

Annual Project Progress Report 2019

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: 01.01.2019 – 31.12.2019

Date of last Annual Report: N/a

Date of the last Project Board meeting: 04.07.2019

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?

Unstable foreign currency exchange rates and inflation	Financial	The possible influence of inflation and unstable currency exchange 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.	Ongoing
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4. Lessons learned and follow-up steps (if applicable)

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

Throughout the project life cycle, the project carefully planned procurement activities, closely followed-up with suppliers and freight-forwarders delivery schedules, timely distribution and proper stock management of procured medicines and health products. All these activities helped to prevent last-minute procurements, re-ordering of goods, partial shipments or increase in freight costs, and thus, resulted in savings of the budget funds. These savings then were used to procure required medicines and health products to avoid possible stock-out during period of new project signing and funds transfer.

Another 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.

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-venereology	\$2 605 401,33	\$ 2 792 189,07	107%
PSM Costs	\$437 955,35	\$ 249 750,20	57%
Registration of TB drugs in Turkmenistan	\$11 100,00	\$2 219,45	20%
Programme and project staff	\$55 558,33	\$38 861,66	70%
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	\$207 215.82	95%
Total	\$3 343 848,61	\$3 291 971.62	98%

Prepared by:  Lale Chopanova, Programme Manager

Date:

Approved by: _____ Natia Natsvlshvili, Resident Representative a.i.

Date: