: \$1.00 = Som84.76 as of 15 July 2021.
- (ii) Price contingencies are calculated based on escalation rates for domestic and international costs estimated for Kyrgyz Republic. Annual escalation rate for international costs is estimated at 1.6% for 2021 and 1.7% for each year from 2022 –2023. Annual escalation rate for domestic costs is estimated at 7% for 2021, 7% for 2022 and 5.0% for 2023.
- (iii) In-kind contributions were calculated using market rates and by applying Kyrgyz Republic's tax and duty rate to the cost items qualified for exemption.

C. Detailed Cost Estimates by Expenditure Category

Table 4: 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 and delivery	21.65	2.16	23.81	97.4%
2 Equipment	-	0.13	0.13	0.5%
3 Consulting services	-	0.14	0.14	0.6%
Subtotal (A)	21.65	2.43	24.08	98.5%
B. Recurrent Costs				
Project management	-	0.36	0.36	1.5%
Subtotal (B)	-	0.36	0.36	1.5%
C. Total Base Cost (A+B)	21.65	2.79	24.44	100.0%
D. Contingencies				
1 Physical	1.72	0.22	1.95	8.0%
2 Price	1.00	0.13	1.13	4.6%
Subtotal (D)	2.72	0.35	3.07	12.6%
E. Financial Charges	0.09	-	0.09	0.4%
Total Project Cost (C+D+E)	24.46	3.14	27.60	112.9%

^a Includes Government's in-kind contribution which is equivalent to \$2.6 million.

^b Vaccine procurement and delivery cost is estimated at \$13/dose which includes cost of vaccine, ancillary items, management fee, International and domestic transportation.

^c Consulting services include cost of audit firm for \$0.1 million

Note: Numbers may not sum precisely due to rounding.

Source: Asian Development Bank.

D. Allocation and Withdrawal of Loan and Grant Proceeds

Table 5: Allocation and Withdrawal of Loan Proceeds

No	Item	Total Amount Allocated for ADB Financing (\$)	Basis for Withdrawal from the Loan Account
1	Goods (including Eligible Vaccines, ancillary goods and related Nonconsulting Services (including international & domestic logistics)) and management fee**	11,051,430	100% of total expenditure claimed*
2	Interest charge during implementation	89,571	100% of amounts due
3	Unallocated	1,358,999	
	Total	12,500,000	

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

** Subject to the condition for withdrawal described in paragraph 10 of Schedule 3 of the Loan Agreement.

Note: Numbers may not sum precisely due to rounding.

Table 6: Allocation and Withdrawal of Grant Proceeds

	Item	Total amount allocated for ADB Financing (\$)	ADB Financing % and Basis for Withdrawal from the Loan Account
1	Goods (including Eligible Vaccines, ancillary goods and related Nonconsulting Services (including international & domestic logistics)) and management fee**	10,593,713	100% of total expenditure claimed *
2	Equipment	112,500	100% of total expenditure claimed *
3	Consulting services (including auditing)	125,000	100% of total expenditure claimed
4	Project management	245,196	100% of total expenditure claimed
5	Unallocated	1,423,591	
	Total	12,500,000	

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

** Subject to the condition for withdrawal described in paragraph 8 of the Schedule in the Grant Agreement.

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

Note: Numbers may not sum precisely due to rounding.

E. Detailed Cost Estimates by Financier

Table 7: Project Cost Estimates by Financier

Item	Grant				Loan (RRC)		Govt.		Total cost		Taxes and duties (\$ million)
	RRC		PIC		Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category	Amount (\$ million)		
	Amount (\$ million)	% of Cost Category	Amount (\$ million)	% of Cost Category							
A. Investment Costs											
1 Vaccine procurement and delivery	10.59	44%	-	0%	11.05	46%	2.16	9%	23.81	2.16	
2 Equipment	-	0%	0.11	89%	-	0%	0.01	11%	0.13	0.01	
3 Consulting services	-	0%	0.13	89%	-	0%	0.02	11%	0.14	0.02	
Subtotal (A)	10.59	44%	0.24	1%	11.05	46%	2.19	9%	24.08	2.19	
B. Recurrent Costs											
Project management	-	0%	0.25	68%	-	0%	0.12	32%	0.36	0.03	
Subtotal (B)	-	0%	0.25	68%	-	0%	0.12	32%	0.36	0.03	
C. Total Base Cost (A+B)	10.59	43%	0.48	2%	11.05	45%	2.31	9%	24.44	2.23	
D. Contingencies											
Physical	0.85	44%	0.04	2%	0.88	45%	0.18	9%	1.95	-	
Price	0.46	40%	0.08	7%	0.47	42%	0.12	10%	1.13	-	
Subtotal (D)	1.30	42%	0.12	4%	1.36	44%	0.29	9%	3.07	-	
E. Financial charges	-	0%	-	0%	0.09	100%	-	0%	0.09	-	
Total Project Cost (C+D+E)	11.90	43%	0.60	2%	12.50	45%	2.60	9%	27.60	2.23	

Note: Numbers may not sum precisely due to rounding.

Source: Asian Development Bank.

F. Detailed Cost Estimates by Outputs and/or Components

Table 8: 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 and delivery	23.81	23.81	100.0%	-	0.0%
2 Equipment	0.13	-	0.0%	0.13	100.0%
3 Consulting services	0.14	-	0.0%	0.14	100.0%
Subtotal (A)	24.08	23.81	98.9%	0.27	1.1%
B. Recurrent Costs					
Project management	0.36	-	0.0%	0.36	100.0%
Subtotal (B)	0.36	-	0.0%	0.36	100.0%
C. Total Base Cost (A+B)	24.44	23.81	97.4%	0.63	2.6%
D. Contingencies					
Physical	1.95	1.90	97.4%	0.05	2.6%
Price	1.13	1.10	97.4%	0.03	2.6%
Subtotal (D)	3.07	3.00	97.4%	0.08	2.6%
E. Financial charges	0.09	0.09	97.4%	0.00	2.6%
Total Project Cost (C+D+E)	27.60	26.89	97.4%	0.71	2.6%

Note: Numbers may not sum precisely due to rounding.

Source: Asian Development Bank.

G. Detailed Cost Estimates by Year

Table 9: Detailed Cost Estimates by Year

		(\$ million)			
	Item	Total Cost	2021	2022	2023
A.	Investment Costs				
1	Vaccine procurement and delivery	23.81	-	14.29	9.52
2	Equipment	0.13	-	0.13	-
3	Consulting services	0.14	-	0.08	0.06
	Subtotal (A)	24.08	-	14.50	9.58
B.	Recurrent Costs				
	Project management	0.36	0.01	0.21	0.14
	Subtotal (B)	0.36	0.01	0.21	0.14
C.	Total Base Cost (A+B)	24.44	0.01	14.70	9.72
D.	Contingencies				
	Physical	1.95	-	1.17	0.77
	Price	1.13	-	0.57	0.56
	Subtotal (D)	3.07	-	1.74	1.33
	Financial Charges	0.09	-	0.01	0.08
	Total Project Cost (C+D+E)	27.60	0.01	16.46	11.13

Note: Numbers may not sum up precisely due to rounding.

Source: Asian Development Bank

H. Contract and Disbursement S-Curve

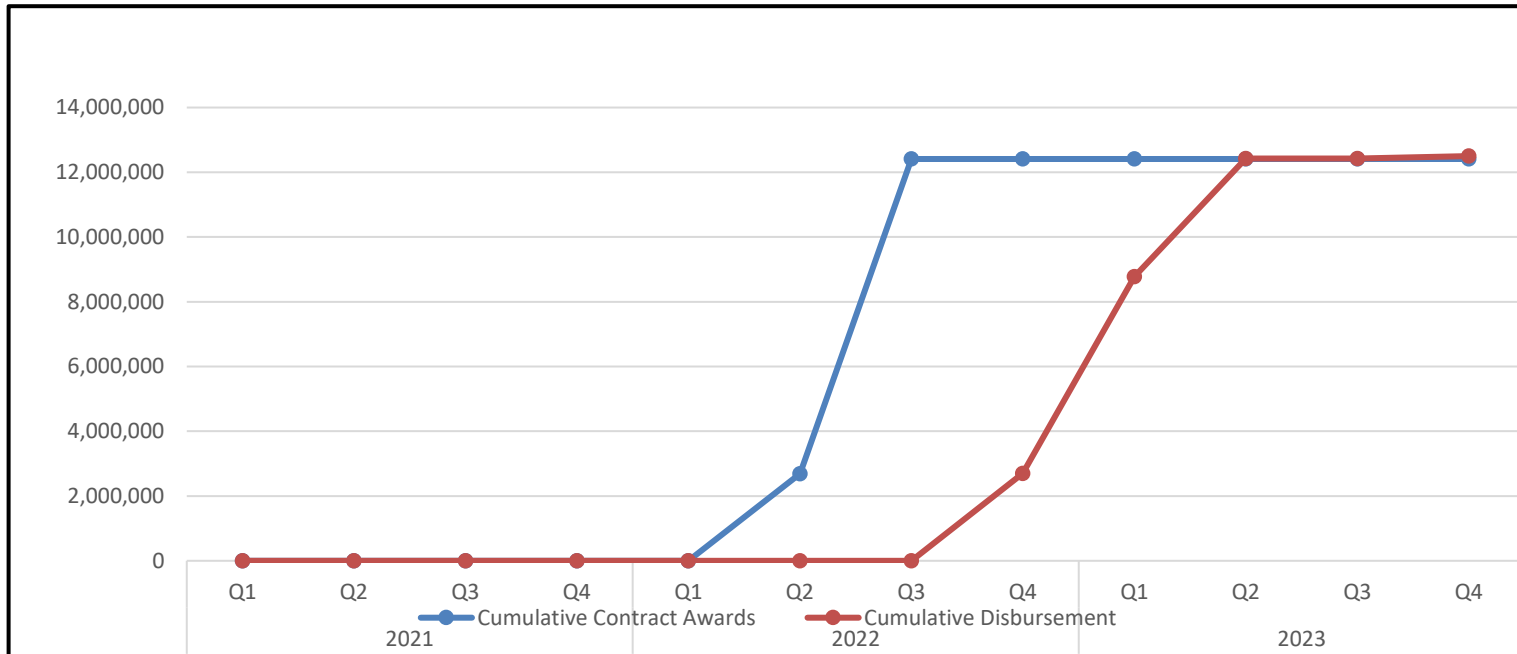
13. Table 12 and Figure 2 show the quarterly contract awards and disbursement projections over the life of the project. The S-curve is only for ADB financing, which will be recorded in ADB's systems and reported through e-Ops. Counterpart funds are excluded. The projections of contract awards include contingencies and unallocated amounts but exclude front-end fees and service charges.

