



ANNUAL PROGRESS REPORT

United Nations Development Programme

Kazakhstan

**00110796-Procurement of medicines for treatment of socially
significant diseases**

January 5, 2023

Reporting Period	January 2021 - December 2022
Donor	SK Pharmacy LLP
Country	Kazakhstan
Project Title	Procurement of medicines for treatment of socially significant diseases
Project ID (Atlas Award ID) Outputs (Atlas Project ID and Description) Strategic Plan and/or CPD Outcomes	Atlas project ID 00110796 Atlas output ID 00110007 Outcome 1.1.: By 2025, effective, inclusive and accountable institutions ensure equal access for all people living in Kazakhstan, especially the most vulnerable, to quality and gender-sensitive social services according to the principle of leaving no one behind
Implementing Partner(s)	
Project Start Date	February 1, 2018
Project End Date	December 31, 2023
2022 Annual Work Plan Budget	149,412 USD
Total resources required	149,412 USD
Revenue received	<ul style="list-style-type: none"> ○ Donor 149,412 USD USD ● Total 149,412 USD USD
Unfunded budget	USD
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I. Executive summary

The project succeeded in the procurement and delivery of 4,582 vials of anti-cancer medicine Irinotecan needed for the treatment of patients with colorectal cancer at almost half the price limit set by the Ministry of Health. All the outputs and target values specified in the 2022 Annual Work Plan (AWP) have been achieved. The main factors that contributed to the success were good planning and continuous monitoring by the project team, working in close contact with partners and key stakeholders.

There was a slight delay in the delivery due to the geopolitical situation in the region in January-February 2022, but overall, it did not affect the project.

The 2022 budget of the Project was USD 149,412. The total expenditure for the reporting period is USD 116,476.47. The delivery rate is 78%.

II. Background

The main objective of the project for UNDP is to support the capacity development of SK Pharmacy LLP, which plays the role of a single distributor for the Ministry of Health of Kazakhstan, by organizing a smooth process of procurement of medicines, health products and medical equipment as per UNDP rules, regulations, policies and procedures as required as per project's AWP.

Initially, the project focused on the procurement of drugs against hepatitis C, but over time, the focus of the project changed in accordance with the priorities of the country's health system.

The project is implemented based on advance planning, wise structuring and organization of all procurement and logistics processes in accordance with UNDP rules, regulations, policies and procedures with strong and well-established risk mitigation and prevention measures.

Choice of the above-mentioned approach is based on UNDP previous experience and lessons learnt in joint successful implementation of similar projects together with National TB (2014-2016), (2017-2019) and HIV/AIDS (2015-2017) PRs and best international practices shared globally between UNDP partners and colleagues.

III. Progress Review

Expected outputs	Output indicators	Data source	Baseline		Value for the previous year if different from baseline	Target for the reported year	Actual value for the reported year
			Value	Year			
<p>Output 1 Supporting SKPh in the procurement of health products as per approved Procurement and Budget Plan: organization of goods supply on annual basis with respective transfer to SKPh upon goods arrival to Almaty International Airport, after their customs clearance managed by SKPh and respective quality/quantity check. Supplied goods will help to treat many national citizens of the Republic of Kazakhstan and thus decrease the rate of prevalence and level of morbidity of socially significant diseases in general and especially HCV.</p> <p>Baseline: National medical facilities lack medicines to provide effective uninterrupted treatment of the population of RK diagnosed with socially significant diseases. A single distributor (SKPh) requires capacity-building support in the field of procurement of goods and services.</p> <p>Indicator 1: All planned shipments are organized in line with the approved Procurement and Budget Plan; the goods are checked by quantity and quality and transferred to SKPh.</p>	1.1 Procurement and delivery of Irinotecan	SKPh	No stock	2021	NA	4,582 vials	4,582 vials
	1.2 Any other procurement at the request of SKPh	SKPh	NA	2021	NA	NA	No requests were received

The project focused on the following:

- Conducting competitive bidding processes at international and national levels;
- Placement of the orders for goods, freight and insurance;
- Monitoring of orders;
- Sharing of information on progress of the procurement processes and expected deliveries;
- Keeping all procurement records and reports;
- Timely providing SKPh with all necessary documents for clearing of incoming shipments;
- Processing payments for concluded contracts as per UNDP regulations and rules, based on certificates of completion of works or receipt reports duly signed by the recipients of goods and/or services;
- Supporting the review of, and conducting communications on the technical specifications, and scope of work and/or other terms of reference;
- Provision of equal rights to women and men for prevention as well as timely and effective, treatment of HCV and other socially significant diseases.

Results:

Procurement and delivery of anti-cancer medicine Irinotecan as per AWP 2022 confirmed by bills of lading and goods acceptance act signed by the SKPh representatives.

Overall, it has been calculated that approximately 1,000 men and women with colorectal cancer were provided with medicine used as a component of chemotherapy within the guaranteed volume of free medical care and the system of compulsory social health insurance.

IV. Project Risks and Issues

Project results depended on the availability of health products of sufficient quality and the delivery could be affected by possible disruptions in the supply chain due

to the geopolitical situation in the country and in the region. During the reporting period, interruptions in the supply chain were faced due to the airport closure in January 2022¹ and air-freight options shortages as War in Ukraine consequences and resulted in slight delays in the delivery of the second batch of the medicine. More information on risks is provided in the Risk Log attached to the Project Document in Annex 2. Despite all the risks, the well-coordinated work of the project team and support from all the Project Partners made it possible to complete all the planned work without serious disruptions and delays.

