Technical Assistance Report

Project Number: 49194-001
Capacity Development Technical Assistance (CDTA)
September 2015

Mongolia: Improving Access to Affordable Medicines in Public Hospitals

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 4 September 2015)

Currency unit	–	togrog (MNT)
MNT1.00	=	$0.00050
$1.00	=	MNT1,993.93

ABBREVIATIONS

ADB	–	Asian Development Bank
GPA	–	Government Procurement Agency
MOHS	–	Ministry of Health and Sports
MRD	–	Medicines Regulatory Division
PIU	–	project implementation unit
TA	–	technical assistance
WHO	–	World Health Organization

NOTE

In this report, "$" refers to US dollars.

Vice-President	S. Groff, Operations 2
Director General	A. Konishi, East Asia Department (EARD)
Country Director	R. Schoellhammer, Mongolia Resident Mission (MNRM), EARD
Team leader	A. Jigjidsuren, Senior Social Sector Officer, MNRM, EARD
Team members	C. Bodart, Principal Health Specialist, Urban and Social Sector Division, EARD
	G. Ganzorig, Associate Project Analyst, MNRM, EARD

CONTENTS

		Page
CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE		
I.	INTRODUCTION	1
II.	ISSUES	1
III.	THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE	2
	A. Impact and Outcome	2
	B. Methodology and Key Activities	3
	C. Cost and Financing	4
	D. Implementation Arrangements	4
IV.	THE PRESIDENT'S DECISION	5
APPENDIXES		
1.	Design and Monitoring Framework	6
2.	Cost Estimates and Financing Plan	9
3.	Outline Terms of Reference for Consultants	10

CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data — **Project Number:** 49194-001

Project Name	Improving Access to Affordable Medicines in Public Hospitals	**Department /Division**	EARD/MNRM
Country	Mongolia	**Executing Agency**	Ministry of Health and Sports
Borrower	Ministry of Finance of Mongolia		

2. Sector	**Subsector(s)**	**ADB Financing ($ million)**
✓ Health	Health system development	1.00
	Total	**1.00**

3. Strategic Agenda	**Subcomponents**	**Climate Change Information**	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low

4. Drivers of Change	**Components**	**Gender Equity and Mainstreaming**	
Governance and capacity development (GCD)	Public financial governance	No gender elements (NGE)	✓

5. Poverty Targeting		**Location Impact**	
Project directly targets poverty	No	Nation-wide	High

6. TA Category: B

7. Safeguard Categorization Not Applicable

8. Financing

Modality and Sources	**Amount ($ million)**
ADB	**1.00**
Capacity development technical assistance: Technical Assistance Special Fund	1.00
Cofinancing	**0.00**
None	0.00
Counterpart	**0.10**
Government	0.10
Total	**1.10**

9. Effective Development Cooperation

Use of country procurement systems	No
Use of country public financial management systems	No

I. INTRODUCTION

1. The Government of Mongolia requested support from the Asian Development Bank (ADB) to increase the availability of affordable and good-quality medicines through optimizing the procurement of medicines in public hospitals and promoting a public supply system. A fact-finding mission took place in Ulaanbaatar in May 2015. ADB subsequently reached agreement with the government on the impact, outcome, outputs, cost and financing, implementation arrangements, and outline terms of reference for consulting services for the technical assistance (TA). Concept clearance was obtained on 2 July 2015. The design and monitoring framework is in Appendix 1.[1]

II. ISSUES

2. High out-of-pocket expenses are one of the biggest development issues in Mongolia, accounting for 41% of total health expenditure. One third of households' out-of-pocket spending on health goes to medicines. This indicator is higher for low- and middle-income families.[2]

