Project Administration Manual

Project Number: 51141-002
Grant Number(s): To be determined
September 2018

Bhutan: Health Sector Development Program

ABBREVIATIONS

ADB	–	Asian Development Bank
BHTF	–	Bhutan Health Trust Fund
BHSQA	–	Bhutan Health Standards and Quality Assurance
BHU-I	–	basic health unit (level 1)
BHU-II	–	basic health unit (level 2)
CBO	–	community-based organization
CCE	–	cold chain equipment
CSO	–	civil society organization
DGBV	–	domestic and gender-based violence
DHIS2	–	District Health Information System 2
DMEA	–	Department of Macroeconomic Affairs
DMF	–	design and monitoring framework
DMSHI	–	Department of Medical Supplies and Health Infrastructure
DPA	–	Department of Public Accounts
DPH	–	Department of Public Health
ECOP	–	Environmental Codes of Practice
EMP	–	environmental management plan
FNPH	–	Faculty of Nursing and Public Health
GAP	–	gender action plan
GBV	–	gender-based violence
GNHC	–	Gross National Happiness Commission
HIDD	–	Health Infrastructure Development Division
HIS	–	health information system
HMIS	–	health management information system
HPD	–	Health Promotion Division
KGUMS	–	Khesar Gyalpo University of Medical Sciences
MOF	–	Ministry of Finance
MOH	–	Ministry of Health
NCD	–	noncommunicable disease
NHPSP	–	National Health Promotion Strategic Plan
OCB	–	open competitive bidding
PFS		project financial statement
PHC	–	primary health care
PMPSU	–	project management and policy support unit
PPD	–	Policy and Planning Division
PSC	–	project steering committee
PHC	–	primary health care
QASD	–	Quality Assurance and Standardization Division
RMA	–	Royal Monetary Authority
SBD	–	standard bidding document
SDP	–	sector development program
SPS	–	Safeguard Policy Statement
SOE	–	statement of expenditure
SOP	–	standard operating procedure
UNICEF	–	United Nations Children's Fund
USD	–	United States dollar
VPDPD	–	Vaccine Preventable Diseases Program Division
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 is wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the recipient 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 the Ministry of Health of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

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

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

I. PROGRAM DESCRIPTION

1. The sector development program (SDP) will support efforts of the government to improve equity, efficiency, and sustainability of Bhutan's health system. The SDP comprises (i) a project, financed by a project grant, to invest in primary health care (PHC) improvements; and (ii) a program, financed by a policy-based grant, to support governance and institutional improvements in the areas of health financing and health information management. The SDP will also advance Bhutan's health security agenda through strategic support for prevention and control of infectious diseases in line with Bhutan's commitment to the International Health Regulations (IHR, 2005).

2. **Impact, outcome, and outputs.** The impact is aligned with the National Health Policy's mission to achieve national health goals and its aspiration towards self-reliance and sustainability in Bhutan's health service delivery. The overall sustainability of health service delivery will be supported by the outcome of improved 'equitable access, efficiency, and financial sustainability of the health system. The SDP will have three outputs. The project grant will support output 1 for PHC service delivery improvements in selected areas. The policy-based grant will support outputs 2 and 3 for enhanced health financing and health information management.

3. **Output 1: Primary health services especially in underserved areas improved.** This project-based output will support improvements in PHC service delivery, especially in the underserved areas. The enhanced focus on PHC will help bridge regional health disparities and improve cost-effectiveness of the health delivery system. Investments include (i) construction of five PHC satellite clinics in urban peripheries; (ii) upgrading primary health facilities with improved infrastructure provisions for infection control and waste management; (iii) medical equipment support for enhanced PHC service delivery, including immunization, and transportation of laboratory samples; (iv) support for capacity development to roll-out the Bhutan Health Standards and Quality Assurance mechanism at PHC facilities; and (v) support for health advocacy, awareness and behavior change communication through civil society organizations.

4. **Output 2: Support for health sector financing enhanced.** This policy-based output will support enhanced health financing equity and sustainability of the Bhutan Health Trust Fund (BHTF), which core mandate is to support PHC primarily through financing of vaccines and essential medicines. The policy actions include measures to (i) enhance the BHTF operations through strengthened capital, capacity, and governance; (ii) improve equitable distribution of public health financing benefits through a benefit-incidence analysis; and (iii) develop a legal basis to support provisions for health financing equity, efficiency, and sustainability in the form of a health bill. Asian Development Bank (ADB)'s budget support under this output will contribute to BHTF capital enhancement and diversification of its investment offshore.

5. **Output 3: Disease surveillance and health information system enhanced.** This policy-based output will improve the management and governance of Bhutan's health information system (HIS) to support PHC and patient management, disease surveillance, and overall sector management efficiency. The program will facilitate Bhutan's incremental move to an interoperable national HIS, from the current stage of fragmented individual systems. Policy actions include (i) development and adoption of a national e-health strategy, (ii) creation of HIS governing body, (iii) development and adoption of HIS enterprise architecture for interoperability, and (iv) development and adoption of technical standards for health data exchange. The implementation of the e-health strategy and interoperable HIS is reflected in the draft 12th 5-year plan. ADB's budget support under this output is expected to contribute to government spending in areas such as strategy and governance, information technology infrastructure, services and applications, data standards for interoperability, and workforce capacity development.

II. IMPLEMENTATION PLANS

A. Program Readiness Activities

Table 1: Program Readiness Activities

	2018							
Indicative Activities	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Responsibility**
PMPSU established (space and counterpart staff assigned)	X							MOH
ADB review		X	X					ADB
Grant negotiations				X				MOH, ADB
PMPSU consultants recruited				X				PMPSU
ADB Board approval							X	ADB
Grant signing							X	GOB
Grant effectiveness							X	ADB
Advance contracting packages (goods/works) ready for award							X	PMPSU

ADB = Asian Development Bank, GOB = Government of Bhutan, MOH = Ministry of Health, PMPSU = project management and policy support unit.
Source: Asian Development Bank.

B. Overall Program Implementation Plan

Table 2: Program Implementation Plan

S.N.	Activities	2018			2019				2020				2021				2022				2023	
		2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
A.	***Design and Monitoring Framework***																					
1	**Output 1: Primary health services especially in underserved areas improved (project investment)**																					
1.1	***Strengthening primary health infrastructure***																					
1.1.1	***Construction of Satellite Clinics (5 sites)***																					
1.1.1a	***(W-01)*** 3 Satellite Clinics at Mothithang, Taba and Babesa: Preparation of tender, award contract, monitoring, clinics constructed	■	■	■	■	■	■	■	■	■	■	■										
1.1.1b	***(W-02)*** 1 Satellite Clinics at Debsi Preparation of tender, award contract, monitoring, clinics constructed					■	■	■	■	■	■	■	■	■	■	■						
1.1.1c	***(W-03)*** 1 Satellite Clinics at Phuentsholing: Preparation of tender, award contract, monitoring, clinics constructed					■	■	■	■	■	■	■	■	■	■	■						
1.2	***Improving the functionality of BHU II nationwide***																					
1.2.1	***(GD-01) Procurement of Ice-lined Refrigerator-cum deep freezer and Cold Boxes***																					
1.2.1a	Tendering and awarding of contract				■	■																
1.2.1b	Receipt of equipment & inspection						■															
1.2.1c	Warranty and maintenance obligations							■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
1.2.2	***(GD-03) Procurement of Diagnostic & NCD Equipment (standard NCD equipment, needle cutter and voltage stabilizers)***																					
1.2.2a	Tendering and awarding of contract			■	■	■	■	■														
1.2.2b	Receipt of equipment and inspection								■	■												
1.2.2c	Warranty and maintenance obligations								■	■	■	■	■	■	■	■	■	■	■	■	■	■
1.2.3	***(GD-02) Procurement of 2 Vaccine Vans***																					
1.2.3a	Tendering and awarding of contract		■	■	■	■	■															
1.2.3b	Receipt of van and inspection							■	■													
1.2.3c	Warranty and maintenance obligations									■	■	■	■	■	■	■	■	■	■	■	■	■
1.2.4	***Service standards roll-out across BHU-IIs, sub-posts***																					
1.2.4a	Finalizing the BHSQA standards		■																			
1.2.4b	Roll-out of BHSQA			■	■	■	■	■	■	■	■	■	■	■								
1.2.4c	Monitoring and clinical audit														■	■	■	■				
1.2.4d	Refresher training														■	■	■	■	■	■	■	■
1.3	***Interventions in 8 district***																					
1.3.1	***(GD-04) Procurement of Dental Chairs for Hospitals and BHU I***						■															

S.N.	Activities	2018			2019				2020				2021				2022				2023	
		2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
1.3.1a	Tendering and awarding of contract																					
1.3.1b	Receipt of equipment and inspection																					
1.3.1c	Warranty and maintenance obligations																					
1.3.2	***(GD-05) Procurement of waste autoclaves for hospitals, BHU I & BHU II***																					
1.3.2a	Tendering and awarding of contract																					
1.3.2b	Receipt of equipment and inspection																					
1.3.2c	Warranty and maintenance obligations																					
1.3.3	***(GD-06) Procurement of Syringe shredders and waste weighing machines for hospitals and BHU I***																					
1.3.4	***(GD-07) Procurement of X-ray machines for hospitals and BHU Is***																					
1.3.4a	Tendering and awarding of contract																					
1.3.4b	Receipt of equipment and inspection																					
1.3.4c	Warranty and maintenance obligations																					
1.3.5	***(GD-08) Procurement of Ultrasound machines for hospitals and BHU Is***																					
1.3.5a	Tendering and awarding of contract																					
1.3.5b	Receipt of equipment and inspection																					
1.3.5c	Warranty and maintenance obligations																					
1.3.6	***(GD-09) Procurement of Biochemistry analyzers, Hematology analyzers, Lab refrigerators, Centrifuges for hospitals and BHU Is***																					
1.3.6a	Tendering and awarding of contract																					
1.3.6b	Receipt of equipment and inspection																					
1.3.6c	Warranty and maintenance obligations																					
1.3.7	***(GD-10) Procurement of AV Equipment for BHU-IIs***																					
1.3.7a	Tendering and awarding of contract																					
1.3.7b	Receipt of equipment and inspection																					
1.3.7c	Warranty and maintenance obligations																					
1.2.8	***Civil Works for HCW & WASH of BHU-IIs***																					
1.2.8a	***(W-04)*** Tendering, awarding contract, and construction: Water reservoirs, water source protection, general Toilets, burial pits and waste storage rooms for BHU Is and IIs in Mongar district																					
1.2.8b	***(W-05)*** Tendering, awarding contract, and construction: Water reservoirs, water source protection, general toilets, burial pits and waste storage rooms for BHU Is, IIs and Hospitals in Trashigang and Trashiyangtse districts																					
1.2.8c	***(W-06)*** Tendering, awarding contract, and construction: general toilets, burial pits and waste storage rooms for BHU Is, IIs and Hospitals in Samdrupjongkhar and Pemagatshel districts																					

S.N.	Activities	2018			2019				2020				2021				2022				2023	
		2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
1.2.8d	***(W-07)*** Tendering, awarding contract, and construction Water reservoirs, water source protection, general toilets, burial pits and waste storage rooms for BHU Is, IIs and Hospitals in Trongsa and Zhemgang districts	■	■	■	■	■	■	■														
1.2.8e	***(W-08)*** Tendering, awarding contract, and construction: Water reservoirs, water source protection, general Toilets, burial pits and waste storage rooms for BHU Is, IIs and Hospitals in Dagana district	■	■	■	■	■	■	■														
1.2.9	***Strengthen knowledge and communication skills of health workers***																					
1.2.9a	Development of training module, training material and TOT of Master Trainers			■	■																	
	IPC training for HW of BHU-I, BHU-II & sub-posts in focus districts					■	■	■	■	■	■	■	■	■	■							
1.2.9b	Conduct refresher course for HW in focus districts														■	■	■	■	■			
1.2.9c	Monitoring of the effectiveness of the IPC trainings					■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
1.2.9d	Exchange program of trained HW for cross learning												■	■	■	■	■	■	■	■		
1.2.10	***Consulting services for BCC***																					
1.2.10 a (i)	***(S-01)*** Service Contract with CSO for strengthening community-based structures to address DV and GBV (bid invitation and award of contract)	■	■	■																		
(ii)	Advocacy/ communication activities and its monitoring				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	
(iii)	Periodic reporting on lessons and effectiveness, mid-term and final evaluation				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
1.2.11 b (i)	***(S-02)*** Service Contract with CSO for strengthening community-based structures to address U5 nutrition (bid invitation and award of contract)	■	■	■																		
(ii)	Advocacy/ communication activities and its monitoring				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	
(iii)	Periodic reporting on lessons and effectiveness, mid-term and final evaluation				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
B.	***Project Management Activities***																					
4.	Project Steering Committee Meeting (every 6 month)			■		■		■		■		■		■		■		■		■		■
5.	District Management Committees' Meeting (every quarter)		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
6.	Establish PMPSU and project management consultants in place	■																				
7.	Implement and report environment management activities			■	■	■	■	■	■	■	■	■	■	■	■							
8.	Implement and report on the gender action plan		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
9.	Annual project report					■				■				■				■				
10.	Midterm review											■	■									
11.	Project completion report																					■
2	**Output 2: Support for health sector financing enhanced (policy-based)**																					
2.1	**Tranche 1**																					
2.1.1	(i) BHTF has finalized a report on its financial sustainability and the recommendations set out in the report have been approved by the BHTF's	■																				

S.N.	Activities	2018			2019				2020				2021				2022				2023	
		2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
	Board; and (ii) RGOB has allocated a budget of at least Nu500 million to strengthen BHTF's financial position																					
2.1.2	(i) BHTF has become autonomous to facilitate self-sustainability and management efficiency; and (ii) BHTF has developed an operation manual to strengthen, amongst others, its operational procedures, financial and investment management and human resource policies and the operations manual has been approved by BHTF's Board																					
2.1.3	MOH has conducted a BIA to determine the distribution of benefits from public financing for health care among different population groups desegregated by income, socio-economic, gender and geographic factors																					
2.2	**Tranche 2**																					
2.2.1	(i) BHTF has developed and the Cabinet has approved a strategy to mobilize funds required for BHTF's operations including best practice guidance for such fund mobilization; and (ii) BHTF has developed and approved an investment strategy for prudent investment of BHTF's funds																					
2.2.2	(i) BHTF has appointed all key staff members including Director, investment manager, and accountant; and (ii) BHTF's Board has been appointed in accordance with BHTF's by-laws and includes representatives from the private sector.																					
2.2.3	RGOB has finalized, approved and submitted to the Parliament of Bhutan, a National Health Bill to improve health financing equity, efficiency and sustainability and enable MOH to establish a regulatory framework for health data exchange and interoperability																					
3	**Output 3: Disease surveillance and health information systems enhanced (Policy-Based)**																					
3.1	**Tranche 1**																					
3.1.1	MOH has developed and approved an e-Health strategy (including a roadmap for interoperability among different health information systems)																					
3.1.2	MOH has constituted a governing body for the HIS which includes members responsible for the health data exchange and interoperability standards among different health information systems																					
3.2	**Tranche 2**																					
3.2.1	MOH has developed and approved the enterprise architecture for the HIS which defines the technology and system requirements and exchange formats for interoperability																					
3.2.2	MOH has developed and approved the technical standards for health data exchange and interoperability, and MOIC has incorporated these technical standards in the updated e-Governance Interoperability Framework (e-GIF)																					

Source: Asian Development Bank.

III. PROGRAM MANAGEMENT ARRANGEMENTS

6. The implementation arrangements are summarized in Table 3. The Ministry of Health (MOH) will be the executing agency. The MOH will be responsible for overall strategic planning, guidance, and management of the SDP, and ensuring compliance with the tranche release conditions under the policy-based component of the grant. A project management and policy support unit (PMPSU) will be established in the Policy and Planning Division (PPD) of the MOH to support with planning, implementation, monitoring and supervision, and coordination of all activities under the SDP including the implementation of the tranche release policy actions. The PMPSU will be managed by a project director, a senior MOH official.

7. Implementing units of the MOH for output 1 include (i) Health Infrastructure Development Division (HIDD) of the Department of Medical Supplies and Health Infrastructure (DMSHI) responsible for the procurement and supervision of civil works, (ii) Medical Supplies Procurement Division of the DMSHI responsible for the procurement and supervision of goods,[1] (iii) Quality Assurance and Standardization Division responsible for the training of health workers on Bhutan Healthcare Standard for Quality Assurance (BHSQA), (iv) Health Promotion Division of the Department of Public Health (DPH) responsible for training health workers on interpersonal counselling, and (v) Department of Medical Services responsible for the operation of urban satellite clinics. Under output 2, the PPD will responsible for tranche release policy actions related to health financing, and the BHTF will be responsible for tranche release policy actions related to the BHTF. Under output 3, the PPD and the Information, Communications and Technology Division of the MOH will be responsible for tranche release policy actions related to e-health services.

8. **Program steering committee.** The program steering committee (PSC) will be the MOH high-level committee, which will monitor and supervise the program. The PSC comprises the secretary of the MOH (chair), director of the PMPSU (member secretary), director general of the DMSHI, director general of Department of Medical Services, director of the DPH, representative of the BHTF, representative of the Gross National Happiness Commission, and representative of the Ministry of Finance (MOF). Other officials may be invited as and when needed. The PSC will meet every 6 months to carry out the functions listed in Table 4.

9. **Dzongkhag management committees.** Dzongkhag committees already exist as part of regular oversight of district-level activities. These are chaired by the district administrative head, and when project activities are discussed, the district health officer will act as the member secretary, and the following officials will be invited to attend: (i) chief medical officer, (ii) district engineer, and (iii) district environment officer. It will meet every quarter to carry out the functions listed in Table 4.

Table 3: Implementation Arrangements

Aspects	Arrangements
Implementation period	September 2018–August 2023
Estimated completion date	31 August 2023
Estimated closing date	28 February 2024
Project management	
(i) Oversight body	The project steering committee, chaired by the MOH's secretary, will be the oversight body. District management committees will monitor activities in the eight focus districts.
(ii) Executing agency	MOH

[1] Installation and maintenance supported by the Biomedical Engineering Division of the DMSHI.

Aspects	Arrangements		
(iii) Implementing units	BHTF; DMSHI, DPH, PPD, ICT Division, and QASD of MOH		
(iv) Management and coordination	The project management and policy support unit will be established in MOH to coordinate and manage the overall sector development program.		
Procurement[a]	Procurement from specialized agencies (international advertising)	1 contract through WHO (vehicles) 2 contracts through UNICEF (goods)	$322,030 $293,540
	Open competitive bidding (national advertising)	8 contracts (works) 12 contracts (goods)	$1,822,260 $1,907,090
	Request for quotations	3 contracts (equipment and furniture)	$84,830
Consulting services[a]	Consultants' qualification selection	2 contracts	$225,720
	Individual consultant selection	14 person-months (international) 232 person-months (national)	$204,260 $158,270
Retroactive financing and/or advance contracting	Retroactive financing will cover up to 20% of the ADB project grant for eligible expenditures incurred prior to grant effectiveness but not earlier than 12 months prior to the signing of the project grant agreement.		
Disbursement	The grant proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) and detailed arrangements agreed between the Government of Bhutan and ADB.		

ADB = Asian Development Bank; BHTF = Bhutan Health Trust Fund; DMSHI = Department of Medical Supplies and Health Infrastructure; DPH = Department of Public Health; GOB = Government of Bhutan; ICT = Information, Communications and Technology; MOH = Ministry of Health; PPD = Policy and Planning Division, QASD = Quality Assurance and Standardization Division, UNICEF = United Nations Children's Fund, WHO = World Health Organization.

[a] Procurement (including consulting services) will follow ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

Source: Asian Development Bank.

A. Program Implementation Organizations: Roles and Responsibilities

Table 4: Program Implementation Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Executing agency (MOH)	Overall strategic planning, guidance, and management of the SDP, including for ensuring compliance with the tranche release conditions and grant covenants.
Project steering committee (High-level committee of the MOH)	- Meet six-monthly, or as and when necessary, to review implementation progress and resolve constraints in implementation - Make key policy-level decisions to facilitate project implementation - Provide necessary support to the PMPSU to ensure smooth project implementation
PMPSU established in the PPD of the MOH	Coordinate and manage the overall SDP: - Plan, manage, and implement all project activities on a day-to-day basis - Act as the point of contact with ADB on all project implementation matters - Ensure and monitor compliance of grant covenants, including safeguards - Submit progress reports, withdrawal applications, statements of expenditures, and other project-related information in a timely manner to ADB and the MOH - Supervise all consultancy contracts - Submit all audited project financial statements to ADB no later than 6 months after the close of each fiscal year
Implementing units (PPD, ICT, BHTF, QASD, DPH, DMS, DMSHI)	Manage specific components and subcomponents: - DMSHI (HIDD) - responsible for the procurement and the supervision of civil works - DMSHI (MSPD) - responsible for procurement and supervision of goods received - QASD - responsible for the training of health workers on the BHSQA - HPD (DPH) - responsible for training health workers on interpersonal communication - DMS - responsible for the operation of urban satellite clinics - PPD responsible for tranche release policy actions related to health financing and e-health - ICT Division - responsible for tranche release policy actions related to health information systems - BHTF - responsible for tranche release policy actions related to health financing.
Dzongkhag management committee (8 targeted districts)	- Meet every quarter to review implementation progress and resolve constraints in implementation - Supervise civil works at BHU-IIs - Submit project progress report to the PMPSU

ADB = Asian Development Bank; BHSQA = Bhutan Healthcare Standard for Quality Assurance; BHTF = Bhutan Health Trust Fund; BHU-II = basic health unit (level 2); DPH = Department of Public Health; DMSHI = Department of Medical Supplies and Health Infrastructure; DMS = Department of Medical Services; Department of Public Health; ICT = Information, Communications and Technology; HIDD = Health Infrastructure Development Division; HPD = Health Promotion Division; MSPD = Medical Supplies and Procurement Division; PMPSU = project management and policy support unit; PPD = Policy and Planning Division; MOH = Ministry of Health; QASD = Quality Assurance Standardization Division; SDP = sector development program.
Source: Asian Development Bank.

B. Key Persons Involved in Implementation

Executing Agency	
Ministry of Health	Dr. Ugen Dophu Secretary Ministry of Health, Kawazangsa, Thimphu, Bhutan Tel: +975-232-6626 udophu@health.gov.bt
Asian Development Bank	
Division Director	Sungsup Ra Director, Human and Social Development Division South Asia Department 6 ADB Avenue, Mandaluyong City, 1550, Metro Manila, Philippines Tel: +632-632-4629 sungsupra@adb.org
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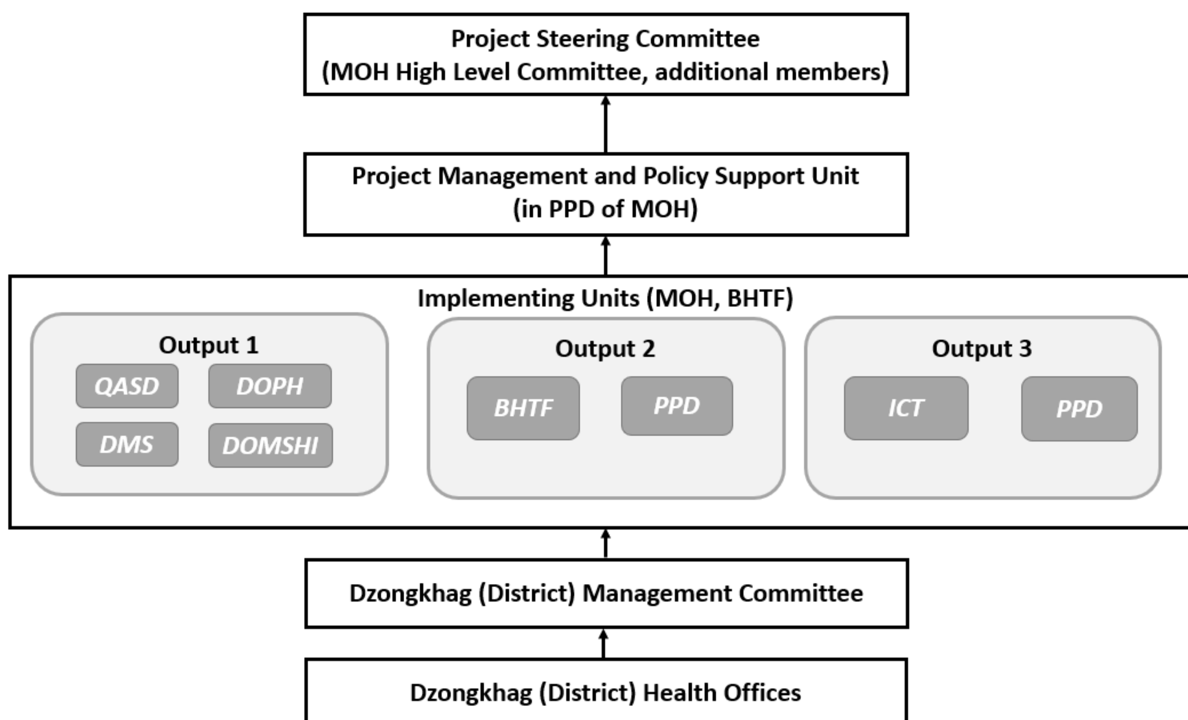
C. Program Organization Structure

Figure 1: Program Management Structure



BHTF = Bhutan Health Trust Fund; DMS = Department of Medical Services; DMSHI = Department of Medical Services and Health Infrastructure; DPH = Department of Public Health; ICT = Information, Communications and Technology Division; MOH = Ministry of Health; PPD = Policy and Planning Division; QASD = Quality Assurance Standardization Division.
Source: Asian Development Bank.

