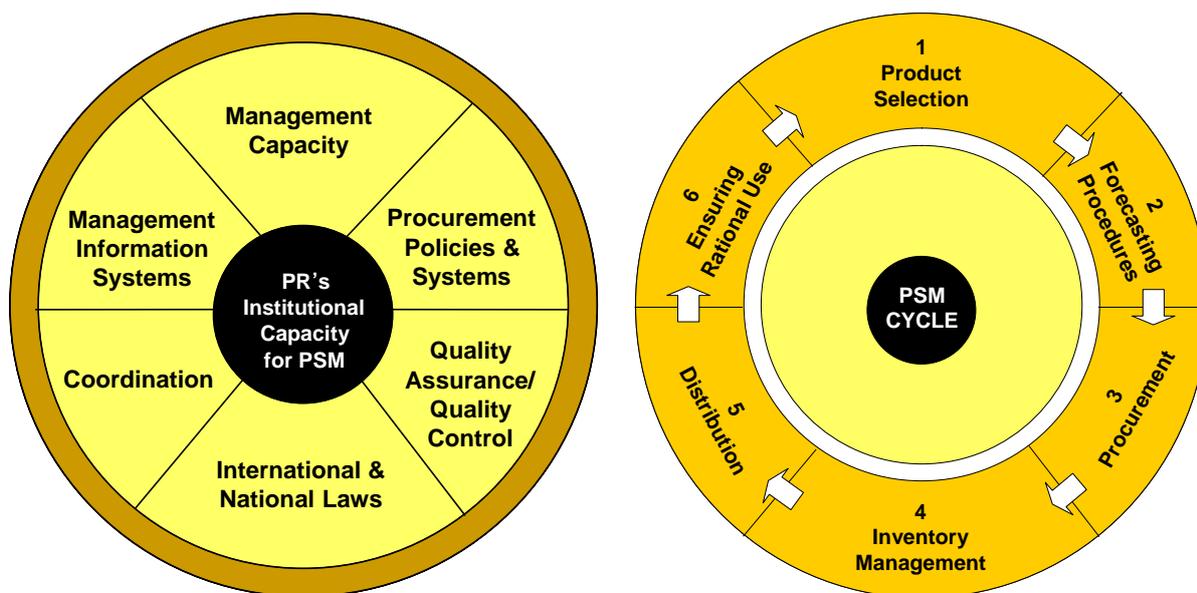




Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

Procurement and Supply Management Plan



Published January 2006

Guide to writing a PSM Plan

The front page should include the following information:

<h1>Procurement and Supply Management Plan</h1> <p>For the period from year 2009 to year 2010</p>					
<i>Proposal/grant title:</i>		Scaling up an access to HIV prevention treatment, care and support for the particularly vulnerable population groups through enhanced and expanded implementation activities by governmental/NGO/Private partnership			
<i>Principal Recipient(PR):</i>		Republican Centre on prevention and control of AIDS (RCAIDS)			
<i>Country:</i>		Kazakhstan			
<i>Component:</i>		HIV/AIDS			
<i>Round:</i>		Round 7			
<i>Phase 1 or Phase 2:</i>		Phase 1			
<i>Grant number:</i>		KAZ-708-G03-H			
Product category		Year 1 (US\$)	Year 2 (US\$)	Year 3 (US\$) if applicable	Total phase
1	Pharmaceuticals	308 835,23	492 713,26		
2	Health products & commodities (excluding pharmaceuticals)	1 009 519,41	1 075 844,17		
3	Health equipment (X-rays, laboratory equipment, etc.)	464 280,00	213 923,00		
4	Services (related to PSM e.g., QA, MIS, RUD, etc.)	280 000,00	290 000,00		
5	Non-health products and services (e.g., vehicles, computers, construction, financial consultants, etc.)	547 070,60	372 414,16		
Total		2 609 705,24	2 444 894,59		
Total grant size (US \$)		6 277 146,33	6 208 645,67		
Total procurement as % of grant		42%	39%		
<i>Person (name, title, department) with overall responsibility for this grant. Provide name and contact</i>		Mrs. Mariam Auliekhanovna Khassavova General Director of the Republican Centre on prevention			

