



SUBSTANTIVE REVISION TO PROJECT DOCUMENT

Project Title: "Support to the Ministry of Health to strengthen healthcare procurement system in the country"

Project ID number: 00113610

Implementing Partner: The Ministry of Health of the Republic of Azerbaijan

Start Date: 20 October 2021 **End Date:** 31 December 2022 **PAC Meeting date:** 27 September 2021

Brief Description

Azerbaijan makes major public health care efforts to prevent and eliminate diseases, and to develop healthcare system and medical industry, on its way towards global level standards.

The Government of Azerbaijan is committed to fight against HIV/AIDS and other communicable and non-communicable diseases and funds the majority of the justice relevant programmes. The most important factor is the steady increase of domestic investments in health care which is the basis for sustainable work of the healthcare systems. Within the State Health Programme, priority is placed, inter alia, on the control of HIV/AIDS.

Medicines and medical supplies are important to address health issues and improve the quality of life. They are an integral part of the disease prevention, diagnostics and treatment, as well as a solution of the disability-related and functional limitations' problems. Improvement of access to the essential medicines and medical supplies is of critical importance for achievement of the universal coverage with healthcare services and is recognized as an essential component of effective healthcare systems.

Since the start of the pandemic a heavy load went on the shoulders of the health care system and this is the area where the Government puts enormous efforts to mitigate the damages incurred by current situation.

The devastating impact of the COVID-19 pandemic as both a health emergency and a socioeconomic crisis has created development challenges for Azerbaijan which have been partly addressed by the Government's multisectoral response to the pandemic.

Cost-sharing of medicines procurement for the HIV/AIDS service is of special importance as the Global Fund which had provided the HIV/AIDS Grants since 2005, provided its last transitional grant to Azerbaijan so that the country moves to the full government financing of its HIV/AIDS programme starting from 2020. The country must gradually move to funding of all activities which were covered by the Global Fund.

Contributing Outcome (UNSDG/CPD, RPD or GPD): People furthest behind benefit from enhanced national capacities and governance structures for social protection and quality public and social services, in line with Azerbaijan's international commitments

National Priority: Stronger institutions for delivery of quality public and social services

Indicative Output(s) with gender marker2: Gen 0

Total resources required:	\$1,314,203
Total resources allocated:	UNDP TRAC: \$25,000
	Donor:
	Government: \$1,289,203
Unfunded:	0

Agreed by (signatures)¹:

Ministry of Health	UNDP
<p>Mr. Teymur Musayev</p> <p>1st Deputy Minister of Health, Acting Minister of Health of the Republic of Azerbaijan</p>	<p>Mr. Alessandro Fracassetti</p> <p>UNDP Resident Representative in Azerbaijan</p>
Date: <i>20.10.2021</i>	Date: <i>20.10.2021</i>

I. DEVELOPMENT CHALLENGE

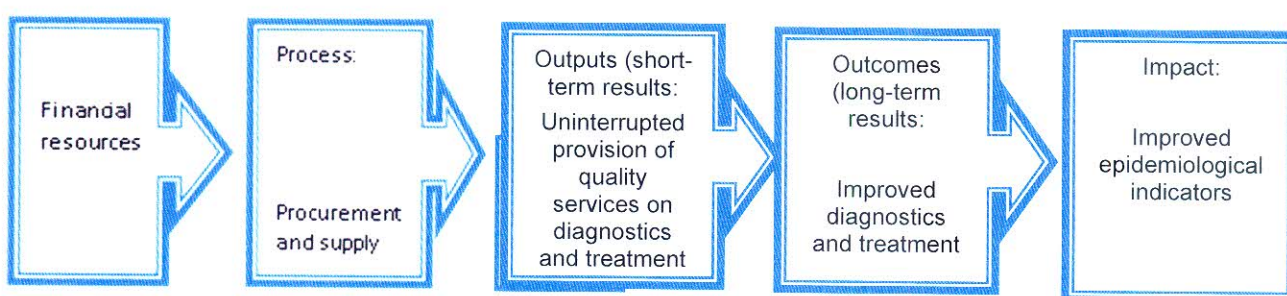
The purpose of this project is to support provision of quality health care services to the population of Azerbaijan, specifically services on HIV/AIDS through procurement of reagents and medicines for the respective services. The project covers the throughout needs of the country.

The Project on "Support to the Ministry of Health to strengthen healthcare procurement system in the country" has the specific objectives to procure medicines and medical products for the National HIV/AIDS Programme for 2019 and ongoing years as per the financing agreement with the Ministry of Health, and to strengthen the capacity to ensure transparency, accountability, and effectiveness of the public procurement of medicines and other medical products. Based on the nature and the initial activity plan of the project the United Nations Development Programme procured National Program for HIV/AIDS, Tuberculosis and Hepatitis C medicines for the procurement programme 2019. The project has successfully delivered the requested medicines, which allowed the Project to cover 500 Hepatitis C patients, 7000 drug sensitive patients, 350 drug resistant, 5,000 HIV/AIDS patients, and 100 children with HIV/AIDS.

As a result of Governmental health reforms, tuberculosis programme was transferred to the State Agency on Mandatory Health Insurance. The project continued procurement of for HIV/AIDS program for the Ministry of Health and despite the challenges imposed by the pandemic resulting in the hindrance of delivering of goods in a timely manner, the project managed to successfully procure and deliver HIV/AIDS medicines for the procurement programme 2020. As a continuation of productive cooperation serves to expansion of the procurement boundaries within the project. Thus, procurement of specialized vehicles for Azerbaijan National Center for Control of HIV/AIDS, as well as procurement of personal protection equipment was a proof of a solid platform of efficient cooperation.

Procurement through UNDP is most expedient to ensure: 1) quality of products since UNDP procures from pre-qualified manufacturers who comply with WHO and international stringent manufacturing practices and environmental standards; 2) cost-effectiveness, since UNDP has long-term corporate agreements with the producers and places consolidated procurement orders for many countries which allow to negotiate competitive prices; in addition, UNDP has long-term contracts with international shipping companies which allow timely transportation of goods at affordable prices, meeting temperature requirements; 3) transparent procurement processes, risk management, guarantees and funds.

Simplified logical matrix of the project results is shown in the following flowchart:



A multi-vector approach to investing in procurement under this agreement would allow countrywide improvement of coverage, accessibility and quality of health services.

II. STRATEGY

The overall objective of the Project is to strengthen the national healthcare procurement system and thereby improve the effectiveness of diagnosis and treatment of the HIV/AIDS patients of Azerbaijan. The specific objectives of the Project are:

- I. To procure medicines and medical products for the National HIV/AIDS Programme for 2021 and ongoing years as per the financing agreement with the Ministry of Health (Annex 1); and support to Ministry of Health to receive and distribute medicines and medical products procured by UNDP;
- II. To strengthen the capacity of the Ministry of Health to ensure transparency, accountability and effectiveness of the public procurement of medicines and other medical products.