3. The current pharmaceutical supply system for public health services in Mongolia is fully decentralized. Every hospital, including public hospitals, directly purchases its medicines from private suppliers, and establishes the price of each item. Suppliers deliver medicines directly to the hospitals. Public hospitals (accounting for 82.5% of outpatient consultations and 78% of inpatient hospitalizations countrywide) mostly use an open-tender method under the Public Procurement Law. However, because of the small size of procurements, hospitals cannot attract enough competitive suppliers to enable them to negotiate prices. Public hospitals provide medicines to inpatients only which are either subsidized by the government or funded from social health insurance. Cost of medicine prescribed by doctors to outpatients is partially reimbursed for selected items from the social health insurance if patient has health insurance coverage; however access to the subsidized medicines is very limited.[3] Because of low availability and access to subsidized medicines for outpatients people buy medicines without prescription directly from pharmacies. There are no government owned pharmaceutical wholesale companies and no public pharmacies; only private pharmacies and retail drug outlets or in rural *soums* (administrative subunits of a province) "revolving drug funds" operated by private pharmacists[4] serve people with medicines.

4. The main features of the current system are the high cost and low quality of medicines, and irrational use of medicines, with extensive use of non-essential medicines and expensive brands. One third (29%) of medicines in the market are substandard, illegal or counterfeit.[5] Availability of essential medicines is low (42.8%–60%) in public hospitals, as well as in retail pharmacies. Consumer prices for medicines are among the highest in Asia—2.25 to 5.53 times

[1] The TA first appeared in the business opportunities section of ADB's website on 4 August 2015.
[2] Government of Mongolia, National Statistical Office. 2013. *Household Socioeconomic Survey.* Ulaanbaatar.
[3] Under the Drug Discount Program the Social health insurance fund partially (up to 50%) reimburses the cost of *selected* medicines. The Drug Discount Program consumes only 2% of the total health insurance fund expenditure annually.
[4] Revolving funds were set-up with seed funding provided by the government and are operated by private pharmacists.
[5] Government of Mongolia, Ministry of Health. 2013. *Fourth Health Sector Development Project.* Ulaanbaatar; Government of Mongolia, Ministry of Health. 2013. *Prevalence of Counterfeit, Substandard Drugs in Selected Provinces of Mongolia.* Ulaanbaatar.

higher than international reference prices. Cumulative wholesale and retail mark-ups range from 37.5% to 115%; average add-on costs account for 30.4% of the final price.[6]

5. Drug regulatory functions are fragmented and undertaken by different agencies, which makes coordination difficult and creates inefficiencies. Mongolia is one of the very few countries without a national regulatory agency with medicine control under one management structure, using one quality control system and one single information system. The pharmaceutical market relies heavily on imported medicines; only 20-30% of the domestic market is supplied by local drug manufacturers, but most of them do not comply with good manufacturing practices. Medicine registration, licensing, import/export control, inspection and laboratory capacity have been significantly upgraded over the last five years. In order to ensure the quality and safety of drugs, for the entire population, an effective system for coordinating and managing both imported and domestically produced drugs, is essential. It is also be vital for ensuring compliance with international standards for locally-produced drugs.

6. ADB supported the government in mitigating the impact of the financial crisis of 2008/2009 by providing free health services, including medications, to the poor from 2009 to 2014 under a Japan Fund for Poverty Reduction grant project.[7] The project addressed the gaps in coverage and benefits of the health insurance system. The revised Social Health Insurance Law (2015) ensured full coverage for the poor and expanded significantly the benefits package. ADB has also supported strengthening the drug safety regime under the drug safety component of the Fourth Health Sector Development Project. [8] Major achievements of the project are (i) a revised National Medicines Policy (2014); (ii) improved medicines regulatory functions through the establishment of a national medicines regulatory unit; (iii) an upgraded national reference laboratory for drug quality control following international standards; (iv) revised technical standards for medicines manufacturing and distribution, as well as for pharmacy practices; and (v) improved government capacity in inspecting, monitoring, and coordinating medicines-related regulatory functions. However, policy agendas initiated under the project, such as the establishment of a government medicines regulatory agency and consolidation of all regulatory functions, are only partially achieved. Issues to be addressed include the high cost of medicines, their irrational use, and the low quality and limited availability of medicines. These require additional technical and financial assistance to continue the policy dialogue and build further on the momentum established under ADB-supported projects.

III. THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE

A. Impact and Outcome

7. The impact of the TA will be reduced household health expenditure, especially among the poor, increased efficiency of the medicines procurement and supply system and increased access to essential medicines. The outcome will be increased availability of affordable and good-quality generic medicines in public hospitals.

---

[6] Government of Mongolia, Ministry of Health. 2013. *Medicine Prices, Availability, Affordability, and Price Components in Mongolia.* Ulaanbaatar.

[7] ADB. 2009. *Proposed Grant Assistance to Mongolia for Protecting the Health Status of the Poor During the Financial Crisis*. Manila.

[8] ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Grant to Mongolia for the Fourth Health Sector Development Project*. Manila

B. Methodology and Key Activities

8. To increase the availability of affordable and good quality medicines in public hospitals, the TA will support optimization of the medicines procurement system for public hospitals. It will assist in (i) introducing cost-efficient and effective pooled procurement system of generic medicines from reputable suppliers for public hospitals,[9] (ii) reorganization of public hospital pharmacies to supply medicines to outpatients, and (iii) strengthening regulatory supervision of medicines.

9. Key activities of the TA will be organized under three outputs:

Output 1: Introducing cost-efficient and effective medicine procurement systems for public hospitals. This output will include (a) a comprehensive assessment of the sector, including analysis of the current regulatory framework for procurement of medicines, the pharmaceutical supply management system, a review of best international practices, and market analysis; (b) designing the new procurement system for group contracting of good quality generic medicines for public hospitals and developing secondary legislation, master bidding documents, and practical tools to implement the new system; (c) piloting the new system, and monitoring and evaluation of the pilot; and (d) developing policy recommendations based on the results of the pilot. The output will also ensure institutional and human capacity development to strengthen key functions and technical skills of staff at the Ministry of Health and Sports (MOHS), the Ministry of Finance, and the Government Procurement Agency through on-the-job training, overseas study tours, and capacity-building activities on the development of essential medicines lists, selection of medicines for bulk contracting, preparation of bidding documents, bid evaluation and the contracting, selection and monitoring of suppliers, and quality assurance. The pooled procurement system will increase the purchasing capacity of public hospitals and help decrease the hidden costs of medicines caused by importers' margins and wholesalers' add-ups and increase availability of low-cost and good quality generic medicines from trustworthy sources in public hospitals.

Output 2: Reorganizing hospital pharmacies in the public sector. This output will focus on reorganizing pharmacies in public hospitals to supply low-cost generic medicines—obtained through pooled procurement mechanisms—to ambulatory patients. The public hospitals will be granted the right to sell medicines to outpatients, which will increase access to low-cost generic medicines and will indirectly lead to a decrease in the market price of essential medicines as it will serve as a benchmark for the private sector. The output will involve a regulatory framework and operational manuals. The output will also include a study of international experience on how to prevent provider-induced demand and how to implement mechanisms for cost controls, as well as incentives to promote standard treatments by providers. Mechanisms to handle patient complaints and grievance will be introduced.

Output 3: Strengthening medicine regulatory functions. This output will focus on further strengthening the drug regulatory functions of the MOHS based on achievements of the Fourth Health Sector Development Project, and improving public awareness on rational use of medicines. This will include (a) developing a medicine pricing policy and

[9] Pooled procurement or group procurement is when purchasing is done by one procurement office on behalf of group facilities, health systems, or countries, and when group members agree to purchase certain medicines exclusively through the group.

system for monitoring prices, affordability, and availability; (b) introducing an effective drug safety monitoring system; and (c) developing and implementing a public communications strategy to promote awareness on the rational use of medicines. Important studies on the quality and availability of medicines, as well as pricing will be carried out to support decision making and good governance.