<i>details (tel., e-mail, etc.).</i>	and control of AIDS Phone: +7 (727)269-94-81 Address: 050008, 84, Auezov Street, Almaty, Kazakhstan e-mail: khassanova@rcaids.kz
<i>Person (name, title, department) with overall responsibility for all PSM activities. Provide name and contact details (tel., e-mail, etc.).</i>	Ms. Kamilya Ibragimova Procurement Manager of PIU of the GF in Kazakhstan Phone: +7 (727)277-67-12 Address: 050008, 84, Auezov Street, Almaty, Kazakhstan e-mail: gf.kamilya@rcaids.kz
<i>Date of submission(s):</i>	

Introduction

- **Provide a brief introduction of no more than one page, including key objectives of this Global Fund-financed project, and a brief overview of key implementing partners and their respective roles and responsibilities.**

In line with the overarching national strategic program on HIV/AIDS, the goals of this proposal are to:

- Respond effectively with HIV prevention to reach those at greatest risk; preventing generalization of the HIV epidemic;
- Ensure availability and access of HIV-related services to reduce HIV-related mortality and morbidity among PLWHA.

To reach these goals, a large scale, comprehensive program is needed that will increase access of the groups that are core to the epidemic to key HIV prevention services such as outreach, needle and syringe exchange, STI treatment, drop in services; and Voluntary Counseling and Testing (VCT). This proposal massively increases the availability and scale of these programs and, through an advocacy component, will work to reduce barriers to utilization of those services. ARV utilization and adherence will be increased through an expansion of the menu of care and support services available to PLWHA.

A feasibility of the proposal is insured by the involvement of about 30 most potent NGOs including KAVSN, the Equal-to-Equal, regional and local governmental AIDS Centers nation-wide as sub-recipients of the grant. In addition it is expected that more than 30 NGOs and several governmental organizations including academic, primary health care and STI centres countrywide will be mobilized by the principal recipient as sub-grantees as a result of an open tender for performance of work related to HIV prevention among the vulnerable population groups. The proposal gives strong priorities to NGOs in conducting the HIV prevention activities. As new NGOs will be established in the regions, where they are absent by now, and their capacities built planning and implementation of prevention activities among the population of particular risk will move from the focus of AIDS centers to their main responsibilities.

A consortium of international and bilateral organizations/projects and NGOs will provide technical assistance to the governmental AIDS Center network and national NGOs operating under this program. This comprehensive partnership that supports the implementation of this proposal includes UNAIDS co-sponsoring agencies (UNICEF, UNDP, UNFPA, UNESCO, UNODC, WHO, ILO, WB), the USAID-funded Capacity Project, AIDS Foundation East West (AFEW), International Harm Reduction Development (IHRD), PSI.

The innovation of the National Proposal on counteraction of HIV/AIDS in the Republic of Kazakhstan in the context of Round 7 of Global Fund to fight AIDS, Tuberculosis and Malaria is based on intention to fulfil methods in order to avoid of repetition of last errors. The general weakness of process was linked with limited participation of civil sector in planning, the national response to HIV epidemic design in the country. As a result of such consolidation more than 60 local national non-governmental organizations and the people of the country will play significant role in working out and realization of initiatives to fight HIV/AIDS.

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- Provide an organizational chart of the PSM unit and indicate how it fits into the overall structure of the PR, NDRA, MOF, MOH (indicate all relevant dependencies).
- Address any other relevant issues.

1. PR's capacity to conduct Procurement and Supply Management – PSM

1.1 Management capacity

This section is intended to assess the PR's capacity to manage and implement various activities.

Activity	Which organization and/or department is responsible for this function? If this function is being outsourced, then indicate this in the table (if more than one, include all organizations).	What type of organization is responsible for this function? (PR, SR, Procurement Agent or Other)	Indicate if there is need for additional staff or technical assistance (Yes/No)	If there is a need indicate whether it was considered in the original proposal (Yes/No)
Procurement policies & systems	MOF, MOH, PR	PR	no	no
Quality assurance and quality control of pharmaceuticals	Pharmacy Committee of MoH	PR	no	
International and national laws (patents)	PR	PR	no	no
Coordination	PR	PR	no	no
Management Information Systems (MIS)	no	PR	yes	
Product selection	PR	PR	no	no
Forecasting	PR	PR	no	no
Procurement and planning	PR	PR	no	no
Inventory management	PR	PR	no	no
Distribution to other stores and end-users	PR	PR	no	no
Ensuring rational use	PR	PR	no	no