IV. COSTS AND FINANCING

10. The SDP is estimated to cost $41.22 million, of which ADB will finance a total of $20 million, comprising a project grant of $6 million equivalent, and a policy-based grant of $14 million. The government will provide counterpart funds totaling $21.22 million equivalent, comprising $0.52 million for output 1 (PHC), $7.71 million for output 2 (BHTF), and $13 million for output 3 (HIS).

11. **Project.** The project under output 1 is estimated to cost $6 million. ADB will finance the expenditures for civil works, goods, consulting services, and capacity development. The government will provide counterpart support in the form of staff, office accommodation, meeting venues, and other in-kind contributions including local taxes and duties through exemption.

12. **Program.** The program under outputs 2 and 3 is estimated to cost $34.71 million, of which ADB will provide $14.00 million to the government to (i) increase the BHTF capital fund, and (ii) finance governance and institutional reforms related to achieving a strong national HIS. The program will be in two tranches of $7 million each to be released in 2018 and 2020, respectively, upon meeting of the agreed conditions. The overall program financing need was estimated based on the combination of (i) BHTF assessment of its financing sustainability, and (ii) government-projected financing requirement for developing an interoperable HIS during the Twelfth Five-Year Plan. For the sustainability of the BHTF under output 2, the financing need for its enhanced capital was estimated to be around $20 million. Of this, ADB will provide a grant of $10 million (in two tranches of $5 million each) and the government will provide Nu500.00 million ($7.71 million equivalent) to the BHTF. The BHTF is also expected to mobilize own additional funds to bridge the remaining funding gap. For the HIS program under output 3, the government estimated an overall requirement of $17 million over the medium-term (2018–2023). Of this, ADB will provide a grant of $4 million (in two tranches of $2 million each) to help finance the program, and the government will fund the remainder under the 12th 5-year plan budget for flagship programs.

Table 5: Summary Cost Estimates
($ million)

Item	Amount[a]
A. Base Cost[b]	
Output 1. Primary health services improved (including program management)	5.98
Output 2. Support for health sector financing enhanced	17.71
Output 3. Disease surveillance and health information systems enhanced	17.00
Sub-total (A)	**40.69**
B. Contingencies[c]	0.53
Total (A+B)	**41.22**

[a] Includes tax and duties of $0.05 million. Such amount does not represent an excessive share of the project cost. The government will finance taxes and duties of $0.21 million by way of exemption in accordance with its law.
[b] In mid-2018 prices as of 31 March 2018.
[c] Physical contingencies computed at 5.0% each for civil works, equipment and furniture, vehicles, training, consulting services, and project management and policy support unit. Price contingencies computed at an average of 1.56% on foreign exchange costs and 5.4% on local currency costs; and includes provision for potential exchange fluctuation under the assumption of a purchasing power parity exchange rate.
Source: Asian Development Bank.

Table 6: Summary Financing Plan
($ million)

Source	Amount ($ million)	Share of Total (%)
Asian Development Bank[a]		
Special Funds resources (ADF, policy-based grant)	14.00	33.96%
Special Funds resources (ADF, project grant)	6.00	14.56%
Government of Bhutan	21.22	51.48%
Total	**41.22**	**100.00%**

ADF = Asian Development Fund.
[a] Includes $13.33 million from the ADF set-aside for regional health security.
Source: Asian Development Bank.

A. Cost Estimates Preparation and Revisions

13. The cost estimates have been prepared based on inputs received from the MOH and other government departments.

B. Key Assumptions

14. The following key assumptions underpin the cost estimates and financing plan:
(i) Exchange rate: Nu64.8885 = $1.00 (as of 18 April 2018);
(ii) price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 7: Escalation Rates for Price Contingency Calculation

Item	2018	2019	2020	2021	2022	2023	Average
Foreign rate of price inflation	0.00%	1.50%	3.03%	4.61%	6.29%	7.99%	3.90%
Domestic rate of price inflation	0.00%	5.25%	10.99%	17.04%	23.43%	30.16%	14.48%

Source: Asian Development Bank documents (figures for 2022 and 2023 not available; assumed to be the same as 2021)

(iii) In-kind contributions were calculated using salary information, usual meeting costs, and market estimates of office space provided by the MOH. The valuation methodology estimated the effort provided by staff seconded to the PMPSU/providing inputs to the PMPSU, effort of contracting and contract monitoring units within the DMSHI, costs of quarterly meetings of the PSC and Dzongkhag committees in the focus districts, and market estimates of office space for the PMPSU office within the MOH premises.

C. Detailed Cost Estimates by Expenditure Category

Table 8: Detailed Cost Estimates by Expenditure Category (Project Grant for Output 1)

	Item	in Nu million			in $ million			
		Foreign Exchange	Local currency	Total Cost	Foreign Exchange	Local Currency	Total Cost	% of Total Base Cost
A.	**Investment Costs**							
1	Civil works	-	160.82	160.82	-	2.48	2.48	41.4%
2	Equipment & furniture	18.14	80.26	98.40	0.28	1.24	1.52	25.3%
3	Vehicles	-	19.62	19.62	-	0.30	0.30	5.1%
4	Training	-	28.10	28.10	-	0.43	0.43	7.2%
5	Consulting services	-	13.24	13.24	-	0.20	0.20	3.4%
	Subtotal (A)	**18.14**	**302.04**	**320.18**	**0.28**	**4.65**	**4.93**	**82.5%**
B.	**Recurrent Costs**							
6	PMPSU – salaries	13.24	13.51	26.75	0.20	0.21	0.41	6.9%
7	PMPSU - expenses	-	21.54	21.54	-	0.33	0.33	5.5%
8	In-kind contribution	-	19.71	19.71	-	0.30	0.30	5.1%
	Subtotal (B)	**13.24**	**54.77**	**68.01**	**0.20**	**0.84**	**1.05**	**17.5%**
	Total Base Cost (A+B)	**31.38**	**356.81**	**388.19**	**0.48**	**5.50**	**5.98**	**100.0%**
C.	**Contingencies**							
1	Physical Contingencies	1.57	25.99	27.56	0.02	0.42	0.44	7.1%
2	Price Contingencies	0.24	6.84	7.07	0.00	0.11	0.12	1.8%
	Subtotal (C)	**1.80**	**32.83**	**34.63**	**0.03**	**0.51**	**0.53**	**8.9%**
	Total Project Cost (A+B+C)	**33.18**	**389.64**	**422.82**	**0.51**	**6.00**	**6.52**	**108.9%**

PMPSU = project management and policy support unit.
Note: Numbers may not sum precisely because of rounding.
Sources: Asian Development Bank and Government of Bhutan

D. Allocation and Withdrawal of Grant Proceeds

Table 9: Allocation and Withdrawal of Grant Proceeds (Project Grant for Output 1)

Item	ADB Financing ($ thousand)	Basis for Withdrawal from the Grant Account
1. Civil works	2,478.40	100% of expenditure claimed
2. Equipment (medical and office equipment, furniture, and vehicles)	1,606.61	100% of expenditure claimed
3. Training	433.00	100% of expenditure claimed
4. Consulting services	204.00	100% of expenditure claimed
5. PMPSU – salaries and expenses	744.27	100% of expenditure claimed
6. Unallocated	533.72	
TOTAL	**6,000.00**	

ADB = Asian Development Bank, PMPSU = project management and policy support unit.
Source: Asian Development Bank.

E. Detailed Cost Estimates by Financier

Table 10: Detailed Cost Estimates by Financier (Project Grant for Output 1)
($ million)

	Item	ADB				GOB				
		Non-tax	Tax	Total	% of Cost Category	Non-tax	Tax	Total	% of Cost Category	Total Amount
A.	**Investment Costs**									
1	Civil works	2.43	0.05	2.48	100.0%	-	-	-	0.0%	2.48
2	Equipment & furniture	1.49	-	1.49	98.2%	-	0.03	0.03	1.8%	1.52
3	Vehicles	0.12	-	0.12	38.8%	-	0.19	0.19	61.2%	0.30
4	Training	0.43	-	0.43	100.0%	-	-	-	0.0%	0.43
5	Consulting services	0.20	0.00	0.20	100.0%	-	-	-	0.0%	0.20
	Subtotal (A)	***4.67***	***0.05***	***4.72***	***95.7%***	***0.00***	***0.21***	***0.21***	***4.3%***	***4.93***
B.	**Recurrent Costs**									
6	PMPSU - salaries	0.41	-	0.41	100.0%	-	-	-	-	0.41
7	PMPSU - expenses	0.33	-	0.33	100.0%	-	-	-	-	0.33
8	In-kind contribution	-	-	-	-	0.30	-	0.30	100.0%	0.30
	Subtotal (B)	***0.74***	***0.00***	***0.74***	**71.0%**	***0.30***	***0.00***	***0.30***	**29.0%**	***1.05***
	Total Base Cost (A+B)	**5.41**	**0.05**	**5.47**	**91.4%**	**0.30**	**0.21**	**0.52**	**8.6%**	**5.98**
C.	**Contingencies**									
1	Physical Contingencies	0.42	-	0.42	100.0%	-	-	-	-	0.42
2	Price Contingencies	0.11	-	0.11	100.0%	-	-	-	-	0.11
	Subtotal (C)	***0.53***	***0.00***	***0.53***	**100.0%**	***0.00***	***0.00***	***0.00***	**-**	***0.53***
	Total Project Cost (A+B+C)	**5.95**	**0.05**	**6.00**	**92.1%**	**0.30**	**0.21**	**0.52**	**7.9%**	**6.52**

ADB = Asian Development Bank, GOB = Government of Bhutan, PMPSU = project management and policy support unit.
Note: Numbers may not sum precisely because of rounding.
Sources: Asian Development Bank and Government of Bhutan.

F. Detailed Cost Estimates by Output

Table 11: Detailed Cost Estimates (Project Grant for Output 1)
($ million)

	Item	Total Cost	Amount	% of Cost Category
A.	**Investment Costs**			
1	Civil works	2.48	2.48	100.0%
2	Equipment & furniture	1.52	1.52	100.0%
3	Vehicles	0.30	0.30	100.0%
4	Training	0.43	0.43	100.0%
5	Consulting services	0.20	0.20	100.0%
	Subtotal (A)	**4.93**	**4.93**	**100.0%**
B.	**Recurrent Costs**			
6	PMPSU - salaries	0.41	0.41	100.0%
7	PMPSU - expenses	0.33	0.33	100.0%
8	In-kind contribution	0.30	0.30	100.0%
	Subtotal (B)	**1.05**	**1.05**	**100.0%**
	Total Base Cost (A+B)	**5.98**	**5.98**	**100.0%**
C.	**Contingencies**			
1	Physical contingencies	0.42	0.42	100.0%
2	Price contingencies	0.11	0.11	100.0%
	Subtotal (C)	**0.53**	**0.53**	100.0%
	Total Project Cost (A+B+C)	**6.52**	**6.52**	**100.0%**

PMPSU = project management and policy support unit.
Note: Numbers may not sum precisely because of rounding.
Sources: Asian Development Bank and Government of Bhutan.

G. Detailed Cost Estimates by Year

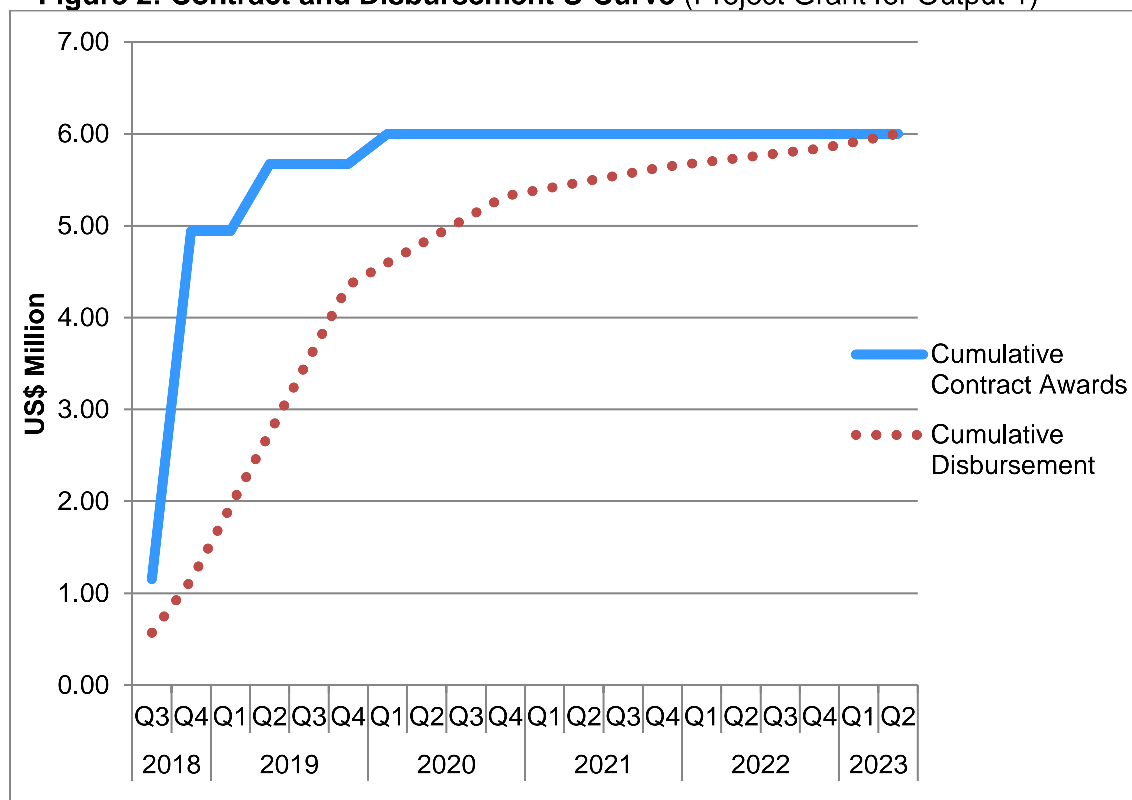
Table 12: Detailed Cost Estimates by Year (Project Grant for Output 1)
($ thousand)

	Item	Total Cost	2018	2019	2020	2021	2022	2023
A.	**Investment Costs**							
1	Civil Works	2,478.40	644.38	1,189.63	594.81	49.57	-	-
2	Equipment & furniture	1,489.21	282.95	1,206.26			-	-
3	Vehicles	117.40	-	117.40			-	-
4	Training	433.00	12.99	138.56	64.95	90.93	69.28	56.29
5	Consulting services	204.00	-	40.80	40.80	40.80	40.80	40.80
	Subtotal (A)	**4,722.01**	**940.32**	**2,692.65**	**700.57**	**181.30**	**110.08**	**97.09**
B.	**Recurrent Costs**							
6	PMPSU - salaries	412.27	78.33	140.17	82.45	61.84	37.10	12.37
7	PMPSU - expenses	332.00	19.92	146.08	79.68	33.20	29.88	23.24
8	In-kind contribution	-	-	-	-	-	-	-
	Subtotal (B)	**744.27**	**98.25**	**286.25**	**162.13**	**95.04**	**66.98**	**35.61**
	Total Base Cost (A+B)	**5,466.28**	**1,038.57**	**2,978.90**	**862.70**	**276.34**	**177.06**	**132.70**
C.	**Contingencies**	**533.72**	**101.41**	**234.84**	**106.74**	**37.36**	**26.69**	**26.69**
	Total Project Cost (A+B+C)	**6,000.00**	**1,139.98**	**3,213.74**	**969.44**	**313.70**	**203.75**	**159.38**
	% Total Project Cost	**100%**	**19.0%**	**53.6%**	**16.2%**	**5.2%**	**3.4%**	**2.7%**

PMPSU = project management and policy support unit.
Note: Numbers may not sum precisely because of rounding.
Source: Asian Development Bank.

H. Contract and Disbursement S-Curve

Figure 2: Contract and Disbursement S-Curve (Project Grant for Output 1)



Source: Asian Development Bank.

Quarterly projections	2018		2019				2020				2021				2022				2023	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Contract Awards	1.15	3.78		0.73			0.34													
Disbursements	0.57	0.57	0.80	0.80	0.80	0.80	0.24	0.24	0.24	0.24	0.08	0.08	0.08	0.08	0.05	0.05	0.05	0.05	0.08	0.08

Source: Asian Development Bank.

I. Fund Flow Diagram

15. The fund flow illustrates how funds from ADB will reach the responsible agency and is explained step-wise below and shown schematically in Figure 3.

16. **Output 1 – Project investment support to Ministry of Health:**

Step 1: Separate advance account is established and maintained by the MOF-Department of Macroeconomic Affairs (DMEA) at the Royal Monetary Authority (RMA) in Bhutan in United States dollars (USD). The DMEA is accountable and responsible for proper use of advance to the advance account (including advances to sub-accounts).

Step 2: The MOH-PMPSU submits request for initial and additional advances to the advance account through the DMEA. Request for advance is based on the estimated expenditures to be financed through the account for the forthcoming 6 months.

Step 3: ADB disburses advance in USD to the DMEA's advance account.

Step 4: Based on the request of the MOH to the DMEA, the DMEA releases funds to the DPA in local currency at the DPA's bank account (pass-through account) maintained in the Bank of Bhutan.

Step 5: The DPA issues a project letter of credit towards proposed project activities in favor of the PMPSU and disburses funds in local currency to the MOH's bank account maintained in the Bank of Bhutan. This will be designated as the sub-account and used exclusively for ADB's share of eligible expenditure.

Step 6: Based on the invoices submitted by suppliers, contractors, or consultants, the PMPSU releases funds to the respective vendor following the MOH's payment procedures. The PMPSU maintains all supporting documents for audit purposes.

17. Statement of expenditures (SOE) procedure may be used to support request for reimbursement and 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 by the PMPSU and made readily available for review by ADB and for independent audit. Details on the advance fund and the SOE procedure are in Section V. B.

18. **Output 2 – Budgetary support for Bhutan Health Trust Fund:**

Step 1: The PMPSU to send withdrawal application to ADB through the DMEA, with a request to disburse funds directly to the RMA's bank account maintained in USD in the United States.

Step 2: ADB disburses funds in USD directly to the RMA's bank account maintained in the United States.

Step 3: The RMA releases funds to the BHTF in the most economical and efficient manner for its purpose in accordance with the country's policy and regulation on foreign exchange transactions, in consultation with the RMA/MOF.

19. **Output 3 – Budgetary support for Ministry of Health:**

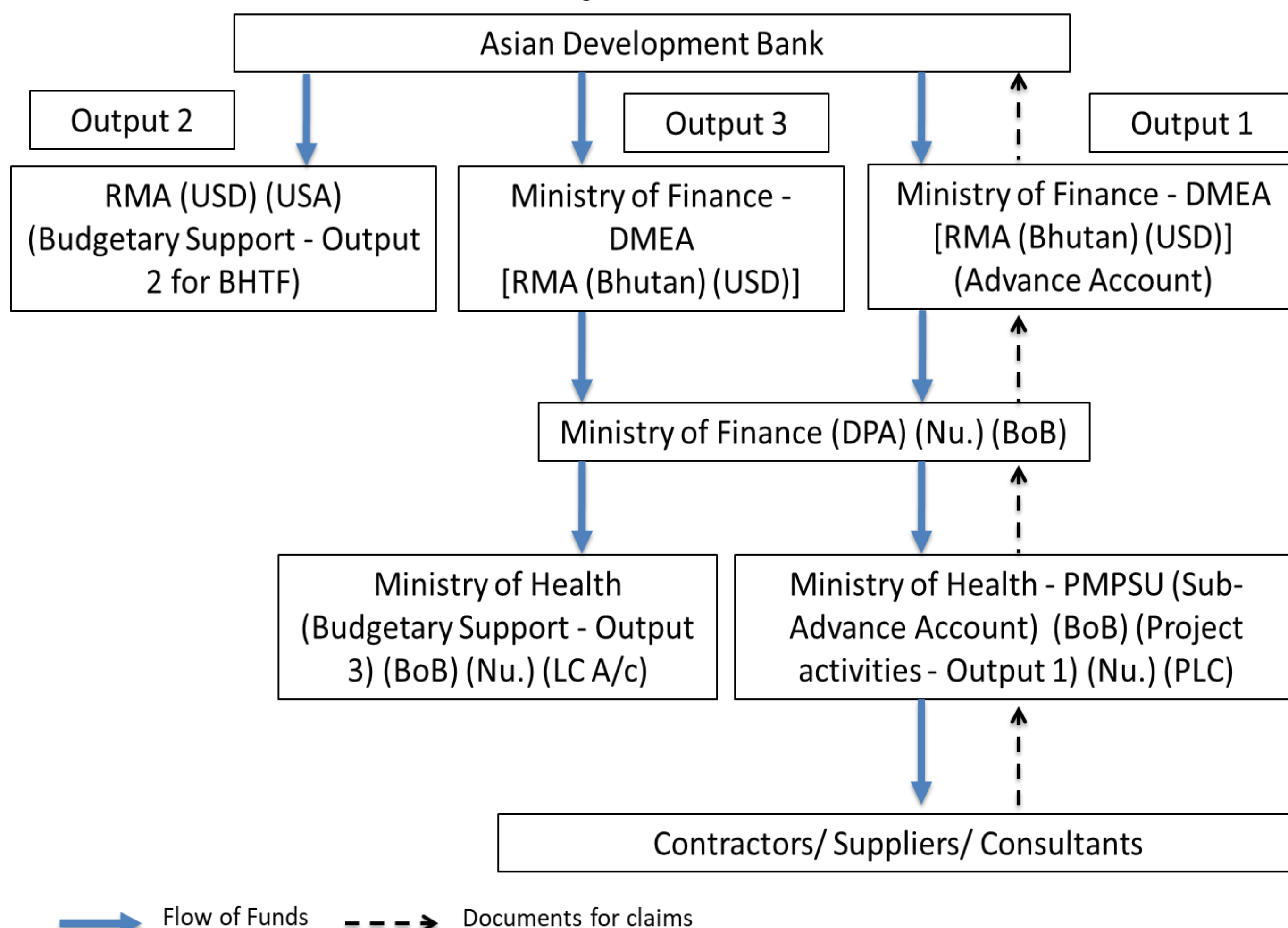
Step 1: The PMPSU to send withdrawal application to ADB through the DMEA.

Step 2: ADB disburses funds in USD to the DMEA's account. The RMA will open a new account for output 3 funds, which will be separate from the advance account for output 1.

Step 3: Based on the request of the MOH to the DMEA, the DMEA releases funds to the DPA in local currency at the DPA's bank account (pass-through account) maintained in the Bank of Bhutan.

Step 4: The DPA issues a letter of credit towards budgetary support in favor of the MOH and disburses funds in local currency in the MOH's bank account maintained in the Bank of Bhutan.

Figure 3: Fund Flow



BHTF=Bhutan Health Trust Fund; BoB = Bank of Bhutan; DMEA = Department of Macro Economic Affairs; DPA = Department of Public Accounts; LC A/c = Letter of Credit Account; MoH = Ministry of Health; Nu. = Ngultrums; PMPSU = Program Management and Policy Support Unit; PLC = Project Letter of Credit; RMA = Royal Monetary Authority; USD = United States Dollar

Source: Asian Development Bank.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

20. The financial management assessment was carried out from November 2017 to April 2018 in accordance with ADB's Guidelines on Financial Management and Analysis of Projects, and the Financial Due Diligence: A Methodology Note.[2] It considered the capacity of the MOH, including fund-flow arrangements, staffing, accounting and financial reporting systems, and internal and external audit arrangements. The overall pre-mitigation financial management risk for the MOH is considered as **moderate** as the ministry has well-established systems for financial management and has computerized its budgeting and expenditure management systems. The Accounts Department is fully functional with accountants responsible for different functions. For the project, the PMPSU will be established by the MOH, assisted by a full-time accountant and project management consultants. It is concluded that the MOH has sufficient capacity to administer the advance fund and the SOE procedures. The financial management and internal control risk assessment is in Table 13.

Table 13: Financial Management and Internal Control Risk Assessment

Risk	Pre-Mitigation Risk Rating	Mitigation Measures
Inherent risks		
PFM reforms. The 2016 PEFA assessment indicates that the country has made good progress in PFM since the previous assessment in 2010. The PFM reforms are, however, still incomplete. If progress in national PFM reforms stall, then line ministries will also be affected, and PFM performance in the project may be lower than expected.	Moderate	GOB, with World Bank support, is expected to establish a multi-donor trust fund to support a new GOB PFM reform program. Implementation progress will be monitored closely.
Executing and/or implementing agencies. The MOH follows the GOB Financial Rules and Regulations but do not have adequate exposure to ADB procedures, which may result in implementation delays.	Moderate	A project management unit will be established, including with a full-time accountant and financial management consultant to assist capacity building of the MOH. ADB will also facilitate attendance of the MOH staff in its financial management and disbursement workshops.
Overall Inherent Risk Rating	Moderate	
Control risks		
Funds flow. The government has issues with the timely release of counterpart funds in other ADB projects in Bhutan, which may be repeated with this project with a risk of delays in the release of funds.	Low	Government's contribution to the investment component of this project will be in the form of exempting taxes and duties, and recurrent costs to avoid any potential delays in counterpart financing of civil works. All project

[2] ADB. 2005. *Financial Management and Analysis of Projects.* Manila; and ADB. 2009. *Financial Due Diligence: A Methodology Note*. Manila.