10. The TA is based on the assumption that the government will continue to pursue optimization of the health service delivery system and implement interventions to decrease the financial burden of high out-of-pocket expenses for health services, including medicines. It also assumes that the government will continue to further strengthen the public procurement system.

11. The primary risk would be possible weakened political will due to resistance from private providers dominating the pharmaceutical sector. The implementation of the project can also be delayed because of parliamentary elections in 2016 and possible changes in government priorities.

C. Cost and Financing

12. The TA is estimated to cost $1,100,000, of which $1,000,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The government will provide counterpart support in the form of office accommodation, venues for meetings, counterpart staff and allowances, and other in-kind contributions.

D. Implementation Arrangements

13. The MOHS will be the executing agency for the TA. The TA will use a participatory consultative approach, working closely with, and reporting to, designated focal points of the Ministry of Finance and the Government Procurement Agency. Active involvement of both these offices is important for the harmonization of laws, regulations, and operational processes related to procurement processes, local preference issues, and financial and payment mechanisms. Civil society, the private sector, and international development partners will be involved during TA implementation. The TA will be implemented over 36 months from 1 October 2015 to 31 October 2018.

14. The TA will engage 44 person-months of consulting expertise (22 person-months of international consultants and 22 person-months of national consultants) specialized in medicines and public procurement systems, medicines supply, and medicines regulatory functions. A consulting firm will be recruited through quality and cost-based selection method with quality–cost ratio of 90:10. The MOHS will establish a project implementation unit (PIU) to manage day-to-day activities of the project. The PIU will comprise a health-specialist and project coordinator (36 person-months) and an administrative and finance coordinator (36 person-months). The two project coordinators will be recruited as individual consultants. Consultants and project coordinators will be selected and engaged in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The outline terms of reference for consultants and project coordinators are in Appendix 3.

15. The project coordinator will be responsible for procuring office equipment for the PIU under the supervision of the executing agency in accordance with ADB's Procurement Guidelines (2015, as amended from time to time). The executing agency will retain the equipment upon completion of TA activities.

16. The proceeds of the TA will be disbursed in line with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). To facilitate implementation, ADB may establish an advance payment facility for the executing agency to support certain agreed cash expenditures, including workshops, training, seminars and conferences, and project administrative expenses, with details of the proposed activities and cost estimates submitted by the executing agency to ADB for prior approval. ADB may also make certain direct payments.

17. Annual seminars will be held with representatives of the government, media, and civil society to discuss *progress*, achievements, and issues. Dissemination of TA achievements will be ensured through workshops, policy debates, printed information and educational materials, the media, and public-awareness-raising campaigns. A final conference will be held with broad participation of public and private sectors, beneficiaries, and civil society to present and discuss study results and project achievements.

IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of $1,000,000 on a grant basis to the Government of Mongolia for Improving Access to Affordable Medicines in Public Hospitals, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Impacts the Project Is Aligned with:

1. Household health expenditure especially among the poor reduced (Government of Mongolia, Ministry of Health. 2005. Health Sector Strategic Master Plan, 2006–2015. Ulaanbaatar)
2. Efficiency of the medicines procurement and supply system increased (Government of Mongolia, Parliament of Mongolia. 2014. The State Policy on Medicines. Ulaanbaatar)
3. Continuous and equitable access to essential medicines ensured (Government of Mongolia, Parliament of Mongolia. 2014. The State Policy on Medicines. Ulaanbaatar)