1.2 Procurement policies, systems and capacity

- **Does the organization that will conduct the procurement have written and detailed regulations and manuals that emphasize the need for transparency and competitiveness? If not, indicate how and when this gap will be addressed. Ensure the manual is available for the LFA to review.**

The organization and carrying out of tenders on procurement of goods and services, conclusion of contracts on procurement are regulated by Program Grant Agreement, the Global Fund's guideline on the procurement and delivery policy, this Procurement and Supply Management Plan, and also regulations of current legislation of the Republic of Kazakhstan, which do not contrary to above-stated documents.

With a view of realization of the Global Fund project, being based on a real estimation of actual needs, barring of absence of goods (medicines) in a stock, and also for acceleration of process of procurement when the tender is inexpedient because of barring of purchase of bad quality goods, untimely delivery of goods, and granting of bad quality services, it is necessary for the Principal Recipient to use a method of price offers or a method of purchase from one source for small and urgent procurements.

The volume of the homogeneous goods isn't exceeding the size of 30000 of minimum calculation index, established by legislation of the Republic of Kazakhstan concerns to small procurements.

The procurement of homogeneous goods of essential quantity and quality for certain date in the future or under unforeseen consequence demanding immediate procurement concerns to urgent purchase.

Using the above-stated methods of purchase during a choice of the potential supplier it is necessary to give preference to the technical partners having the best experience in delivery of such goods or providing such service.

If the tender wasn't conducted because of only one potential supplier was admitted the Principal Recipient has the right to make the decision to conclude the contract on state purchases from one source. The price of the concluded contract on the state purchases should not exceed the sum allocated for purchases in the way of tender.

The Principal Recipient also has the right to realize the procurement on price offers without carrying out of the tender if the good doesn't demand the detailed specification. Using the method of price offers the Principle Recipient sends the proposal on participation in such purchases of goods, works and services to not less than two potential suppliers and also if it is necessary to provide to potential suppliers the detailed technical specification for some goods, works and services. The result of procurement by the method of price offers will be the conclusion of the contract on purchases of goods, works and services.

The contract conclusion in writing is not required if there is a procurement of goods, works and services by the method of price offers for the sum lower than 250 of minimum calculation index, established by legislation of the Republic of Kazakhstan and such purchase should be proved by the invoice, the act of rendered services and blading.

It is necessary to make the procurement of separate kinds of goods (condoms, syringes and needles, an information-educational material) only after their approbation in not less than two focus groups. In this case, the PR makes a choice of the supplier on the basis of positive results of approbation and the low price, diligent and timely performance by the supplier of treaty obligations.

The realization of open competitive tender isn't required if there is a procurement of medicines directly from manufacturers through the official distributors having all necessary licences, permissions to such distribution in the Republic of Kazakhstan.

- **Indicate the estimated total value of procurement conducted by this department during the past 12 months (include all products and all sources of funding).**

Funding source is the Global Fund, there are no other funding sources. Due to Global Fund's funding the following purchases have been conducted in 2007:

1. The contract № 3 from May, 25th, 2007: The procurement of condoms in the quantity of 15 347 200 pieces at the price of 6,67 tenge for unit. The total value of procurement is 102365824 tenge (845999 US dollars) from "Nurstom" Ltd. The budget is 885000 US dollars. The delivery had been implemented.

2. The contract № 5 from May, 31st, 2007 The procurement of lubricant-gel in the quantity of 477267 pieces at the price of 9,30 tenge for unit. The total value of procurement is 4438583 tenge (885021 US dollars).

3. The contract № 4 from May, 25th, 2007. The procurement of medicines for STI treatment and disinfectants from "Aliyar" Ltd. The total value of procurement is 30339952 tenge (251408 US dollars). The Budget is 380000 US dollars. The delivery had been implemented completely.