Risk	Pre-Mitigation Risk Rating	Mitigation Measures
		payments will be done by the PMPSU so that there is adequate control over expenditure and there is no delay in payments due to the transfer of funds.
Staffing. The MOH will depute a full-time accounts officer to the PMPSU, but all GOB accounting staff centrally recruited and frequently rotated across ministries. Continuity in project management support may be disrupted if movements of accounting staff assigned to the PMPSU, are frequent and therefore delay project implementation.	Moderate	The MOH will ensure that the accountant designated for the PMPSU should continue for the full term of the project. A financial management consultant will be recruited to assist in building the capacity of the accountant.
Accounting policies and procedures. The MOH prepares its accounts based on 2016 Financial Rules and Regulations. These rules incorporate the latest trends in finance and accounting and are in line with the computerized MYRB and PEMS software.	Low	The MOH will maintain project-related records in the MYRB and PEMS software.
Internal audit. There is insufficient staff in the MOH internal audit to cover all programs, and quality of internal audit is neither based on performance nor risk.	Substantial	A financial management consultant will be engaged to support the MOH capacity, and performance- and risk-based audit will be used to improve quality of internal audit. The MOF has agreed that the project will be included in the annual cycle of internal audit.
External audit. Timely submission of the APFS to ADB may be delayed beyond the required 6 months. The usual GOB cycle for reporting and disclosure is within 12 months of the FY's end, which includes presentation to Parliament and disclosure on the MOF website. Timely follow-up of audit observations might not take place.	Moderate	The RAA will provide the APFS within 6 months of the FY's end subject to the MOH preparing their accounts and presenting it to the RAA for audit within 3 months of the FY's end. The PMPSU will ensure timely meeting of deadlines by the MOH for audit preparation. The MOH will form a Finance and Audit Committee, as recommend by the Public Finance Act of Bhutan, 2007. The committee will review audit reports and ensure management take actions to address issued identified.
Reporting and monitoring/information systems. In line with the financial rules and regulations, the MOH uses the PEMS, a cash-based double-entry accounting system for preparing financial statements. The PEMS is a web-based government-wide system for financial reporting and	Moderate	The PEMS will be used for accounting purposes for the project, but financial data will be transferred to Microsoft Excel sheet to generate financial reports. The financial management consultant will assist in developing the financial reporting system (including

Risk	Pre-Mitigation Risk Rating	Mitigation Measures
monitoring, but it cannot produce customized financial reports for ADB's financial reporting.		review/reconciliation process) and formats.
Overall Control Risk Rating	Moderate	

ADB = Asian Development Bank, APFS = audited project financial statement, FY = fiscal year, GOB = Government of Bhutan, MOF = Ministry of Finance, MOH = Ministry of Health, MYRB = Multi-Year Rolling Budget, RAA = Royal Audit Authority, PEFA = Public Expenditure and Financial Accountability, PEMS = Public Expenditure Management System, PFM = public financial management, PMPSU = project management and policy support unit.
Source: Asian Development Bank.

21. The MOF and MOH have agreed to implement a financial management action plan (Table 14) as key measures to address the deficiencies in financial management. With the proposed risk mitigating measures, it is expected that the MOH's financial management capacity for the project will be satisfactory.

Table 14: Financial Management Action Plan

Key Risk	Mitigation Measure	Timeline	Responsibility
1. Delay in the release of funds	DPA, MOF to release the PLC for output 1 activities for the project immediately upon receiving the request from PMPSU	Upon receipt of advance fund	DPA, MOF
	MOH to ensure adequate project budget allocation	Before grant effectiveness and annually	MOF (DNB) and MOH
2. Lack of dedicated financial management staff may result in delays in executing project's financial management-related activities	Appoint accountant in the PMPSU at the MOH	Before grant negotiation	MOH
3. MOH is unfamiliar with ADB business procedures	Develop capacity in ADB's financial management procedures, including training on ADB's procurement, financial management and disbursement procedures	Ongoing	PMPSU
	Recruit financial management consultant to build financial management capacity of PMPSU	By grant effectiveness	MOH
4. Delayed monitoring of project and addressing issues	MOH shall develop quarterly physical and financial targets for the project with respect to activities to be undertaken and budget required Submit regular project progress reports to ADB including on financial progress The financial management consultant will assist in developing the financial reporting system (including review/reconciliation process and formats)	Quarterly	PMPSU

Key Risk	Mitigation Measure	Timeline	Responsibility
5. Sufficient internal audit may not be conducted	MOH to make their internal audit function more comprehensive using risk-based assessment	Within 1 year of grant effectiveness	MOH in consultation with CCA (MOF)
	Internal audit of ADB project to be conducted every year MOH to write a letter to CCA requesting them to audit the project on annually PMPSU to train CCA on ADB procedures	Annually	
6. Delay in submission of APFS to ADB	MOH to complete project annual accounts within 3 months of the end of the FY and present to RAA for audit, so APFS can submitted within 6 months of the end of the FY PMPSU to write a letter to RAA requesting them to audit the APFs	Within 3 months of end of FY Before the start of the project	PMPSU in consultation with RAA
7. Audit issues may not be properly addressed on time	Finance and Audit Committee at MOH to be set-up (as per section 178 of the Public Finance Act of Bhutan, 2007) and made functional which will regularly take up, but not be limited to, audit issues, and prepare an Action Taken Report	Before grant effectiveness	MOH
8. Timely monitoring of project and addressing issue	MOH will develop quarterly physical and financial targets for the project with respect to activities to be undertaken and budget required Submit regular project progress reports to ADB including on financial progress	Quarterly	MOH (PMPSU)

ADB = Asian Development Bank, APFS = audited project financial statement, CCA = Central Coordinating Agency, DNB = Department of National Budget, DPA = Department of Public Accounts, FY = fiscal year, MOF = Ministry of Finance, MOH = Ministry of Health, RAA = Royal Audit Authority, PLC = project letter of credit, PMPSU = project management and policy support unit.
Source: Asian Development Bank.

B. Disbursement

1. Disbursement Arrangements for ADB Funds

22. The grant proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),[3] and detailed arrangements agreed upon between the government and ADB.[4] Online training for project staff on disbursement policies and

[3] The handbook is available electronically from the ADB website (http://www.adb.org/documents/loan-disbursement-handbook)

[4] Online training for project staff on disbursement policies and procedures is available at http://wpqr4.adb.org /disbursement_elearning. Project staffs are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

procedures is available.[5] Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

23. **Advance fund procedure.** A separate advance account will be established and maintained by the MOF for output 1. The DMEA will be responsible for administering the advance account. The currency of the advance account is in USD. It is to be used exclusively for ADB's share of eligible expenditures. The MOF is accountable and responsible for proper use of advances to the account, including advances to the sub-account. The total outstanding advance to the advance account should not exceed the estimate of ADB's share of expenditures to be paid through the account for the forthcoming 6 months. The MOH may request for initial and additional advances to the account based on an estimate of expenditure sheet[6] setting out the estimated expenditures to be financed through the account for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by the PMPSU in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) when liquidating or replenishing the advance account.

24. **Statement of expenditures procedure.[7]** The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance account. The ceiling of the SOE procedure is the equivalent of $100,000 per individual payment. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement of individual payments more than the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

25. Before the submission of the first withdrawal application, the recipient should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is set in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below such ceiling should be paid (i) by the MOH and subsequently claimed to ADB through reimbursement; or (ii) through advance fund procedure, unless otherwise accepted by ADB. The recipient should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements[8] system is encouraged for submission of withdrawal applications to ADB.

2. Disbursement Arrangements for Counterpart Fund

26. The MOH shall incorporate in its annual budget the counterpart budget for the project which shall be released to the MOH through the DPA.

27. The government will provide Nu500 million ($7.71 million equivalent) as matching expenditure commitment to ADB's budget support towards output 2 (BHTF). Additionally, the government will mobilize approximately $13.0 million equivalent towards the e-health program

[5] Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning.
[6] ADB. 2017. *Loan Disbursement Handbook*. Manila.
[7] The SOE forms are available in Appendix 7B and 7D of ADB's Loan Disbursement Handbook (2017, as amended from time to time).
[8] The Client Portal for Disbursements facilitates online submission of withdrawal application 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.

from the 12th 5-year plan flagship program funds as matching expenditure to ADB's $4.0 million budget support under output 3 (HIS). The government will provide counterpart funds of $0.49 million for output 1 through vehicle tax/tax exemptions, and program management and policy support.

C. Accounting

28. The MOH will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project. Bhutan has a system of project-wise budget and the same is used in the project. All funds under the project (except budgetary support) shall be routed through a project letter of credit system which will ensure that ADB project accounts are separately recorded and maintained. Project financial statements (PFS) will follow the government's cash-based accounting laws and regulations which are consistent with international accounting principles and practices. The MOH will prepare the PFS in accordance with the government's accounting laws and regulations which are consistent with international accounting laws and regulations. Template financial statements provided in the standard terms of reference for audit of ADB-assisted projects, as agreed with the Royal Audit Authority and ADB, can be referred to as a guide for preparing the PFS. The PFS will be prepared from the date when expenditures approved for retroactive financing, if any, are incurred.

D. Auditing and Public Disclosure

29. The MOH will ensure the detailed PFS are audited in accordance with International Standards on Auditing and/or the government's audit regulations, by the Royal Audit Authority. The audited PFS, 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 MOH. To ensure the timely submission of audited PFS, the MOH should submit them to the independent auditor within 3 months of the end of the fiscal year.

30. The audit report for the PFS will include a management letter and auditor's opinion on the advance account, which will cover whether the (i) PFS present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) proceeds of the grant were used only for the purpose(s) of the project; and (iii) recipient or the MOH followed the financial covenants contained in the legal agreements.

31. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal project supervision, and followed up regularly with all concerned, including the external auditor.

32. The government and the MOH have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited PFS.[9] ADB

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[9] ADB's approach and procedures regarding delayed submission of audited PFS: (i) When audited PFS 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 PFS 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 PFS are not received within 12 months after the due date, ADB may suspend the loan.

reserves the right to require a change in the auditor (in a manner consistent with the constitution of the MOH), 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.

33. Public disclosure of the audited PFS, including the auditor's opinion on the PFS, will be guided by ADB's Public Communications Policy (2011).[10] After the review, ADB will disclose the audited PFS and the opinion of the auditors on them, no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter and additional auditor's opinions will not be disclosed.[11]

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

34. Advance contracting and retroactive financing will be undertaken.

35. **Advance contracting.** Advance contracting will not be limited to but will be prioritized for: the recruitment of the PMPSU staff; procurement of the PMPSU office equipment and furniture, at least 30% of civil works packages, all consulting services, vaccine vans, cold chain equipment (CCE), and diagnostic equipment. The HIDD and Medical Supplies Procurement Division shall develop the standard bidding documents (SBDs) for civil works and goods to be procured as per ADB Procurement Policy and ADB's Procurement Regulations for ADB Borrowers (2017, as amended from time to time), based on ADB's SBDs incorporating Bhutan specific context. Once approved by the MOH and ADB, the SBDs will be used as a model for all procurement under the SDP. The steps to be concluded in advance are (i) tendering and bid evaluation for civil works packages, (ii) request for quotations and procurement of materials and equipment for the PMPSU, (iii) tendering and evaluation of bids for equipment and consulting services, and (iv) recruitment of consultants. The following will be taken up for advance contracting (Table 15):

[10] ADB. 2011. *Public Communications Policy.* Manila.

[11] 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). Manila.

Table 15: Advance Contracting Packages

Package	Description	Type	Amount ($)
Goods	Office equipment for PMPSU	RFQ	14,200
	Office furnishing for PMPSU	RFQ	13,660
Works	Civil works for health care facility renovation in focus districts	OCB-national advertising	1,578,920
Vehicles	Vaccine vans	Procurement through WHO	322,030
Equipment	Cold chain equipment	Procurement through UNICEF	293,540
	Diagnostic equipment	OCB-national advertising	687,990
Consulting Services	PMPSU (national)	ICS	172,920
	PMPSU (international)	ICS	204,260
	CSOs for strengthening community-based structures to address gender-based violence and under-five nutrition	CQS	225,720

CSO = civil society organization, CQS = consultants' qualification selection, OCB = open competitive bidding, PMPSU = project management and policy support unit, RFQ = request for quotation, ICS = individual consultant selection, UNICEF = United Nations Children's Fund, WHO = World Health Organization.
Source: Asian Development Bank.

36. **Retroactive financing.** Output 1 and program management costs comprise project investment of $6 million. Retroactive financing will be up to 20% of the ADB project grant for eligible expenditures incurred within 12 months before signing the project grant agreement. Retroactive financing requirement is estimated at about $307,000 to cover the mobilization costs of national PMPSU staff, operationalization of the PMPSU office, and civil works contract mobilization (for health care facility renovation in focus districts and satellite clinics) prior to grant effectiveness.

B. Procurement of Goods, Works, and Consulting Services

37. Procurement (including consulting services) will follow ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). Contract packages procured using open competitive bidding (OCB)-national advertising may follow the Bhutan Procurement Rules & Regulations (2009), with modifications agreed between the government and ADB, as set out in the procurement plan in Section C (summary in Table 16).

Table 16: Summary of Procurement Items

Item No.	Activity	Quantity	Estimated Costs*	Mode of Procurement
1	***Civil Works***		**2,478,400**	
	a) Satellite Clinic – Thimphu	4 units	816,000	OCB-national advertising
	b) Satellite Clinic – Phuentsholing	1 unit	178,500	OCB-national advertising
	c) Water reservoirs and water source protection at BHU-IIs	85 units	147,390	OCB-national advertising
	d) General toilets at BHU-IIs	30 units	410,040	OCB-national advertising
	e) Waste storage areas in Hospitals and BHU-Is	25 units	554,170	OCB-national advertising
	f) Deep burial pits in hospitals, BHU-Is, and BHU-IIs	101 units	372,300	OCB-national advertising
2	***Equipment & furniture***		**1,489,990**	
	a) ILR/DF combos for vaccination storage @ BHU-IIs and satellite clinics	187 units	236,350	UNICEF
	b) Voltage stabilizers for ILR/DF combos	182 units	23,660	OCB-national advertising
	c) Cold boxes for sample transport	100 units	43,200	UNICEF
	d) Diagnostic equipment for BHU-I and hospitals (x-ray, USG, dental chair, centrifuge, hematology analyzer, biochemistry analyzer, lab refrigerator)	70 units	655,190	OCB-national advertising
	e) NCD equipment for screening (weighing scale, BP apparatus, stadiometer, peak flow meter)	213 units	16,470	OCB-national advertising
	f) Needle-cutters for infection prevention	1,345 units	134,500	OCB-national advertising
	g) Waste autoclaves in hospitals, BHU-Is, and BHU-IIs	110 units	257,500	OCB-national advertising
	h) Syringe shredders and waste weighing machines for Hospitals and BHU-Is	25 units each	55,000	OCB-national advertising
	i) Audiovisual equipment for BHU-IIs	85 units	68,120	OCB-national advertising
3	***Vehicles***		**302,440**	
	Vaccine transportation vans	2 units	302,440	WHO
4	***Office equipment for PMPSU***		**13,520**	RFQ
	a) Computers	7 units	11,830	
	b) Multifunction printers	2 units	1,560	
	c) Wi-fi router	2 units	1,300	
5	***Office Renovation***	2 units	**13,000**	RFQ
6	***Consulting Services***		**556,270**	
	a) Individual consultants			
	i. International consultants	14 PMs	194,000	ICS
	ii. National consultants	232 PMs	158,270	ICS
	b) Firms			
	i. Strengthening community-based structures to address GBV	1 firm	102,000	CQS
	ii. Strengthening community-based structures to address under-five nutrition		102,000	CQS
	Total		**4,853,620**	

BHU-I = basic health unit (level 1), BHU-II = basic health unit (level 2), BP = blood pressure, DF = deep freezer, ICS = individual consultants selection, CQS = consultants' qualifications selection, GBV = gender-based violence, ILR = ice-lined refrigerator, NCD = noncommunicable disease, OCB = open competitive bidding, PM = person-month, PMPSU = project management and policy support unit, RFQ = request for quotations, UNICEF = United Nations Children's Fund, USG = ultrasonography, WHO = World Health Organization.
NOTE: * - figures exclude contingencies.
Source: Asian Development Bank.

38. Tables 17 and 18 provide an overview of the works and equipment support being provided under the SDP at different facility levels. (Detailed list of facility-wise civil works and equipment support is provided in Appendix 7.)

Table 17: Health Care Facilities Receiving Civil Works

S. No.	Facility Level	Satellite Clinic	Deep Burial Pit	OPD Toilet	Water Storage and Source Protection	Waste Storage Room
1.	BHU-II in focus districts		79	30	85	0
2.	BHU-I in focus districts		16	0	0	19
3.	Hospitals in focus districts		6	0	0	6
4.	BHU-II in other districts nationwide	5	0	0	0	0
	Total	**5**	**101**	**30**	**85**	**25**

BHU = basic health unit (level 1), BHU-II = basic health unit (level 2), OPD = outpatient department.
Source: Asian Development Bank.

Table 18: Health Care Facilities Receiving Equipment

S. No.	Facility Level	Cold Chain Equipment	NCD Screening Equipment	Needle Cutters	Diagnostic Equipment*	A/V Equipment for IEC/ BCC	Waste Management Equipment**
1.	BHU-II in focus districts	85	85	85	0	85	85
2.	BHU-I in focus districts	0	16	16	16		16
3.	Hospitals in focus districts	0	10	10	4		9
4.	BHU-II in other districts (including satellite clinics)	101	102	102	0		
	Total	**186**	**213**	**213**	**20**	**85**	**110**

BCC = behavior change communication; BHU = basic health unit, IEC = information, education, and communication; NCD = noncommunicable disease; USG = utrasonography.
NOTE: * includes X-ray machines, USG machines, biochemistry analyzers, hematology analyzers, centrifuges, and laboratory refrigerators; ** includes USG waste autoclaves (at all levels), and waste weighing machines and syringe shredders (only BHU-I and hospital-level).
Source: Asian Development Bank.

39. **Civil works.** All civil works will involve small-value works that are geographically dispersed, hence foreign contractors are unlikely to be interested in bidding. To ensure efficiency and economy in contract administration, small contracts at various construction sites shall be grouped together to ensure economy, wherever. Civil works contracts will be awarded to qualified contractors through OCB-national advertising, in accordance with ADB's Procurement Regulation (2017, as amended from time to time) and the Bhutan Procurement Rules and Regulations (2009). The following provisions shall apply for the purpose of OCB-national advertising using the Bhutan Procurement Rules and Regulations (2009): (i) post-bidding negotiations shall not be allowed with the lowest evaluated or any other bidder, (ii) bids should be submitted and opened in public in one location immediately after the deadline for submission, (iii) rebidding shall not be carried out except with ADB‘s prior agreement, (iv) lottery in award of contracts shall not be allowed, (v) bidder‘s qualification/experience requirement shall be mandatory, (vi) bids shall not be invited on the basis of percentage above or below the estimated cost, and (vii) contract award shall be to the lowest evaluated substantially-responsive bidder.

40. Implementation of civil works will be carried out through the HIDD. Specifically, the HIDD will have the following responsibilities: (i) finalize design development, documentation, specifications, and schedules of rates; (ii) prepare packages for construction based on the proposals contained in the project documentation, and gain approvals of the competent authorities, where required, for any changes; (iii) coordinate with the PMPSU and manage the tendering process, including the preparation and evaluation of tender documents, and engagement of contractors; (iv) prepare and update detailed implementation schedules; (v) ensure timely implementation of the construction through careful supervision of the contractors;

(vi) monitor and supervise all civil works to ensure quality of materials and work, and timeliness; and (vii) ensure that all project activities related to building construction are effectively implemented.

41. The HIDD will be supported in the above tasks by the PMPSU and district engineers in the focus districts. Regular site monitoring and supervision for satellite clinic construction will be done by the HIDD with support from the PMPSU. Specifically, the district engineers shall be involved in the following tasks, which will be shared and agreed with them by the PMPSU in writing, before the start of the construction:

(i) check contractors' designs and drawings against those approved by the HIDD for the contracts;
(ii) supervise and monitoring construction of all project components, preparing measurements for works completed and in progress and verifying bills for payment to the contractors/suppliers;
(iii) check the line, level, and layout of construction to ensure conformity with the contracts, proposing any changes in the plans required as a result of findings during construction such as unforeseen obstructions;
(iv) assess and ensuring the adequacy of contractors' inputs in terms of materials, equipment, construction machinery, workers, and construction approach and methodologies;
(v) facilitate inspections by the HIDD and PMPSU, as and when necessary;
(vi) monitor and enforce, as detailed in the Contractor's Safety Manual, the measures established to ensure safety of the workers, other project personnel, general public, and works;
(vii) regularly monitor physical and financial progress against the milestones as per the contract so as to ensure timely contract completion;
(viii) review contractor's requests for time extensions, variations, additional compensation and claims and recommend appropriate timely decisions;
(ix) monitor construction and quality control methods, certify that quality of works conforms to the specifications and drawings, assess the adequacy of the contractors' inputs in material, labor and construction method, and furnish all revisions and detailed drawings as necessary during the contract;
(x) identify any deficiencies in the contractors and supplier's work and corrections to be made, check the remedial work and facilitate rectification of deficiencies as per standards of the Construction Development Board;
(xi) ensure that all necessary compliances for environmental and health and safety requirements at site, as well as at preliminary safety norms are followed; and
(xii) evaluate contractors' requests for interim payment by verifying completed of works as per milestone and recommend to the HIDD for release of payment, as applicable.

42. The district engineers will prepare and agree on a detailed supervision and monitoring plan for each quarter with the PMPSU. They will submit a detailed report at the end of each month to the PMPSU, along with their mileage claims for supervision visits, which will be approved by the Accounts and Finance Division of the respective Dzongkhag. The claim will be verified by the PMPSU accountant and reimbursed as per government norms.

43. **Equipment and furniture.** The United Nations Children's Fund (UNICEF) is the technical agency advising the MOH on the CCE appropriate to Bhutan's context, and has been procuring the same for the MOH in the past. For World Health Organization (WHO) prequalified products

for packages (CCE and sample transportation boxes) where the vendors in the WHO Performance, Quality and Safety Catalogue are located outside Bhutan, procurement will be undertaken with UNICEF support. UNICEF has a memorandum of understanding with the MOH. The process to be followed for procurement through this mechanism is as follows:

Step 1: The Vaccine Preventable Diseases Program Division (VPDPD) within the DPH in the MOH will generate a formal request to UNICEF, through the PMPSU, in the UNICEF format for "Request for Procurement Services". It will contain the quantity and specifications of the CCE to be procured under the SDP. ADB's specific condition restricting suppliers only from ADB member countries will be highlighted. A list of member countries would also be shared with UNICEF.

Step 2: The request shall be examined by the UNICEF country office, and then forwarded to its Supply Division in Copenhagen.

Step 3: The Supply Division will examine the WHO Performance, Quality and Safety catalogue to identify potential pre-qualified suppliers who have products similar to the required specifications. Based on the published rates, it will prepare and send an estimate to UNICEF country office through a "proforma invoice", which will contain the costs of the equipment, insurance, and transportation. Additionally, it will include 8% handling charges for UNICEF and 6% buffer charges for any currency fluctuations. Any unused amount from the buffer charges will be reimbursed. The entire amount will need to be paid to UNICEF upfront.

Step 4: Upon receipt of the proforma invoice from UNICEF country office, the VPDPD will decide on taking the same forward.

Step 5: In such cases, the VPDPD would normally write to the director of Trade and Industry to release the amount to UNICEF. However, since the payment would be required in USD, the PMPSU will write to ADB requesting for release of the entire amount (in USD) directly to UNICEF's Supply Division. They will simultaneously communicate with the UNICEF country office in this regard.

Step 6: After receipt of funds, UNICEF's Supply Division will initiate the procurement as per their procedures.

44. Procurement of the refrigerated vaccine vans will be through the WHO. The following process will be followed:

Step 1: The Program Division will raise a formal request to the WHO Country Office (WCO) through the project director of the PMPSU for "Request for Supplies." It will contain the quantity and detailed specifications. ADB's specific condition restricting suppliers only from ADB member countries will be highlighted. A list of member countries would also be shared with the WHO.

Step 2: The WCO will examine the request from the MOH and send a Request for Price Estimate through the WHO system to the Purchasing and Contract Service (PCS) in Regional Office or headquarters.

Step 3: The PCS will obtain internal clearances and invite bids as per its procedures. The bids will be evaluated and priced.

Step 4: The PCS will provide cost estimate for the WCO to receive funds from the government and arrange deposit in the WHO's account. The WCO will communicate to the MOH the cost estimate to transfer the funds and

request the following documents: (i) acknowledgement letter from the government for agreeing to pay the necessary amount for procurement of requested items and (ii) bank deposit slip with imprest voucher.

Step 5: Upon receipt of funds from the government, the WHO's Budget and Finance Unit will forward all documents to headquarters for recording funds in respective awards.

Step 6: The WCO will raise requisition in their Global Supply Management System, and the PCS will draft the Purchase Order.

45. **Consulting services.** Consultants will be engaged following ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations (2017, as amended from time to time). Consulting firms will be hired using individual consultant selection and consultants' qualifications selection procedures. The terms of reference for all consulting services are in Appendix 2 (key project management staff) and Appendix 4 (behavior change communication consultants).