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
Outcome			
Affordability and availability of good quality generic medicines in public hospitals increased	a. Procurement prices for 10 most-used quality generic medicines in public hospitals decreased by at least 30% by end of 2018 (baseline 2012: MPR is 2.24 for lowest price generics)	a. Project completion report, MOHS	Weakened political will of the government to optimize the public procurement and supply system of medicines due to conflict of interest of private providers dominating the pharmaceutical sector.
	b. Availability of generic medicines in public hospitals increased by at least 30% by end of 2018 (baseline 2012: mean availability of generics in public sector is 42.8%)	b. Study report, MOHS (based on WHO standardized methodology)	
Outputs			
1. New system at the national level for pooled procurement of medicines for public hospitals introduced	1a. Regulatory and institutional framework for pooled procurement developed and approved by the government by June 2016 (baseline 2014: 0)	1a. Government decree	Project implementation delayed significantly due to parliamentary election in 2016 and possible change in government priorities.
	1b. New procurement system piloted by end of 2017 (baseline 2014: 0)	1b. Project progress report, MOHS	
2. Public hospital pharmacies supply system for medicines for outpatients reorganized	2a. At least 50% of secondary and tertiary level public hospitals starting to supply ambulatory patients with medicines by 2018 (baseline 2014: 0)	2a. Project progress report, MOHS	
	2b. Patient complaints and grievance redress mechanisms institutionalized by 2018 (baseline 2014: 0)	2b. Ministerial order, MOHS	
3. Medicine regulatory functions strengthened	3a. Medicine pricing policy and pricing system developed by 2017 (baseline 2014: 0)	3a. Project progress report, MOHS	
	3b. Public information on drug safety available by 2018 (baseline 2014: 0)	3b. Project progress report, MOHS	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	3c. MOHS drug regulatory functions score rate increased by 2018 (baseline 2012: assessment report)	3c. Assessment report, MOHS (based on WHO Drug Regulatory System Assessment tool)	

Activities with Milestones

1. New system for pooled procurement of medicines for public hospitals introduced at the national level

1.1 Review current situation and best international practices (Q1 to Q2 2016)
1.2 Develop regulatory and institutional framework for pooled procurement (Q2 2016)
1.3 Develop master bidding documents for procurement of generic medicines (Q2 to Q3 2016)
1.4 Develop and implement a stakeholder communication plan (Q2 to Q3 2016)
1.5 Develop and approve plan for piloting the new system (Q2 to Q3 2016)
1.6 Pilot the new system of pooled procurement for selected medicines (Q3 2016 to Q4 2017)
1.7 Monitor and report on pilot of the new system (Q3 2016 to Q4 2017)
1.8 Develop policy recommendations based on pilot results (Q1 2018)
1.9 Organize workshops, trainings, e-learning courses, and capacity-building activities, including a study tour, on selection of medicines, determination of quantity and quality standards, unit price and bid threshold, and good pharmaceutical procurement practices (Q2 2016 to Q2 2018)

2. Public hospital pharmacies reorganized to supply medicines to ambulatory patients

2.1 Develop new procedures and systems and organizational arrangements for public hospital pharmacies to supply medicines to ambulatory patients (Q4 2016 to Q1 2017)
2.2 Carry out capacity-building activities for public hospitals to support new institutional arrangements (Q4 2016 to Q2 2018)
2.3 Develop and implement mechanisms for cost controls to contain demand and incentives to promote standard treatments by providers (Q1 2017 to Q2 2018)
2.4 Develop and implement patient complaints and grievance-redress mechanisms, including involvement of social media (Q1 2017 to Q2 2018)
2.5 Develop and implement monitoring and evaluation system for hospital pharmacies (Q1 2017 to Q2 2018)

3. Strengthened medicines regulatory functions at the MOHS

3.1 Develop medicines pricing policy (Q3 to Q4 2016)
3.2 Develop, institutionalize and implement system for data collection, and monitoring the price, affordability and availability of medicines (Q3 2016 to Q4 2017)
3.3 Develop, institutionalize, and implement drug safety monitoring system (Q4 2016 to Q1 2018)
3.4 Develop and implement public communications strategy and plan to promote awareness and rational use of medicines (Q1 2017 to Q2 2018)
3.5 Support the Medicines Regulatory Division of the National Center for Health Development in strengthening regulatory functions (including licensing, registration, quality control, adverse drug reaction monitoring, post marketing, and inspection) (Q2 2016 to Q2 2018)
3.6 Carry out capacity-building activities for government staff to strengthen medicine regulations (Q2 2016 to Q2 2018)