4. The contract № 1 from May, 22nd, 2007 The procurement of design and production of informational educational materials from "Graphika-U" for a total value 49914252 tenge (413608 US dollars). The budget is 420000 US dollars. The contract has been executed, payment has been made.
5. The contract №2 from May, 25th, 2007 The procurement of disposable syringes in the quantity of 15 122 568 pieces under following prices for unit: syringes 2 ml - 5,19 tenge, 5 ml. - 5,3 tenge, 10 ml. - 7,35 tenge, 20 ml.-9,8 tenge for the total sum 84213242 tenge (701777 US dollars) from "Medservis-Rihter" Ltd. The delivery had been implemented. Payment has been made.
6. The contract №7 from June, 04th, 2007 The procurement of sterile needles in the quantity of 3 345 268 pieces at the price of 3 tenge for the total sum 10035804 tenge (83.631 US dollars) from "Pharmactiv" Ltd. The budget is 828060 US dollars. The contract has been executed, payment has been made.
7. The contract № 6 from June, 04th, 2007 The procurement of medicines «Kaletra» and «Videks» from "VivaPharm" Ltd. The potential supplier is the official exclusive distributor in Kazakhstan. The medicine «Kaletra» 242 packings at the price of 41569 tenge for unit for the total sum 10 052 698 tenge (83 138 US dollars), from the company Abbott Laboratories (USA) and the medicine «Videks» from the company «Bristol-Myers Squibb S.A.» 440 packings at the price of 10665 tenge for a total sum 14752298 tenge (122243 US dollars). The delivery had been implemented.
8. The contract № 9 from June, 07th, 2007 The procurement of antiretroviral medicine «Viramun» for children, suspension in the quantity of 87 packings for the total sum 1 268 460 tenge or 10 405,74 US dollars. The delivery had been implemented.
9. The contract № 10 from June, 15th, 2007 The procurement of antiretroviral medicines "Nevipan" in tablets 200 mg. № 60 in the quantity of 161 340 tablets at the price of 0,19 US dollars; «Stavudin» 40 mg. № 60 capsules in the quantity of 11 820 pieces at the price of 0,14 US dollars and «Eferven» 600 mg. № 30 in the quantity of 13 200 tablets at the price of 1,37 US dollars for a total sum 50 393,40 US dollars. The contract has been implemented , payment has been made.
10. The contract № 11 from June, 18th, 2007 in connection with factory-manufacturer's recalling of antiretroviral medicine «Virasept» and changes in treatment schemes the additional procurement of medicine «Kaletra» in the quantity of 231 packings at the price of 21600 tenge for packing, at the total sum 4 989 600 tenge or 40 931,91 US dollars was made. The manufacturer has made the discount regarding the additional purchase of the preparation.
11. The contract № 12 from June, 25th, 2007 on the procurement of medical equipment for six cabinets at the total sum of 14 000 US dollars from "Dostyk" Ltd. The delivery had been implemented, payment has been made.
12. The contract № 13 from August, 20th, 2007 from "CIOM" Ltd. on social research among the population. The total sum of the contract is 6 787 400 tenge (56 095 US dollars)
13. The contract from June, 27th, 2007 with company "GlaxoSmithKleine" on the procurement of the antiretroviral medicine «Zefix», tablets 100 mg. in the quantity of 14669 pieces; «Combivir», 300/150 mg tablets the quantity of 213260 pieces; «Zefix» a solution in bottles 240 ml. 54 bottles; «Ziagen», tablets 150 mg. in the quantity of 32120 pieces; "Retrovir" in capsules 100 mg. in the quantity of 1576 pieces; «Retrovir» in syrup 200 ml. in the quantity of 63 pieces at the total sum 532 388,89 US dollars.
14. The contract with NGO «Equal to Equal» on information centre creation.
15. The contract with "Labservis" Ltd. on the procurement 4 sets of equipment for IFA (immune ferment analysis)

For the realisation of Global Fund project the procurement of goods and services were conducted at the total amount 4 171 583 US dollars.

- **Indicate the estimated value of total procurement to be conducted over the next 12 months including all new sources of funding (including procurement to be financed by the Global Fund). Express the numbers in US\$ and as a percentage of current procurement capacity. Explain how the PR will manage this increase in procurement efficiently.**

The total sum, planned for the procurement at the expense of Global Fund's funding for 2009 is **2 609 705,24** US dollars. The funding foreseeing on the procurement according to the government program will be implemented by experts of the Republican centre on prevention and control of AIDS; the

procurement manager of Project Implementation Unit of Global Fund is implementing procurement only on Global Fund's funding and there is no any complexity to fulfill the procurement processes.