C. Procurement Plan

46. The procurement plan for the project is provided below:

Project Name: Health Sector Development Program	
Project Number: 51141-002	**Approval Number:**
Country: Bhutan	**Executing Agency:** Ministry of Health, Government of Bhutan
Project Procurement Classification: A	**Implementing Agency:**
Project Procurement Risk: Medium	
Project Financing Amount: $ **ADB Financing:** $**20,000,000** **Co-financing (ADB Administered):** **Non-ADB Financing:** $**14,252,525**	**Project Closing Date:**
Date of First Procurement Plan: **Loan grant approval date**	**Date of this Procurement Plan: dd/mm/year**

1. Methods, Thresholds, Review and 18-Month Procurement Plan

a. Procurement and Consulting Methods and Thresholds

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

Procurement of Goods and Works	
Method	**Comments**
Open Competitive Bidding (OCB) – international advertising for Goods	Since Bhutan depends for its requirements on neighboring markets, OCB mode (international advertising) shall be adopted for some critical equipment even for small contracts. All packages will be subject to prior review. Master bid documents for prior review by ADB.
Request for Quotation (RFQ) for Goods	All packages will be subject to prior review.
Open Competitive Bidding (OCB) – national advertising for Works	All packages will be subject to prior review. Master bid documents for prior review by ADB.

Consulting Services	
Method	**Comments**
Consultant's Qualification Selection for Consulting Firm	
Competitive for Individual Consultant	

b. **Goods and Works Contracts Estimated to Cost $1 million or more**

No such contracts are planned under the project.

c. Consulting Services Contracts Estimated to Cost $100,000 or More

The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value ($)	Recruitment Method	Review Prior/ Post	Type of proposal	Advertisement Date (quarter/ year)	Comments
S-01	Strengthening community-based structures to address GBV	112,860	CQS	Prior	STP	Q3, 2018	Type: Firm Assignment: National Small contract; requires specialized expertise; limited availability in-country; faster process. Advance contracting: Y
S-02	Strengthening community-based structures to address under-five nutrition	112,860	CQS	Prior	STP	Q3, 2018	Type: Firm Assignment: National Small contract; requires specialized expertise; limited availability in-country; faster process. Advance contracting: Y

d. Goods and Works Contracts Estimated to Cost Less than $1 million and Consulting Services Contracts Less than $100,000 (Smaller Value Contracts)

The following table lists smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated value ($)	Procurement Method	Review Prior/ Post	Bidding Procedure	Advertisement Date	Comments
GD-01	a) Lot 1: 182 non-solar and 4 solar Ice-lined Refrigerators-cum-deep freezers for vaccine storage	248,170	Procurement from specialized agencies (UNICEF)	Prior	Others	Q3, 2018	Advertising: International No. of contracts: 2 Prequalification of Bidders: Y Domestic Preference: N
	b) Lot 2: 100 Cold Boxes for transportation of disease surveillance samples	45,370					

Package Number	General Description	Estimated value ($)	Procurement Method	Review Prior/ Post	Bidding Procedure	Advertisement Date	Comments
							Bidding Document: Goods Allowed under para 2.22 of ADB procurement rules. Country eligibility requirement checked. Advance contracting: Y Procurement through Unicef (Refer Unicef document CF/EXD/2015-003), supplier eligibility will be limited to ADB member countries
GD-02	2 Vaccine Vans	322,030	Procurement from specialized agencies (WHO)	Prior	Others	Q3, 2018	Advertising: International No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Goods Advance contracting: Y Supplier eligibility will be limited to ADB member countries
GD-03	a) Lot 1: 213 sets Essential standard equipment for NCD Screening	17,540	OCB	Prior	1S2E	Q1, 2019	Advertising: National No. of contracts: 3 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Goods Advance contracting: Y
	b) Lot 2: 1,345 Needle cutters for infection prevention	143,220					
	c) Lot 3: 182 Voltage stabilizers for refrigerator/ freezer combo	25,200					
GD-04	7 Dental chairs for hospital and BHU-I	56,670	OCB	Prior	1S2E	Q3, 2019	Advertising: National No. of contracts: 1

Package Number	General Description	Estimated value ($)	Procurement Method	Review Prior/ Post	Bidding Procedure	Advertisement Date	Comments
							Prequalification of Bidders: N Domestic Preference: N Bidding Document: Goods Prequalification of Bidders: N Advance contracting: Y
GD-05	110 Waste autoclaves for hospital, BHU-I and BHU-II	274,180	OCB	Prior	1S2E	Q1,2019	Advertising: National No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Goods Advance contracting: Y
GD-06	25 Syringe shredders and waste weighing machines for each hospital and BHU-I	58,570	OCB	Prior	1S2E	Q1, 2019	Advertising: National No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Goods Advance contracting: Y
GD-07	13 X-ray machines for hospital and BHU-I	157,800	OCB	Prior	1S2E	Q3, 2018	Advertising: National No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Goods Advance contracting: Y

Package Number	General Description	Estimated value ($)	Procurement Method	Review Prior/ Post	Bidding Procedure	Advertisement Date	Comments
GD-08	13 Ultrasound machines for hospital and BHU-I	252,530	OCB	Prior	1S2E	Q3, 2018	Advertising: National No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Goods Advance contracting: Y
GD-09	a) Lot 1: 5 Biochemistry analyzers for hospital and BHU-I	16,230	OCB	Prior	1S2E	Q3, 2018	Advertising: National No. of contracts: 4 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Goods Advance contracting: Y
	b) Lot 2: 18 Hematology analyzers for hospital and BHU-I	145,720					
	c) Lot 3: 7 Lab refrigerators for hospital and BHU-I	25,000					
	d) Lot 4: 7 Centrifuges for blood testing, for hospital and BHU-I	34,040					
GD-10	85 AV Equipment for BHU-II	56,970	RFQ	Prior		Q1,2019	No. of contracts: 1 Advance contracting: Y
GD-11	Office Equipment for PMPSU (7 computers, 2 multi-function printers, 2 Wi-Fi routers)	14,200	RFQ	Prior		Q3, 2018	No. of contracts: 1 Advance contracting: Y
GD-12	Office renovation (workstations, air conditioner-heater, furniture, furnishing)	13,660	RFQ	Prior		Q3, 2018	No. of contracts: 2 Advance contracting: Y
W-01	Construction of three (3) Satellite Clinics at Thimphu (Babesa, Mothithang, Taba)	651,180	OCB	Prior	1S2E	Q3, 2018	Advertising: National No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Small works

Package Number	General Description	Estimated value ($)	Procurement Method	Review Prior/ Post	Bidding Procedure	Advertisement Date	Comments
							Advance contracting: Y
W-02	Construction of one (1) Satellite Clinic at Thimphu – Debsi	218,340	OCB	Prior	1S2E	Q2, 2019	Advertising: National No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Small works Advance contracting: Y Land to be identified
W-03	Construction of one (1) Satellite Clinic at Phuentsholing	194,480	OCB	Prior	1S2E	Q4, 2019	Advertising: National No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Small works Advance contracting: Y
W-04	Water reservoirs and water source protection in BHU-II (22); construction of general Toilets at BHU-II (14); waste storage rooms at BHU-I (1); and burial pits at BHU-I (1) and BHU-II (22) – in Mongar district	349,250	OCB	Prior	1S2E	Q3, 2018	Advertising: National No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Small works Advance contracting: Y
W-05	Water reservoirs and water source protection in BHU-II (21); construction of general Toilets at BHU-II (2); waste storage rooms	397,010	OCB	Prior	1S2E	Q3, 2018	Advertising: National No. of contracts: 1

Package Number	General Description	Estimated value ($)	Procurement Method	Review Prior/ Post	Bidding Procedure	Advertisement Date	Comments
	at BHU-I (5) and hospitals (2); and burial pits at BHU-I (6), BHU-II (21), and hospitals (2) – in Trashigang, and Trashiyangtse districts						Prequalification of Bidders: N Domestic Preference: N Bidding Document: Small works Advance contracting: Y
W-06	Water reservoirs and water source protection in BHU-II (18); construction of general Toilets at BHU-II (1); waste storage rooms at BHU-I (4) and hospitals (3); and burial pits at BHU-I (4), BHU-II (18), and hospitals (2) – in Samdrupjongkhar and Pemagatshel districts	309,210	OCB	Prior	1S2E	Q3, 2018	Advertising: National No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Small works Advance contracting: Y
W-07	Water reservoirs and water source protection in BHU-II (17); construction of general toilets at BHU-II (9); waste storage rooms at BHU-I (3) and hospitals (2); and burial pits at BHU-I (3), BHU-II (11), and hospitals (1) – in Trongsa and Zhemgang districts	340,790	OCB	Prior	1S2E	Q3, 2018	Advertising: National No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Small works Advance contracting: Y
W-08	Water reservoirs and water source protection in BHU-II (7); construction of general toilets at BHU-II (4); waste storage rooms at BHU-I (2) and hospitals (1); and burial pits at BHU-I (2), BHU-II (7), and hospitals (1)– in Dagana district	182,660	OCB	Prior	1S2E	Q3, 2018	Advertising: National No. of contracts: 1 Prequalification of Bidders: N Domestic Preference: N Bidding Document: Small works Advance contracting: Y
Package Number	**General Description**	**Estimated Value**	**Recruitment Method**	**Review Prior/ Post**	**Type of Proposal**	**Advertisement Date**	**Comments**

Package Number	General Description	Estimated value ($)	Procurement Method	Review Prior/ Post	Bidding Procedure	Advertisement Date	Comments
S-02A	Project officer for PMPSU (National)	38,350	Competitive	Prior		Q2, 2018	Type: Individual Assignment: National Expertise: Project Management Advance contracting: Y
S-02B	M&E officer for PMPSU (National)	34,010	Competitive	Prior		Q2, 2018	Type: Individual Assignment: National Expertise: M&E Advance contracting: Y
S-02C	Project assistant for PMPSU (National)	29,690	Competitive	Prior		Q2, 2018	Type: Individual Assignment: National Expertise: Project Assistant Advance contracting: Y
S-02D	Civil engineer for PMPSU (National)	27,010	Competitive	Prior		Q2, 2018	Type: Individual Assignment: National Expertise: Civil Engineering Advance contracting: Y
S-02E	Electrical engineer for PMPSU (National)	27,010	Competitive	Prior		Q2, 2018	Type: Individual Assignment: National Expertise: Electrical engineering Advance contracting: Y
S-02F	Environment expert for PMPSU (National)	2,200	Competitive	Prior		Q2, 2018	Type: Individual Assignment: National Expertise: Environment

Package Number	General Description	Estimated value ($)	Procurement Method	Review Prior/ Post	Bidding Procedure	Advertisement Date	Comments
							Advance contracting: Y
S-03A	Financial management expert for PMPSU (International)	43,170	Competitive	Prior		Q3, 2018	Type: Individual Assignment: International Expertise: Financial Management Advance contracting: Y
S-03B	Procurement expert for PMPSU (International)	43,170	Competitive	Prior		Q3, 2018	Type: Individual Assignment: International Expertise: Procurement Advance contracting: Y
S-03C	BCC-IPC expert (International)	43,170	Competitive	Prior		Q3, 2018	Type: Individual Assignment: International Expertise: BCC-IPC Advance contracting: Y
S-04	Quality assurance expert (International)	74,750	ICS	Prior		Q3, 2018	Type: Individual Assignment: International Expertise: Quality Assurance/Health Advance contracting: Y

2. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

D. Open Competitive Bidding – National Advertising

1. General

The procedures to be followed for national competitive bidding shall be the open tendering/bidding method set forth in the Procurement Rules and Regulations 2009 issued by the Ministry of Finance of the Royal Government of Bhutan with the clarifications and modifications described in the following paragraphs.

2. Domestic Preference

No preference of any kind shall be given to domestic bidders or for works of domestically manufactured goods. Clause 1.1.2.2 of the Procurement Rules and Regulations 2009 shall not apply.

3. Registration

Foreign suppliers and contractors from ADB member countries shall be allowed to apply for pre-qualification and to bid, without national registration, licensing and other government authorizations, leaving compliance with these requirements until after notice of award and before signing of contract.

Where registration is required prior to award of contract, bidders: (i) shall be allowed a reasonable time to complete the registration process; and (ii) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.

4. Exclusion of Bidders / National Sanctions List

Exclusion of bidders for reasons cited in paragraph 2.1.4.1 of the BPM, including inclusion on national sanctions lists may be applied only with prior approval of ADB. Rejection of bids on account of "past poor performance" of bidders shall also be subject to ADB's prior approval.

5. Qualifications

Post qualification shall be used unless prequalification is explicitly provided for in the loan agreement/procurement plan.

If prequalification is undertaken, the prequalification criteria shall be based on ADB’s User’s Guide to Prequalification of Bidders.

From the date of advertisement, a minimum period of 28 days shall be allowed for the preparation and submission of prequalification applications.

6. Eligibility of Bidders

The eligibility of bidders shall be as defined under Eligibility provisions of ADB’s Procurement Guidelines (“Guidelines”) (March 2013, as amended from time to time), accordingly, no bidder or potential bidder should be declared ineligible for reasons other than those stated the Guidelines.

7. Procurement Thresholds and Procurement Methods

In cases of conflict between the thresholds as prescribed in Clause 4.1 of the BPM and the Procurement Plan, the lower threshold shall prevail. The procurement methods specified on the Procurement Plan shall be followed.

8. Procurement Process

One envelope open bidding process shall be used unless two stage process is explicitly provided for in the loan agreement/procurement plan.

9. Advertising

Bidding of contracts estimated at $500,000 or more for goods and related services or $1,000,000 or more for civil works shall be advertised on ADB's website via the posting of the Procurement Plan.

10. Bidding Documents

Procuring entities shall use standard bidding documents acceptable to ADB for the Procurement of Goods, Works and related Services.

11. Packaging

Slicing or splitting of contracts within a package shall not be used to change the contract sizes and the corresponding methods of procurement indicated in the loan agreement/procurement plan.

12. Bid Security and Performance Security

Where required, bid security (earnest money), retention money (or security deposit) and performance security (or performance guarantee) shall be in the form of a demand draft, certified check, letter of credit, or bank guarantee from a reputable bank.

The terms and conditions of bid security as well as retention money and performance security shall be clearly specified in the forms provided and/or conditions of contract in terms of periods of validity and grounds for forfeiture, or release of the bank guarantees, or refund of the cash security deposits.

13. Rejection of All Bids and Re-bidding

Bids shall not be rejected, and new bids solicited, without the ADB's prior concurrence.

14. Low Bids and Unbalanced Bids

Bids shall not be rejected solely because the bid price is seriously lower or unbalanced. The bidder whose bid is determined to be the lowest evaluated substantially responsive bid may be required by the Executing Agency/Implementing Agency (EA/IA) to provide a higher performance security to a level sufficient to protect the EA/IA against financial loss in the event of default of the successful bidder under the Contract.

15. Disclosure of Decision on Contract Awards

At the same time that notification on award of contract is given to the successful bidder, the results of bid evaluation shall be published in a local newspaper, or a well-known freely accessible website identifying the bid and lot numbers and providing information on (i) name of each Bidder who submitted a Bid, (ii) bid prices as read out at bid opening; (iii) name of bidders whose bids were rejected and the reasons for their rejection, and (iv) name of the winning Bidder, and the price it offered, as well as duration and summary scope of the contract awarded. The executing

agency/implementing agency/contracting authority shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids are not selected.

E. Consultant's Terms of Reference

Consultant's terms of reference for the Project Management and Policy Support Unit can be found in Appendix 2.

VII. SAFEGUARDS

47. **Environment.** The project is classified as category B for environment. An initial environmental examination with environmental management plan (EMP) and an environmental assessment and review framework have been prepared for the three identified satellite clinic sites and for sample sites in the target districts, in accordance with ADB's Safeguard Policy Statement (SPS) (2009) and government laws. The civil works are not expected to have significant or irreversible negative environmental impacts either during construction or when health facilities are operational. The new sites for the satellite clinics, and the existing sites for minor infrastructural improvement of health facilities are not near environmentally sensitive areas or near national parks or within 100 meters of protected monuments of archaeological importance. No wetlands or protected forest lands will be acquired or used in the project-related activities.

48. Any environment effects during construction and renovation will be site-specific and typical of small-scale civil works projects, such as dust, noise, use of public roads during excavation works, possible spillage of chemicals, generation of construction waste, and construction workers' health and safety. These risks can be easily addressed through appropriate screening and mitigation measures and are outlined in the EMP. The Environmental Codes of Practice (ECOP) and monitoring framework will be part of the civil works contracts and will be used by the contractors to effectively manage environmental safeguards.

49. Once the civil works are complete, the MOH will be responsible for ensuring that the facilities are staffed, equipped, and functional. The management of medical waste will follow all applicable laws including National Environment Strategy for Bhutan (1998), Environmental Assessment Act (2000), Waste Prevention and Management Act of Bhutan (2009), and Thromde Act of Bhutan, (2007). Each municipality and district will prepare a medical waste management plan clearly outlining roles and responsibilities, and the MOH will train health staff on health care waste management and infection prevention control measures. The environment expert of the PMPSU will undertake an initial environmental examination and prepare an EMP for the remaining two satellite clinic sites once they are identified during the SDP implementation. The institutional responsibilities for managing environmental aspects are in Table 19.

Table 19: Institutional Responsibilities for the Environmental Management Plan

No	Agency	Responsibilities
1	ADB	Sign grant agreement with the Government of Bhutan. Review IEE and EMP implementation. Disclose monitoring reports on ADB's website.
2	MOH: PPD	Responsible for management, coordination, and execution of all activities funded under the grant. The PPD will form a PMPSU. The PMPSU will coordinate all project activities, ensuring timely implementation as well as preparation and submission of reports to ADB
3	HIDD under DMSHI	(i) Architectural and structural design and for seeking approval to proceed with the construction from Thromde; (ii) Coordinating with the DHO and district engineer for selection of site for construction of burial pits, toilets, and water reservoirs and also for development of BOQs; and (iii) Tender and point a construction contractor to execute the infrastructure works. The PMPSU will provide a project supervision team to the HIDD that will oversee the construction works in terms of quality control, timely completion and monitoring and reporting. Upon completion of construction work, the HIDD will apply for occupancy certificate from the Thromde after which it will hand over the structure to the DMS.

No	Agency	Responsibilities
3	DMS-Urban Health, District Health Services, and the Infection Control and Waste Management Program	The DMS will process the procurement of equipment and furniture as per requirement, and hand over the new clinics located within the municipality to the Thromde and the ones located in the Dzongkhag (to be identified at Debsi) to the DHO for operation.
4	Dzongkhag Administration DHO and district engineer and BHU in-charge	For all renovations works at the BHUs at the Dzongkhag, the DHO, working within the structure of the local government, will work with the district engineer. Both officers will coordinate with HIDD for selection of site (for burial pits, new toilets, water reservoirs, etc.), develop BOQs, and ensure quality control, timely completion and monitoring and reporting to the MOH. Once completed, the facility will be handed over to the BHU in-charge for operation and maintenance
5	Thromde	(i) Ensure that construction of the satellite clinics is as per approved structural drawings and specifications. (ii) May be responsible for operation of the satellite clinics in the municipality. (iii) Responsible for waste management in the municipality.
6	DIT/DNP	Coordinate e-waste disposal collected from all health facilities.
7	MOH for operation phase	The National Medical Waste Management and Monitoring Committee within the MOH is required to send its final annual compliance and monitoring status report to the NECS with a copy to the MOH.

ADB = Asian Development Bank, BHU= basic health unit, BOQ = bill of quantities, DHO = district health officer, DIT = Department of Information Technology, DMS = Department of Medical Services, DMSHI = Department of Medical Supplies and Health Infrastructure, DNP = Department of National Properties, EMP = environmental management plan, HIDD = Health Infrastructure Development Division, IEE = initial environmental examination, MOH = Ministry of Health, NECS = National Environment Commission Secretariat, PMPSU = project management and policy support unit, PPD = Policy and Planning Division.
Source: Asian Development Bank.

50. For the policy-based investments (outputs 2 and 3) no significant environmental impacts are anticipated. For output 2, with better capacity of the BHTF, more drugs and vaccines will be procured with a risk of unsafe disposal of the additional pharmaceutical waste generated. There are adequate rules and guidelines in place—Procurement Rules and Regulations (2009), Medicine Act (2003), National Drug Policy (2007)—to guide the safe disposal of pharmaceutical waste, and the PMPSU will need to monitor that this is happening. For output 3, the roll-out of an interoperable HIS framework will involve the purchase of additional hardware, such as computers, and there is a risk that old or redundant hardware will not be disposed of properly. Standard government practice is for all health facilities to return redundant electronic equipment to the Department of National Properties where it is disposed, and this will be monitored by the PMPSU.

51. **Involuntary resettlement.** The project is classified as category C for involuntary resettlement safeguards. No involuntary resettlement impacts are anticipated as the SDP will not have any private land acquisition or physical displacement. The civil works for the new satellite clinics, and for the health facilities in the eight districts are classified as small works and will be undertaken in existing health facilities and on government-owned land. Hence, there will be no land acquisition, or any physical or economic displacement. Two sites are yet to be identified for satellite clinics in Phuentsholing and Debsi. The PMPSU will, similarly, ensure through consultation with the respective Thromde/Dzongkhag and site visits that the land identified for the new clinics are on government land and are vacant, to avoid any physical and economic displacement issues. Once ensured, the same will be reported to the MOH so as to initiate the land transfer process for construction of the new satellite clinics at the identified sites. The policy-based grant is also not anticipated to have involuntary resettlement safeguards impacts.

52. **Indigenous peoples.** The project is classified as category C for indigenous peoples' safeguards. Bhutan has no officially defined indigenous peoples, and there are no groups in Bhutan which can be said to be 'indigenous people' and vulnerable or disadvantaged because of

their identity and ethnicity. However, there are distinct ethnic groups in Bhutan, namely Brokpas, Doyaps, Layaps, Lhops, and Monpas who have social and cultural characteristics distinct from the dominant society. These ethnic groups are present in the project area but are not considered indigenous people based on ADB's SPS (2009). The policy-based grant is also not anticipated to have indigenous peoples impacts.

53. **Grievance redressal management.** For redressal of grievances, the affected individual or group can articulate complaints before or during the implementation of construction and improvement works. To ensure that the MOH adequately responds to this, a three-tier grievance redress mechanism will be instituted in MOH under the PMPSU and at the Dzongkhag level. At Tier 1, the responsibility for grievance redressal lies with the project contractor. The complainant(s) must submit their grievance(s) in written form to the project contractor. In case the issue is within the scope of the contractor, it will facilitate the response within 7 days. At Tier 2, in case the complainants(s) is not satisfied with the response at Tier 1, he/she can reach the Dzongkhag through the existing web-portal. Tier 3 further provides the opportunity to complainant(s) in case of a non-satisfactory response by taking the issue to the Grievance Redress Committee at the MOH.

54. The maximum time for the MOH to respond to any grievance, if unresolved at the lower levels, is 37 days (Tier 1-one week, tier 2-15 days and tier 3- 15 days). All complaints and responses must be delivered in writing or submitted online. Affected people can also file a request directly to the ADB special project facilitator and request for compliance review.

55. **Prohibited investment activities**. Pursuant to ADB's SPS (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 SPS (2009).

VIII. GENDER AND SOCIAL DIMENSIONS

56. The SDP is classified as an effective gender mainstreaming project. A gender analysis was conducted and a gender action plan (GAP) prepared. The GAP will support the delivery of the SDP by integrating gender across the output areas and program management. For project-based output 1, the GAP would ensure that all construction and renovation works at health care facilities are gender sensitive with adequate provision for patient privacy. It will also ensure more female health workers, are recruited and that all basic health unit (level 2) female staff in target districts are trained in interpersonal communication skills. At the management level, the GAP would ensure capacity building for the PMPSU staff on gender mainstreaming. It will be implemented by the MOH and closely monitored through the MOH gender focal person. Progress of the GAP indicators will also be collected and monitored through the Gender Equality Monitoring System of the National Commission for Women and Children. The gender consultant based at the ADB Bhutan Resident Mission will also support monitoring and implementation of the GAP. For policy-based output 2, the GAP will ensure that the work on health financing equity reflects the differential impacts on men and women, and that the draft Health Bill considers the distribution of health benefits among a range of different population groups by income, socioeconomic status, gender, and geographical factors. Additionally, it will ensure that the BHTF and PMPSU recruitment policies reflect the national effort for gender redistributive policies. For policy-based output 3, it will ensure that the HIS collects sex-disaggregated data, and monitors gender-related trends over time, focusing on the analysis in the MOH Annual Health Bulletin. The specific activities of the GAP are in Table 20.

Table 20: Gender Action Plan[12]

Activities	Target Indicators	Responsibility	Time Frame
Output 1: Primary health services in underserved areas improved			
1.1. Ensure that the structural designs of the satellite clinics are gender and disabled-friendly with adequate provision for patient privacy	• **By August 2023, five new urban satellite clinics with gender-responsive design constructed** • Satellite clinics designs have separate toilets for men and women • Satellite clinics have a room for private consultations • Satellite clinics designs are adapted for disabled persons' needs	DMSHI (MOH) DMSHI (MOH)	Q3 2022 Q3 2018
1.2. Ensure that contractors are aware of any social risks during construction	100% of the construction workers involved in civil works under the project are oriented on the availability of HIV/STI testing centers and related services	PMPSU, (MOH), HIDD	Q2 2020
1.3. Ensure more female health workers are recruited and there are adequate provisions to encourage participation in the IPC training	• By August 2023, 100% BHU-IIs I target districts have at least one female health worker (2017 baseline: 68%)[a] • **By August 2023, 100% (51) of the BHU-II female health workers in target districts trained in interpersonal communication skills and in skills to identify and support victims of gender-based violence**[b]	MOH HPD (MOH)	Q4 2023 Q3 2023
1.4 Ensure that gender and discrimination components are included in the IPC training module	By August 2023, at least 90% of trained participants report increased understanding of gender and discrimination	HPD (MOH)	Q3 2023
1.5 Encourage female participation in community activities	By August 2023, at least 50% of participants in community advocacy and behavior change activities are women	CSO, PMPSU (MOH)	Q3 2023
Output 2: Health sector financing enhanced			
2.1. Improvements in health financing equity are reflected in the updated draft Health Bill and consider the differential effects of health care financing on poor men and women	• **By August 2018, MOH has conducted a Benefit-Incidence Analysis to determine the distribution of benefits from public financing for obstetric care** • **By August 2020, GOB has finalized, approved, and submitted to the Parliament of Bhutan, a gender-sensitive National Health Bill to improve health sector equity, efficiency and sustainability**	PMPSU PPD, (MOH) PMPSU PPD, (MOH)	Q2 2018 Q2 2020

[12] Design and monitoring framework indicators highlighted in bold.

