

## Annual Project Progress Report

**Project title:** Procurement of health products for Ministry of Health and Medical Industry of Turkmenistan

**Award ID:** 00104976

**Project ID:** 00103058

**Implementing partners:** Ministry of Health and Medical Industry of Turkmenistan

**Period covered in this report:** 01.01.2018 – 31.12.2018

**Date of last Annual Report:** N/a

**Date of the last Project Board meeting:** 26.10.2018

**Date of last Quality Assurance and rating:** 08.11.2017, Satisfactory

### 1. Project Performance

a) Please state the expected Output of the Project, set indicators and corresponding CP Outcome (as per project document/AWP):

**Project Output 1: All medical products requested by MoH&MIT procured and delivered within established timeframes**

**Output indicators:**

- **1.1 At least 90% of requested/ordered items procured**

**Output targets:** Target : 90%                      Actual: 100%

b) Were the indicators and output achieved?      Yes       No       Partially

c) If no or partially, please explain why?

- **1.2 Stock-out of medicines and reagents from the agreement list in any health care facility (service delivery site)**

**Output targets:** Target : No stock-out      Actual: No stock-out

b) Were the indicators and output achieved?      Yes       No       Partially

c) If no or partially, please explain why?

## **2. Progress Reporting**

### **a) Please summarize the main achievements during the project cycle:**

To ensure achievement of the targets the project did the following:

- All goods requested by the Ministry of Healthcare were fully ordered, procured and delivered, as well as UNDP prevented any stock-outs of medicines and reagents in all healthcare facilities.
- UNDP procured First line TB drugs (FLD) for nearly 3000 TB patients, including children.
- UNDP procured Second line TB drugs (SLD) for 850 MDR TB patients.
- Within the framework of project, UNDP delivered HIV test kits and barrier contraceptives for HIV Centre of Turkmenistan.
- For Dermatology centre of Turkmenistan, UNDP delivered Colposcope used for cervical cancer screening, as well as Makler's Counting Chambers used for detection of male infertility.
- For Blood centre of Turkmenistan, UNDP delivered blood bags and other medical goods for safe blood transfusion and blood testing.
- Moreover, the project included delivery of reagents and consumables for Central TB lab and TB labs.

## **3. Project Risks and Issues**

The project Risk Log is maintained throughout the project implementation to capture potential risks to the project and associated measures to mitigate risk. The key risks are explained below.

| <b>Description of risk</b>   | <b>Type and category</b> | <b>Risk management actions</b>  | <b>Current situation</b> |
|--|--------------------------|---|--------------------------|
| Delays with timely receipt of the cost-sharing agreement funding. As procurement of drugs takes 6-9 months, the delays with transfer of the funding will lead to late delivery of the products and there is risk of shortage the reagents and drugs for respective health care services. | Financial                | Funding was fully received and utilized for full procurement and delivery of requested medical goods. | Completed                |
| Unstable foreign currency exchange rates and inflation   | Financial                | The possible influence of inflation and unstable currency exchange                                    | Ongoing                  |

|  |  |   |  |
|--|--|---|--|
|  |  | <p>rates are fixed through as much accurate as possible cost estimates, and budgeting extra 10% in each budget line to account for the possible increase in prices. The project had some flexibility to reallocate the budget among the budget lines in case of increase.</p> |  |
|--|--|---|--|

**4. Lessons learned and follow-up steps (if applicable)**

**a) Please provide the lessons learned and further steps after the project's closure.**

The main lesson learned from previous joint procurement agreements is the importance of accurate budget estimates. Because prices for medical products and the freight costs change, the ratio of euro to dollar fluctuates, prices in the local market (for transport services, standardization, etc.) change - these factors carry the risk that the funding may not be sufficient for fulfillment of all obligations. In this regard, when calculating the current budget, the latest quotes were used. However, forecasting the euro / dollar and local currency is not possible, although the assumption is that these fluctuations will not exceed 10% and the budget can cover these fluctuations. In the case, on the contrary, of a favorable euro exchange rate and reduction in prices - savings occurred and used for procurement and delivery of required medical goods, as per decision of the MoHMI and together with the Country Coordination Mechanism (CCM).

It is important to note that the Government was convinced that procurement of TB medicines and other medical goods through UNDP is cost-efficient, transparent and with assured quality. The MoHMI is keen to further continue cooperation in procurement of TB medicines and other necessary medical goods through UNDP in even greater volumes and is planning to conclude new cost-sharing agreement for 2019-2020 with considerably higher budget. Cost-sharing agreement approval is in progress.

In resource mobilization for the health procurement project UNDP assisted the Government with recovery of stolen \$1.1 mln through the Swiss Agency for Development and Cooperation. Through a restitution process two major ministries – Ministry of Foreign Affairs and Ministry of Finance – build their skills and confidence in recovery efforts, and were encouraged to continue the success.

**5. Transfer of Assets or other related matter**

**a) Please state on any past or future transfer of assets made within the project cycle (Attach list of equipment, cooperation frameworks with beneficiaries, etc.)**

n/a



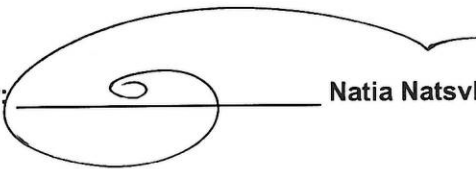
## 7. Financial management

| Activity:   | Total:                 | Expenses + commitments | Budget utilization in % to planned |
|---|------------------------|------------------------|------------------------------------|
| Procurement of Medicines for TB, HIV, Blood transfusion and skin-venerology | \$ 2,605,401.33        | \$ 2,761,239.61        | 106%                               |
| PSM Costs   | \$ 437,955.35          | \$ 181,575.52          | 41%                                |
| Registration of TB drugs in Turkmenistan                                    | \$ 11,100.00           | \$ 2,219.45            | 20%                                |
| Programme and project staff   | \$ 55,558.33           |                        | 0%                                 |
| Vendor management   | \$ 5,835.65            |                        | 0%                                 |
| AR management   | \$ 930.00              | \$ 1,207.89            | 130%                               |
| Customs clearance   | \$ 8,311.50            | \$ 527.53              | 6%                                 |
| 7% UNDP GMS fee   | \$ 218,756.45          | \$ 147,328.51          | 67%                                |
| <b>Total</b>  | <b>\$ 3,343,848.61</b> | <b>\$ 3,094,098.51</b> | <b>93%</b>                         |
| In % to total project budget  | 100%                   | 93%                    |                                    |
| <b>TOTAL BUDGET</b>   | <b>3,343,848.61</b>    | <b>\$ 3,343,848.61</b> |                                    |

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Date:

16.01.19

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Date:

17.01.2018