- **Please provide any additional comments or information.**

No comments.

1.3 Quality assurance systems and capacity

- **It is the responsibility of the PR to ensure that products being purchased with Global Fund financing meet NDRA requirements in terms of registration, GMP, etc.**

Before the procurement it is necessary to have the import licence and register in advance the following goods (medicines and medical (non medical) commodities) in the Republic of Kazakhstan. The Pharmacy Committee of the Ministry of Health of the Republic of Kazakhstan is responsible for the imported medical products, etc. The Principal Recipient during the procurement of medical goods is guided by the regulations of active legislation of the Republic of Kazakhstan concerning registration and GMP

- **Is there a functioning National Drug Regulatory Authority (NDRA) with capacity for registration of drugs, GMP inspections, etc.?**

The Pharmacy Committee of the Ministry of Health of the Republic of Kazakhstan is responsible for:

- the registration of medical products by the definition of the vital preparations;
- the control of certificates of conformity and
- the inspection of GMP

- **Are all single- and limited-source pharmaceutical products that are to be purchased pre-qualified by WHO or registered for use in ICH or PIC/S countries? The PR needs to notify the Global Fund if this is not the case. This information is required for ARVs, ACTs and TB drugs, and should be included in the Annex 2.**

All planned pharmaceutical products for purchase originated from one or limited source, are preliminary evaluated by WHO. It means, that all drugs purchased by PR have passed pre-qualification by WHO – and it is as the additional information. During the procurement of drugs? In first turn PR is guided by the GF's regulations, Global Fund Quality Assurance Policy and also Pharmacy Committee regulations on "obligatory registration of drugs in the Republic of Kazakhstan".

- **If drugs are being purchased, are there adequately equipped and staffed laboratory facilities available for testing products being purchased under this grant? What is the highest level of laboratory rating in the country (from levels 1-3, as per WHO). If adequate laboratory facilities are not available, will this activity be outsourced? Where?**

In Almaty there is «The National centre of expertise of medicines» where there is the necessary equipment for testing of products.

- **What is the procedure in case of product failure?**

If the imported product does not meet the requirements of Pharmacy Committee of the Ministry of Health of the Republic of Kazakhstan, the import will be forbidden.

1.4 International and national laws

- PRs are responsible for adhering to international and national laws, in particular with regard to Intellectual Property Rights (IPR) or patents. Please describe how the PR will ensure adherence to Global Fund policies.

During the Global Fund's grant realization the PR always guided by Program Grant Agreement, Global Fund guides on policy of procurement and supply management, and active legislation of the Republic of Kazakhstan which doesn't contradict to the above-stated documents.

1.5 Coordination

- **If a country/PR is receiving other sources of funding to target the same disease, indicate how the various streams of funding will be utilized (e.g., PEPFAR funds for second line ARVs, MAP funds for additional states/districts not targeted by Global Fund, etc.). It is not necessary to provide amounts of funding being provided by other donors.**

PR has no other sources of funding. In the country there is funding of World Bank on HIV/AIDS program and other sources of funding. In Kazakhstan UNAIDS initiated the creation of Technical Working Group which co-ordinates a direction of financial streams. Other international organizations finance and work under their projects. The financial support of Global Fund will be as additional to existing sources of financing. Also there are a lot of international organizations in the country with the additional financing. Every year UNAIDS gathers the information concerning additional financing from other international organizations.

In 2007 the following funding was spent by other international organizations on different preventive programs and for different target groups, within the limits of their projects, including procurement of condoms, disinfections, gloves etc.:

- PSI – 10 352.716 tenge;
- Capacity project - 8 900 860 tenge;
- UNAIDS – 12 450 900 tenge;
- UNODC - 25 746 000 tenge;
- CAAP – 35 557 132 tenge ;
- WHO – 3 630 000 tenge;
- UNICEF – 28 144 000 tenge;
- “AIDS Foundation East-West” – (AFEW) - 30 813 860 tenge.

