

## Mongolia: COVID-19 Vaccine Delivery Project

### 1. Project Information

Project ID:	P000519	Instrument ID:	L0519A
Member:	Mongolia	Region:	Eastern Asia
Sector:	CRF-Public Health	Sub-sector:	N/A
Instrument type:	<input checked="" type="checkbox"/> Loan:21.00 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	Asian Development Bank
ES category:	C	Borrowing Entity:	Ministry of Finance, Mongolia
Implementing Entity:	Ministry of Health, Mongolia		
Project Team Leader:	Guoping Zhang		
Responsible DG:	Hun Kim		
Responsible Department:	SID		
Project Team Members:	Yang Shuai, OSD - Environment & Social Development Specialist; Christopher Damandl, Project Counsel; Shodi Nazarov, OSD - Financial Management Specialist; Yunlong Liu, OSD - Procurement Specialist; Yuxi Jin, Project admin		
Completed Site Visits by AIIB:	NA (due to travel restrictions as a result of the pandemic).		
Planned Site Visits by AIIB:			
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2021/12		

### 2. Project Summary and Objectives

The primary objective of the Project is to increase the availability of eligible vaccines for the priority population, as defined by the Government of Mongolia (GOM) in its National Deployment and Vaccination Plan (NDVP). The Project is structured to provide the GOM with immediate financing to purchase safe and effective vaccines against coronavirus disease 2019 (COVID-19) through the Asian Development Bank's (ASDB's) Asia Pacific Vaccine Access Facility (APVAX). It constitutes an integral part of Mongolia's overall national strategic plan for COVID-19 pandemic prevention and response. Through providing timely access to eligible COVID-19 vaccines, the Project will help contribute to the containment of the pandemic and supporting economic and social recovery in the country. The Project is financed under AIIB's COVID-19 Crisis Recovery Facility.

The Project cost is USD43.82 million, of which USD21 million (47.9 percent) is proposed to be financed by AIIB, USD19 million (43.4 percent) by ADB, and the remaining USD3.82 million (8.7 percent) by the GOM. The Loan will jointly finance vaccine supply contracts, including international logistics and transportation, that

meet the eligibility criteria under the APVAX. Funds provided by the GOM will finance value-added tax and duties.

The Project impact is aligned with the goal of the GOM's State Emergency Commission stated in "Deploying and Vaccinating against COVID-19", which is morbidity and mortality of severe acute respiratory syndrome coronavirus 2 reduced. The expected outcome of the Project is the priority population vaccinated against COVID-19 by July 2022. The Project output will be: COVID-19 vaccines for priority population efficiently procured and delivered. The Project will support implementation of the NDVP and contribute to the government's efforts to immunize at least 30 percent of the population representing the priority groups. Eligible expenditure under RRC pertaining to international transportation of vaccines from the manufacturers to Mongolia will be covered under the Project.

### 3. Key Dates

Approval:	Jun. 10, 2021	Signing:	Jul. 21, 2021
Effective:	Nov. 10, 2021	Restructured (if any):	
Orig. Closing:	Dec. 31, 2023	Rev. Closing (if any):	

### 4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	10.50	Most recent disbursement (amount/date):	10.50/Dec. 30, 2021
Undisbursed:	10.50	Disbursement Ratio (%) <sup>1</sup> :	50.00

### 5. Project Implementation Update

The Ministry of Health (MOH) is the executing agency (EA) and the implementing agency (IA) for the project, with oversight provided by the State Emergency Commission and the project steering committee (PSC) chaired by the Minister of Health, with representatives from Ministry of Finance as members, and the project implementation unit (PIU) project coordinator as secretary. The EA and these mechanisms will ensure coordination of the project with AIIB, ADB and other development partners. Covid-19 vaccines have already been purchased and could be procured through direct procurement from the manufacturers of APVAX-eligible COVID-19 vaccines. The existing PIU responsible for the ADB-funded Fourth, Fifth, and Sixth Health Sector Development projects is responsible for the implementation of this project. The AIIB team joined the ADB team in conducting periodic reviews, and review missions to assess the project implementation progress and ensure AIIB's support is achieved in a timely and efficient manner and in compliance with the co-financing agreement between AIIB and ADB. The project implementation organization and organization structure, EA, IA and PIU remain unchanged from loan approval. The EA and IA has confirmed that the project scope remains unchanged. The implementation schedule, timing and milestones may be adjusted to account for the changes in vaccine procurement schedules when/as needed.