Table 10: Contract Awards and Disbursements – Loan
(\$)

Years	Contract Awards					Disbursement				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2021	-	-	-	-	-	-	-	-	-	-
2022	-	2,687,687	9,722,742	-	12,410,429	-	-	-	2,701,222	2,701,222
2023	-	-	-	-	-	6,076,714	3,646,028	-	76,035	9,798,778
Total					12,410,429					12,500,000

Note: Interest during implementation amounting to \$89,571 is not included in the contract awards schedule.

Figure 1: S-curve - Contract Awards and Disbursement – Loan



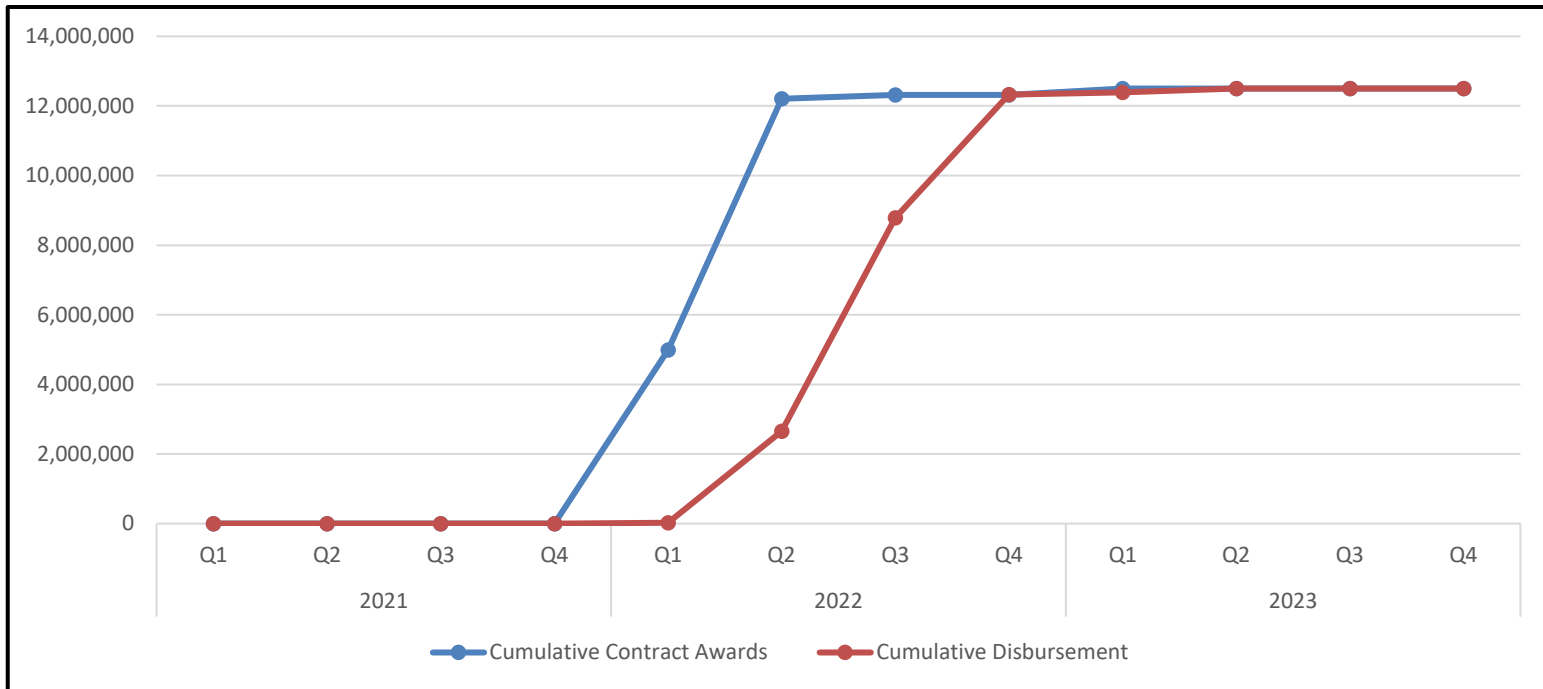
Q = quarter.

Table 11: Contract Awards and Disbursements – Grant

Years	Contract Awards					Disbursement				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2021	-	-	-	-	-	-	-	-	-	-
2022	4,986,264	7,216,897	113,276	-	12,316,437	24,979	2,627,435	6,133,321	3,538,121	12,323,855
2023	183,563	-	-	-	183,563	66,047	110,098	-	-	176,145
Total					12,500,000					12,500,000

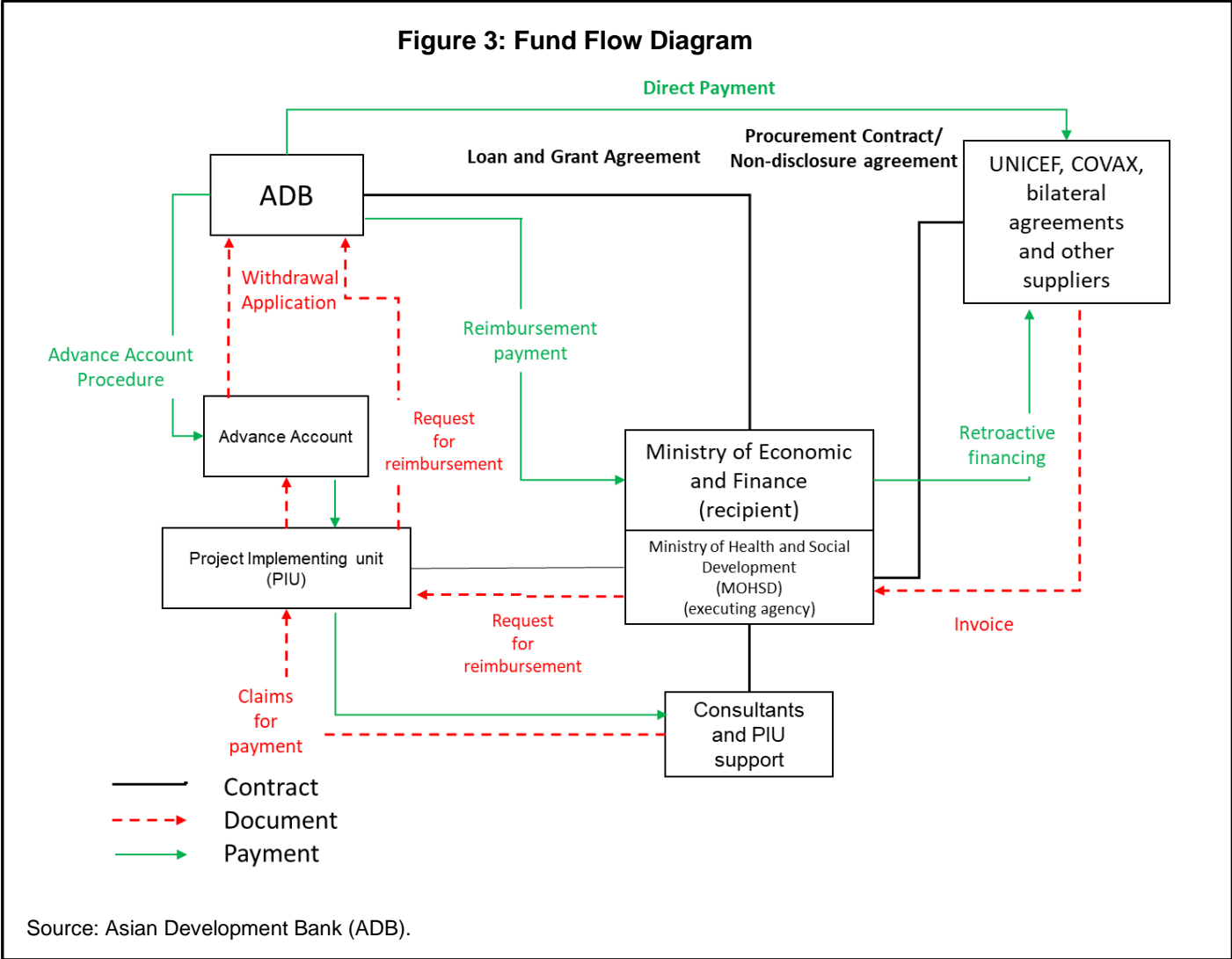
Source: Asian Development Bank.