1.6 Management Information Systems (MIS) capacity

- **Describe type of MIS that currently exists at the central and regional levels, and whether the MIS is able to gather information related to procurement values and timing, inventory values at different sites, numbers of people treated, etc.**
- **If there is no comprehensive MIS in place, indicate if, when and how the PR intends to obtain and implement such a system.**

There was no MIS in the country, but at the moment we signed the agreement with Index group Co, Ltd on the development of MIS, consisting of the following modules:

1	Development of the module on ARV medicines
2	Development of the module on PLWHA
3	Development of the module on cumulative statistics
4	Development of the module on goods movement
5	Installation of UNIX-similar database

The implementation of computer data base MIS is planned in the first half of the year 2009. At the moment the Supplier finishes the development of MIS. On April 16- th 2008 there was the preliminary presentation, where remarks of experts on workplaces have been considered. The information system demands certain completions and changes. Before the implementation of MIS the distribution and usage of pharmaceutical products, which were bought on financial means of GF, the Project implementation unit controls the distribution by gathering of balance reports on quarter base taking into account such information as delivery, distribution and drug remains for the accounting period.

2. Procurement and supply management cycle

Procurement management of goods is realized according to the procurement plan taking into account:

- the coverage of vulnerable groups of population by preventive program (the coverage was confirmed by the protocol of the independent competitive commission),
- planned coverage of STI patients, who were prescribed the syndromic treatment (due to sub-recipients' proposals) and other criteria.

Forms of the account of movement, storage and expenses of material resources have been developed too, moreover the monitoring of these activities is conducted. With the help of the above-stated module the continuous account of movement of material resources will be systematized. In order to avoid losses because of dates expiration during the procurement processes the PR puts strong requirements to suppliers on goods, the expiry term of these goods should be not less than 80% of the expiry term to the moment of delivery. Special conditions of storage are required only for ARV medicines and there are all capacities for their storage.

2.1 Product selection

- Please fill out the applicable columns of the following table. For example, if the products were selected based on National STG, then simply fill out that one column only. Information is only required for the product categories indicated.

Product Category	Product (Generic Name)	WHO		National		Institutional	
		Listed in EML (Yes/No)	Listed in STG (indicate 1 st /2 nd line treatment)	Listed in EML (Yes/No)	Listed in STG (indicate 1 st /2 nd line treatment)	Listed in EML (Yes/No)	Listed in STG (indicate 1 st /2 nd line treatment)
ARVs	1 line						
	Zidovudin+Lamivudin			Yes	Yes		
	Niverapin			Yes	Yes		
	Efavirenz			Yes	Yes		
	Stavudin			Yes	Yes		
	Lamivudin			Yes	Yes		
	2 lines			Yes	Yes		
	Abacavir			Yes	Yes		
	Lopinavir ritonavir			Yes	Yes		
	Didanozin			Yes	Yes		
Anti-Malarials							
Anti-TB							

2.2 Forecasting procedures

- Describe the forecasting process to determine quantity of products required, and indicate which methods were applied to forecast product requirements (e.g., morbidity, consumption, health service capacity). Indicate how many patients are to be targeted for each year during the period of this plan. Indicate how the quantification for each product and for the buffer-stocks have been calculated?

At calculation of needs on ARV medicines there were considered the key national indicators (M&E): prevalence of HIV/AIDS, number of PLWHA needed in ARV treatment. The following procedures were implemented according to the National Protocol of Treatment (the order of MoH, №150 from February, 12th 2004) taking into account the course doses of medicines:

- the prescription of treatment schemes for patients;

- the calculation of quantity of each ARV medicine.

In 2009 it is planned to take 720 patients on ARV treatment (at the expense of the National program- 544, at the expense of the GF-176). The provided sum on procurement of ARV drugs is **226 616\$.** for 1 Year, 7 Round;

In 2010 it is planned to take only 850 patients on ARV treatment (at the expense of the National program - 528, at the expense of the GF-322). The foreseen sum on procurement of ARV drugs is **405 208,6 \$.** for the 1 Year, Round 7. That is in connection with increasing of needs of PLWHA in ART it is foreseen the additional Global Fund financing for 1 and 2 years of Round 7 in order to support the National Program.

• **2.3 Procurement and planning**

- The focus of this section is to understand which goods and services are being purchased, when they will be purchased, who will purchase, which procurement procedures will be used, and what would be their expected total cost. All this information should be provided in Annexes 1a and 1b.
- **Provide a short summary of related financial issues, such as total value of procurement, additional products included in the PSM plan that were not listed before, etc. Ensure that the budgets in the work plan, annexes and on the front page are all consistent.**

Budgets of the working plan, attachments and on the first page are co-ordinated.