In addition to the regular or non-regular project related communications among AIIB, ADB and the client side for project implementation, ADB organized a virtual mission on 14-15 October 2021 for the inception mission of the project. The AIIB team joined the virtual inception mission. The mission objectives were to (i) review and confirm

<sup>1</sup> Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

project scope, progress, and outcomes; (ii) Review and update the procurement plans in light of the current COVID-19 vaccine supply situation and APVAX vaccine eligibility; (iii) review details of the Project Administration Manual (PAM); (iv) highlight ADB's Anticorruption Policy, Integrity Principles and Guidelines; and (v) develop mutually agreed Memorandum of Understanding. The mission also discussed the progress of the Grant 9218-MON: Strengthening Rapid Epidemic Response Capacity of Health Systems in Mongolia.

Since the inception mission, ADB and AIIB teams keep regular communications with the the EA and IA, in addition to the implementation support provided by the in-country team of ADB.

The AIIB loan became effective on Nov. 10, 2021, and 50% of the total AIIB loan was disbursed on Dec. 30, 2021. In addition to AIIB's loan disbursement, ADB's loans have been disbursed by 54% by the time of the inception mission. The project made significant progress towards the planned targets against the performance indicators as set forth in the Design and Monitoring Framework (DMF).

The project has achieved significant progress and the performance targets, in terms of vaccines procurement, delivery and vaccination coverage, have been largely met. Up to this reporting period, Mongolia has managed to have around 2.3 million doses of COVID-19 vaccines in stocks from various sources including donations. Therefore, it appears that the government/EA does have immediate plan to place new orders for Covid-19 vaccine procurement in the near future. Given that there are substantial funds remaining from the loans of both AIIB and ADB, discussions among MOH, ADB and AIIB have been ongoing to explore how the remaining funds can/should be used by the project under the ADB's APVAX policy.

Components	Physical Progress	Environmental & Social Compliance	Procurement Progress
Delivery of APVAX eligible COVID-19 vaccines and associated international logistics.	<p>1) 92.3% of the target population have been fully vaccinated (2 doses administered) and 53.4% of the target population have received a booster dose, as of June 3, 2022.</p> <p>2) 67% of the total population of the country have been fully vaccinated and 32% of the total population have received a booster, as of June 3, 2022.</p>	<p>The Project's ES risks and impacts have been assessed in accordance with the provisions of ADB's Safeguard Policy Statement (SPS, 2009). As permitted under AIIB's Environmental and Social Policy (ESP), to ensure a harmonized approach to addressing the Project's ES risks and impact, ADB's SPS will apply to the Project in lieu of AIIB's ESP.</p> <p>The project has been categorized based on ADB's SPS as follows: Environment as Category C; Involuntary Resettlement and Indigenous Peoples as Category C. The project procures supplies and does not entail any civil works or activities that may cause major adverse impacts on the environment and does not trigger any land acquisition or involuntary resettlement impacts.</p> <p>The project is categorized as "some gender elements" by ADB as the it benefits women and children by</p>	<p>The Project is jointly co-financed with ADB as the lead cofinancier. As permitted under AIIB's Procurement Policy, AIIB has determined that the cofinancier's procurement policies are consistent with AIIB's Core Procurement Principles and Procurement Standards. As such, the co-lenders agreement accordingly provides that procurement will be carried out in accordance with ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The MOH, through the existing PIU, is responsible for procurement and implementation of the Project.</p>

		<p>providing access to COVID-19 vaccinations. Women’s shelters and one-stop service centers catering to victims of gender-based violence received COVID-19 is covered by the project.</p> <p>Due diligence assessments conducted by ADB on medical waste management systems found them to be largely adequate while some gaps in capacity exist in aimags and soums particularly in rural areas. These gaps will be filled by (i) procurement of autoclaves under the World Bank COVID-19 emergency project (ii) training for health workers on medical waste management and occupational health and safety under the JFPR grant linked to the project, and (iii) monitoring medical waste also supported through the JFPR grant.</p>	<p>Given the constrained vaccine market and in order to expedite procurement in the early stages of Covid-19 vaccines available in the market, both vaccines and international logistics can be procured using direct contracting method. Vaccines can be procured through bilateral negotiations and agreements with potential manufacturers of APVAX-eligible COVID-19 vaccines. To be considered as eligible expenditure, ADB and AIIB would review all vaccine purchase agreements to ensure that the terms and prices of the contract are acceptable to ADB and AIIB.</p> <p>MOH has procured 6.54 million doses of Covid-19 vaccines from various suppliers, in addition to ca. 1.86 million doses vaccines from other sources (e.g. COVAX and donations). AIIB has reviewed two procurement contracts, which are eligible for AIIB's loan financing (to be cofinanced with the ADB's loans).</p>
--	--	---	---