Activities	Target Indicators	Responsibility	Time Frame
2.2. Ensure BHTF recruitment policies reflect the national efforts to achieve gender equality	• Gender-sensitive recruitment policies developed and implemented by BHTF • **By August 2020, BHTF has recruited 100% of its technical staff, of whom at least 30% are women**	BHTF, NCWC BHTF	Q2, 2020
Output 3: Disease surveillance and health information systems enhanced			
3.1. Ensure health information system collects sex-disaggregated data and monitors gender-related trends over time	• Annual Health Bulletin to mainstream gender analysis of health trends • DHIS-2 dashboard to be developed to display sex-disaggregated data and analyze gender-specific health issues • 70% (153) health facilities to input ePIS data (disaggregated by sex) • **By August 2018, MOH has developed and approved an e-Health strategy, which includes health data standards for routine capturing of sex-disaggregated data** • **By August 2018, MOH has issued an executive order constituting a governing body for the national health information system, with at least 30% women representatives**	PPD (MOH) PPD (MOH) ICT (MOH) MOH MOH	Q4 2019 and onwards Q4 2019 Q3 2023 Q2 2018 Q2 2018
4. Project Management			
4.1. Develop gender-sensitive recruitment guidelines and TORs to encourage women to apply for positions in the PMPSU.	Gender-sensitive recruitment policies developed and applied	PMPSU (MOH)	Q2 2018
4.2. Implementation of gender action plan and monitoring of activities and indicators	All project annual reports report on GAP progress (activities and indicators)	Activities Gender focal point, PPD (MOH) Indicators GEMS, NCWC	Q3 2019 and annually
4.3 Capacity building of PMPSU staff on gender mainstreaming	100% of the PMPSU staff are trained on gender mainstreaming	PPD (MOH), NCWC	Q4 2019

BHTF = Bhutan Health Trust Fund; BHU-II = basic health unit level 2; CSO = civil society organization; DHIS-2 = District Health Information System 2; DMSHI = Department of Medical Supplies and Infrastructure; GEMS = Gender Monitoring System; GOB = Government of Bhutan; HIDD = Health Infrastructure Development Division; HPD = Health Promotion Division; ICT = Information, Communications and Technology Division; IPC = interpersonal counselling; MOH = Ministry of Health; PPD = Policy and Planning Division; PMPSU = project management and policy support unit; NCWC = National Commission for Women and Children; TOR = terms of reference.

[a] 2017 Baseline for target districts: Dagana (52%), Trongsa (36%), Mongar (37%), Pema Gatshel (20%), Trashigang (41%), Trashi Yangtse (40%), Zhemgang (36%) and Samdrup Jongkhar (34%).

[b] IPC module will include the recognition and management of survivors of gender-based violence.

Source: Asian Development Bank.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Program Design and Monitoring Framework

57. The design and monitoring framework is a summary of the program design and contains the core indicators on which to monitor the delivery of the program results.

Table 21: Design and Monitoring Framework

Impact the Project is Aligned with: National health goals achieved (National Health Policy, 2011)[a] Self-reliance and sustainability in health service delivery achieved (National Health Policy, 2011)[a]

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Equitable access, efficiency, and financial sustainability of the health system improved	**By 2024:** a. Institutional deliveries in the 8 target districts increased to 70% (2016 average baseline: 57% for 8 districts)[b] b. National immunization coverage of children, disaggregated by sex, sustained at 95% (2018 baseline: 95%) c. Population using primary-level care facilities (BHU-II and below) as first contact increased to 60% (2012 baseline: 32%) d. 100% of annual cost of drugs and required vaccines financed by the BHTF (2018 baseline: 90%)[c] e. Health facilities reporting notifiable diseases to the National Early Warning, Alert and Response Surveillance System increased to 80% (2018 baseline: 62.8%)	a. MOH annual health bulletin, National Health Survey b. MOH annual health bulletin, National Health Survey c. National Health Survey d. BHTF annual reports e. RCDC quarterly bulletins	Changes in government priorities shift resources away from health sector policy reforms and improvements.
Outputs **Project** 1. Primary health services, especially in underserved areas, improved	**By 2023:** 1a. 100% of BHU-IIs in the country met WHO and/or UNICEF standards to maintain the vaccine cold chain (2018 baseline: 0%; 0 out of 184 BHU-IIs nationwide) 1b. 100% of the BHU-II in target districts adequately equipped with health care waste management facilities per national standards (2018 baseline: 6%, 5 out of 85 BHU-IIs) 1c. 100% of BHU-II staff in target districts, at least 30% of whom are women, trained in BHSQA (2018 baseline: 0%; 0 out of 255 BHU-II staff)	1a. DHO and PMPSU annual health facility reports; WHO Service Availability and Readiness Assessment; UNICEF effective vaccine management reports 1b. DHO annual health facility reports; WHO Service Availability and Readiness Assessment 1c. Annual QASD training reports 1d. PMPSU progress reports	Political considerations divert attention and resources away from primary health care strengthening.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	1d. 5 new urban satellite clinics with gender-responsive design constructed (2018 baseline: 0) 1e. 100% of the BHU-II (staff in target districts, sex-disaggregated, trained in interpersonal communication skills and in skills to identify and support victims of gender-based violence (2018 baseline: 0%; 0 out of 255 BHU-II staff)	1e. Annual HPD training reports	
Reform Area 2. Support for health sector financing enhanced	**Key Policy Actions** 2a. By 2018, a budget of at least Nu500 million allocated by the Government of Bhutan to the BHTF (2017 baseline: not allocated)	2a. Attested copy of the Government of Bhutan's annual budget appropriations for FY2017–2018, which include an allocation of at least Nu500 million	
	2b. By 2018, cabinet order delinking the BHTF from the RCSC issued (2017 baseline: not issued)	2b. Attested copy of the cabinet order delinking the BHTF from the RCSC	
	2c. By 2018, BIA report that includes an assessment on equity of public benefits in obstetric care approved by MOH (2017 baseline: not approved)	2c. Attested copy of the BIA report and assessment approved by MOH	
	2d. By 2020, investment strategy for the BHTF approved by the BHTF board (2018 baseline: not approved)	2d. Attested copies of the investment strategy and minutes of the BHTF's board meeting approving the investment strategy	
	2e. By 2020, 100% of BHTF technical staff, at least 30% of whom are women, signed BHTF appointment papers (2018 baseline: 0)	2e. Attested copy from the BHTF on key staff appointments	
	2f. By 2020, gender-sensitive national health bill submitted to Parliament (2018 baseline: not submitted)	2f. Attested copy of the Government of Bhutan's submission to the Parliament of the national health bill	
Reform Area 3. Disease surveillance and HIS enhanced	**Key Policy Actions** 3a. By 2018, e-health strategy, which includes health data standards for routine capturing of sex-disaggregated data, developed and approved by MOH (2017 baseline: not approved)	3a. Attested copy of the approved e-health strategy	
	3b. By 2018, executive order constituting a governing body, with at least 30% female representatives, for the national HIS issued by MOH (2017 baseline: not issued)	3b. Attested copy of the executive order issued by MOH constituting the HIS governing body and setting out the terms of reference of its members	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	3c. By 2020, enterprise architecture for HIS developed and approved by MOH (2018 baseline: not approved) 3d. By 2020, technical standards for health data exchange incorporated in the e-GIF of MOIC (2018 baseline: no technical standards for health data exchange in e-GIF)	3c. Attested copy of the blueprint document for the HIS enterprise architecture approved by the HIS governing body, MOH, and MOIC 3d. Attested copy of the approved technical standards for health data exchange and interoperability; and attested copy of the updated e-GIF in which these technical standards have been incorporated	

Key Activities with Milestones

1. Primary health services, especially in underserved areas, improved

1.1 Sign memorandum of understanding with district engineers for civil works supervision (May 2018)
1.2 Award civil works and goods contracts and contracts with civil society organizations (October 2018)
1.3 Complete all civil works (December 2021)
1.4 Complete all BHU-II staff training in interpersonal communication and quality assurance (October 2021)
1.5 Complete all behavior change communication activities in the community (March 2023)
1.6 Complete training of BHU staff in BHSQA (October 2021)

Project Management Activities

Establish PMPSU with MOH seconded staff (April 2018)
Put in place all full-time PMPSU staff (July 2018)
Conduct periodic gender action plan and environmental management plan monitoring (December 2018–onward)
Conduct IEE assessment of satellite clinic sites in Debsi and Phuentsholing (December 2019)

Inputs

Asian Development Bank
  Policy-based grant: $14.0 million (ADF)
  Project grant: $6.0 million (ADF)
  Technical assistance: $0.5 million (TASF 6)
Government: $21.2 million

ADF = Asian Development Fund; BHSQA = Bhutan Health Care Standard for Quality Assurance; BHTF = Bhutan Health Trust Fund; BHU-II = basic health unit (level 2, without inpatient beds); BIA = benefit-incidence analysis; DHO = district health officer; e-GIF = electronic government interoperability framework; FY = fiscal year; HIS = health information system; HPD = Health Promotion Division; IEE = initial environmental examination; MOH = Ministry of Health; MOIC = Ministry of Information and Communications; PMPSU = project management and policy support unit; QASD = Quality Assurance and Standardization Division; RCDC = Royal Centre for Disease Control; RCSC = Royal Civil Service Commission; TASF = Technical Assistance Special Fund; UNICEF = United Nations Children's Fund; WHO = World Health Organization.

[a] Government of Bhutan, MOH. 2011. *National Health Policy*. Thimphu.

[b] Government of Bhutan, Gross National Happiness Commission. 2013. *Eleventh Five Year Plan Volume I: Main Document, 2013–2018—Self-Reliance and Inclusive Green Socio-Economic Development*. Thimphu. The 2016 baseline is measured from the average of eight districts: Dagana (57%), Mongar (62%), Pemagatshel (64%), Samdrup Jongkhar (49%), Trashigang (52%), Trashi-Yangtse (55%), Trongsa (65%), and Zhemgang (49%).

[c] The required vaccines to be financed by the BHTF are net of donor-funded vaccines. The BHTF's share of financing for vaccines is 27% in 2017–2018, and the remainder is donor funded.

Source: Asian Development Bank.

B. Monitoring

58. **Program performance monitoring.** Where possible, the monitoring arrangements for the SDP has been be aligned with MOH monitoring systems. Most of the design and monitoring framework indicators at outcome level are performance indicators in the MOH's 12th 5-year plan agency key result areas and are reflected in the annual performance agreement which is signed by the ministries and the districts with the government. The annual performance agreement is reviewed annually by the Government Performance Monitoring System. The output level indicators and activities are project-specific and will be monitored by the PMPSU.

59. The data for the outcome level indicators is available monthly from the (i) health information system (District Health Information System 2); (ii) National Health Survey which is planned for 2022; (iii) National Early Warning, Alert and Response Surveillance information systems available quarterly; and (iv) National Health Accounts which are issued every 3 years. Data at the output and activity level will be available on a quarterly basis from the PMPSU.

60. The PMPSU has overall responsibility for coordinating with implementing units to monitor the project, track the performance indicators, and ensure achievement of results. On a quarterly basis[13] the project will report on overall physical and financial progress, implementation progress by outputs, GAP, EMP, risk assessment and risk management plan, and compliance with any grant covenants. To the extent possible, the Government of Bhutan reviews of the 12th 5-year plan implementation, including midterm and annual reviews, will include review of project progress and overall performance. ADB will field annual review missions of the project together with the government, including undertaking field visits to ascertain the progress being made in terms of training, construction, and equipment commissioning, etc. and interact with beneficiaries and field staff.

61. **Compliance monitoring.** Any grant covenants will be monitored during ADB review missions. Based on the understanding reached during these missions, status will be updated in ADB's project performance reporting system.

62. **Safeguards monitoring.** Environmental compliance monitoring will be in line with the agreed environmental assessment and review framework to ensure protection of the natural, ecological, and human environment at the different stages of project implementation, such as pre-construction, construction, and operation. Monitoring will take place as follows:

(i) ADB will monitor the compliance of the MOH to the environmental provisions by reviewing quarterly progress reports and by periodic supervision missions.
(ii) The PMPSU will ensure that the environmental provisions contained in the ECOP are in the contract documents of civil works.
(iii) The project's contractors will ensure compliance to the ECOP and set up a framework to monitor the ECOP.
(iv) The PMPSU civil engineer and electrical engineer will monitor environmental compliance at the satellite clinic sites, and the district engineers will monitor environmental compliance of civil works at the district level. Engineers will submit quarterly progress reports and undertake periodic supervision visits.
(v) The PMPSU will ensure that the MOH carries out health care waste management and infection prevention training for health workers in all the sites once operational.

[13] Templates for quarterly reports can be found in Appendix 3.

63. The PMPSU will monitor the following environmental indicators in the EMP, where applicable: (i) dust and noise due to demolition and construction; (ii) encroachment into private property while operating in and around construction sites; (iii) dumping of construction waste and accidental spillages; (iv) handling of hazardous waste water, waste gases, and spillages of hazardous materials during operation of the hospitals; and (v) handling of medical waste during health facility operation.

64. The SDP will not require the acquisition of any private land as existing government land will be used for new satellite clinics. No involuntary resettlement is envisaged for civil works. Where government land has yet to be identified, the PMPSU will provide ADB with assurance that no involuntary resettlement is needed. There is no impact on indigenous people as none of the existing health facilities or new sites are near to where indigenous people live.

65. **Gender and social dimensions monitoring.** The SDP is classified as an effective gender mainstreaming project. The activities in the GAP will be monitored by the MOH PPD gender focal person, and the indicators will be monitored by the Gender Equality Monitoring System of the National Commission for Women and Children. A full-time gender consultant based at the Bhutan Resident Mission will liaise with the MOH for engagement at the policy level, and for the implementation of the GAP. The GAP identifies the following areas of focus:

(i) ensure that trends in gender-sensitive indicators are analyzed and understood;
(ii) gender-sensitive recruitment policies are implemented and followed;
(iii) any civil works consider gender and disabled person’s needs; and
(iv) that the interpersonal communication training includes gender mainstreaming, stigma, and discrimination.

C. Evaluation

66. The SDP will align midterm and annual reviews and the end of program evaluation with the government reviews of the Twelfth Five-Year Plan. ADB will field review missions to be able to participate in the government’s reviews and evaluation. Field visits will be undertaken to ascertain the progress being made in terms of training, construction, and upgrading of training facilities and equipment, and will provide an opportunity for beneficiary monitoring. The annual implementation plan, including detailed budgeted work plan and procurement plan for the following year, will also be discussed and finalized during the missions.

D. Reporting

67. The PMPSU will provide ADB with:

(i) quarterly progress reports (format in Appendix 3);
(ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months;
(iii) annual financial review reports, and coordinate the response to the annual audit reports which will be submitted to ADB within 6 months after closing of the financial year; and

(iv) a project completion report within 6 months of the physical completion of the program.[14]

E. Stakeholder Communication Strategy

68. Consolidated information on all program activities and progress will be posted on the project and MOH website. The PMPSU will take the lead in preparing annual reports in which the achievements to date will be summarized and posted on the website. These reports will also be disseminated to relevant monitoring and implementing committees, district administrators and municipalities, and relevant health facility staff. The MOH will be encouraged to actively reach out to communities living near the newly constructed satellite clinics to ensure that utilization of the new facilities is rapid and optimal. Table 22 outlines how communications will be managed during implementation.

Table 22: Stakeholder Communication Strategy

Communication Material	Means of Communication	Responsibility	Frequency	Audience
Report and Recommendations of the President	ADB's website	ADB	Within 2 weeks of approval of the grant	All stakeholders including the general public
Legal agreement	ADB's website	ADB	No later than 14 days after the approval of the project	All stakeholders including the general public
Project Administration Manual	ADB's and PMPSU's website	ADB and PMPSU	After grant negotiations	General public, project contractors and consultants
Annual reports	Publication and dissemination of report	PMPSU	Every year	Monitoring and implementing committees, district/municipal administrators, and relevant health facility staff
Information on new satellite clinics, location, and services available	MOH, municipal, and district administrators using outreach, pamphlets, etc.	MOH	Within 2 weeks of completing each satellite clinic	Catchment population of the clinics
Completion report	ADB's and PMPSU's website	ADB and PMPSU	Within 2 weeks of circulation to the Board	All stakeholders including the general public

ADB = Asian Development Bank, MOH = Ministry of Health, PMPSU = project management and policy support unit.
Source: Asian Development Bank.

X. ANTICORRUPTION POLICY

69. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.[15] 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.

[14] Project completion report format is available at: http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar.
[15] Anticorruption Policy: http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf.

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.[16]

70. To support these efforts, relevant provisions of ADB's Anticorruption Policy are included in the grant agreement and the bidding documents for the project. The executing agency and all implementing agencies are advised of ADB's Anticorruption Policy and consistent with its commitment to good governance, accountability, and transparency. The implementation of the project shall adhere to ADB's Anticorruption Policy.

XI. ACCOUNTABILITY MECHANISM

71. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing so, and if they are still dissatisfied, should they approach the Accountability Mechanism.[17]

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

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

[16] ADB's Integrity Office web site: http://www.adb.org/integrity/unit.asp.
[17] Accountability Mechanism. http://www.adb.org/Accountability-Mechanism/default.asp.

APPENDIX 1: DETAILS OF OUTPUT 1 ACTIVITIES

A. Component 1: Satellite Clinics

1. Bhutan is rapidly urbanizing. Thimphu's population has grown approximately 10% per year, three times the rate of the national population growth, and if trends continue then almost half of the Bhutanese population could live in urban areas by 2020. Two key urban centers are emerging in Thimphu, the capital city, and Phuentsholing, a city in the south on the border between Bhutan and India.

2. To increase the availability of primary health care (PHC) services for the urban population and to reduce tertiary hospitals being used for primary care, satellite clinics have been established. Satellite clinics provide the same services as a basic health unit (level 2) (BHU-II) facility—health promotion and preventative services ranging from immunization, antenatal care, to basic mental health care services. Satellite clinics do not have the facilities for inpatients or for child birth. There are already three satellite clinics in Thimphu—municipality in Mothithang, Jungshina, and Changiji. In 2015, Mothithang received 13,289 new cases and Jungshina 11,089. The existing clinics are in rented premises and are not ideally situated or designed to manage the existing and increasing case-loads.

3. The project will support the construction of five new satellite clinics—three in Thimphu municipality, one in Thimphu district, and one in Phuentsholing municipality. Land has been identified and assessed in all three sites in the Thimphu municipality and suitable land in Thimphu District and Phuentsholing will be identified as the project progresses. Once identified, the Ministry of Health (MOH), with the support of the project management and policy support unit, will be responsible for conducting the social and environmental safeguards assessments. It is expected that the construction of the satellite clinics will take at least 1 year, and once construction is complete, the MOH will provide the staff and equipment in order to ensure that the satellite clinics will be functional.

B. Component 2: Strengthening Primary Health Care across Bhutan

4. There are certain components of PHC which have positive externalities for the entire population and should be considered as a public good. For example, ensuring that the Bhutan population is immunized and well protected from disease will have positive spillover effects on all the population. Likewise, ensuring that surveillance specimen samples are safely sent to laboratories for rapid testing, ensuring that results are received in a timely manner and patients are treated quickly, will have an impact on the spread of disease and an effect on the entire population.

5. One of the key international health challenges is the spread of infectious disease. With more movement of people, food and medical products across the globe and the risk of a disease that is poorly treated in one country emerging very quickly in another country is very high. It therefore becomes essential to avoid epidemics by (i) immunizing people from vaccine-preventable diseases, and health workers paying attention to infection prevention to reduce the spread of disease; (ii) ensuring health facilities have running water and health care waste systems in place; and (iii) ensuring that infectious waste, in particular, is managed properly. There is also a need to monitor morbidity trends and effects of different health conditions and diseases by sex and by age group. For example, in 2014, more males than females aged 1–4 and over 65 years fell ill. However, in the reproductive age group (aged 15–49), more women than men experienced

illness episodes, resulting in higher overall percentage (52.8%) of women falling ill than men.[1] More women (13.5%) are generally more susceptible to sickness and injury compared to men (10.4%).[2]

6. Bhutan has an impressive immunization program with 95% of children fully immunized. Yet the MOH has a limited cold chain network for the storage of essential vaccines and medicines, especially in peripheral facilities. Good temperature control during the storage and transport of vaccines is critical to ensure their potency and safety. Many liquid formulations of vaccines will become damaged if frozen, for example. There is a need to replace cold chain equipment in Bhutan, in particular the refrigerators which are not of international standards and may not store vaccines at optimal temperatures. The project will procure refrigerators for 187 BHU-II health facilities across the country (including new satellite clinics to be constructed) and two vaccine vans to ensure the safe transportation of vaccines.

7. There are two mechanisms for sending human samples to national laboratories in Bhutan. Samples for clinical investigation are sent to the National Referral Hospital for confirming diagnosis and samples for epidemiological investigations and disease surveillance are sent to the Royal Centre for Disease Control. Both types of samples are transported from hospitals to the tertiary laboratories through the Bhutan postal system and records indicate that approximately 40 consignments are transported per month. The samples are sent in vaccine carrier boxes which contain water filled ice packs and are designed to keep samples cold for 24 hours but on average samples take 3 days from the district to the destination. These samples are potentially infectious and are transported in sub-standard carrier boxes, which are too small, where the cold chain could be compromised and there are no protocols (including for the protection of handlers) on how different samples should be transported. The project will procure new standard cold boxes for the safe transportation of samples.

8. By 2013, nearly half of the Bhutanese population (48%) was affected by cardiovascular disease and the risk factors are widespread, with 39% of people classified as overweight or obese and 36% with raised blood pressure. Among the noncommunicable diseases (NCDs), significant gender differences are observed in certain NCD risk factors. For example, 8.2% of females are obese compared to 4.2% of males.[3] However, more men (61%) than women (39%) suffer from cancer.[4] Given that for the vast majority of the rural population the nearest health facility is a BHU-II (59%), it makes sense to ensure that these facilities have the equipment to be able to screen for NCD. Bhutan has already rolled out the World Health Organization (WHO) Package of Essential Noncommunicable Disease protocol to all health facilities for a minimum set of essential interventions to address the four major NCDs (cardiovascular disease, cancer, diabetes, and chronic respiratory diseases) and a recent audit indicated that BHU-II facilities needed critical equipment such as weighing scales, blood pressure apparatus, stadiameters, and peak flow meters to be able to accurately screen patients. The project will procure this equipment for all BHU-IIs across the country.

9. Alongside providing equipment to improve service delivery, a key component of the project will be to monitor health facilities against standards to be able to ensure quality. The MOH has several systems for improving standards and encouraging teams to deliver better quality services

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[1] Government of Bhutan, National Statistics Bureau. 2010. *Bhutan Multiple Indicator Cluster Survey.* Thimphu.

[2] United Nations Entity for Gender Equality and the Empowerment of Women. 2016. *Gender Responsive Planning and Budgeting in Bhutan: From Analysis to Action.* New Delhi.

[3] World Health Organization. 2017. *Bhutan Sustainable Development Goals 3 Profile.* New Delhi.

[4] Government of Bhutan, Ministry of Health. 2017. *Annual Health Bulletin.* Thimphu.

and to date, there is no systematic assessment of availability, readiness, and quality against agreed standards, such as would be captured in the WHO's Service Availability and Readiness Survey or the Demographic and Health Survey Service Provision Assessment. The responsibility for quality lies with the MOH Quality Assurance and Standardization Division (QASD). The QASD has piloted the Bhutan Healthcare Standards and Quality Assurance (BHSQA) system in one hospital and as part of the 12th 5-year plan, it plans to roll out BHSQA to most hospitals and basic health units (level 1) (BHU-Is) in the country.

10. The BHSQA is a measure of the readiness of facilities, for example, are the right equipment, drugs, and facilities in place to be able to provide a quality service. Once these standards are in place, it will be easier to identify gaps and measure progress against these standards. Information on whether facilities achieved standards or not, could be made public and a ranking of health facilities according to their performance could be released. Minimum standards could also form the basis of social auditing, explaining to the public and users of the service, for example, how well their local facility is performing against standards. The project will provide resources to the QASD to roll out the BHSQA training to all BHU-IIs in the country and to the remaining hospitals and BHU-Is. The QASD will train district health officers as master trainers who will then cascade the training down to lower levels. The QASD will continue to provide supervisory support and conduct spot-checks of ongoing training. While the QASD capability to manage this training is strong, the division head will retire at the end of 2019 and attention will need to be paid to the transition arrangements. The project will contract an experienced consultant to support the QASD to (i) refine the roll-out plan, training, content, and methodology; (ii) pilot the training; (iii) develop a system for monitoring training quality; and (iv) monitoring the BHSQA system itself that makes use of existing information systems where possible and is able to collate quality scores of health facilities for periodic analysis. The consultant will also support the QASD in developing standard operating procedures for BHU-IIs based on the BHSQA and support key MOH stakeholders in developing a road map for future accreditation of health facilities. See Appendix 5 for more information.

C. Component 3: Strengthening Primary Health Care Services in Eight Districts

11. The BHU-II is the backbone of the PHC system in Bhutan. There are 184 BHU-IIs health facilities across the country providing PHC services and conducting regular outreach clinics. The utilization of BHUs for institutional delivery has increased by almost ten-fold from 2000 to 2012. Moreover, sick children in poor districts are more likely to be taken to a BHU for treatment. Of those children who were sick in 2010, in the Western region, most (43%) were taken to a hospital, whereas in the poorer Eastern region nearly half the children were taken to a BHU (49%). PHC will be further strengthened in eight districts that have high levels of poverty and low health indicators.

12. A key part of the International Health Regulation goals at the facility level are to focus on infection prevention and health care waste management to effectively prevent health care-associated infections. Bhutan has a Waste Prevention and Management Act (2009), Waste Prevention Regulations (2012), accompanied by guidelines on the Management on Waste Prevention. All acts, regulations, and guidelines are overseen by the secretariat of the National Environment Commission. These are supplemented by the MOH guidelines on Infection Prevention Control and Medical Waste Management for Health Care Facilities (2017) and guidelines on the disposal of pharmaceutical waste produced by the Drug Regulatory Authority. There are infection control teams and focal points at different levels of MOH who are responsible for infection prevention and health care waste and are required to send quarterly reports to MOH via the district health officer who in turn reports to the National Environment Commission.

13. A 2017 WHO report on health care waste management in Southeast Asia indicated that in Bhutan, there is high awareness, but this needs to be translated into practice. In the same year, the MOH Hospital Administration and Management Transformation system indicated that infection control and medical waste management were poorer at BHUs than all other levels of facilities. Direct observation indicated that BHU staff are competent at waste segregation and treatment within facilities, but the management of waste once it leaves the facility is not always clear or systematic. Moreover, many health care facilities do not have the infrastructure or equipment to be able to manage health care waste appropriately. For example, the MOH guidelines indicate that there should be a deep burial pit for the disposal of pathological waste but 79 out of 85 BHU-IIs, all 16 BHU-Is, and six out of 10 hospitals in the eight districts do not have standard deep burial pits for the disposal of pathological waste. Most health facilities do not have adequate numbers of needle cutters for the safe disposal of sharps, and none of them have autoclaves for disinfecting waste. In larger facilities (BHU-I and hospitals), rooms are needed to store segregated waste before it is collected. Due to the lack of adequate storage space many facilities are burning waste in open pits. The project has made an assessment across the eight districts and will build deep burial pits and waste storage rooms, and provide needle cutters, syringe shredders, and autoclaves only where there is an identified need to ensure a comprehensive approach to health care waste management across BHU-II, BHU-I, and hospitals in each of the eight districts.

14. It is critical for health workers to have access to water to be able to carry out infection prevention activities. At present, none of the BHU-II in the eight districts have 24 hour running water, and 30 BHU-IIs do not have male and female toilets for clients. The project will construct water reservoirs and ensure that the water source is adequately protected; and toilets will be constructed where needed. Diagnostic equipment (x-ray, ultrasonography, dental chair, centrifuge, hematology analyzer, biochemistry analyzer, and laboratory refrigerator) will also be procured as needed for use at BHU-Is and hospitals to establish continuity of care from BHU-IIs to higher level facilities within the eight focus districts.

15. Access to information and appropriate counselling are critical for a healthy lifestyle. Most of the urban population get health information from the TV and radio (86%) whereas in rural areas information from health professionals is still important (64%). Efforts must be made to ensure that every contact with a health provider is an opportunity to provide relevant and useful information. The project will work with the MOH to improve interpersonal counselling skills for BHU-II and sub-post health workers in the target districts. The project will also work with two experienced civil society organizations in communities to address critical issues of under-five nutrition and gender-based violence and to improve well-being and health-seeking behavior.

APPENDIX 2: TERMS OF REFERENCE OF KEY PROJECT MANAGEMENT STAFF

Designation	Qualification and Experience	Terms of Reference
Project director (national, 30 person-months over 5 years)	a. To be seconded from the MOH; b. Preferably a master's degree in public administration, or other relevant discipline, with more than 15 years of relevant experience in the civil service; and c. Experience of working on multilateral/bilateral-funded projects would be an advantage.	a. Day-to-day management and delivery of all program activities (procurement, financial management and results); b. Supervise the work of all PMPSU staff so that tasks are undertaken effectively; Coordinate across all the implementing agencies to ensure that all project activities are undertaken as planned; c. Prepare annual work plans, implementation schedules, and budgets; d. Prepare and update projections for the contract awards and disbursements; e. Guide and advise the executing agency and implementing agencies about the progress of the project, potential bottlenecks, and of ways to address them; and f. Prepare quarterly and annual briefings for the PSC and ADB.
Accountant (national, 60 person-months over 5 years)	a. To be seconded from the MOH; and b. Preferably a commerce graduate (M. Com), with 5 years of relevant experience.	a. Prepare vouchers along with the bills, invoices and other supporting documents; b. Enter data into financial records for payment and receipt vouchers, and maintain and organize hard files of vouchers; c. Oversee payment process associated with staff reimbursement, travel and events as needed; d. Maintain and record petty cash transactions; e. Prepare bank reconciliation statements; and f. Manage the day-to-day operations of accounting, payroll, contracts and grants; administration and prepare financial reports.
Procurement officer (national, 60 person-months over 5 years)	a. To be seconded from the MOH; and b. Preferably a graduate, with 5 years of relevant experience	a. Prepare and update the annual procurement plan and update the PMPSU director and ADB on the progress of procurement; b. Ensure that both the GOB and ADB standards are being followed in the procurement of goods, services and equipment, in terms of prepare bidding documents, request for proposals, terms of references, invitation to bids, bid and proposal evaluation reports, contract awards and negotiation documents; and other procurement related documents, submissions, and reports; c. Enter data into procurement management system and maintain and organize hard copies of procurements; and d. Manage the day-to-day operations of procurement management and prepared procurement reports.
Project manager at GOB equivalent of P3 level (national, 60 person-months over 5 years)	a. To be recruited by the PMPSU; b. Preferably a relevant master's degree in public administration or related subject with at least 5 years' experience in setting up administrative, finance and procurement systems for large projects; and c. Experience of working multilateral/bilateral-funded projects is essential.	a. Support the project director in setting up the program including coordinating the activities of the team members (national and international) and developing the initial work plan and implementation schedule; b. Support the project director in setting up systems to ensure the quality and timeliness of all deliverables; c. Support the project director and the M&E expert in establishing the overall M&E strategy; d. Support the project director in preparation of templates for different reports that the program requires; e. Support the project director in developing good working relationships with all key implementing partners (MOH, MOF, Audit, BHTF, municipalities/districts);

Designation	Qualification and Experience	Terms of Reference
		f. Support the accounts manager to set up systems to manage the day-to-day operations of accounting, payroll, contracts and grants administration and preparing financial reports; g. Support the accounts manager to set up systems to manage the PMPSU training and travel requirements; h. Ensure that the financial expert and the procurement expert are supporting the accountant and procurement officer to set up systems with relevant MOH counterparts to manage financial and procurement risks identified in the PAM; and i. Ensure that the financial expert and the procurement expert have identified capacity gaps in the MOH and have developed appropriate capacity building activities including 1:1 mentoring.
Project assistant at GOB equivalent of P5 level (national, 60 person-months over 5 years)	a. To be recruited by the PMPSU; b. Preferably a relevant master's degree in public administration or related subject with at least 5 years' experience in setting up administrative, finance and procurement systems for large projects; and c. Experience of working multilateral/bilateral-funded projects is essential.	a. Provides administrative and clerical support to the project manager; b. Provides support to the preparation and drafting of work plans, budgets, progress reports, etc.; c. Assists in setting up and maintaining a filing system for all project-related documents; d. Assists in the organization of workshops, training, and travel-related activities; e. Assists in the preparation of logistics for consultants, including arranging visas, travel, and hotel reservations; f. Makes arrangements for shipment and receipt of office and project supplies, including custom clearance, if any; g. Support the accounts manager and procurement officer with day-to-day operations; h. Assists in procurement process and asset management, including monitoring, recording and disposal; i. Performs other duties as required.
M&E expert at GOB equivalent of P4 level (national, 60 person-months over 5 years)	a. To be recruited by the PMPSU; b. Preferably a bachelor's degree in statistics or similar field with 5 years' experience in working in monitoring and evaluation in health; c. Ability to use the SPSS, MS Access and other monitoring and evaluation software; and d. Experience of working multilateral/bilateral funded projects would be an advantage.	a. Set up program monitoring systems for finance, activities and results monitoring, ensure the accuracy of the data being added to the MIS; b. Provide easy to use MIS manuals and troubleshooting guidelines and ensure that the MIS develops reports which are relevant to the users; c. Establish the overall M&E strategy in accordance with the DMF and M&E plan outlined in the project document d. Monitor and evaluate the compliance of actual progress and performance against planned work and the DMF and expected quality; e. Provide technical advice for the revision of performance indicators and ensure that realistic mid-term and end-of-project targets are defined; f. Provide timely and relevant information for quarterly and annual reports to be submitted to the PSC and other project stakeholders; g. Visit project areas for monitoring of activities, verify post-training performance assessments of health workers trained by project; h. Work with the MOH across the output areas to ensure that data will be collected that is relevant to the performance of the program; i. Arrange the dissemination of information obtained from reviews, monitoring and evaluation, and other publications of relevant organizations; and

Designation	Qualification and Experience	Terms of Reference
		j. Build the capacity of the MOH partners to ensure that monitoring and evaluation functions can be continued for the remaining project period.
Civil engineer at GOB equivalent of P4 level (national, 48 person-months over 5 years)	a. To be recruited by the PMPSU; and b. Preferably a bachelor's degree in civil engineering or a civil engineering specialty with past experience in supervision and quality monitoring of civil works.	a. Review good for construction drawings to ensure that the designs and specifications laid out in the tender drawings have been followed through; b. Review and authorize changes in details and specifications in consultation with the HIDD; c. Approve and monitor the work of the contractors and ensure that all technical and quality specifications included in the tender documents are followed closely; d. Ensure that the IEE reports including the EMPs prepared for each sub-project are adhered to by the contractors; e. Train the contractors and their workers about best practices and quality control measures; f. Periodically, visit the construction sites for on-the-spot quality checks, including inspecting materials and works to ensure compliance with specifications and safe working procedures; g. Review and approve samples of hardware, sanitary fittings and other finishing materials; h. Submit quality compliance reports to the HIDD and recommendations for the variations or shortcomings, if any, observed during field visits; i. Report any site complaints or grievances of stakeholders due to construction activity; j. Ensure that the construction processes are conducted smoothly within the stipulated time frame and assist in achieving timely completion; k. Maintain all the details of work, measurement book, bill books and any record of construction work which will be required during auditing; l. Prepare final reports on the overall quality of the construction; m. Certify completion of the works; and n. Build capacity of the MOH at all stages of procurement, construction and review to ensure that international and ADB standards are institutionalized.
Electrical engineer at GOB equivalent of P4 level (national, 48 person-months over 5 years)	a. To be recruited by the PMPSU; and b. Preferably a bachelor's degree in electrical engineering or an electrical engineering specialty with past experience in supervision and quality monitoring of civil works.	a. Review good for construction drawings to ensure that the designs and specifications laid out in the tender drawings have been followed through; b. Review and authorize changes in details and specifications in consultation with the HIDD; c. Approve and monitor the work of the contractors and ensure that all technical and quality specifications included in the tender documents are followed closely; d. Ensure that the IEE reports including the EMPs prepared for each sub-project are adhered to by the contractors; e. Train the contractors and their workers about best practices and quality control measures; f. Periodically, visit the construction sites for on-the-spot quality checks, including inspecting materials and works to ensure compliance with specifications and safe working procedures; g. Review and approve samples of hardware, sanitary fittings and other finishing materials;

Designation	Qualification and Experience	Terms of Reference
		h. Submit quality compliance reports to the HIDD and recommendations for the variations or shortcomings, if any, observed during field visits; i. Report any site complaints or grievances of stakeholders due to construction activity; j. Ensure that the construction processes are conducted smoothly within the stipulated time frame and assist in achieving timely completion; k. Maintain all the details of work, measurement book, bill books and any record of construction work which will be required during auditing; l. Prepare final reports on the overall quality of the construction; m. Certify completion of the works; and n. Build capacity of the MOH at all stages of procurement, construction and review to ensure that international and ADB standards are institutionalized.
Financial expert (international, 3 person-months for the first 12 months)	a. To be recruited by the PMPSU; b. An individual with a master's degree in finance, business administration, or commerce, with more than 10 years of experience in designing and strengthening financial management systems; and c. Experience of working on multilateral-funded projects is essential.	a. With the project director and accountant, establish and document key business functions and processes which would be required for strengthening financial management practice and to bring them in line with requirements of the ADB project; b. With the M&E expert, set up a simple financial MIS system; c. Assess the adequacy of existing internal controls and procedures for key processes; d. With the accountant, update the financial plan of the project and update ADB on the progress of financial status; e. Supervise the accountant in preparing full-set of accounts according to good accounting practice and standard of Bhutan; f. Support the accountant to ensure all disbursement of fund are properly documented and accounted for; and g. Work with the MOH to monitor the financial management plan and build capacity of relevant units where necessary, including coordinating with the external and internal auditor
Procurement expert (international, 3 person-months for the first 12 months)	a. To be recruited by the PMPSU; b. An individual with a certified qualification in procurement management; c. More than 7 years' experience in strengthening procurement systems in health; and d. Experience of working multilateral-funded projects.	a. Work with the procurement officer to establish and document key business functions and processes which would be required to strength procurement systems and bring them in line with requirements of the ADB; b. Work with the procurement officer to prepare the annual procurement plan and update ADB on the progress of procurement status; c. Assist and build the capacity of the MOH to ensure international and ADB standards in the procurement of goods, services and equipment in terms of prepare bidding documents, request for proposals, terms of references, invitation to bids, bid and proposal evaluation reports, contract awards and negotiation documents; and other procurement related documents, submissions, and reports d. Work with the MOH to improve transparency and tracking mechanisms for procurement; e. Work with the MOH to develop standard operating procedures, and facilitate improved inspection and receipt process;

Designation	Qualification and Experience	Terms of Reference
		f. Work with the MOH to improve procurement efficiency, analysis on market dynamics, cost and implementation schedules; g. Work with the MOH to build the capacity for procurement reviews including detailed examination of procurement processes and performances; and h. Work with the MOH to facilitate improved monitoring in order to set out clear and agreed targets and implementation arrangements including requirements for strict compliance of ADB Policy and Regulations.
Behavior change and communication expert (international, 6 person-months over 2 years)	a. To be recruited by the PMPSU; b. An individual with a relevant master's degree in public health, health communications, or related subject with at least 15 years' experience in behavior change and communications; and c. Experience of working multilateral/bilateral-funded projects is essential.	a. With the HPD and Faculty of Nursing and Public Health of the Khesar Gyalpo University of Medical Sciences (and UNICEF if relevant) and adapt the in-service curriculum for IPC so that it is suitable for in-service training; b. With the HPD adapt any training material that will be needed for the in-service training; c. With the HPD develop a costed plan for rolling out the training across the eight districts, including short refresher training and exchange programs for trained health workers to ensure cross-learning; d. With the HPD develop plans for monitoring the delivery of the training plan and ensuring timely delivery; e. With the HPD develop methods for measuring training effectiveness, including capturing changes in IPC skills; f. Provide support to the HPD in the implementation of the IPC training, including where feasible training site visits; g. Review the proposal from the CSO organization to work with communities and ensure that appropriate and up-to-date methods will be used; and h. Work with the CSO to develop methods for measuring the effectiveness activities in the communities;
Health care quality standards and assurance expert (international, 6 person-months over 3 years)	a. To be recruited by the PMPSU; b. An individual with a relevant master's degree in public health with at least 15 years' experience in quality standards and assurance; and c. Experience of working multilateral/bilateral-funded projects is essential.	a. With the QASD review the roll-out plan, training content and methodology and ensure there is a clear plan for monitoring the training; b. Support the QASD in piloting the BHSQA training at BHU-II and sub-post levels and provide support in finalizing the training content and methodology; c. Given that the training methodology will be cascade training, support the QASD in developing a system for monitoring the quality of the training and support in implementing it; d. Support the QASD in developing a system for monitoring the BHSQA that makes use of existing information systems where possible, and is able to collate quality scores of health facilities for periodic analysis; e. Build the QASD capacity in undertaking periodic analysis of the BHSQA, ranking of facilities and support in regular dissemination of this information; f. Support the QASD in developing SOPs for BHU-IIs, based on the BHSQA (estimated to be 15-20 in number); g. Support the QASD in pre-testing the SOPs, refining, and support in dissemination h. Support the QASD to develop, pre-test, and finalize formats for monitoring health facilities adherence to SOPs; i. Support the QASD in developing a methodology for conducting clinical audits of implementation of the standards, piloting and finalizing the methodology,

Designation	Qualification and Experience	Terms of Reference
		building the QASD capacity to undertake the audits, developing a system for analyzing findings from the audits and mechanisms for taking corrective actions; j. Support the QASD and key MOH stakeholders in developing a road map for future accreditation of health facilities; and k. Support the QASD to consider how to strengthen the quality assurance system for the diagnostic services (laboratory and radiology).
Environment expert (national, 3 person-months over 2 years)	a. To be recruited by the PMPSU; b. An individual with a relevant degree in an environmental discipline and with at least 5 years' experience in conducting environment assessments; and c. Experience of working multilateral funded projects is essential.	a. Conduct detailed 'Environmental Assessment' of the identified sites at Debsi and Phuentsholing, this will include the following activities: - Conduct site visit to the new sites in Debsi and Phuentsholing - Assess the existing site conditions and provide an environmental baseline description of the project - Identify and describe the project's potential environmental impacts; - Design mitigation measures to minimize adverse impacts; - Describe the project's public consultation process and Grievance Redress Mechanism. - Provide environmental management and monitoring plans for the overall project (including defining institutional responsibilities, capacity building and training, and the required budget). - In line with the EARF, prepare the IEE report including EMPs specific to the project - Conduct consultations with stakeholders, contractor, projects staff and health personnel to assess implementation of the EMP and assist the MOH in conducting compliance monitoring of the EMP as well as submitting the reports to the ADB as per project requirements b. To capacitate/orient the PMPSU, and district personnel for implementation, monitoring and reporting of environment safeguards measures as recommended in the EMP

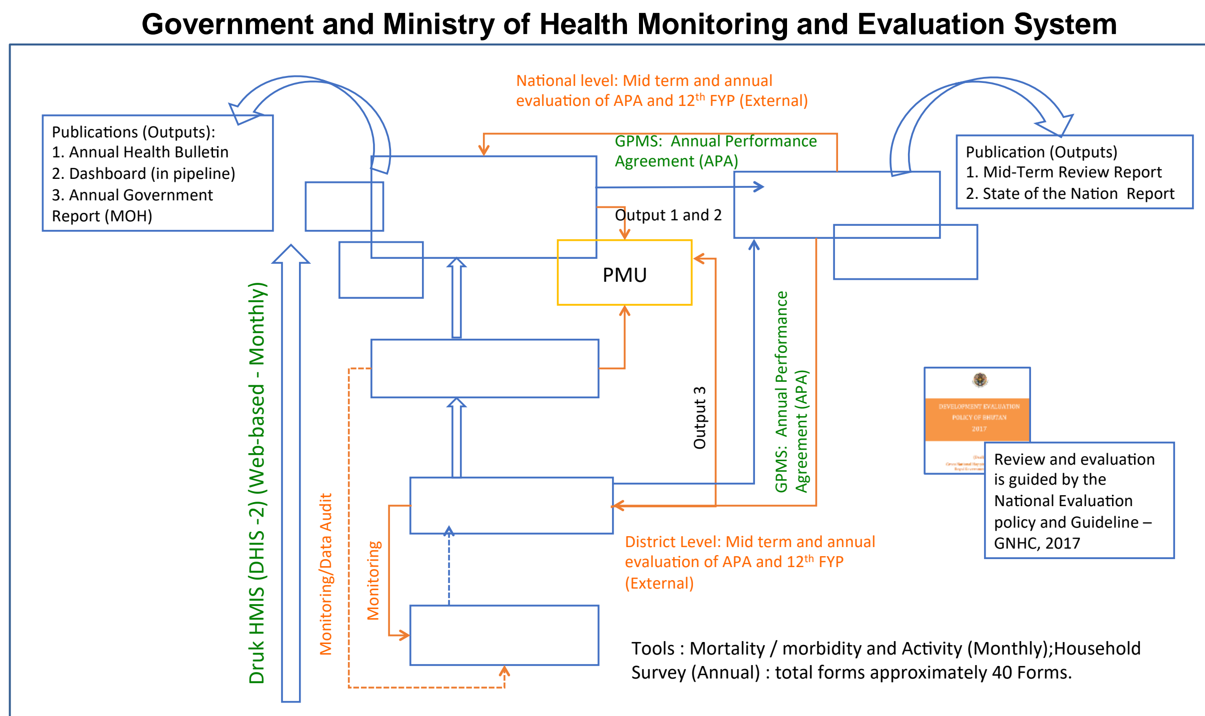
ADB = Asian Development Bank, BHTF = Bhutan Health Trust Fund, BHSQA = Bhutan Healthcare Standard for Quality Assurance, CSO = civil society organization, DMF = design and monitoring framework, EARF = environmental assessment and review framework, EMP = environmental management plan, GOB = Government of Bangladesh, HIDD = Health Infrastructure Development Division, HPD = Health Promotion Division, IEE = initial environmental examination, IPC = interpersonal counselling, M&E = monitoring and evaluation, MIS = management information system, MOF = Ministry of Health, MOH = Ministry of Health, PAM = project administration manual, PMPSU = project management and policy support unit, PSC = project steering committee, QASD = Quality Assurance and Standardization Division, SOP = standard operating procedure, SPSS = Statistical Package for Social Sciences, UNICEF = United Nations Children's Fund.
Source: Asian Development Bank.

APPENDIX 3: MONITORING AND REPORTING

1. Where possible, the sector development program will align with government monitoring and reporting processes. This system will be used to track progress in implementation and the achievement of results and account for the use of resources. Data from the monitoring system will be used during project steering committee meetings and project management and policy support unit (PMPSU) progress review meetings where the data will be presented and discussed. This appendix summarizes how data from the health information systems and surveys of the Ministry of Health will be used to track progress.

2. **Generation of data.** The design and monitoring framework indicators at the outcome level are aligned where possible with the government's 12th 5-year plan key performance indicators. The process for sourcing data for each of the outcome level indicators is outlined and described in the figure below.

Government and Ministry of Health Monitoring and Evaluation System



Source: Asian Development Bank.

3. At the health facility level, as part of routine data collection, a focal person records information on three forms including mortality, morbidity, and activities forms, and where there is internet connectivity the data is uploaded directly into the Druk Health Management Information System (DHIS2). For facilities that do not have connectivity, paper forms are sent to the district health officers to be uploaded. At the national level, the health management information system (HMIS) and research section of the Policy and Planning Division publishes the Annual Health Bulletin which contains a selection of the HMIS data.

4. At the national level, the 12th 5-year plan will be monitored with annual performance agreements that are signed between the line ministries, districts, and the Gross National Happiness Commission (GNHC). The annual performance agreement has key performance indicators which are monitored by in the web-based Government Performance Management System and is reviewed by the cabinet and the GNHC annually. All national level reviews and

evaluations are guided by the National Evaluation Policy of the GNHC. The 12th 5-year plan will be evaluated twice—at midterm review and at a final evaluation. The midterm report will be published as the state of the nation address by the Prime Minister. National-level surveys will also be used to evaluate progress and a national health survey will be conducted as part of the 12th 5-year plan.

5. Data for output 1 level indicators will be collected by the district officer for health-related activities and by the district engineer for activities related to district level civil works and sent to the PMPSU. For the satellite clinics, the contracted civil and electrical engineers will be responsible for reporting to the PMPSU. Data for output 2 and 3 will be collected from the Bhutan Health Trust Fund and Information, Communications and Technology Division (Ministry of Health) and reported to the PMPSU.

6. **Assuring quality**. In addition to the quality assurance built into the DHIS2, the district health officer routinely validates the HMIS data during the supervisory visits to the health facilitates. The DHIS2 will also develop standard operating procedures for data quality this coming 12th 5-year plan.

7. **Outline for Quarterly Progress Report:**

1. **Introduction**
   1.1. Project Summary
   1.2. Project Scope
2. **Overall Project Progress**
   2.1. Overall Physical Progress (Physical Progress as per overall Implementation Plan)
   2.2. Overall Financial Progress
3. **Implementation Progress by Outputs**
   3.1. Output 1: Implementation Progress and Key Achievements
   3.2. Output 2: Implementation Progress and Key Achievements
   3.3. Output 3: Implementation Progress of Sub-Components and Key Achievements
4. **Gender Action Plan Implementation Progress**
5. **Environment Management Plan Implementation Progress**
6. **Risk Assessment and Management Plan Implementation Progress**
7. **Planned Activities by Project Outputs for X Month to Y Month (year) (plan for next quarter)**
   7.1. Status of Planned Activities During Previous Quarter
   7.2. Planned Activities for the Next Quarter
8. **Administration and Finance**
   8.1. Project Disbursements for the Previous Quarter
   8.2. Project Disbursement for the Next Quarter
9. **Compliance with Grant Covenants/ Governance Assurances**
10. **Constraints and Issues**
11. **Annexes**

APPENDIX 4: TERMS OF REFERENCE FOR BEHAVIOR CHANGE COMMUNICATION CONSULTANTS

1. **National priorities for health promotion.** The National Health Promotion Strategic Plan (NHPSP) (2015–2023)[1] outlines the priorities for health promotion. According to the plan, health promotion efforts should focus on district hospitals and basic health units (BHUs) so that these health facilities become '*health promoting*' and encourage patients to '*become co-producers of their healing and recuperation processes, as well as of maintaining their health status'* (footnote 1). The priority health issues over the planning period are noncommunicable disease, communicable disease, nutrition, water and sanitation, and road safety. The NHPSP recognizes health promotion as the responsibility of individuals, government agencies and civil society organizations (CSOs), and the need to empower communities to take responsibility for their own well-being. Additionally, the 12th 5-year plan recognizes the importance of health promotion to improve public health in the country and the Ministry of Health (MOH) has identified "*Health Promotion and Disease Prevention*" as one of the priority programs. The program shall focus on "*Improving multi-sectoral collaboration and community participation for Health Promotion through advocacy, health impact assessment, capacity development, research and surveys*". In the MOH, the Health Promotion Division (HPD) under the Department of Public Health has the responsibility to promote good health and hygiene practices among the community.