4. Project Management Activities

4.1 Carry out studies on (i) medicine prices, affordability, and availability; (ii) prevalence of counterfeit and substandard drugs; (iii) review and assessment of medicine regulatory functions (Q3 2017 to Q3 2018)
4.2 Organize a midterm review workshop to present implementation status of the project (Q2 2017)
4.3 Prepare a knowledge product on the experience of piloting the pooled procurement system and policy recommendations based on pilot results (Q3 2018)
4.4 Organize a final conference on TA dissemination of outputs and policy recommendations (Q32018).

Inputs ADB: $1,000,000 Note: The government will provide counterpart support in the form of office accommodation and venues for meetings, counterpart staff and allowances, miscellaneous administrative expenses, and other in-kind contributions.
Assumptions for Partner Financing Not applicable.

ADB = Asian Development Bank, MOHS = Ministry of Health and Sports, MPR = median price ratio, NA = not applicable, Q = quarter, TA = technical assistance, WHO = World Health Organization.

COST ESTIMATES AND FINANCING PLAN

($'000)

Item	Amount
Asian Development Bank[a]	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (22 person-months)	492.8
ii. National consultants (94 person-months)[b]	202.8
b. International and local travel	55.0
c. Reports and communications	3.4
2. Equipment[c]	15.0
3. Training, seminars, and conferences	
a. Overseas study tour[d]	30.0
b. Training programs	41.0
c. Conferences	10.0
d. Information, education, and communication	30.0
4. Surveys	100.0
5. Miscellaneous administration and support costs[e]	10.0
6. Contingencies	10.0
Total	**1,000.0**

Note: The technical assistance is estimated to cost $1,100,000, of which contributions from the Asian Development Bank are presented in the table above. The government will provide counterpart support in the form of office accommodation and venues for meetings, counterpart staff and allowances, miscellaneous administrative expenses, and other in-kind contributions. The value of government contribution is estimated to account for 9% of the total TA cost.

[a] Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-V).

[b] Includes health specialist (36 person-months) and finance and administrative officer (36 person-months), who compose the project implementation unit.

[c] Computer, printer, photocopier, and other small office equipment. Equipment will be turned-over to the executing agency upon completion of TA activities.

[d] In ADB member countries.

[e] Includes translation and project implementation unit operational cost.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The Asian Development Bank (ADB) will engage a consulting firm and individual consultants in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time). The firm will be recruited through a quality-based and cost-based selection method with quality–cost ratio of 90:10. The selected firm will provide specialized consulting services in medicines procurement, public procurement, medicines supply, and medicines regulatory functions.

A. Consulting Firm

2. **Senior medicines procurement expert and team leader** (international, 8 person-months, intermittent). The expert will have a postgraduate degree in medical science, pharmacy, or a related field, 12 years of relevant experience, and a minimum of 8 years of professional experience in the field of medicines procurement. The team leader will report to the Ministry of Health and Sports (MOHS) and project implementation unit (PIU). In close coordination with the MOHS and ADB, the expert will

- (i) lead the team of consultants to guide, coordinate, and supervise the inputs of each consultant;
- (ii) submit all the required TA outputs from the consultants to the MOHS and ADB in a timely manner;
- (iii) review regulations and current practices of the medicine procurement system;
- (iv) review international best practices on pooled procurement;[1]
- (v) review demand and supply of commonly used generic medicines and develop short-term forecasts for demand;
- (vi) develop a strategy and design a new system of pooled procurement of medicines for the public sector;
- (vii) develop a plan for the government to pilot a new pooled procurement system;
- (viii) provide ongoing coaching and technical advice to the Government Procurement Agency (GPA) and the MOHS while piloting a pooled procurement system in the following areas:
  - (a) conducting market research,
  - (b) selection of medicines for piloting,
  - (c) specifying quality standards,
  - (d) determining quantities needed,
  - (e) identifying potential suppliers,
  - (f) specifying contract terms,
  - (g) monitoring order status, and
  - (h) monitoring medicines distribution;
- (ix) develop report and policy recommendations based on pilot results;
- (x) carry out training sessions, workshops, and other capacity-building activities as requested by the MOHS for GPA, MOHS, and hospital staff on but not limited to
  - (a) selection of vital, essential, and nonessential medicines;
  - (b) determining quantities required;
  - (c) specifying quality standards;
  - (d) determining unit price and setting a bid threshold;
  - (e) good pharmaceutical procurement practices; and