Figure 2: S-curve - Contract Awards and Disbursement – Grant



S-curve - Contract Awards and Disbursement Schedules for the Grant
 Q = quarter.

I. Fund Flow Diagram



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

14. The financial management assessment (FMA) was conducted in July 2021 in accordance with ADB’s Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. The project’s financial management framework involves distributed roles and responsibilities amongst the MOHSD and MOEF. Accordingly, the FMA focused at assessing relevant capacities of these organizations, including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. The PIU has the capacity to administer the advance fund and utilize statement of expenditure (SOE) procedures.

15. ADB completed a governance risk assessment (GRA) in 2018 according to the implementation guidelines of ADB’s Second Governance and Anticorruption Action Plan. The

assessment found that the country's public financial management (PFM) system was functioning well overall, and that it had been improved in recent years, especially as regards budgeting, transparency, treasury functions, tax administration, debt management, financial reporting, and legislative framework (new Budget Code). However, some weaknesses remain, including revenue forecasting, budget credibility, investment planning and estimation of recurrent expenditures, off-budget funds, financial management information system, internal audit and external audit, which are being addressed through a three-year World Bank and European Union technical assistance project.

16. Like the ongoing CPEP, MOEF will be responsible for financial management with inventory and overall project management assigned to MOHSD. ADB's FMA concluded that project financial management risk is *Substantial*, due the risks with weaknesses in accounting and internal controls, exclusion of the project in internal audit plan, fiduciary risks related to insufficient vaccine supplies, vaccine hesitancy, inefficient inventory and supply chain management as well as inadequate health sector staffing and cold chain capacity, and paper-based vaccine supply chain management system. Risks will be mitigated as described in the risk assessment and risk management plan in the FMA and through financial management action plan (FMAP) in Table 14.⁵

Table 12: Timebound Financial Management Action Plan

Weakness	Mitigation Action	Responsibility	Target Date
Ministry of Health and Project Implementation Unit Financial Management System			
<u>Accounting and internal control:</u> The PIU has not formulated accountability measures regarding conflict of interest and related party disclosure.	Prepare an accountability policy, including for conflict of interest and related party disclosure, which adheres to Government of the Kyrgyz Republic rules and regulations as well as development partner requirements. The policy will be approved by the MOH and development partners.	PIU ADB World Bank	1 month after loan and grant effectiveness
No formal mechanism is in place for reporting alleged fraud, waste, or misuse of project resources or property.	Document the mechanism for reporting suspected fraud, waste, or misuse of project resources or property.	PIU	1 month after loan and grant effectiveness
The PIU does not have a FMM in place to guide the implementation of the ADB-financed COVID-19 Pandemic Emergency Project.	Prepare a FM manual for the ADB-financed project, which will be based on the PAM and will be approved by ADB.	PIU ADB	1 month after loan and grant effectiveness
<u>Internal audit:</u> The PIU is not included in the annual internal audit plan of the MOH's IAU nor MOF's IAU.	Include the project in the annual internal audit plan of MOH, and share the result of risk assessment with ADB.	MOHSD-IAU	Risk-based
National Vaccination and Deployment Plan Implementation			
<u>Program implementation:</u> There is a possibility that fiduciary risks may increase due to insufficient vaccine supplies, vaccine hesitancy, inefficient inventory and supply chain management as well as inadequate health sector staffing and cold chain capacity.	Engage a M&E Specialist to provide guidance on the management of the inventory and supply chain as well as to support implementation of actions set out in the NVDP.	PIU	2 months after loan and grant effectiveness
	Implement the vaccination campaign communications plan to increase trust	MOHSD	4 months after loan and

⁵ Financial Management Assessment (Supplementary Document 1)

Weakness	Mitigation Action	Responsibility	Target Date
	in the vaccination program as well as in vaccines. Engage a private audit firm to conduct an annual performance audit of the design and operational effectiveness of the vaccination program.	MOHSD	grant effectiveness Within six months from the end of each fiscal year
<u>Inventory Management</u> : Vaccine supply chain management system is purely paper-based, MOHSD is only using inventory module of 1C accounting for stock taking management.	Continue the project with UNICEF to digitalize the process of the supply chain management system using VLMIS.	MOHSD UNICEF	By 2023

ADB = Asian Development Bank, COA = Chamber of Accounts, COVID-19 = coronavirus disease 2019, FM = financial management, FMM = financial management manual, IAU = Internal Audit Unit, IPSAS = International Public Sector Accounting Standards, ISA = International Standards on Auditing, M&E = monitoring and evaluation, MOHSD = Ministry of Health and Social Development, NVDP = National Vaccination and Deployment Plan, PAM = Project Administration Manual, PIU = project implementation unit, VLMIS = Vaccine Logistics Management Information System.
Source: Asian Development Bank.

B. Disbursement

1. Disbursement Arrangements for ADB Funds

17. The loan and grant proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time)⁶, and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.⁷ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

18. The MOEF-PIU augmented by individual consultants will be responsible for (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds from MOEF (if any), (iii) collecting supporting documents and (iv) preparing and submitting withdrawal applications to ADB through ADB's Client Portal for Disbursements (CPD).⁸

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

20. The total outstanding advance to the advance account should not exceed the estimate of ADB's share of expenditures to be paid through the advance account for the forthcoming 6 months. The MOEF-PIU may request for initial and additional advances to the advance account(s)

⁶ The handbook is available electronically from the ADB website (<http://www.adb.org/documents/loan-disbursement-handbook>).

⁷ [Disbursement eLearning](#).

⁸ CPD is a two-touch system where (1) the WA Creator submits the withdrawal application online, and (2) the WA Approver approves the withdrawal application. The system requires one or more approvers, depending on the number of approvers set in a loan or grant, before the request goes to ADB CTLA for processing.
<https://cpd.adb.org>

based on an Estimate of Expenditure Sheet⁹ setting out the estimated expenditures to be financed through the account{s} for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by the borrower in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) when liquidating or replenishing the advance account.

21. **Statement of expenditure procedure.**¹⁰ The SOE procedure may be used by MOEF-PIU for reimbursement of eligible expenditures or liquidation of advances to the advance account. The ceiling of the SOE procedure is the equivalent of \$100,000 per individual payment. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments exceeding the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

22. 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 and authorized list of WA Creators and Approvers in CPD. 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 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 CPD¹¹ system is encouraged for submission of withdrawal applications to ADB. MOEF-PIU confirmed during fact-finding mission that they would use CPD for project disbursements.

2. Disbursement Arrangements for Counterpart Fund

23. MOEF 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.

24. The government will provide counterpart in-kind support in the form of exemptions of customs duties and taxes on procurement from grants, steering committee and project oversight responsibilities, information management, project management support in the form of office space and counterpart staff. The project costs include taxes and duties of \$2.22 million which will be financed by the government via customs duties and tax exemptions. Such amount does not represent an excessive share of the project cost. The Government will also provide project management support in-kind.

⁹ Estimate of Expenditure sheet is available in Appendix 8A of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

¹⁰ SOE forms are available in Appendix 7B and 7D of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

¹¹ 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>.

C. Accounting

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

D. Auditing and Public Disclosure

26. The MOEF-PIU will cause the detailed project financial statements to be audited in accordance with International Standards on Auditing, by an independent auditor registered by WB and acceptable to ADB. The audits shall be done by the auditor previously selected for the ongoing COVID-19 Pandemic Emergency Project (CPEP) which will be recruited thru single source selection. The model TOR for financial and performance audits is in Attachment 1. The MOEF-PIU shall use single source selection (SSS) to award a contract with the CPEP audit firm to carry out annual financial and performance audits for the APVAX project to promote economical, effective, and efficient governance. SSS is justified because the work is a natural continuation of the auditing work on the related CPEP project which has the same EA, IA and PIUs.

27. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by the MOEF-PIU. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan and grant were used only for the purpose(s) of the project and a separate opinion on the use of the retroactive financing, advance account, SOE; and (iii) whether the borrower or executing agency was in compliance with the disbursement condition and the covenants contained in the loan and grant agreements (where applicable).

28. 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.

29. The government, MOEF and MOHSD have advised of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.¹² ADB reserves the right to require a change in the auditor (in a manner

¹² 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.

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.

30. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.¹³ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.¹⁴

31. In addition to the financial audits, annual performance audits will also be conducted by the audit firm on an annual basis. The performance audit is an evaluation of governance, financial accountability, and transparency. The primary objective of the performance audits is to monitor the performance of the program from procurement to distribution of the COVID-19 Vaccine in accordance with the NDVP. This performance audit is required for more comprehensive fiduciary assurance to ADB. Details of the performance audit are found in the Performance Audit TOR in Attachment 1.

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

32. All advance contracting and retroactive financing will be undertaken in conformity with ADB Procurement Regulations (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time) and associated project administration instructions and/or staff instructions. The issuance of invitations to bid (or requests for proposals or quotations) under advance contracting and retroactive financing will be subject to ADB approval. The borrower/recipients, MOEF and MOHSD, have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project. Advance contracting is expected for procurements paid from the state budget for eligible vaccines and recruitment of PIU staff.

33. Retroactive financing is possible for up to 30% of the ADB loan amount and 30% of the grant amount allocated to Category 1 "Goods", if expenditures are incurred prior to project effectiveness but after the declaration of the COVID-19 emergency or allocation of resources, but not earlier than 12 months before the date of the loan and grant agreements, and that disbursement conditions are met. The retroactive financing could be provided for eligible expenditures subject to complying with ADB's disbursement policy and guidelines. The aggregate of the outstanding balance of the advance financing amount and the percentage approved for retroactive financing, in each case under Category 1 "Goods" shall not, at any time, exceed 60% of the Grant amount allocated for Category 1 "Goods".

