

SUMMARY OF PROJECT PERFORMANCE

A. Background

1. The Asian Development Bank approved the Fifth Health Sector Project on 10 December 2012, which became effective on 14 June 2013. At the time of approval, the total project cost was \$38.38 million, of which ADB's share was SDR 19.5 million equivalent to \$30 million, a loan from the Asian Development Fund and the government's counterpart financing of \$7.71 million. The World Health Organization provided in-kind parallel co-financing of \$480,000. The project has three components: (i) safe blood transfusion, (ii) medical waste management, and (iii) hospital hygiene and infection prevention and control. The current project closing date is 28 February 2021.

B. Performance of the Project

2. The ongoing project is performing well as it meets all the criteria including (i) on track rating under the project performance system, (ii) each safeguard covenant item is being complied with, (iii) delivery of expected outputs is rated successful.

- (i) **On track rating.** the project is rated *on track* under the project performance system.
- (ii) **Satisfactory compliance with safeguard policy requirements.** The review of safeguards compliance confirmed that the project has no fiduciary or safeguards policy compliance issues and that each safeguard covenant item is being complied with;¹
- (iii) **Delivery of expected outputs.** All outputs are likely to be met within the loan closing period. Component 1 **Strengthening Safe Blood Transfusion** and Component 2 **Medical Waste Management** have been fully completed while the current implementation progress of Component 3 **Hospital hygiene and infection prevention and control** is 88%² and is due to be completed by September 2020. Out of nine outputs, seven outputs have been achieved and an output was dropped at the request of the government; the remaining output is on track to be achieved by the project closing date;³
- (iv) **Satisfactory implementation progress.** In spite of the initial start-up delay, the current project has been performing well and the overall project progress is about 93%. As of March 2020, of the total \$27.0 million, \$24.4 million has been contracted and \$22.7 million has been disbursed.
- (v) **Successful management of risks.** The management of risks is rated *successful* as all risks included in the risk assessment and risk management plan have been managed successfully.

¹ eOperations Status of Safeguards Project Covenants (accessible from the list of linked documents in Appendix 2 of the Report and Recommendation of the President to the Board).

² At the government's request, nine more central sterilization service departments in eight additional hospitals was added to the project scope in 2019.

³ Pending the completion of the upgrades of the hospitals' sterilization departments in eight additional projects sites.

C. Conclusion

3. The proposed additional financing will improve the outcome of the original project through the (i) increase of diagnostic and treatment capacity of hospitals to manage severe acute respiratory infections patients, (ii) establishment of a national medical countermeasures stockpile in Ulaanbaatar, and (iii) expansion of the project sites for upgrading sterilization departments in tertiary and secondary hospitals nationwide. The proposed additional financing will also help short startup period that ensures project readiness ideal for transition and recovery period post disaster.