2. **Need to improve nutrition status through health promotion.** The National Nutrition Survey (2015) found one in five children under the age of 5 to be stunted and 31.3% of adolescent girls are anemic.[2] Gaps in knowledge and practice of how to prevent undernutrition exist. Infant and young child feeding practices are not optimal among the mothers and caregivers, which often leads to malnutrition. For instance, only 51.4% of infants under 6 months of age exclusively breastfed and 88.3% of the children (6 to 23 months old) are not fed a minimum acceptable diet (footnote 2). The 12th 5-year plan under National Key Results Area 8 has laid down specific targets to address the nutritional status of the under-five children in the country through health promotion and behavior change activities in targeted populations in the community.

3. **Need to address violence against women through behavior change communication.** Domestic and gender-based violence (DGBV) are a growing concern in the country. About one out of four women (currently or formally married, and aged 15-49) had experienced emotional, physical, or sexual violence by their husbands or partners.[3] This proportion is higher in rural areas as compared to the urban cities (footnote 3). Violence is not an isolated event, with 88% of women who had experienced any form of domestic violence also stated to have similar experiences in the previous years (footnote 3). The one stop crisis center at Jigme Dorji Wangchuck National Referral Hospital recorded 325 cases of domestic violence, 573 cases of common assault, and 35 cases of sexual assault in 2015 alone.[4] DGBV need to be addressed at a social level given that 74% of women aged 15-49, believe that a man is justified in beating his wife or partner if they neglected their children, argued with their partners, or refused sex.[5] There is an overall lack of

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[1] Government of Bhutan, Ministry of Health. 2015. *National Health Promotion Strategic Plan (2015–2023).* Thimphu. http://www.health.gov.bt/wp-content/uploads/moh-files/2016/11/NHPSP-Inside.pdf

[2] Government of Bhutan, Ministry of Health. 2015. *National Nutrition Survey.* Thimphu.

[3] ADB. 2014. *Bhutan: Gender Equality Diagnostic of Selected Sectors.* Manila. https://www.adb.org/sites/default/files/institutional-document/149350/gender-equality-diagnostic-bhutan.pdf

[4] UNFPA Bhutan. Gender. http://bhutan.unfpa.org/en/topics/gender-0

[5] Government of Bhutan, Ministry of Health. 2012. *Bhutan National Health Survey.* Thimphu.http://www.health.gov.bt/wp-content/uploads/moh-files/nationalHealthSurvey2012.pdf

skills and infrastructure to address GBV at health facilities.[6] The 12th 5-year plan recognizes the need to integrate crosscutting themes like gender across programs and projects of all line ministries and local government in order to address issues of DGBV.

4. **Need to enhance capacity of health staff for effective health promotion.** Health facilities provide ideal opportunities for health promotion, given that patients are more likely to respond positively when given health education counselling along with treatment advice. Yet, health facilities are under equipped to provide effective information, education, and communication and there are limited assessments to showcase health workers' capacity for providing information on health and their counselling skills. The MOH has a network of health assistants working in basic health unit (levels 1 and 2) (BHU-I and BHU-II) and sub-posts, whose main responsibility is to promote healthy behaviors. Every month, health assistants conduct outreach clinics in geographically-isolated communities, mainly for immunization purposes. Health assistants hold a diploma in health sciences. The diploma does not impart any skills on health promotion, methods, and techniques or interpersonal counselling. Health assistants usually acquire the skills through practical experience. To ensure uniformity in service delivery, there is a need to provide the health assistants with standardized training as a component in their diploma using a revised curriculum before they begin providing service (pre-service training) and regular practical and refresher trainings (in-service training).

5. **Leveraging civil society and volunteerism for health promotion.** Bhutanese society encourages community participation through various channels including volunteerism, community-based structures and civil society engagement. Traditionally, community-based volunteer groups, known as "tshogpas",[7] represent a strong social capital and are willing to support and implement activities to improve their local environment and community. Bhutan formalized civil society participation through the CSO Act of Bhutan in 2007 and subsequently created the CSO Authority in 2009. In 2010, the CSO Rules and Regulations[8] were established. Currently, Bhutan has 49 registered CSOs (footnote 8), who have specific mandates to work around different themes. The CSOs have been working closely with development partners across the country, but, the relationship between the CSOs with the MOH is still evolving. From 2010–2015, nine CSOs have developed a working relationship with the MOH (see Table A4.1).

Table A4.1: Ministry of Health and Civil Society Organization Collaboration 2010–2015

CSO	Focus Area	MOH Partner
Disability Association of Bhutan	Disability	Non-Communicable Disease Division
Draktshog	Empowerment	Non-Communicable Disease Division
Lhaksam	HIV/AIDS	Communicable Disease Division, National AIDS Control Program
RENEW	Gender-Based Violence/HIV	Communicable Disease Division, National AIDS Control Program
Youth Development Fund	HIV	Communicable Disease Division, National AIDS Control Program
Tarayana Foundation	Tuberculosis/Nutrition	Communicable Disease Division, National TB Control Program
Ability Bhutan	Disability	Non-Communicable Disease Division

[6] Government of Bhutan. National Commission for Women and Children. *Nd. Study on Violence against Women in Bhutan.* Thimphu. http://www.ncwc.gov.bt/files/publication/Study%20on%20Situation%20of%20Violence%20against %20Women%20in%20Bhutan.pdf
[7] ADB. 2014. *BHUTAN Gender Equality Diagnostic of Selected Sectors.* Manila. https://www.adb.org/sites/default/files/institutional-document/149350/gender-equality-diagnostic-bhutan.pdf
[8] Civil Society Organizations Authority. Public Benefit Organizations. http://www.csoa.org.bt/web/content/pageContent.php?id=39

CSO	Focus Area	MOH Partner
Kidney Foundation	Renal disease	Non-Communicable Disease Division, Life-Style Related Diseases Control Program
Bhutan Cancer Society	Cancer	Non-Communicable Disease Division, Religion and Health Project

CSO = civil society organization, MOH = Ministry of Health.
Source: Civil Society Organizations Authority, 2017.

6. **Health Sector Development Program and health promotion.** Under output 3 of the development program, there is a need to focus on increasing the utilization of health services in particular among hard-to-reach populations living in the target districts.[9] The program plans to follow a two-pronged approach to address the aforementioned challenges:

(i) Developing interpersonal counselling skills of health assistants at BHU-I, BHU-II, and sub-posts to ensure that they can provide appropriate health education counselling along with treatment advice and;
(ii) Working with CSOs and existing community structures to address the most critical health issues of under-five years under nutrition, and DGBV.

7. **Expected outcome.** It is expected that the planned interventions will increase health literacy and utilization of health services in the eight focus districts and thereby improve health outcomes. Increasing interpersonal communication skills of health assistants is expected to demonstrate a measurable change in the knowledge of how to appropriately counsel clients. It is expected that the clients who visit health care facilities in the target districts will have better knowledge of improved nutrition and strategies to mitigate and manage DGBV. The community level activities will strengthen community-based organizations (CBOs) to be able to sustain the approach to behavior change.

A. Project interventions

1. Strengthening Interpersonal Communication Skills of Health Workers

8. As part of the 12th 5-year plan, the HPD and UNICEF will develop a pre-service teaching module on behavior change and interpersonal communication to be integrated into the curriculum for health assistants at the Faculty of Nursing and Public Health (FNPH) of the Khesar Gyalpo University of Medical Sciences (KGUMS) in Bhutan. The module will be pre-tested and fully integrated into the pre-service curriculum by the end of 2018. With support from the SDP, the HPD will adapt the curriculum for in-service training and develop a plan for rolling out the training to existing health assistants in the eight districts who are working at BHU-I, BHU-II, and sub-posts. The HPD will carry out the training using a cascade approach which will involve creating a cadre of master trainers, who would then further conduct training for health assistants in health facilities. To create a cadre of master trainers, the HPD will seek the support of the FNPH of KGUMS. Nearly 210 health assistants are expected to be trained in phases over the first 3 years of the SDP implementation and a shorter refresher training will be conducted in subsequent years. To further enhance the learning process, the HPD plans to hold cross learning workshops and field visits between the health assistants of different districts. Monitoring mechanisms will also be put in place to ensure the effectiveness of the training programs.

9. The training plan is provided in the table below:

[9] Dagana, Mongar, Pema Gatshel, Samdrup Jongkhar, Trashigang, Trashi Yangtse, Trongsa, and Zhemgang.

Table A4.2: Summary of Training/ Activities for Interpersonal Communication Skill Building of Health Assistants

Year	Type of Training/ Activities	Total Participants	Estimated cost ($)	Total Cost Year-wise ($)
2018	Adaptation of pre-service training to in-service training (IPC/ BCC training for Health Assistants	--	11,560	**22,360**
	Preparation/ adaptation of training materials for in-service training	--	1,550	
	Design and develop mechanism for measuring training effectiveness (pre-post)	--	9,250	
2019	TOT for Master Trainers	10	49,860	**65,760**
	In-Service Training of HAs in IPC Skills	70	15,900	
2020	In-Service Training of HAs in IPC Skills	70	15,660	**15,660**
2021	In-Service Training of HAs in IPC Skills	70	16,470	**24,610**
	Refresher Training of HAs in IPC Skills	47	8,140	
2022	Refresher Training of HAs in IPC Skills	93	17,110	**17,110**
2023	Refresher Training of HAs in IPC Skills	70	13,310	**13,310**
			Total Cost	**158,810**

BCC = behavior change communication, HA = health assistant, IPC = interpersonal counselling, TOT = training of trainers.
Source: Asian Development Bank.

2. Community-Level Advocacy and Behavior Change

10. Two experienced CSOs will be contracted by the project management and policy support unit (PMPSU); one to support activities related to under-five nutrition and the other on domestic violence and GBV. The CSOs will use their own community networks and strengthen existing community structures to implement advocacy and behavior change activities. Strengthening local structures will facilitate in sustaining the activities beyond the project period. The activities to be undertaken would be contextualized based on the sociocultural characteristics of the community.

3. Technical Support

11. An international expert in behavior change and communication will be contracted by the PMPSU to support both the HPD and the CSOs in implementing their activities. This will ensure high quality outputs and complementarity between the health worker training and the community interventions such that information on particular behaviors are reinforced. Indicative terms of reference for the expert are provided below.

Terms of Reference
Behavior Change and Communications Expert
(international, 3-person months over 1 year)

An individual with a relevant master's degree in public health, health communications or related subject with at least 15 years' experience in behavior change and communications. Experience of working for multilateral/bilateral-funded projects is essential. The expert will:

(i) With the HPD and FNPH of KGUMS (and UNICEF if relevant), review and validate the draft in-service interpersonal communication training module and curriculum for health workers.
(ii) With the HPD adapt, develop, pre-test, and finalize any training materials that will be needed for the in-service training.
(iii) With the HPD (and UNICEF if relevant), develop job aid materials for BHU-II health workers to be used as a guide/reference after interpersonal communication training.
(iv) With the HPD, develop short refresher training module and exchange programs for trained health workers to ensure cross-learning.
(v) With the HPD, develop plans for monitoring the delivery of the training plan and ensuring timely delivery.
(vi) With the HPD, develop methods for measuring training effectiveness, including capturing changes in interpersonal communication skills.
(vii) Provide support to the HPD in the implementation of IPC training, including where feasible training site visits.
(viii) Review the proposal from the CSOs to work with communities and ensure that appropriate and up-to-date methods will be used.
(ix) Work with the CSO to develop methods for measuring the effectiveness activities in the communities.
(x) Provide input to the periodic reports submitted by the HPD to the PMPSU.

Terms of Reference
Addressing Domestic and Gender-Based Violence at the Community Level in Eight Targeted Districts of Bhutan

1. Bhutan is recognized to have no overt gender discrimination however, gender gaps exist in education, employment, and representation in decision-making bodies; and gender-based violence[10] is a growing concern. The 12th 5-year plan recognizes that gender needs specific attention and hence it is one of the crosscutting themes across the plan. To support the MOH in addressing DGBV, the PMPSU for the Health Sector Development Program will contract an experienced nongovernment organization/CSO to work with poor and excluded communities in eight targeted districts[11] to address the domestic violence and GBV issues through advocacy and behavior change activities.

2. The selected nongovernment organization/CSO is expected to leverage its own community networks and strengthen existing community structures, both formal and informal community-based organizations (CBOs) to implement this activity. Strengthening local structures will facilitate in sustaining the activities beyond the end of the project. The kind of activities that the CSO will implement to address domestic violence and GBV will vary from community to community, depending upon the needs of the community, the sociocultural characteristics of the community and the existing community structures. An indicative scope of work for the CSO is outlined below:

A. Overall Scope of work

3. The CSO should leverage its own networks and existing community-based structures (including formal or informal community-based groups, youth groups, women's groups, etc.) and strengthen them to undertake activities to address DGBV in the targeted communities.

4. The advocacy and behavior change activities that are undertaken should consider the sociocultural characteristics and specific needs of the communities in the project catchment area.

5. The CSO should liaise with selected health workers from local BHU-IIs, to build skills of village health workers, community volunteers, and other key community members (traditional healers, teachers, local leaders, etc.) and establish a cadre of 'social advocates' who can help support, guide, and sustain DGBV prevention activities in the communities.

B. Indicative Activities

6. Development of skills, methodology, and training materials.

   (i) Ensure that core CSO staff have the appropriate DGBV, and health knowledge to be able to guide the activities.
   (ii) Ensure that core CSO staff have the appropriate knowledge and skills in advocacy and behavior change activities.
   (iii) Develop methodology, training materials, and train field staff.

7. Strengthening cooperation with local government and CBOs.

[10] ADB, UNDP & NCWC, March 2014, Gender Equality Diagnostic of Selected Sectors.
[11] Dagana, Mongar, Pema Gatshel, Samdrup Jongkhar, Trashigang, Trashi Yangtse, Trongsa and Zhemgang.

(i) Liaise with local government bodies at community level such as Gewog Administrative Officer, Gup, Mangmis, and Tshogpas to get their buy-in and support to DGBV activities that are identified.
(ii) Identify appropriate CBOs in the selected communities.
(iii) Assist the CBOs in understanding the key issues around gender inequality (with a focus on DGBV) in their catchment area.
(iv) Support the CBOs in conducting awareness activities in their communities based on the issues identified.
(v) Support the CBOs to coordinate with the appropriate authority at Dzonkhag/Gewog level to raise and address gender-related issues in their communities.
(vi) Where possible, support the CBOs from different communities to exchange ideas on what works and to consider joint activities such as advocacy campaigns

8. Building the skills of "social advocates".

(i) Identify a group of volunteers from within the CBOs or from the community to be trained as social advocates
(ii) Identify and train at least one health worker from each of the BHU-II located close to the community on counseling related specifically to domestic violence and GBV who can provide a link between the community and the health facility.
(iii) Build the skills of the social advocates to provide simple gender related messages and promote gender equity in the communities

9. Monitoring and evaluation.

(i) The CSO will conduct a baseline survey before activities begin in each community to assess issues on gender inequalities with a focus on domestic violence and GBV. This survey should be repeated at the end of the project.
(ii) The CSO will submit a costed annual work plan to the HPD/PMPSU.
(iii) The CSO will submit quarterly progress reports to the HPD/PMPSU.
(iv) The CSO will conduct a midterm review and, at the end of the project, an overall evaluation to assess project achievements. This would be done with support from the HPD/ PMPSU.

10. Dissemination. The CSO will disseminate good practice and lessons from the project through activities, such as conducting annual workshops, or supporting a CBO network across districts, to share and discuss key achievements made and bottlenecks faced.

Timeframe: The ADB project is aligned with the 12th 5-year plan and will be implemented from 2018–2023. This contract will be for a period of 3 years (36 months).

Terms of Reference
Addressing Under-Five Nutrition at the Community Level in Eight Targeted Districts of Bhutan

1. Nutrition in children under 5 years is a key health challenge in Bhutan. According to the National Nutrition Survey (2015), one in five children under the age of 5 years were stunted and two in five children in the same age group were anemic. The poor nutritional status of children is to a large extent attributed to behavioral practices. For example, only 51.4% of infants under 6 months of age were exclusively breastfed and only 88.3% of the children (6 to 23 months old) were not fed with a minimum acceptable diet (National Nutrition Survey, 2015). The 12th 5-year plan under the National Key Results Area 8 has laid down specific targets to address the nutritional status of the under-five children in the country through health promotion and behavior change activities in targeted populations and settings in the community.

2. To support the HPD of the MOH (in addressing nutrition for children under 5 years, the PMPSU of the ADB project will contract an experienced CSO to work with poor and excluded communities in eight targeted districts.[12] The selected CSO is expected to leverage its own community networks and also to strengthen existing local structures and CBOs to implement this activity. Strengthening local structures will facilitate in sustaining the activities beyond the end of the project. The kind of activities that the CSO will implement to address under-five nutrition will vary depending upon the needs of the community and the existing community structures. An indicative scope of work for the CSO is outlined below:

A. Overall Scope of work

3. The CSO should leverage its own networks and exiting community-based structures (including formal or informal community-based groups, youth groups, women’s groups, etc.) and strengthen then to undertake behavior change activities in the targeted communities.

4. The behavior change activities to improve the nutritional status of children under 5 years should focus on improving antenatal care and postnatal care visits, institutional delivery, infant and young child feeding practices, early child care practices (Care for Child Development-C4CD) and hygiene and sanitation practices in the targeted communities.

5. The advocacy and behaviors change activities that are carried out should consider the sociocultural characteristics and specific-needs of the communities of the project catchment area.

6. The CSO should collaborate with the MOH and its partners (e.g., UNICEF) to ensure that the community activities are aligned with the MOH interventions for under-five nutrition in the 12th 5-year plan program.

7. The CSO should liaise with selected health workers from local BHU-IIs, to build skills of village health workers, community volunteers, and other key community members (traditional healers, teachers, local leaders, etc.) and establish a cadre of ‘health promoters’ who can support, guide, and sustain health promotion activities in the communities.

B. Indicative Activities

8. Development of skills, methodology and training materials.

[12] Dagana, Mongar, Pema Gatshel, Samdrup Jongkhar, Trashigang, Trashi Yangtse, Trongsa and Zhemgang.

(i) Ensure that core CSO staff have the appropriate health and nutrition knowledge to be able to guide the activities.
(ii) Ensure that core CSO staff have the appropriate knowledge and skills in health advocacy and behavior change activities.
(iii) Develop methodology, training materials, and train field staff.

9. Strengthening community-based organizations.
(i) Identify its existing CBOs and other appropriate CBOs in the selected communities for project implementation.
(ii) Assist CBOs in understanding the key health issues related to under-five nutrition in their catchment area, including what are the causes of under-five nutrition and how to prevent under-five nutrition from happening.
(iii) Support CBOs in conducting health awareness activities in their communities based on the issues identified.
(iv) Support CBOs to coordinate with the appropriate authority at Dzongkhag/Gewog level to raise and address issues either related to under-five nutrition in their communities.
(v) Where possible, support CBOs from different communities to exchange ideas on what works and to consider joint activities such as advocacy campaigns.

10. Building the skills of "health promoters"
(i) Identify a group of volunteers (including health volunteers) from within CBOs or from the community to be trained as health promoters specifically in under-five nutrition.
(ii) Identify at least one health worker from each of the BHU-II located close to the community who can train the "health promoters" and provide a link between the community and the health facility.
(iii) With the support of the health worker, build the skills of the cadre of "health promoters" to provide simple health messages and promote healthy behaviors.

11. Monitoring and evaluation.
(i) The CSO will conduct a baseline survey before activities begin in each community that assesses nutritional status in under-five children (e.g. using anthropometric measurement like weight for age), health knowledge, attitude, and practice (e.g., KAP for nutrition in under-five children). This survey should be repeated at the end of the project.
(ii) The CSO will submit a costed annual work plan to the HPD/ PMPSU.
(iii) The CSO will submit quarterly progress reports to the HPD/ PMPSU.
(iv) The CSO will conduct a midterm review and, at the end of the project, an overall evaluation to assess project achievements. This would be done with support from the HPD/ PMPSU.

12. Dissemination. The CSO will disseminate good practice and lessons from the project through activities, such as conducting annual workshops, or supporting a CBO network across districts, to share and discuss key achievements made and bottlenecks faced.

Timeframe: The ADB project is aligned with the 12th 5-year plan and will be implemented from 2018–2023. This contract will be for a period of 3 years (36 months).

APPENDIX 5: TERMS OF REFERENCE FOR QUALITY ASSURANCE CONSULTANTS

1. **Rationale.** The Ministry of Health (MOH) has a number of systems for improving standards and encouraging teams to deliver better quality services but until now there is no systematic assessment of availability, readiness, and quality against agreed standards. The responsibility for quality lies with the MOH Quality Assurance and Standardization Division (QASD) and it has started to pilot the Bhutan Health Standards and Quality Assurance (BHSQA) system in selected hospitals and as part of the 12th 5-year plan, the BHSQA will be rolled out to all hospitals and basic health units level 1 (BHU-Is) in the country. With Asian Development Bank support, the BHSQA training will be extended to the remaining BHU-Is, all BHU-IIs, and sub-posts in the country.

2. **Expected outcome.** At the end of the five-year period, the MOH will have a system for measuring and managing health facility performance against a set of operational standards. The BHSQA is a measure of the "readiness" of facilities to be able to deliver quality services. The MOH will be able to identify gaps and measure progress against these standards. Information on whether facilities achieved standards or not, could be made public and provide a ranking of performance for health facilities. Minimum standards could also form the basis of social auditing —explaining to the public and users of the service how well their local facility is performing against standards.

3. **Approach.** The QASD has developed a plan for the phased roll-out of the BHSQA training and will start in the eastern region, followed by the central, and then western region. All training will be complete in the first 3 years of the 12th 5-year plan. A cascade training model will be adopted where district health officers and hospital officials will be trained as master trainers and will roll-out the training to staff at lower level facilities (BHU-I, BHU-II, and sub posts). Years 4 and 5 of the 12th 5-year plan will focus on monitoring the BHSQA and providing refresher training where necessary. Standard operating procedures for BHU-IIs based on the BHSQA will then be developed.

4. **Project interventions.** The MOH will cover the cost of the BHSQA training to hospitals and BHU-I as part of the 12th 5-year plan budget. Asian Development Bank assistance will support the BHSQA training to cover the remaining BHU-I, all BHU-IIs, and sub posts. The QASD has a detailed costed plan for all training across the country by region, as shown below:

Summary of Training/ Activities for BHSQA Roll-Out

Year	Type of Training/ Activities	Total Participants	Estimated cost ($)	Total Cost Year-wise ($)
2018–2019	Roll-out of BHSQA in all BHU-II and sub post staff of six eastern districts including District Health Officers	172	40,200	**54,200**
	Roll-out of BHSQA 14 hospitals and BHU-Is in eastern districts	All staff	14,000	
2019–2020	Roll-out of BHSQA in all BHU-II and sub post staff of six central districts including District Health Officers	101	23,000	**31,800**
	Roll-out of BHSQA 10 hospitals and BHU-Is in central districts	All staff	8,800	
2020–2021	Roll-out of BHSQA in all BHU-II and sub post staff of 8 western districts including District Health Officers	143	35,770	**45,370**
	Roll-out of BHSQA 11 hospitals and BHU-Is in western districts	All staff	9,600	

Year	Type of Training/ Activities	Total Participants	Estimated cost ($)	Total Cost Year-wise ($)
2021–2023	Review meeting and refresher training	100	63,710	**83,630**
	Monitoring and clinical audit	---	19,920	
	Total Cost			**215,000**

BHSQA = Bhutan Healthcare Standard for Quality Assurance, BHU-II = basic health unit (level 2).
Source: Asian Development Bank.

5. **Technical support.** The services of an international consultant will be procured by the project management and policy support unit to support the QASD periodically for 6 person-months over the four-year period, in the following areas:

(i) With the QASD, review the roll-out plan, training content, and methodology; and ensure there is a clear plan for monitoring the training.
(ii) Support the QASD in piloting the BHSQA training at BHU-II and sub-post levels and provide support in finalizing the training content and methodology.
(iii) Given that the training methodology will be cascade training, support the QASD in developing a system for monitoring the quality of the training and support in implementing it.
(iv) Support the QASD in developing a system for monitoring the BHSQA that makes use of existing information systems where possible and can collate quality scores of health facilities for periodic analysis.
(v) Build QASD capacity in undertaking periodic analysis of the BHSQA, ranking of facilities and support in regular dissemination of this information.
(vi) Support the QASD in developing standard operating procedures (SOPs) for BHU-IIs, based on the BHSQA (estimated to be 15–20 in number).
(vii) Support the QASD in pre-testing the SOPs, refining, and support in dissemination.
(viii) Support the QASD to develop, pre-test, and finalize formats for monitoring health facilities adherence to SOPs.
(ix) Support the QASD in developing a methodology for conducting clinical audits of implementation of the standards, piloting and finalizing the methodology, building the QASD capacity to undertake the audits, developing a system for analyzing findings from the audits and mechanisms for taking corrective actions.
(x) Develop additional training modules related to quality assurance as required.
(xi) Support the QASD and key MOH stakeholders in developing a road map for future accreditation of health facilities.
(xii) Support the QASD to consider how to strengthen the quality assurance system for the diagnostic services (laboratory and radiology).