¹³ ADB. 2011. [Public Communications Policy of the Asian Development Bank: Disclosure and Exchange of Information](#). Manila.

¹⁴ 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).

B. Procurement of Goods, Works, and Consulting Services

34. All procurement of goods, works, and consulting services will follow the ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time) and associated project administration instructions and/or staff instructions shall apply. The additional exemptions as endorsed in ADB's Comprehensive response to the COVID-19 Pandemic¹⁵ will apply as well. ADB will allow advance contracting and retroactive financing. Following the APVAX policy,¹⁶ the ADB's member country procurement eligibility requirements are waived for goods (including vaccines and medical goods/equipment) and services and universal procurement will apply.

35. Under Output 1, UNICEF is expected to be engaged as the turnkey procurement agent through direct contracting for vaccine procurement. The scope of services with UNICEF include: (i) sourcing vaccines from manufacturers eligible under APVAX financing; (ii) working with device manufacturers to plan availability of safe injection equipment; (iii) working with manufacturers on freight and logistics service providers to transport vaccines as quickly and safely as possible once there are allocated; and (iv) provision of ancillary goods (syringes and safety boxes) critical to the safe administration of vaccines. The use of direct contracting as the procurement method is well justified since most vaccine contracts are being entered into globally through UNICEF under COVAX. UNICEF has the resources to immediately provide services through COVAX and is best positioned to navigate the quickly evolving vaccine market. UNICEF has been procuring for the routine immunization program of the Kyrgyz Republic and is well positioned to handle in-country logistics, and UNICEF's cold chain experience is critical for the safe handling of vaccines. Bilateral contracts with approved manufacturers may also be considered. Procurement of goods and logistics services will be carried out in accordance with UNICEF's Supply Manual.¹⁷ Eligible items under the rapid response component are detailed in Indicative Master List of Eligible Items, and Agreed List of Acceptable Expenditure Items ('Positive List'), for ADB Financing under the Rapid Response Component (linked document 15 to the Report and Recommendation of the President).

36. Procurement due diligence found that the procurement risk is *high*. To mitigate this risk, ADB will support the EA with market intelligence, assist the government to prepare for negotiations with vaccine manufacturers and, as part of its normal procurement review mandate for vaccine contracts, identify legal risks in proposed contracts, support with price validation and inform of any adjustments necessary to render the contracts acceptable to ADB. Value for money in procurement will be achieved through (i) selecting candidate vaccine types that are best suited to the domestic logistics supply chain and distribution mechanisms; (ii) identifying vaccines that will meet the project disbursement conditions; (iii) engaging a procurement agent that has direct contact with manufacturers who can ascertain vaccine availability and delivery timelines, and (iv) entering into agreements on terms and conditions that are reasonable, noting the currently

¹⁵ ADB. 2020. [ADB's Comprehensive Response to the COVID-19 Pandemic](#). Manila.

¹⁶ ADB. 2020. [ADB's Support to Enhance COVID-19 Vaccine Access](#). Manila.

¹⁷ ADB. 2010. *Strengthening the partnership between the Asian Development Bank and the United Nations Children's Fund: Procurement Arrangements*. Manila. Under this Board-approved paper, ADB agrees to the use of UNICEF's Supply Manual and UNICEF's Human Resources Manual for the procurement of associated goods, equipment, and services (including consulting services); and the procurement of goods, equipment, and services in a nonmember country or the procurement of goods, equipment, and services produced in a nonmember country. Administrative arrangements, including on procurement, for ADB-UNICEF project cooperation are also spelled out in the Memorandum of Understanding between UNICEF and ADB dated October 2018. Apart from Administrative Arrangements, other modalities that have been or may be entered into with UNICEF, as appropriate, include Outputs Agreements and Procurement of Supplies Agreements.

constrained global market for vaccines. ADB will only provide financing for vaccine procurement once the APVAX vaccine eligibility criteria have been met.

37. Additional procurement of goods includes office equipment and furniture for PIU staff, which will be sourced through Request for Quotation be handled by the EA per the approved Procurement Plan.

38. Individual national consultants to be engaged under the PIU include (i) health/vaccination specialist (existing position under CPEP), (ii) monitoring and evaluation specialist (existing position under CPEP), (iii) gender specialist (new position), (iv) environment specialist/waste management specialist (new position) and (v) procurement specialist (existing position under CPEP). Estimated total input will be 90 person-months. The audit firm will be selected through single source selection of the auditors for CPEP.

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

C. Procurement Plan

PROCUREMENT PLAN

Basic Data

Project Name: COVID-19 Vaccine Support Project under the Asia Pacific Vaccine Access Facility		
Project Number: 55206-001	Approval Number:	
Country: Kyrgyz Republic	Executing Agency: Ministry of Health and Social Development	
Project Procurement Risk: High	Implementing Unit: Project Implementation Unit of the COVID-19 Pandemic Emergency Project	
Project Financing Amount: \$27,600,00 ADB Financing: US\$ 25,000,000 Cofinancing (ADB Administered): N/A Non-ADB Financing: US\$ 2,600,000	Project Closing Date: 31 December 2023	
Date of First Procurement Plan: 06 August 2021	Date of this Procurement Plan: 15 September 2021 Version 0	
Procurement Plan Duration (in months): 18	Advance Contracting: Yes	e-GP: Yes

A. Methods, Review and Procurement Plan

Except as the Asian Development Bank (ADB) may otherwise agree, the following methods shall apply to procurement of goods, works, and consulting services.

Procurement of Goods and Works	
Method	Comments
Request For Quotation for Goods	ICT equipment for post-vaccination surveillance; prior review PIU office equipment & furniture
Direct Contracting for Goods	UNICEF, thru COVAX and a selected vaccine manufacturer (for vaccine procurement, including ancillary goods and transportation)

Consulting Services	
Method	Comments
Request for Quotation Selection for Consulting Firm	PR Firm (nonconsulting services)
Single Source Selection for Consulting Firm	Audit Firm of the COVID-19 Pandemic Emergency Project
Single Source Selection for Individual Consultant	PIU positions for APVAX (existing positions from COVID-19 Pandemic Emergency Project)
Competitive for Individual Consultant	PIU positions for APVAX (new positions)

B. Lists of Active Procurement Packages (Contracts)

The following table lists goods, works, non-consulting and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan duration.

Goods and Works							
Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments
G-01	Direct contract with UNICEF,	21,770,320	DC	Prior		Q4/2021	Non-Consulting

	COVAX, and/or other suppliers for approved vaccine procurement, transport and delivery & ancillary items						Services: No No. Of Contracts: Multiple High Risk Contract: No e-GP: No e-GP Type: NA Comments: Turnkey direct contract with UNICEF Retroactive financing / advance contracting
G-02	ICT equipment for post-vaccination surveillance	112,500	RFQ	Prior		Q4/2021	Non-Consulting Services: No No. Of Contracts: 1 High Risk Contract: No e-GP: No e-GP Type: NA Comments
G-03	PIU Office Furniture and Equipment	10,000	RFQ	Prior		Q4/2021	Non-Consulting Services: No No. Of Contracts: 1 High Risk Contract: No e-GP: No e-GP Type: NA Comments

Consulting Services							
Package Number	General Description	Estimated Value (in US\$)	Selection Method	Review	Type of Proposal	Advertisement Date (quarter/year)	Comments
CS-01	PIU Team (existing positions)	95,052.96	SSS	Prior	NA	Q1 / 2022	Non-Consulting Services: No

	Composition: PIU Director, Financial Manager, Disbursement Specialist (x2), Contract Administration Specialist, Procurement Coordinator, Office Assistant, Health specialist, M&E Specialist, Procurement Specialist						Type: Individual consultants Assignment: National e-GP: Yes e-GP Type: e- Publication Comments: expertise: PIU staff from existing emergency project
CS-02	PIU Team (new positions) Composition: Gender Specialist, Waste management Specialist	33,355.36	Competitive	Prior	NA	Q1 / 2022	Non- Consulting Services: No Type: Individual consultants Assignment: National e-GP: Yes e-GP Type: e- Publication Comments: expertise: New positions for PIU staff
CS-03	Audit Firm	100,000.00	SSS	Prior	NA	Q1 / 2022	Non- Consulting Services: No Type: Firm Assignment: National e-GP: Yes e-GP Type: e- Publication Comments: Financial and performance audits.
CS-04	PR Firm	25,000	RFQ	Prior	NA	Q1/2022	Non- Consulting

							Services: Yes Type: Firm Assignment: National e-GP: Yes e-GP Type: e-Publication Comments:
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C. List of Indicative Packages (Contracts) Required Under the Project

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

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

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

D. Consultant's Terms of Reference

41. MOHSD will be the executing agency and will nominate a senior government official as project director. The MOHSD COVID-19 Headquarters will function as the response coordination center in the health sector. The PIU in the MOEF will support MOHSD with procurement and financial management. PIU will engage up to 5 national consultants. MOEF-PIU's 7 national consultants will continue to provide services to APVAX after CPEP is closed at the end of Q2 2022. Maximum total consultant inputs are 90 person-months (pm) as follows:

Table 15: Consultants to be recruited/extended under PIU (incl. MOEF-PIU)

Expert	Person months	Specialty	Experience
1. PIU director	Existing PIU director to continue on APVAX		
2. Health specialist	18	Public health/epidemiology	5-10 years
3. Monitoring and evaluation specialist	18	Monitoring and evaluation	5-10 years
4. Gender specialist	18	Gender/safeguards	5-10 years
5. Environment (Waste management specialist)	18	Environment/waste management	5-10 years
6. Procurement specialist	18	Procurement	5-10 years
7. Contract administration specialist	Existing MOEF-PIU staff to continue on APVAX		
8. Financial manager			
9. Disbursement specialist (1)			
10. Disbursement specialist (2)			
11. Procurement coordinator			
12. Office assistant			

42. The consultants will submit the following reports/deliverables: (i) a brief inception within 1 week of fielding; (ii) specific deliverables as per terms of reference (TOR), (iii) brief monthly report to MOHSD and ADB with major developments and monthly activity sheet for the past month, and planned work for the next month, and (iv) final report. The TORs can be found in Attachment 1:

VII. SAFEGUARDS

43. In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are as follows.¹⁸

44. **Environment (category C):** 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. The Project will be limited to the procurement of ready-to-use COVID-19 vaccines, including delivery to designated points in the regions. No civil works will be required and/or supported under the Project. The distribution and use of new vaccines will result in incremental increase in medical waste at the point of use (i.e., local health centers/hospitals/medical facilities and vaccination points).

45. An Environmental Due Diligence Report has been prepared to document Kyrgyz Republic's legal and regulatory framework, as well as current practices for medical waste management and to address specific waste management gaps related to vaccine deployment in accordance with the internationally-accepted practices and World Health Organization (WHO) guidelines.

¹⁸ ADB. [Safeguard Categories](#). Manila.

46. The Kyrgyz Republic has technical regulations decrees, resolutions, and procedures for the collection, storage and disposal of waste from medical institutions.¹⁹ The project, through a National Environment Specialist (Waste Management Expert) consultant in the PIU will (i) develop project-level standard operating procedures on medical waste management following ADB guidance note specific to medical waste²⁰ and internationally accepted practices such as World Bank Group's Environment, Health and Safety Guidelines and WHO's interim guidance on waste management; (ii) assess adequacy of medical facilities and vaccination points' waste management plans and assist in addressing gaps on medical waste management, if any; (iii) if required, assist in preparation of medical waste management plan for healthcare facilities or vaccination points; and (iv) provide technical and advisory support on medical waste management during project implementation. The PIU National Environment Specialist (Waste Management Expert) consultant will also carry out monitoring and reporting of the medical waste generated due to the project activities and its management. Furthermore, training of the healthcare staff involved in the vaccination program will also be carried out to further increase the awareness on medical waste management and occupational health and safety.

47. To avoid or mitigate the potential negative impacts at medical facility/vaccination points, the following measures will be implemented:

- (i) appoint a person to be responsible for medical waste management at each medical facility/vaccination point;
- (ii) following the examination of the medical waste management and disposal practices applied in each beneficiary healthcare facility or vaccination point, existing medical waste management plans will be enhanced or new medical waste management plan shall be prepared using Appendix 1 of the Environmental Due Diligence Report. The medical waste management plan shall contain detailed instructions on sorting, storage and transport of medical waste at a given facility/vaccination point;
- (iii) designate medical waste storage locations within medical facilities/vaccination points;
- (iv) ensure safe transportation of medical waste for treatment (on-site and off-site);
- (v) impose mandatory use of personnel safety device for all personnel handling medical waste;
- (vi) allow destruction or disposal of medical waste only at specialized enterprises having the appropriate permit (license);
- (vii) develop measures to prevent and eliminate emergency situations; and
- (viii) close monitoring of the specialized enterprises which will provide collection, transportation, treatment and disposal services for medical facilities and vaccination points without on-site capability to manage medical waste.

48. **Occupational health and safety.** The medical facility/vaccination point's medical waste 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

¹⁹ (i) Guidelines on Safe Immunization Practices in Health Care Organizations of the Kyrgyz Republic (Approved by Order of the Ministry of Health of the Kyrgyz Republic dated August 15, 2017 № 718); (ii) Regulation on the procedure for disposal (recycling) of products (goods) deemed unsuitable for sale (Approved by Resolution of the Government of the Kyrgyz Republic, dated July 9, 1997 N 407); (iii) Procedure on medical waste management (Annex 1 to the Resolution of the Government of the Kyrgyz Republic of December 30, 2019 № 719); and (iv) Order of the Ministry of Health of the Kyrgyz Republic (No. 226 dated February 24, 2021) on organization and implementation of immunization against corona virus infection caused by SARS-CoV-2 in the Kyrgyz Republic.

²⁰ ADB. [Managing Infectious Medical Waste during the COVID-19 Pandemic](#). Manila.

ensuring adequate facilities for handwashing, cleaning and decontamination procedures, use of personal protective equipment (PPEs), and disposal of medical waste.

49. **Implementation arrangement.** The project will support PIU by engagement of a National Environment Specialist (Waste Management Expert) in ensuring medical facilities/vaccination points are capable of medical waste management, monitoring and reporting.

50. **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 PIU, will prepare monthly reports on activities being undertaken related to the implementation of the medical waste 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, medical waste generation, storage, treatment, and disposal according to the HCW Management Plan. Suggested Outline is attached as Appendix 3 of the Environmental Due Diligence Report.

51. **Involuntary resettlement (category C).** The Project will not entail any new land acquisition and no civil works. Hence, the proposed category is C. The social safeguards compliance monitoring results will be reported by MOHSD to ADB within (i) quarterly progress reports; (ii) 2 consolidated annual reports and (iii) a project completion report. The provided reports will include separate section on social safeguards monitoring, including the filled-up IR screening checklists for the reporting period. The social due diligence screening report based on filled-up checklist will be provided for ADB's review and no objection before the start of any refurbishment/repair works at any medical facility. The same social due diligence and screening mechanism will be applicable to all contract packages considered under retroactive and advance financing.

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

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

54. **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

55. Women in the Kyrgyz Republic have been disproportionately affected by the pandemic in terms of higher job losses, increased unpaid care and domestic work, and higher incidents of domestic violence. Shortened working hours and job losses were reported among 77% of self-employed women compared to 57% of men since the pandemic began. Women have taken on 80% more unpaid care and domestic work compared to men (58%). Incidents of violence against women increased by 65% based on reports from hotlines, the police, and media.²¹ Women are vulnerable to COVID-19 exposure as they form majority of workers in the healthcare and social sector (83%), education (79%), and hotel and restaurants (59%). In addition, two-thirds of the population aged 65 and above are women.²² While there are more women than men who believe in vaccine effectiveness, awareness on COVID-19 vaccines and perception that approved vaccines are safe are higher among men than women. Overall, only 42% of the population believe in the effectiveness of vaccines.²³

56. The project is categorized as *effective gender mainstreaming*. The project will support the national vaccination plan of the Kyrgyz Republic through the following actions: (i) design and implement a communication campaign to improve people's access to information to address vaccine hesitancy and limited awareness on the safety and effectiveness of vaccines, benefits of vaccination and on safe post-vaccination care procedures, (ii) conduct gender sensitivity training session as part of capacity building activities for healthcare workers, staff of vaccination centers and mobile clinics, and other personnel involved in the vaccination program to enhance their skills in administering the vaccines in a culturally appropriate way that respects beneficiaries' gender, class, and beliefs, (iii) develop a sex-disaggregated database of the priority groups for vaccination; (iv) update budget and guidelines for mobile teams to reach marginalized groups, especially women; and (v) conduct a satisfaction survey among vaccine recipients to assess the gender-sensitive approaches to vaccination. The executing agency through the PIU will ensure that the project's gender targets identified in the Gender Action Plan are implemented, monitored, and reported in its periodic progress reports, with resources allocated for gender activity monitoring and reporting. The PIU, through the Gender Specialist as project implementation consultant, is responsible for the achievement of gender action plan (GAP) targets.

²¹ OECD. 2021. Gender Gaps in Eurasia. The Daunting Effects of COVID-19.

²² UN Women and UNFPA. 2020. COVID-19 Impacts on Livelihoods of Women and Men in the Kyrgyz Republic. A Rapid Assessment.

²³ CAREC Institute. 2021. Analysis of Public Attitudes towards COVID-19 Vaccination in CAREC.