[1] Pooled procurement or group procurement is when purchasing is done by one procurement office on behalf of group facilities, health systems, or countries, and when group members agree to purchase certain medicines exclusively through the group.

(xi) assist in organizing a study tour for government officials to learn international experience on pooled procurement.

3. **Medicines procurement consultant** (national, 8 person-months, intermittent). The consultant will have a postgraduate degree in medical science, pharmacy or a related field and 8 years of relevant experience. The consultant will report to the team leader and PIU. The consultant's tasks will include the following:

(i) work in tandem with the international medicines procurement expert to assist in all tasks under the international experts' terms of reference, and
(ii) act as interpreters and translate documents as required.

4. **Senior public procurement expert** (international, 4 person-months, intermittent). The expert will have a postgraduate degree in law, finance, business administration or a related field, 10 years of relevant experience and a minimum of 7 years of professional experience as a procurement specialist. The expert will report to the team leader and PIU. In close coordination with MOHS and ADB, and under the supervision of the team leader, the expert will

(i) prepare draft regulations on framework agreement for pooled procurement of medicines and on implementation of framework agreements for medicines,
(ii) develop master bidding documents for pooled procurement of medicines using long-term framework contracts,
(iii) review an e-procurement system and develop recommendations to adjust the system for procurement of medicines,
(iv) identify a rational distribution procedure for supplier,
(v) assist in implementation of the pilot by
    (a) conducting research of market, stakeholders and their demands, and strengths, weaknesses, opportunities, and threats analysis;
    (b) assisting in specifying contract legal terms; and
    (c) monitoring contract performance; and
(vi) carry out training sessions or workshops for GPA and MOHS staff on but not limited to
    (a) international competitive bidding process,
    (b) development of bidding documents, and
    (c) management of contracts with suppliers.

5. **Public procurement consultant** (national, 4 person-months, intermittent). The consultant will have a postgraduate degree in law, finance, business administration, or a related field, and 5 years of relevant experience. The consultant will report to the team leader and PIU. The consultant's tasks will include the following:

(i) work in tandem with the international public procurement expert to assist in all tasks under the international experts' terms of reference, and
(ii) act as interpreter and translate documents as required.

6. **Medicines supply management expert** (international, 2 person-months, intermittent). The expert will have a postgraduate degree in medical science, public health, pharmacy, or a related field, and minimum of 7 years of relevant and professional experience. The expert will report to the team leader and PIU. In close coordination with MOHS and ADB, and under the supervision of the team leader, the expert will

(i) review regulations concerning the supply of medicines in the public sector,
(ii) develop a strategy to improve the regulatory and institutional framework for the supply of medicines,

(iii) develop regulations for public hospital pharmacies to allow them to serve hospital wards as well as ambulatory patients,
(iv) develop operational procedures for public hospital pharmacies,
(v) develop mechanisms for cost control to contain demand and incentives to promote standard treatments by providers,
(vi) develop patient complaints and grievance redress mechanisms,
(vii) develop monitoring and evaluation system for hospital pharmacies, and
(viii) carry out training or workshops for public hospitals to support new institutional arrangements.