2.4 Inventory management

- **Is sufficient storage space available at all levels of the distribution chain? Provide estimates of total storage space that exists, is available, and will be required due to additional procurement under this grant. If there is not sufficient space, indicate an alternative solution. Link this part to the projected increase in procurement due to the additional Global Fund funding for this project (for example, if total procurement is expected to double, is there sufficient space?).**

During procurement the proposals of sub-recipients are taken into account. During planning sub-recipients consider their own capacities of the warehouses and storage conditions. Additionally there has been procurement of refrigerators for storage of medicines for each regional AIDS Center. Basically NGO rent warehouses. In this year rent price of a premise is increased, taking into account the market prices.

- **Are adequate cold chain facilities available? Explain.**

In each region of the Republic of Kazakhstan where the ARV therapy is implementing, there are conditions for medicines storage. In 2008 refrigerators for storage of ARV drug "lopinavir/ritonavir" were procured for 22 regional AIDS centres on GF means, where the condition of storage is observance of «cold chain»

- **Briefly describe your policy for reducing loss and wastage through expiry, theft, damage, etc.**

In order to avoid losses because of the validity expiry terms, the Project Implementation Unit of the Global Fund in the Republic of Kazakhstan applies the following conditions:

- the account of the patients, accepting ARV therapy, according to prescribed schemes of taking medicines, recommended by WHO, is conducted;
- the needs on ARV drugs for each patient, taking into account the buffer for a period of 6 months in the aim of continuous treatment, are calculated;

As for the procurement of drugs for the syndromic treatment it is necessary to make the exact calculation in accordance with sub-recipients' proposals in order to avoid surpluses at procurement of medicines and the subsequent discarding.

Regarding the commodities (syringes, condoms, disinfectants, gloves and etc.) during the conclusion of the contract with the sub-recipient, it is foreseen the sub-recipients's responsibility for the storage, damage, theft and untimely using of the received quantity of goods.

The procurement manager of GF Project Implementation Unit makes the analysis on the basis of quarterly sub-recipients' reports and redistribution of commodity-material to other regions in case of necessity in definite goods except the cases of decrease in losses because of the validity expiry term.

- **Does the inventory management system allow collection of inventory data at each distribution and treatment site?**

The Project Implementation Unit of the Global Fund collects the SRs' quarter reports on the rest of the material resources, which were bought at the expense of Global Fund funding, conducts the monitoring visits for the evaluation of NGO stock capacity, moreover it will be implemented the computerized control system (MIS).

2.5 Distribution

- **Approximately, to how many points are products being distributed? Distinguish between distribution points, for example, central medical stores, regional stores, and number of treatment sites, for example, hospitals and clinics.**

Products are distributed in 16 regions of the country: these are 14 regions and two cities of the Republic meaning - Astana and Almaty. Sub-recipients are regional and city centres on prevention and control of AIDS which have conditions for medicines storage and NGOs. There are provided means for rent premise for them.

- **Approximately, what percentage of the country is being covered for distribution?**

Approximately percentage of the country is 98%.

- **Are there any significant challenges in distributing products to health facilities (e.g., lack of roads, war-zone, very long distances, etc.)?**

In the Republic of Kazakhstan there are no difficulties or obstacles in distribution of products to medical and other institutions.

- **What is the average distribution schedule to the health facilities (e.g., monthly, quarterly, etc.)?**

During procurement of goods with the potential supplier the condition of distribution of goods in regions is discussed. After the conclusion of the contract the supplier delivers goods to final destination according to the delivery schedule where the place and term of delivery of goods are specified.

- **Is there sufficient capacity to ensure products are distributed in a timely and safe manner (for example, in covered trucks, cars, sealed boxes on motorcycles, etc.?) If not, describe alternative solutions such as renting or purchasing additional vehicles, or outsourcing.**

Products distributed basically by auto transport in covered lorries, products/goods in the sealed boxes. If the low temperature is required, medical products are delivered by thermal containers by air transport.