GENDER ACTION PLAN

Activity	Performance Targets/Indicators	Responsibility	Time Frame
Outcome: Priority populations vaccinated against COVID-19			
a. Coordinate with government agencies in collecting and monitoring sex-disaggregated data for implementation and monitoring of the vaccination plan	<p>a.1 At least 0.76 million people in priority groups, based on the NVDP, vaccinated (data disaggregated by sex) (2021 baseline: 0)</p> <p>a.2 Sex-disaggregated database on the targeted population groups developed and regularly data collected^b: (i) stage 1 - health workers, social and education sector workers, special group, stage 2 – population with cancer; (ii) stage 2 - population 60+, population with pre-existing conditions; (iii) population aged 16+ not covered in stages 1 and 2 (2021 baseline: 0)</p>	PIU Monitoring Specialist with PIU Gender Specialist	2023
b. Conduct a satisfaction survey ^c among vaccine recipients covering issues such as adequateness of information on short-term discomforts of vaccination and how to care for injection sites, gender sensitivity and cultural appropriateness of vaccination sites, among others	b.1 At least 80% male and 80% female respondents of the survey expressed satisfaction regarding vaccination access and quality of services (2021 baseline: 0)	PIU Gender Specialist with PIU Monitoring Specialist	Q4 2022
Output 2: Vaccination program implementation capacity strengthened			
2.1 Conduct gender sensitivity training sessions for health workers, vaccinators, and other MOHSD and PIU personnel	2.1.1 Gender sensitivity training module developed, for inclusion in capacity building sessions ^d of trainees from MOHSD and PIU ^e on gender-sensitive administration of COVID-19 vaccine (2020 baseline: N/A)	PIU Gender Specialist	Q1 2022
	2.1.2 At least 80% of all trainees (at least 80% of whom are women) demonstrated gender sensitive skills in implementing the vaccine administration component of the vaccination program (2020 baseline = 0)	PIU Gender Specialist with MOHSD trainers	2022

Activity	Performance Targets/Indicators	Responsibility	Time Frame
2.2 Review the extent of gender responsiveness of current guidelines and communication plans on vaccine administration	2.2.1 Budget and guidelines for mobile teams to reach marginalized groups, especially women, updated and approved (2021 Baseline: 0)		Q1 2022
	2.3.1 Gender sensitive communication plan on the vaccination program included actions to (i) disseminate gender sensitive information to reach poor and vulnerable communities, especially women, elderly, and persons with disabilities in remote villages, and (ii) facilitate people's understanding of the benefits of vaccination, address vaccine hesitancy, as well as understand the procedures to follow before, during, and after vaccination (2020 Baseline: 0)	PIU Gender Specialist with PIU Specialists	Q1 2022
Project Management			
a. Implement gender responsive mechanisms for project implementation	a.1. National Gender Specialist recruited in the PIU	PIU	Q4 2021
	a.2 Project monitoring and reporting system with gender indicators developed and regularly updated with sex-disaggregated data	PIU M&E Specialist with PIU Gender Specialist	Q1 2022 - 2023

COVID-19 = coronavirus disease, M&E = monitoring and evaluation, MOHSD = Ministry of Health and Social Development, NGO = nongovernment organization, 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 Based on the prioritization target of the National Plan for COVID-19 Vaccination

^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 Capacity building activities will be based on MOHSD's line up of training to include, among others: (i) immunization safety, (ii) disease surveillance and monitoring, (iii) planning, (iv) communication and community engagement

^e Trainees may include vaccinators, nurses and doctors, primary care providers, public health personnel, and staff assisting the vaccination process at the vaccination centers

^f Media campaign messages may include benefits of vaccination, registration process to access vaccines, access to vaccination sites, feedback mechanisms, vaccine safety and efficacy, and other related topics.

Source: Asian Development Bank.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

Impacts the Project are Aligned with The spread of COVID-19 reduced and confidence of citizens restored (ADB's Support to Enhance Access to COVID-19 Vaccine, 2020) ^a			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
Outcome Priority populations vaccinated against COVID-19	By 2023 a. At least 0.76 million people in priority groups, based on the NVDP, vaccinated (data disaggregated by sex) (2021 baseline: 0) (OP1.1)	a. Periodic progress reports prepared by the MOHSD, WHO, and UNICEF	A: Priority populations are willing to get vaccinated. A: Vaccines are used before expiration. A: Wastage rate is 10%. R: Global supply challenges result in shortage or delay in the delivery of vaccines.
Outputs 1. COVID-19 vaccines procured and delivered to designated points 2. Vaccination program implementation capacity strengthened	By 2022: 1a. At least 1.7 million doses (2 per person) of COVID-19 vaccine (with syringes and safety boxes) delivered to designated points (2021 baseline: 0) (OP1.1.2) By 2022: 2a. Budget and guidelines for mobile teams to reach marginalized groups, especially women, updated and approved (2021 baseline: NA) (OP2.2.2) 2b. At least 80% of all trainees (at least 80% of whom are women) demonstrated gender-sensitive skills in implementing the vaccine administration component of the vaccination program (2021 baseline: 0) (OP2.2.2)	1a. Periodic progress reports prepared by the MOHSD, WHO, and UNICEF 2a. and 2b. PIU progress reports	A: The national regulatory authority approves the vaccines in a timely manner. R: Price and exchange rate fluctuations beyond project projections may raise costs.

Key Activities with Milestones

1. COVID-19 vaccines procured and delivered to designated points

- 1.1 The MOHSD prepares the TOR and drafts the contract to engage UNICEF (Q3 2021)
- 1.2 The MOHSD signs and/or awards the contract with UNICEF (Q4 2021–Q1 2022)
- 1.3 UNICEF procures and delivers the vaccines to designated points (Q4 2021–Q3 2022)
- 1.4 The MOHSD closely supervises and monitors the vaccine rollout in coordination with development partners, including ADB (Q4 2021–Q4 2022)

2. Vaccination program implementation capacity strengthened

- 2.1 The MOHSD prepares the TOR and engages and signs contracts with consultants (Q4 2021)
- 2.2 Individual consultants (including PIU staff) and firms commence work to help the MOHSD implement the project (Q4 2021)
- 2.3 PIU to ensure capacity-building programs are developed and delivered to the relevant MOHSD and PIU staff to deliver the vaccination program (Q4 2021–Q4 2022)
- 2.4 PIU to conduct an impact assessment, including a satisfaction survey, for vaccine recipients (Q1–Q4 2022)

Project Management Activities

Recruit the PIU and consultants (Q4 2021–Q1 2022)

Establish and use data collection systems to report on DMF indicators, including the collection of sex-disaggregated and gender-related information relevant to the gender equality and social inclusion action plan (Q4 2021–Q1 2023)

Prepare annual audits (financial and performance) and quarterly progress reports (Q4 2021–Q4 2023)

Conduct a midterm review (Q2 2022)

Prepare a project completion report (Q2 2023)

Inputs

ADB: \$25,000,000 (\$12.5 million OCR loan, \$12.5 million ADF grant)

Government: \$2,600,000 (in-kind contribution)

A = assumption, ADB = Asian Development Bank, ADF = Asian Development Fund, COVID-19 = coronavirus disease, DMF = design and monitoring framework, MOHSD = Ministry of Health and Social Development, NA = not applicable, NVDP = National Vaccination Deployment Plan, OCR = ordinary capital resources, OP = operational priority, PIU = project implementation unit, Q = quarter, R = risk, TOR = terms of reference, UNICEF = United Nations Children's Fund, WHO = World Health Organization.

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

Contribution to Strategy 2030 Operational Priorities

Expected values and methodological details for all OP indicators to which this project will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 2). In addition to the OP indicators tagged in the DMF, this operation will contribute results for OP7.3.3: Measures to improve regional public health and education services supported in implementation.

Source: Asian Development Bank.

B. Monitoring

57. **Project performance monitoring.** The project will be monitored regularly against the proposed design and monitoring framework. Project specific reporting will be used for monitoring project inputs and activities, while project outputs and outcome will be monitored at targeted facilities. Disaggregated baseline data for output and outcome indicators gathered during project processing will be updated and reported quarterly through the executing agencies' quarterly progress reports and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.²⁴

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

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

60. ADB will conduct review missions at least twice a year, including inspection of financial management. ADB will conduct an inception mission within 6 weeks after project effectiveness. The midterm review mission will occur between 6 and 12 months of project effectiveness. Within 2 months after the physical completion of the project, the PIU will submit to ADB a project completion report analyzing project implementation, project performance and achievements against the targets, and expected project impacts.²⁵

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

62. PIU will prepare quarterly and annual reports for submission to MOHSD and ADB. PIU will organize quarterly project reporting to the COVID-19 committee to review project performance and will also report project performance of the vaccination projects of other development partners including bilateral donors, COVAX/GAVI/UNICEF/WHO, World Bank and the Islamic Development Bank.

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

²⁴ ADB's project performance reporting system is available at <http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

²⁵ Project completion report format available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-PublicSector-Landscape.rar>

64. **Gender and social dimensions monitoring.** The executing agency, through the PIU, will report on the progress of implementation of the GAP, in its periodic progress reports. All the gender targets in the GAP will be monitored using ADB's GAP Monitoring Framework and informed through regular collection of data disaggregated by sex, age, and where possible, disability, relevant to the indicators and targets in the GAP and design monitoring framework. The PIU's Gender Specialist will also participate in review missions, including the mid-term review mission and project completion mission.²⁶

C. Evaluation

65. Project evaluation will be carried out in three phases: (i) Project inception: confirmation of draft turnkey contract(s) with UNICEF, confirmation of vaccination and inventory tracking system, confirmation of waste management system; (ii) Mid-term evaluation: assessment of progress of project implementation and adjustments, after 10 months; and (iii) End-of-Project evaluation and impact assessment after 18 months. The inception report, mid-term evaluation and project evaluation will be made available. Within 6 months of physical completion of the project, the executing agencies will submit a project completion report to ADB.²⁷

D. Reporting

66. The MOHSD will provide ADB with (i) quarterly progress reports in English and in a format consistent with ADB's project performance reporting system; (ii) 2 consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan, (e) GAP monitoring update table; and (iii) a project completion report within 6 months of physical completion of the project. Project accounts and the executing agency audited financial statement together with the associated auditor's report, should be reviewed.

E. Stakeholder Communication Strategy

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

68. The MOHSD as executing agency will undertake information disclosures on the Project and its benefits, including but not limited to information related to the RRP and GAP. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011).²⁸ After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.

²⁶ ADB. 2012. [Handbook on Poverty and Social Analysis: A Working Document](#); ADB. [Staff Guide to Consultation and Participation](#). Manila; and ADB. 2008. [CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations](#). Manila.