APPENDIX 6: RANKING OF DISTRICTS ACCORDING TO SELECTED CRITERIA

1. To make the best use of the limited resources available for strengthening primary health care services at basic health unit (level 2), eight districts were selected for more intensive health system upgrading. A surprisingly limited amount of data is available that is disaggregated by districts and of data that is available the following indicators were chosen to rank districts: % of poor people; % women who gave birth in a facility and the contraceptive prevalence rate was selected. Poverty was considered an important criterion given the wide variation in poverty rates across the country. Facility delivery was assumed to be a proxy indicator for those already using health services so that the program could target districts in which health utilization was low. Contraceptive prevalence was used as a crude proxy for broader attitudes to health care behavior. The table below presents information on the indicators and districts. The national average for the country is given at the top of the table and if the district was worse than the national average then the column is shaded in grey. Districts were selected that performed worse than the national average in two of the three indicators. These districts are highlighted in red.

Percentage of Poor Population, Delivery Care, Contraceptive Prevalence Rate, by Districts

District	% Poor Population (World Bank 2017)*	% Facility Delivery (Ministry of Health 2012)**	% Contraceptive Prevalence Rate (Ministry of Health 2010) ***
Bhutan	8.2	73.7	65.4
Bumthang	2.1	73.3	60.5
Chukha	3.5	85.8	65
Dagana	33.3	57	76.6
Gasa	12.6	75	67.3
Haa	0.9	86.7	77.1
Lhuentse	6.7	60.3	64.4
Mongar	17.1	62.4	63.6
Paro	0.3	96.1	67.2
Pemagatshel	13.7	64.2	55.7
Punakha	2.6	90	60.8
Samdrupjongkhar	6.2	49.5	62.4
Samtse	12.3	78.2	69.9
Sarpang	12.1	88.8	66.8
Thimphu	0.6	88.6	66.4
Trashigang	10.7	52.5	64.2

District	% Poor Population (World Bank 2017)*	% Facility Delivery (Ministry of Health 2012)**	% Contraceptive Prevalence Rate (Ministry of Health 2010) ***
Trashiyangtse	11.9	54.8	52.8
Trongsa	14.0	65.2	68.3
Tsirang	4.8	85	76.2
Wangdue Phodrang	5.4	76.2	65
Zhemgang	25.1	49.4	60.4

* World Bank (2017) Bhutan Poverty Analysis Report.
** Ministry of Health (2012) National Health Survey.
*** National Statistics Bureau (2010) Bhutan Multiple Indicator Survey.

APPENDIX 7: LIST OF EQUIPMENT AND CIVIL WORKS BY FACILITY

			Civil Works					Equipment																Training	
S. No.	Dzongkhag	Health Facility	Deep Burial Pit	OPD Toilet	Water storage & source protection	Waste Storage Room	Satellite Clinic	ILR/DF (non-solar)	ILR/DF combo (solar)	Voltage stabilizer	NCD screening equipment	Needle cutters	A/V equipment	X-ray machines	USG machines	Dental Chairs	Biochemistry analyzers	Hematology analyzers	Centrifuge	Laboratory refrigerators	Waste autoclaves	Syringe shredders	Waste weighing machines	IPC training	BHSQA rollout
1.	Dagana	Dagapela Hospital	1			1					1	1									1	1	1		1
2.	Dagana	Daga BHU-I	1			1					1	1		1	1		1	1			1	1	1		1
3.	Dagana	Lhamoizingkha BHU-I	1			1					1	1		1	1			1			1	1	1		1
4.	Dagana	Bjurugang BHU-II	1	1	1			1		1	1	1	1											1	1
5.	Dagana	Khagochen BHU-II	1		1			1		1	1	1	1											1	1
6.	Dagana	Akhochen BHU-II	1	1	1			1		1	1	1	1											1	1
7.	Dagana	Drukjeygang BHU-II	1	1	1			1		1	1	1	1											1	1
8.	Dagana	Tshangkha BHU-II	1		1			1		1	1	1	1											1	1
9.	Dagana	Lajab BHU-II	1	1	1			1		1	1	1	1											1	1
10.	Dagana	Nimtola BHU-II	1		1			1		1	1	1	1											1	1
	Sub-total Dagana		**10**	**4**	**7**	**3**	**0**	**7**	**0**	**7**	**10**	**10**	**7**	**2**	**2**	**0**	**1**	**2**	**0**	**0**	**3**	**3**	**3**	**7**	**10**
11.	Mongar	ERR Hospital									1	1								1					
12.	Mongar	Gyalpoizhing BHU-I	1			1					1			1	1	1		1			1	1	1		1
13.	Mongar	Baanjar BHU-II	1	1	1			1		1	1	1	1											1	1
14.	Mongar	Balam BHU-II	1	1	1			1		1	1	1	1											1	1

			Civil Works					Equipment																Training	
S. No.	Dzongkhag	Health Facility	Deep Burial Pit	OPD Toilet	Water storage & source protection	Waste Storage Room	Satellite Clinic	ILR/DF (non-solar)	ILR/DF combo (solar)	Voltage stabilizer	NCD screening equipment	Needle cutters	A/V equipment	X-ray machines	USG machines	Dental Chairs	Biochemistry analyzers	Hematology analyzers	Centrifuge	Laboratory refrigerators	Waste autoclaves	Syringe shredders	Waste weighing machines	IPC training	BHSQA rollout
15.	Mongar	Boompazor BHU-II	1	1	1			1		1	1	1	1											1	1
16.	Mongar	Chagsskhar BHU-II	1		1			1		1	1	1	1											1	1
17.	Mongar	Chhaling BHU-II	1	1	1			1		1	1	1	1											1	1
18.	Mongar	Daagsa BHU-II	1		1			1		1	1	1	1											1	1
19.	Mongar	Dramedtse BHU-II	1		1			1		1	1	1	1											1	1
20.	Mongar	Ganglapong BHU-II	1	1	1			1		1	1	1	1											1	1
21.	Mongar	Jurmed BHU-II	1	1	1			1		1	1	1	1											1	1
22.	Mongar	Kengkhar BHU-II	1	1	1			1		1	1	1	1											1	1
23.	Mongar	Lingmethang BHU-II	1	1	1			1		1	1	1	1											1	1
24.	Mongar	Muhoong BHU-II	1		1			1		1	1	1	1											1	1
25.	Mongar	Nagor BHU-II	1	1	1			1		1	1	1	1											1	1
26.	Mongar	Narang BHU-II	1		1			1		1	1	1	1											1	1
27.	Mongar	Ngatshang BHU-II	1	1	1			1		1	1	1	1											1	1
28.	Mongar	Sengor BHU-II	1		1			1		1	1	1	1											1	1
29.	Mongar	Serzhong BHU-II	1		1			1		1	1	1	1											1	1
30.	Mongar	Thang-Rong BHU-II	1		1			1		1	1	1	1											1	1

			Civil Works					Equipment																Training	
S. No.	**Dzongkhag**	**Health Facility**	**Deep Burial Pit**	**OPD Toilet**	**Water storage & source protection**	**Waste Storage Room**	**Satellite Clinic**	**ILR/DF (non-solar)**	**ILR/DF combo (solar)**	**Voltage stabilizer**	**NCD screening equipment**	**Needle cutters**	**A/V equipment**	**X-ray machines**	**USG machines**	**Dental Chairs**	**Biochemistry analyzers**	**Hematology analyzers**	**Centrifuge**	**Laboratory refrigerators**	**Waste autoclaves**	**Syringe shredders**	**Waste weighing machines**	**IPC training**	**BHSQA rollout**
31.	Mongar	Tsakaling BHU-II	1	1	1			1		1	1	1	1											1	1
32.	Mongar	Tsamang BHU-II	1	1	1			1		1	1	1	1											1	1
33.	Mongar	Yadi BHU-II	1	1	1			1		1	1	1	1											1	1
34.	Mongar	Yangbari BHU-II	1	1	1			1		1	1	1	1											1	1
	Sub-total Mongar		**23**	**14**	**22**	**1**	**0**	**22**	**0**	**22**	**24**	**23**	**22**	**1**	**1**	**1**	**0**	**1**	**0**	**1**	**1**	**1**	**1**	**22**	**23**
35.	Pemagatshel	Pemagatshel Hospital				1					1	1									1	1	1		1
36.	Pemagatshel	Nganglam BHU-I	1			1					1	1						1			1	1	1		1
37.	Pemagatshel	Chhimoong BHU-II	1		1			1		1	1	1	1											1	1
38.	Pemagatshel	Chhoekhorling BHU-II	1		1			1		1	1	1	1											1	1
39.	Pemagatshel	Dechhenling BHU-II	1		1			1		1	1	1	1											1	1
40.	Pemagatshel	Dungmaed BHU-II	1		1			1		1	1	1	1											1	1
41.	Pemagatshel	Gonpasingma BHU-II	1		1			1		1	1	1	1											1	1
42.	Pemagatshel	Nanong BHU-II	1		1			1		1	1	1	1											1	1
43.	Pemagatshel	Norboogang BHU-II	1		1			1		1	1	1	1											1	1
44.	Pemagatshel	Pretengma BHU-II	1		1			1		1	1	1	1											1	1

			Civil Works					Equipment																Training	
S. No.	Dzongkhag	Health Facility	Deep Burial Pit	OPD Toilet	Water storage & source protection	Waste Storage Room	Satellite Clinic	ILR/DF (non-solar)	ILR/DF combo (solar)	Voltage stabilizer	NCD screening equipment	Needle cutters	A/V equipment	X-ray machines	USG machines	Dental Chairs	Biochemistry analyzers	Hematology analyzers	Centrifuge	Laboratory refrigerators	Waste autoclaves	Syringe shredders	Waste weighing machines	IPC training	BHSQA rollout
45.	Pemagatshel	Thrumchung BHU-II	1		1			1		1	1	1	1											1	1
46.	Pemagatshel	Tsatse BHU-II	1		1			1		1	1	1	1											1	1
47.	Pemagatshel	Yurung BHU-II	1		1			1		1	1	1	1											1	1
	Sub-total Pemagatshel		**12**	**0**	**11**	**2**	**0**	**11**	**0**	**11**	**13**	**13**	**11**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**2**	**2**	**2**	**11**	**13**
48.	S/Jongkhar	Samdrup Jongkhar Hospital	1			1					1	1		1				1			1	1	1		
49.	S/Jongkhar	Dewathang Hospital	1			1					1	1						1		1	1	1	1		1
50.	S/Jongkhar	Gomdar BHU-I	1			1					1	1		1	1		1	1	1	1	1	1	1		
51.	S/Jongkhar	Jomotshangkha BHU-I	1			1					1	1						1			1	1	1		1
52.	S/Jongkhar	Samdrupcholing BHU-I	1			1					1	1		1	1	1		1			1	1	1		1
53.	S/Jongkhar	Lauri BHU-II	1	1	1			1		1	1	1	1											1	1
54.	S/Jongkhar	Menjiwoong BHU-II	1		1			1		1	1	1	1											1	1
55.	S/Jongkhar	Martshalla BHU-II	1		1			1		1	1	1	1											1	1
56.	S/Jongkhar	Orong BHU-II	1		1			1		1	1	1	1											1	1
57.	S/Jongkhar	Pemathang BHU-II	1		1			1		1	1	1	1											1	1
58.	S/Jongkhar	Wangphu BHU-II	1		1			1		1	1	1	1											1	1
59.	S/Jongkhar	Zangthi BHU-II	1		1			1		1	1	1	1											1	1

			Civil Works					Equipment																Training	
S. No.	Dzongkhag	Health Facility	Deep Burial Pit	OPD Toilet	Water storage & source protection	Waste Storage Room	Satellite Clinic	ILR/DF (non-solar)	ILR/DF combo (solar)	Voltage stabilizer	NCD screening equipment	Needle cutters	A/V equipment	X-ray machines	USG machines	Dental Chairs	Biochemistry analyzers	Hematology analyzers	Centrifuge	Laboratory refrigerators	Waste autoclaves	Syringe shredders	Waste weighing machines	IPC training	BHSQA rollout
	Sub-total S/Jongkhar		**12**	**1**	**7**	**5**	**0**	**7**	**0**	**7**	**12**	**12**	**7**	**3**	**2**	**1**	**1**	**5**	**1**	**2**	**5**	**5**	**5**	**7**	**10**
60.	Trashigang	Trashigang Hospital				1					1	1									1	1	1		
61.	Trashigang	Riserboo Hospital	1			1					1	1									1	1	1		
62.	Trashigang	Bartsham BHU-I	1			1					1	1		1	1	1	1	1	1		1	1	1		1
63.	Trashigang	Kanglung BHU-I	1			1					1	1			1		1	1			1	1	1		1
64.	Trashigang	Khaling BHU-I	1			1					1	1		1	1	1	1	1		1	1	1	1		1
65.	Trashigang	Rangjung BHU-I	1			1					1	1		1	1	1		1			1	1	1		1
66.	Trashigang	Tsangpo BHU-I	1			1					1	1		1	1				1	1	1	1	1		1
67.	Trashigang	Bidung BHU-II	1		1			1		1	1	1	1											1	1
68.	Trashigang	Bikhar BHU-II	1		1			1		1	1	1	1											1	1
69.	Trashigang	Chaling BHU-II	1		1			1		1	1	1	1											1	1
70.	Trashigang	Changmi BHU-II	1		1			1		1	1	1	1											1	1
71.	Trashigang	Kangpara BHU-II	1		1			1		1	1	1	1											1	1
72.	Trashigang	Lumang BHU-II	1		1			1		1	1	1	1											1	1
73.	Trashigang	Merak BHU-II	1		1			1		1	1	1	1											1	1
74.	Trashigang	Phongmaed BHU-II	1		1			1		1	1	1	1											1	1
75.	Trashigang	Radi BHU-II	1		1			1		1	1	1	1											1	1
76.	Trashigang	Sakteng BHU-II	1		1			1		1	1	1	1											1	1

S. No.	Dzongkhag	Health Facility	Civil Works					Equipment																Training	
			Deep Burial Pit	OPD Toilet	Water storage & source protection	Waste Storage Room	Satellite Clinic	ILR/DF (non-solar)	ILR/DF combo (solar)	Voltage stabilizer	NCD screening equipment	Needle cutters	A/V equipment	X-ray machines	USG machines	Dental Chairs	Biochemistry analyzers	Hematology analyzers	Centrifuge	Laboratory refrigerators	Waste autoclaves	Syringe shredders	Waste weighing machines	IPC training	BHSQA rollout
77.	Trashigang	Thoongkhar BHU-II	1		1			1		1	1	1	1											1	1
78.	Trashigang	Udzorong BHU-II	1		1			1		1	1	1	1											1	1
79.	Trashigang	Yabrang BHU-II	1		1			1		1	1	1	1											1	1
80.	Trashigang	Yangnyer BHU-II	1		1			1		1	1	1	1											1	1
	Sub-total Trashigang		**20**	**0**	**14**	**7**	**0**	**14**	**0**	**14**	**21**	**21**	**14**	**4**	**5**	**3**	**3**	**4**	**2**	**2**	**7**	**7**	**7**	**14**	**19**
81.	Trashiyangtse	Trashiyangtse Hospital	1			1					1	1						1			1	1	1		1
82.	Trashiyangtse	Khamdang BHU-I	1			1					1	1		1	1	1	1	1	1	1	1	1	1		1
83.	Trashiyangtse	Dungzam BHU-II	1	1	1			1		1	1	1	1											1	1
84.	Trashiyangtse	Jamkhar BHU-II	1	1	1			1		1	1	1	1											1	1
85.	Trashiyangtse	Khini BHU-II	1		1			1		1	1	1	1											1	1
86.	Trashiyangtse	Melongkhar BHU-II	1		1			1		1	1	1	1											1	1
87.	Trashiyangtse	Ramjar BHU-II	1		1			1		1	1	1	1											1	1
88.	Trashiyangtse	Thragom BHU-II	1		1			1		1	1	1	1											1	1
89.	Trashiyangtse	Tongmejangsa BHU-II	1		1			1		1	1	1	1											1	1
	Sub-total Trashiyangtse		**9**	**2**	**7**	**2**	**0**	**7**	**0**	**7**	**9**	**9**	**7**	**1**	**1**	**1**	**1**	**2**	**1**	**1**	**2**	**2**	**2**	**7**	**9**

			Civil Works					Equipment																	Training	
S. No.	**Dzongkhag**	**Health Facility**	**Deep Burial Pit**	**OPD Toilet**	**Water storage & source protection**	**Waste Storage Room**	**Satellite Clinic**	**ILR/DF (non-solar)**	**ILR/DF combo (solar)**	**Voltage stabilizer**	**NCD screening equipment**	**Needle cutters**	**A/V equipment**	**X-ray machines**	**USG machines**	**Dental Chairs**	**Biochemistry analyzers**	**Hematology analyzers**	**Centrifuge**	**Laboratory refrigerators**	**Waste autoclaves**	**Syringe shredders**	**Waste weighing machines**	**IPC training**	**BHSQA rollout**
90.	Trongsa	Trongsa Hospital				1					1	1									1	1	1		1
91.	Trongsa	Dangdung BHU-I	1			1					1	1		1	1	1	1	1	1	1	1	1	1		
92.	Trongsa	Bemji BHU-II			1			1		1	1	1	1											1	1
93.	Trongsa	Jangbi BHU-II		1	1			1		1	1	1	1											1	1
94.	Trongsa	Kuenga Rabten BHU-II			1			1		1	1	1	1											1	1
95.	Trongsa	Korphu BHU-II			1			1		1	1	1	1											1	1
96.	Trongsa	Tashiling BHU-II			1			1		1	1	1	1											1	1
97.	Trongsa	Tongtophel BHU-II			1			1		1	1	1	1											1	1
	Sub-total Trongsa		**1**	**1**	**6**	**2**	**0**	**6**	**0**	**6**	**8**	**8**	**6**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**2**	**2**	**2**	**6**	**7**
98.	Zhemgang	Yebilaptsa Hospital	1			1					1	1									1	1	1		1
99.	Zhemgang	Panbang BHU-I	1			1					1	1						1			1	1	1		1
100.	Zhemgang	Zhemgang BHU-I	1			1					1	1		1	1			1			1	1	1		1
101.	Zhemgang	Bjokha BHU-II	1		1				1		1	1	1											1	1
102.	Zhemgang	Buli BHU-II	1	1	1			1		1	1	1	1											1	1
103.	Zhemgang	Gongphu BHU-II	1		1			1		1	1	1	1											1	1
104.	Zhemgang	Goshing BHU-II	1	1	1			1		1	1	1	1											1	1
105.	Zhemgang	Kaktong BHU-II	1	1	1			1		1	1	1	1											1	1

			Civil Works					Equipment																	Training	
S. No.	Dzongkhag	Health Facility	Deep Burial Pit	OPD Toilet	Water storage & source protection	Waste Storage Room	Satellite Clinic	ILR/DF (non-solar)	ILR/DF combo (solar)	Voltage stabilizer	NCD screening equipment	Needle cutters	A/V equipment	X-ray machines	USG machines	Dental Chairs	Biochemistry analyzers	Hematology analyzers	Centrifuge	Laboratory refrigerators	Waste autoclaves	Syringe shredders	Waste weighing machines	IPC training	BHSQA rollout
106.	Zhemgang	Khomshar BHU-II	1	1	1			1		1	1	1	1											1	1
107.	Zhemgang	Kradijong BHU-II	1	1	1				1		1	1	1											1	1
108.	Zhemgang	Langdurbi BHU-II	1	1	1			1		1	1	1	1											1	1
109.	Zhemgang	Pantang BHU-II	1		1			1		1	1	1	1											1	1
110.	Zhemgang	Shingkhar BHU-II	1	1	1			1		1	1	1	1											1	1
111.	Zhemgang	Tsaidang BHU-II	1	1	1			1		1	1	1	1											1	1
	Sub-total Zhemgang		**14**	**8**	**11**	**3**	**0**	**9**	**2**	**9**	**14**	**14**	**11**	**1**	**1**	**0**	**0**	**2**	**0**	**0**	**3**	**3**	**3**	**11**	**14**
	SUB-TOTAL FOCUS DISTRICTS		**101**	**30**	**85**	**25**	**0**	**83**	**2**	**83**	**111**	**110**	**85**	**13**	**13**	**7**	**7**	**18**	**5**	**7**	**25**	**25**	**25**	**85**	**105**
	Sub-total Bumthang		**0**	**0**	**0**	**0**	**0**	**5**	**0**	**5**	**5**	**5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6**
	Sub-total Chhukha		**0**	**0**	**0**	**0**	**1**	**13**	**0**	**13**	**13**	**13**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**16**
	Sub-total Gasa		**0**	**0**	**0**	**0**	**0**	**2**	**1**	**2**	**3**	**3**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**4**
	Sub-total Haa		**0**	**0**	**0**	**0**	**0**	**4**	**0**	**4**	**4**	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5**
	Sub-total Lhuentse		**0**	**0**	**0**	**0**	**0**	**14**	**0**	**14**	**14**	**14**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**15**
	Sub-total Paro		**0**	**0**	**0**	**0**	**0**	**3**	**0**	**3**	**3**	**3**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3**
	Sub-total Punakha		**0**	**0**	**0**	**0**	**0**	**7**	**0**	**7**	**7**	**7**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**7**

S. No.	Dzongkhag	Health Facility	Civil Works					Equipment																Training	
			Deep Burial Pit	OPD Toilet	Water storage & source protection	Waste Storage Room	Satellite Clinic	ILR/DF (non-solar)	ILR/DF combo (solar)	Voltage stabilizer	NCD screening equipment	Needle cutters	A/V equipment	X-ray machines	USG machines	Dental Chairs	Biochemistry analyzers	Hematology analyzers	Centrifuge	Laboratory refrigerators	Waste autoclaves	Syringe shredders	Waste weighing machines	IPC training	BHSQA rollout
	Sub-total Samtse		**0**	**0**	**0**	**0**	**0**	**12**	**0**	**12**	**12**	**12**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**13**
	Sub-total Sarpang		**0**	**0**	**0**	**0**	**0**	**10**	**0**	**10**	**10**	**10**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**12**
	Sub-total Thimphu		**0**	**0**	**0**	**0**	**4**	**13**	**1**	**13**	**14**	**14**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**10**
	Sub-total Tsirang		**0**	**0**	**0**	**0**	**0**	**7**	**0**	**7**	**7**	**7**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**7**
	Sub-total Wangduephodrang		**0**	**0**	**0**	**0**	**0**	**10**	**0**	**10**	**10**	**10**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**12**
	SUB-TOTAL OTHER DISTRICTS		**0**	**0**	**0**	**0**	**5**	**100**	**2**	**100**	**102**	**102**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**110**
	TOTAL		**101**	**30**	**85**	**25**	**5**	**183**	**4**	**183**	**213**	**212**	**85**	**13**	**13**	**7**	**7**	**18**	**5**	**7**	**25**	**25**	**25**	**85**	**215**

Source: Asian Development Bank.

APPENDIX 8: LIST OF TRAININGS

Name of the Training/Workshop	Trainer/Facilitator/Institution	Trainee Audience
Bhutan Health Standard Quality Assurance	• MOH	Pan country health care staff
Training of trainers for in-service training on IPC	• HPD • UNICEF • Faculty of Nursing and Public Health, Khesar Gyalpo University of Medical Sciences	Master trainers (cadre of HPD staff, district health officers)
In-service training on IPC	• Master trainers	• Health assistants at BHU-I, BHU-II and sub-posts
Gender mainstreaming for PMPSU staff	• Gender focal point, MOH • National Commission for Women and Children	All PMPSU staff
ADB safeguard requirements, including EMP implementation and environment monitoring	• ADB	• All PMPSU staff • District engineers • District health officers • District environment officers
Infection Control and Waste Management	• Focal Point, Infection Control and Waste Management Program	• Health care workers at BHU-I, BHU-II, and sub-post • Municipality staff • New recruits prior to being assigned to the new satellite clinics
Financial management and disbursement	• ADB	Accountant, PMPSU
ADB procurement processes	• ADB	Procurement officer, PMPSU

ADB = Asian Development Bank, BHU-I = basic health unit (level 1), BHU-II = basic health unit (level 2), EMP = environmental management plan, HPD = Health Promotion Unit, IPC = interpersonal counselling, MOH = Ministry of Health, PMPSU = project management and policy support unit.
Source: Asian Development Bank.

APPENDIX 9: SCOPE OF WORK OF INTERNAL AUDIT

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organizations' governance, risk management, and internal controls; as well as the quality of performance in carrying out assigned responsibilities to achieve the organizations' stated goals and objectives. This includes:

(i) evaluating risk exposure relating to achievement of the organization's strategic objectives;

(ii) evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information;

(iii) evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations, which could have a significant impact on the organization;

(iv) evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets;

(v) evaluating the effectiveness and efficiency with which resources are employed;

(vi) evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned;

(vii) monitoring and evaluating governance processes;

(viii) monitoring and evaluating the effectiveness of the organization's risk management processes;

(ix) evaluating the quality of performance of external auditors and the degree of coordination with internal audit;

(x) reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan;

(xi) reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the management; and

(xii) evaluating specific operations at the request of the management, as appropriate.