7. **Medicines supply management consultant** (national, 2 person-months, intermittent). The consultant will have a postgraduate degree in medical science, public health, pharmacy, or a related field, and a minimum of 5 years of relevant experience. The consultant will report to the team leader and PIU. The consultant's tasks will include the following:

(i) work in tandem with the international medicines supply management expert to assist in all tasks under the international experts' terms of reference, and
(ii) act as interpreter and translate documents as required.

8. **Senior medicines regulatory functions expert** (international, 8 person-months, intermittent). The expert will have a postgraduate degree in medical science, public health, pharmacy, or a related field, and a minimum of 12 years of professional experience in medicines regulation and management. The expert will report to the team leader and PIU. In close coordination with the MOHS and ADB, and under the supervision of the team leader, the expert will

(i) review all regulatory functions of the Medicines Regulatory Division (MRD) of the National Center for Health Development and the MOHS;
(ii) review working procedures to strengthen regulatory functions of the MRD;
(iii) provide technical advice to the MOHS on upgrading the MRD into a regulatory agency;
(iv) develop a medicines pricing policy;
(v) develop a system for monitoring medicine prices, affordability, availability and safety;
(vi) develop a public communications strategy and plan to promote awareness on the rational use of medicines;
(vii) carry out training, workshops or seminars, on-the-job training and other capacity-building activities as requested by the MOHS for government staff to strengthen regulations; and
(viii) develop terms of reference for consultants to conduct studies on:
  (a) medicine prices, affordability, and availability; and
  (b) prevalence of counterfeit and substandard drugs.

9. **Medicines regulatory functions consultant** (national, 8 person-months, intermittent). The consultant will have a postgraduate degree in medical science, public health, pharmacy, or a related field, and a minimum of 7 years of relevant and professional experience in medicines regulation. The consultant will report to the team leader and PIU. The consultant's tasks will include the following:

(i) work in tandem with the international medicines regulatory functions expert to assist in all tasks under the international experts' terms of reference, and
(ii) act as interpreter and translate documents as required.

B. Project Implementation Unit

10. ADB will recruit two national consultants on an individual basis in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) for the duration of the project to compose the PIU.

11. **Health specialist and project coordinator** (36 person-months). The specialist will have a postgraduate degree in medical science, public health or pharmacy, and a minimum of 5 years of experience in project management. The health specialist will report to the MOHS and ADB. The specialist will perform the following tasks:

(i) ensure smooth implementation of the TA;
(ii) manage day-to-day activities of the TA through timely coordination and facilitation of TA activities;
(iii) in consultation with consultants, finalize TA implementation work plans and assist in finalizing work plans of individual consultants;
(iv) monitor the implementation of work plans, including timely submission of deliverables, and holding events;
(v) monitor the quality of capacity-building activities of consultants;
(vi) liaise with all stakeholders, especially with the executing agencies, the GPA, the Ministry of Finance and consultants, as required by TA activities in order to optimize the TA implementation;
(vii) facilitate recruitment of consultants in accordance with ADB policies and procedures;
(viii) authorize expenditures related to implementation of the TA in line with ADB policies and procedures;
(ix) procure equipment in accordance with ADB policies and procedures;
(x) report to ADB on new legal and regulatory issuances and guidelines related to the TA; and
(xi) report on a quarterly basis to ADB and the executing agency on the progress of TA implementation.

12. **Administrative and finance coordinator** (36 person-months). The coordinator will have a graduate degree in administration or a related field (e.g., public or business administration, accounting) with at least 5 years of experience in administering an office. Good command of computer skills is a must. The coordinator will report to the health specialist and will perform the following tasks:

(i) maintain comprehensive and clear accounts and monitoring PIU expenditures and fund flows;
(ii) prepare withdrawal applications, financial statements, and any other activity required to manage financial operations of the TA;
(iii) keep financial records of the PIU;
(iv) provide quarterly financial progress reports to MOHS and ADB;
(v) handle administrative issues related to the TA;
(vi) assist in preparing the quarterly TA progress reports;
(vii) file project documents in accordance with ADB guidelines; and
(viii) provide secretariat support as required.