²⁷ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar> <http://www.adb.org/participation/toolkit-staff-guide.asp>

²⁸ Available from <http://www.adb.org/site/disclosure/public-communications-policy>

69. The project information on the Government website shall provide a link to ADB's Office of Anticorruption and Integrity (<https://www.adb.org/integrity>; <https://www.adb.org/integrity/report-violations#accordion-0-0>) for reporting to ADB any grievances or allegations of fraudulent or corrupt practices arising out of the project and project activities. For each contract, the webpage shall include information on among others the list of participating bidders, name of the winning bidder, basic details on bidding procedures adopted, amount of contract awarded, and the list of goods/services, including consulting services, procured.

X. ANTICORRUPTION POLICY

70. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.²⁹ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.³⁰

71. To support these efforts, relevant provisions are included in the loan and grant 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 MOHSD.

70. Specific risks include: i) insufficient capacity of the PIU; ii) lack of accountability measures regarding conflict of interest; iii) no formal mechanism for reporting alleged fraud or misuse of project resources or property; iv) government regulations not conforming to international best practices for data protection; and v) gender, age and geography disaggregated data not collected and monitored. Mitigating measures include engagement of performance and financial auditors and a monitoring and evaluation consultant under the project to provide fiduciary checks and assurances, capacity building for the PIU, preparation of an accountability policy, and development of a data collection tool. These are described in more detail in the risk assessment and risk management plan.³¹

71. The scope of work of the performance audit engaged under the loan to support MOHSD 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 Vaccination and Deployment Plan and to conduct a performance audit on annual basis.

XI. ACCOUNTABILITY MECHANISM

72. 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 try in good faith to solve their problems by working with the

²⁹ Anticorruption Policy: <https://www.adb.org/documents/anticorruption-policy>

³⁰ ADB. Anticorruption and Integrity. Anticorruption Sanctions List. <https://www.adb.org/site/integrity/sanctions>.

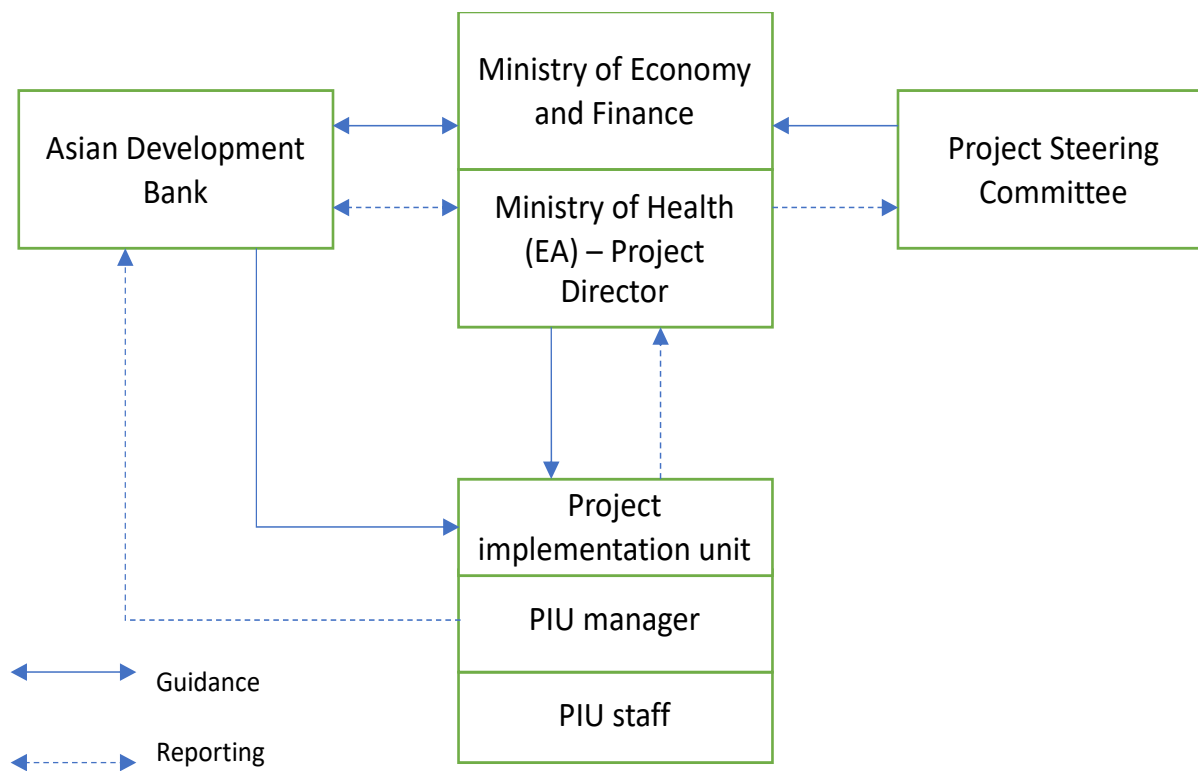
³¹ Risk Assessment and Risk Management Plan (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.³²

73. To improve government accountability over emergency funds spending for which the risks are considered substantial, the project proposed number of mitigating measures as detailed in risk mitigating action plan (**Error! Reference source not found.**).

C. Project Organization Structure

Figure 4: Project Management Structure



EA = executing agency, PIU = project implementation unit

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

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

74. 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.

³² Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

TERMS OF REFERENCE

A. INDIVIDUAL CONSULTANTS

1. Health Specialist/Vaccination Specialist (18 person-months)

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

- Ensure appropriate linkages with government representatives and ADB team;
- Establish effective working relationships and synergies with relevant stakeholders;
- Work closely with project director and other government officials in PIU;
- Assist PIU in project implementation planning, implementation, and monitoring;
- Inform KYRM and participate in ADB missions;
- Monitor COVID-19 vaccination implementation and government control developments
- Coordinate COVID-19 vaccine introduction programme among partners;
- In consultation with committee leads, organize required meetings at national level;
- Keep record of all discussions for use and future reference;
- Review inputs of partners and incorporates into national plans;
- Develop/or update national plan of actions and other related documents;
- Communicate with partners and donors of COVID-19 related tasks/issues in consultation with MOHSD;
- Inform partners of decisions made to avoid gaps in the information;
- Update all national documents in line with ongoing discussions and decisions;
- Monitor the situation of COVID-19 vaccination programme, and provides MOHSD with data and figures when needed;
- Support post vaccine introduction evaluation; and
- Other COVID-19 related tasks as requested by MOHSD and ADB.

2. Monitoring and evaluation expert (18 person-months)

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

- design and manage the project monitoring and evaluation system, including (a) identifying data to be collected regularly for the project based on the design and monitoring framework (DMF) and gender action plan (GAP) requirements; (b) in coordinating with the Gender Specialist to identify gender indicators and other relevant data to be included in data collection, monitoring, and reporting; (c) developing a gender sensitive methodology for data collection, tracking of progress, and reporting on project results;
- coordinate with government agencies in collecting sex-disaggregated data relevant to implementation and monitoring of the vaccination plan;
- advise the gender team at PIU and MOHSD in developing monitoring and reporting mechanisms aligned with GAP indicators and targets;
- provide guidance to government agencies on the use of data collection and reporting templates;
- conduct regular field visits to monitor project activities and collect sex-disaggregated data related to project implementation;
- input data into the monitoring and evaluation database and review the quality of data to be included in the database;
- prepare quarterly monitoring reports documenting project progress, identifying potential implementation risks and gaps, and recommending mitigation measures for submission to

- relevant government agencies and ADB;
- support the preparation of other project reports and documents by ensuring compliance to reporting guidelines and templates prior to submission to government and ADB;
- coordinate with the Gender Specialist in monitoring progress on key dimensions of projects such as GAP, environment impact, and other related social indicators as identified by the DMF;
- conduct mid-term and end of project evaluation of progress and achievements of the project and identify areas and/or project activities that need to be improved, strengthened, including strategies to address problems and issues during the remaining period of project implementation;
- work in close cooperation with MOHSD to set-up the M&E reporting system; prepare and submit to MOHSD and ADB all required reports, GAP monitoring, and project evaluation reports; finetune the project performance management and reporting systems; monitor and evaluate achievements during project implementation; and review data collection plan to ensure all data and targets of the design and monitoring framework are available; and
- perform any other tasks as may be reasonably requested by relevant government agencies and ADB

3. Gender Specialist (18 person-months)

77. The consultant should have an advanced degree in gender studies, public health, public administration, development studies, social sciences, or related field, with short courses on gender. The specialist should have at least 5 years' experience on mainstreaming gender in project management, capacity building activities, and knowledge management in internationally funded and/or government-managed development projects, preferably in the field of public health. The specialist should have at least 2 years' experience in designing and conducting gender training. The specialist should have at least 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 and conduct the gender session in all training activities for health workers, staff in vaccination centers, mobile vaccination teams, and other personnel receiving capacity building relevant to the project
- (ii) guide gender integration in communication campaign strategy, action plan, and design and roll out of the gender sensitive multi-media campaign to raise public awareness on the vaccination program
- (iii) integrate gender in relevant guidelines related to access to vaccines and vaccine administration
- (iv) lead the design and conduct of satisfaction survey among vaccine recipients
- (v) design and conduct gender orientation/training for MOHSD and PIU staff to enhance their capacity in integrating gender in data collection, and project planning, monitoring, and reporting
- (vi) advise on the integration of gender indicators in the project monitoring and evaluation system and regularly provide updated sex-disaggregated data to inform project reporting
- (vii) 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
- (viii) coordinate with government agencies in collecting sex-disaggregated data for implementation and monitoring of the vaccination plan;
- (ix) lead the implementation of the GAP, ensuring the accurate and timely data collection and proper documentation of results
- (x) provide guidance to PIU staff on the collection, consolidation, and analysis of sex-disaggregated data

- (xi) 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
- (xii) participate in project review missions, including but not limited to mid-term review mission and project completion mission
- (xiii) respond to request from gender focals of Kyrgyz Republic Resident Mission and ADB on any inquiries and request for additional data

4. Environment Specialist (Waste Management) (national, 18 person-months).

78. The specialist should have an advanced degree in environmental management or related field, preferably with short courses on solid wastes and/or hazardous waste management. The specialist should have at least 5 years' experience on environmental management, capacity building activities, and knowledge management in internationally funded and/or government-managed development projects. 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 medical waste management, if any;
- (ii) Assist in preparation of medical waste Management Plan, if required;
- (iii) Prepare the project's SOP on medical waste management 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 generated during activities related to vaccination;
- (iv) Establish the monitoring system on the implementation of the SOP;
- (v) Conduct monitoring of the SOP implementation and medical waste management at selected sites;
- (vi) Provide inputs to the periodic progress and monitoring reports in terms of medical waste 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 medical waste management.