The volume of medicines purchases under the Project has decreased by three times compared to previous years, which, in turn, should be considered the project's success in achieving the main goal - increasing the SKPh's capacity to conduct high-quality and efficient procurement. Thus, one of the anti-cancer medicines that were previously purchased through UNDP is now produced by a domestic manufacturer and is purchased under the program to support domestic production. The purchase of anti-hepatitis C medicine Sofosbuvir through UNDP at a price significantly below the established price limit led to the formation of a competitive market, a reduction in the price limit and the entry of several suppliers into the Kazakhstan market.

Moreover, in August 2022, a new amendment to the legislation was adopted according to which procurement through international organizations will be carried out ONLY in case of failed tenders at the local level.

V. Gender-Related Activities

The project supported gender equality between men and women through the procurement and delivery of medicines for the treatment of colorectal cancer. For reference, colorectal cancer is the third most common cancer in men (746,000 cases, 10.0% of the total) and the second in women (614,000 cases, 9.2% of the total).²

The project benefited from UNDP Kazakhstan CO Gender Specialist support throughout project implementation by improving monitoring and evaluation. During the project implementation, the project document, progress reports, and

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² <https://www.sciencedirect.com/science/article/pii/B9780128196724000027>

other project-related documents were thoroughly revised by the International Gender Mainstreaming Expert in the framework of CO's gender audit.

Major post-project insight for future interventions in similar initiatives is to explore deeper roots of inequalities faced by women and men, address gender-specific barriers and ensure proper collection and analysis of sex-disaggregated data to inform project implementation strategy.

VI. Cross-Cutting Themes

The project, supporting Government in the procurement of qualitative and safe medicines for the treatment of socially significant diseases for free or within the Compulsory Social Medical Insurance system, applies the core principles of human rights, gender equality, and environmental sustainability by improving access to vulnerable groups to medical services and products.

VII. Lessons Learned

The project succeeded in procuring and delivering 4,582 vials of anti-cancer medicine Irinotecan needed for the treatment of patients with colorectal cancer at almost half the price limit set by the Ministry of Health.

The main factors that contributed to the success were good planning and continuous monitoring by the project team, working in close contact with partners and key stakeholders.

VIII. Conclusions and Way Forward

The main objective of the project for UNDP was to support the capacity development of the Kazakh Scientific Center of Dermatology and Infectious Diseases by organizing the smooth process of procurement of health products and medical equipment as per UNDP rules, regulations, policies, and procedures as required as per project's prodoc and AWP. The project has set up a high standard of conducting procurement in terms of a balance of price and quality in a timely manner.

The project successfully procured equipment and goods which considerably improved the Center's infrastructure and as a result added to the improvement of

health status and socio-economic well-being of Populations at the Greatest Risk of getting HIV, through improved access to qualitative health products and medical equipment, timely diagnostics, and prophylaxis. Through this, the project supported the MoH RK in the full-scale realization of the national healthcare strategy and promoting fighting against HIV/AIDS.

The volume of medicines purchases under project #00110796 - Procurement of medicines for the treatment of socially significant diseases has decreased by three times compared to previous years, which, in turn, should be considered the project's success in achieving the main goal - increasing the SKPh's capacity to conduct high-quality and efficient procurement. Thus, one of the anti-cancer medicines that were previously purchased through UNDP is now produced by a domestic manufacturer and is purchased under the program to support domestic production. The purchase of anti-hepatitis C medicine Sofosbuvir through UNDP at a price significantly below the established price limit led to the formation of a competitive market, a reduction in the price limit and the entry of several suppliers into the Kazakhstan market. In August 2022, a new amendment to the legislation was adopted according to which procurement through international organizations will be carried out ONLY in case of failed tenders at the local level.

In 2023 it may be useful to refocus cooperation with SKPh from pure procurement to support SKPh in the form of methodological assistance in priority areas for the Ministry of Health, for example, digitalization of stock monitoring and drug procurement planning

IX. Financial Status

The total budget of the Project is USD 5,595,766.19 including 149,412 for the year 2022.

The total expenditure to date is USD 5,527,626.64. The total expenditure in 2022 is 116476.47. The total balance to date is USD 68,139.55.

Budget Overview (as of January 5, 2023)³

Activity	Approved budget	Expenses
Irinotecan (4582 vials)	65,742.41	65,742.41
Any other procurement	15,794.79	0
Direct Project Costs (UNDP Country Office Operations support: procurement unit, HR unit, finance unit, administrative unit, IT unit)	6,000.00	1682.83
Bank commission	100.00	0
Salary	43,000.00	33,179.91
Office rent, equipment, stationary, postage services & utilities offered by the CO; Travel expenses	9,000.00	8,534.01
GMS (7%)	9,775.00	7338.21
Total	149,412.80	116,476.50

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Ainur Baimyrza

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Ainur Baimyrza**Head of Governance Unit**³ The project expenses for 2022 are estimated. The accurate figures are to be provided upon 2022 FY closure.

X. Annex

Insert the latest approved Annual Work Plan (AWP), relevant copies of media coverage, publications, etc. Specific reporting requirements from donors can also be inserted here.