**Financial Management:**

The MOH, through the PIU, uses the existing financial management (FM) arrangements of the current health sector projects funded by ADB to manage the project accounts and financial reporting. The PIU under the MOH is responsible for daily coordination and management of project implementation including financial management. Both the MOH and PIU have previous experience implementing ADB-funded projects and are able to maintain acceptable FM practices and reporting. Financial management, including internal audits and performance audits, is overseen by the Ministry of Finance according to national laws and regulations. Procedures on the flow of accounting, financial, and physical project progress related to the current project activities are available. As per ADB's assessment, the overall pre-mitigation financial management risk of MOH and the PIU is moderate. However, recommendations to alleviate financial management risks are described in the Financial Management Action Plan.

MOH made a request to use the project loans to finance the audit fees in late February 2022. After discussions among the EA and both cofinanciers, ADB agreed and the loan proceeds from ADB's loans can be used finance the audit fees. The audit report is pending and expected to be submitted to ADB and AIIB for review in the next reporting period.

**6. Status of the Grievance Redress Mechanism (GRM)**

The existing government mechanisms is used to handle grievances. Project Grievance Redress Mechanisms have been established at the General Agency for Specialized Inspection, the Ulaanbaatar City Department of Health, and

the MOH. The GOM has developed a unified electronic immunization registry of COVID-19 vaccinations, which records people's vital information for daily analysis and reporting. An effective risk communication plan has been prepared and implemented. In addition, the General Agency for Specialized Inspection carries out external monitoring of the vaccination process and reports directly to the State Emergency Commission.

## 7. Results Monitoring

The design and monitoring framework (DMF) is the basis for project monitoring and will be reviewed during project implementation and if needed, adjusted to reflect changing circumstances. The inception mission outlined new project performance requirements of ADB including safeguards, financial management and audit, and percent progress towards DMF targets. The PIU, on behalf of the executing agency, is to monitor the compliance with covenants stipulated in the loan agreement. AIIB and ADB monitor the compliance status through the executing agency's quarterly and annual progress reports, day-to-day communication with the PIU, and the joint ADB-AIIB review missions; and take necessary remedial measures for any non-compliance.

The outcome of the project is priority population safely vaccinated against COVID-19. The GOM achieved significant progress in vaccination of the population against COVID-19, since the vaccination campaign started on 23 February 2021. The following table shows the results obtained up to date.

National Coverage of the Vaccination against COVID-19 in Mongolia (10 January 2022)

No. people vaccinated	Proportion of the Target Population	Proportion of the Total Population
First dose	2,273,553	96.4%
Second dose	2,176,579	92.3%
Booster dose I	1,047,333	53.4%
Booster dose II	133,538	-

Source: Ministry of Health, National Communicable Disease Center. Weekly Report on COVID-19 Situation May 28 – June 3, 2022.

The project supports the following impact: morbidity and mortality of COVID-19 reduced. The vaccination campaign along with other countermeasures played essential role in reducing morbidity and mortality due to COVID-19. As of 7 June 2022, there have been 0 new cases in last 24 hours, total cumulative cases of COVID-19 accounted at 925,227 and total deaths at 2,115. Mongolia maintained very low case-fatality ratio of COVID-19 (0.24% as of 8 June 2022), compared with other countries in the region and worldwide.

### Project Objective Indicators #1

(ADB Outcome Indicator) Priority population vaccinated against COVID-19.

Year	Target	Actual	Comments, if any
Jul. 31, 2022	At least 30% (989,060 people; disaggregated by sex, age, and priority group) in priority population in Mongolia vaccinated against COVID-19 in line with the national immunization	92.3% (2,176,579 people, including 6,428 pregnant women and 8,017 breastfeeding mothers) of the target priority population received two doses.	Further M&E may help obtain more details of data disaggregation.

	strategy and plan (2020 baseline: 0).		
--	--	--	--

**Intermediate Result Indicators #1**

(ADB Output Indicator) COVID-19 vaccines for priority population efficiently procured and delivered.

Year	Target	Actual	Comments, if any
Jul. 31, 2022	1) At least 2,274,838 doses received by MOH (2020 baseline: 0). 2) At least 35 shelters and one-stop service centers catering to victims of gender-based violence receive COVID-19 vaccines for their operational staff members (2020 baseline: 0) 2) At least 35 shelters and one-stop service centers catering to victims of gender-based violence receive COVID-19 vaccines for their operational staff members (2020 baseline: 0)	1) 8,397,550 doses in total received by MOH (including COVAX and donations). 2) Data not available yet.	M&E required to help obtain data for the 2nd target.

**Remarks:**