5. Procurement Specialist (national, 18 person-months).

79. The specialist should have an advanced degree in business administration or related field. The specialist should have at least 5 years' experience on procurement activities in internationally funded and/or government-managed development projects. 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 do the tasks, among others:

- (i) Coordinate procurement activities for goods, works and services as specified in the procurement plan in accordance with ADB Guidelines and procurement laws of the country.
- (ii) Coordinate the development of technical specifications by industry representatives.
- (iii) Establish and maintain a procurement database including letters of interest received from suppliers of services for purpose of their possible inclusion on future shortlists or for future reference and consultation.
- (iv) Prepare detailed schedules for procurement of goods, services, and works throughout the project implementation period.

- (v) Prepare procurement documents including requests for quotation, request for proposals, bidding documents, and bid evaluation reports.
- (vi) Assist tender committees in preparing documents for bidding of procurement packages under various procurement methods (ICB, NCB, CQS, ICS, etc.) and various types of procurement (civil works, goods, and services).
- (vii) Develop a reverse-clock for planning of procurement activities.
- (viii) Monitor receipt of proposals and bids to ensure their safekeeping until public opening.
- (ix) Provide support to the tender committees in carrying out public bid openings and draft minutes of these openings.
- (x) Ensure preparation of comprehensive evaluation reports according to ADB Guidelines and timely transmission of evaluation reports to ADB for review.
- (xi) Ensure that procurement tracking information is well-coordinated with other project planning, project budgeting and other project financial reporting information.
- (xii) Timely notification of winning bidders.
- (xiii) Prepare draft contracts for review and approval by the EA and ADB.
- (xiv) Perform other duties and tasks to support project implementation, as needed.

B. CONSULTING FIRM

STATEMENT OF AUDIT NEEDS (AUDITOR'S TERMS OF REFERENCE³³) AUDITED PROJECT FINANCIAL STATEMENTS (APFS) PERFORMANCE AUDIT

I. INTRODUCTION

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

81. The Asian Development Bank ("ADB") has provided Vaccine Support under the Asia-Pacific Vaccine Access Facility (Project) for Kyrgyz Republic ("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 Health and Social Development (MOHSD), while the implementing agencies are the project implementation unit under MOHSD and Ministry of Economy and Finance (MOEF).

82. 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 NDVP.

³³ This statement of audit needs was developed to guide project teams and executing and implementing agencies in communicating the Asian Development Bank's (ADB) auditing requirements to private auditors. This statement of audit needs may also be used as a guide when communicating auditing requirements with supreme audit institutions, where applicable.

II. AUDIT REPORTING PERIOD

A. Project Financial Statement Audit

1. The MOF is currently seeking to engage the services of an audit firm to carry out annual project financial statement audit services for the Project. The following outlines the required reporting period for the Project Financial Statements, as well as the due date when the Audit report shall be submitted to MOF.

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 June 2024

B. Performance Audit

5. The following outlines the required reporting period for the Performance Audit report, as well as the due date when the Performance Audit report shall be submitted to MOHSD.

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	30 th Jun 2024

III. MANAGEMENT RESPONSIBILITY

A. Project Financial Statement Audit

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

- (i) Prepare and sign the Audited Project Financial Statements.
- (ii) Prepare and sign a Statement of Compliance.

7. 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 advance account; and
- (vi) That effective internal control, including over the procurement process, was maintained.

B. Performance Audit

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

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

IV. OBJECTIVES

A. Project Financial Statement Audit

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

B. Performance Audit

85. 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 follows³⁴:

- (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.

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

87. 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

V. AUDITING STANDARDS

A. Project Financial Statement Audit

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

89. 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):

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

90. 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.

³⁴ ISSAI 3000: Fundamental Principles of Performance Auditing

- 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.

B. Project Financial Reporting Framework

91. 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 and/or implementing agency are responsible for preparing the project financial statements, not the auditor.

C. Performance Audit

92. 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.

93. The entities to be covered in the audit are: (i) MOHSD; (ii) PIU of MOHSD and MOEF established to implement the Project; and (iii) Provincial, Districts and Health Facility levels.

VI. AUDIT DELIVERABLES

A. Audited Project Financial Statements

94. 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	For Accrual-Based Financial Statements
A statement of cash receipts and payments	A statement of financial position (balance sheet)
A statement of budgeted versus actual expenditures	A statement of financial performance (income statement)
A statement of advance account (where applicable)	A statement of cash flows
A summary statement of expenditures (where applicable)	A statement of changes in net assets/equity (where applicable)
Significant accounting policies and explanatory notes	A statement of advance account (where applicable)
Any additional schedules agreed (e.g., a summary of assets)	Significant accounting policies and explanatory notes
	Statement of budgeted versus actual expenditures
	Summary statement of expenditures (where applicable)
	Any additional schedules agreed

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

95. 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.

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

b. Management Letter

97. The auditor will provide a management letter containing, at a minimum, the following:
- (i) Any weaknesses in the accounting and internal control systems that were identified during the audit, including any irregularity in the use of the advance account and statement of expenditures (SOE) procedures (where applicable);
 - (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 expenditure³⁵ 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.

c. Specific Considerations

98. The auditor will, during the course of the audit, pay particular attention to the following:
- (i) The use of external funds in accordance with the relevant legal and financing agreements;
 - (ii) The provision of counterpart funds in accordance with the relevant agreements and their use only for the purposes intended;
 - (iii) The maintenance of proper books and records;
 - (iv) The existence of project fixed assets and internal controls related thereto;
 - (v) Where the audit report has been issued under ISA 800 or ISSAI 1800, it shall include the mandatory Emphasis of Matter paragraph alerting users of the audit report that the

³⁵ 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
 - Subject matter;
 - Criteria for measurement;
 - A summary of the work performed; and
 - The auditor's conclusion.
- (vii) On the advance account procedure (where applicable), audit procedures are planned and performed to ensure (a) the advance account (and any sub-accounts) has been managed in accordance with ADB's Loan Disbursement Handbook, (b) the cash balance of the advance account (and any sub-accounts) is supported by evidence, (c) the expenditures paid from the advance account (and any sub-accounts) comply with the approved project purpose and cost categories stipulated in the loan agreement, and (d) the amount of expenditures paid from the advance account (and any sub-accounts) comply with disbursement percentages stipulated in the loan agreement;
- (viii) Adequate supporting documentation has been maintained to authenticate claims stated in the SOE for reimbursement of eligible expenditures incurred and liquidation of advances provided to the advance account (where applicable);
- (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.

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

100. 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 disclosed³⁶.

³⁶ 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).

B. Performance Audit

101. The auditor assessment shall include:

- (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.

102. 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 implementing agencies.

103. In undertaking the audit, the audit shall review the following documents³⁷ (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) National Deployment Vaccine Plan of Kyrgyz Republic.

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

105. **Internal Control System.** 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

³⁷ Project documents are available at <http://www.adb.org/projects/documents>. ADB's guidelines are available at <http://www.adb.org/publications/guides>.

problems or weaknesses; (viii) management does not override the normal procedures and the internal control structure; and (ix) inventories are properly accounted for, safeguarded and can be physically inspected.

VII. OTHER MATTERS

A. Statement of Access

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

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

B. Independence

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

C. Health and Safety

109. 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.

D. Audit Report Submission

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

- a. Background - Covering the objective, scope and history of the Project, the legal and governmental framework, information on cash and in-kind donations, including bank account details where transfers of donations were made from overseas and details on its use.
- b. Roles and Responsibilities -For maintaining records, preparing the financial statements, auditing the financial statements, etc.
- c. Audit objectives and Methodology used - Informing the type of work, agencies/institutions audited, type of transactions verified, procedures tested, etc.
- d. Findings - This part should cover the main findings and responses obtained.

- e. Conclusion - This should contain the professional opinions based on the objectives and results of the audits, following applicable international auditing standards.
- f. Recommendations - This part should provide the recommended measures to help manage the Project.

E. Auditor Experience

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

VIII. AUDITOR AND AUDIT STAFF COMPETENCE

112. 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 MOHSD and MOEF 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.

113. 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.

B. Audit Team (Key Positions)

1- Lead Auditor (Team Leader)

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

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

2- Auditor / Engagement Manager (2 Persons)

116. 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.

A. Audit Deliverables

117. 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

B. Submission of Proposal and Work Plan

118. 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.

C. Client Support

119. 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 auditor.