2.6 Ensuring rational use of medicines

- **What strategies will be used to encourage initiation of, adherence to and compliance with treatment (e.g., use of fixed dose combination drugs, once-a-day formulations, blister packs, peer education and support, length of treatment, etc.)?**

For encouragement of the beginning of treatment and increasing of adherence of PLWHA to ARV treatment the following strategies will be used:

- Use of combined forms of ARV medicines (2 medicines in one form);
- blisters;
- special containers for tablets;
- Counselling by principle "Equal to Equal"
- Involving of counselors from NGO, from PLWHA, social workers;
- Training and work of multidisciplinary commands on adherence development (team: doctor, nurse, social worker (volunteer of NGO)
- Design and production of IEM on adherence to ARV .

- **Is there a system for monitoring adverse drug reactions and drug resistance? If yes, describe briefly how the system works. If no, describe plans to establish a system.**

The system of monitoring of ARV medicines' side-effects (system of GF sub-recipients quarter regular reporting) is developed. In 2009 it is planned to begin the work on defining of resistance (reference-laboratory RC AIDS).

2.7 Other

- **Will patients/clients be charged for products procured using the Global Fund grant? If yes, indicate how much a patient will be charged and what the funds will be used for.**

The products bought at the expense of Global Fund, are used gratuitously, the patient receives products free of charge. For example, in the developed technical specification for syringes and condoms there is the obligatory requirement: the presence of "Free of charge at the expense of Global Fund " sign on packings. Besides, it prevents the further realization of products.

- **Were patients/clients being charged for these products prior to *the Global Fund grant (i.e. using other sources of funding)*?**

Before the financial support of GF the patients have bought the medical commodities at their own expense.

Annex 1a: List of products to be procured (prices and quantities may be estimates)

List all **pharmaceuticals** to be procured under this grant. Use Year 3 columns only if applicable.

Product Category	Product	Strength	Estimated unit cost (US\$) (indicate per tablet, per inj, per ml, etc)	Year 1 Estimated quantity	Year 1 Total cost (US\$)	Year 2 Estimated quantity	Year 2 Total cost (US\$)	Year 3 Estimated quantity	Year 3 Total cost (US\$)	Procurement to be conducted by ¹	Procurement method ²
ARVs	Zidovudin+Lamivudin	600/150 мг	0,48	106680	51206,4	190620	91497,6				
	Niverapin	200 мг.	0,2	70860	14172,00	130020	26004,00				
	Efavirenz	600 мг.	1,4	14970	20958,00	27780	38892,00				
	Stavudin	40 мг.	0,2	8760	1752,00	3650	730,00				
	Lamivudin	100 мг.	0,15	8760	1314	21240	3186,00				
	Abacavir	300 мг.	1,4	13140	18396,00	23400	32760,00				
	Lopinavir+ritonavir	133/33 мг	1,0	83340	83340,00	149040	149040,00				
	Didanozin	100 мг.	1,35	26280	35478,00	46740	63099,00				
	Subtotal ARV					226616,4		405208,6			

¹ Indicate name of department or organization conducting procurement

² e.g. direct negotiation, national tender, international tender, etc.

STI drugs	Aciclovire tabl.	200 mg	0,086	60 270	5 183,22	67 292	5 960,70				
	Azytromicine tabl.	250 mg	0,667	5 340	3 561,78	5 962	4 096,05				
	Benzatin benzilpenicillin	btl. 2400000	0,278	9 310	2 588,18	10 395	2 976,41				
	Erithromicine.	tabl	0,051	6 888	351,29	7 690	403,98				
	Cifraxsone btl.	250 mg	0,7	6 230	4 361,00	6 956	5 015,15				
	Spectinomycine		4	2 670	10 680,00	2 981	12 282,00				
	Clotrimazole	tabl. vag. 100 mg	0,1	51 800	5 180,00	57 835	5 957,00				
	Doxsycycline	tabl. caps 100 mg	0,016	174 440	2 791,04	194 763	3 209,70				
	Flucanazole	150 mg	0,225	1 500	337,50	1 675	388,13				
	Metronidazole	250 mg	0,022	9 310	204,82	10 395	235,54				
	Subtotal STI medicines:				35 238,83		40 524,66				
	Hepatitis vaccines		17	2 763	46 980,00	2 763	46 980,00				
	TOTAL ANNEX 1A				308 835,23		492 713,26				

Attachment 1b: List of products to be procured (prices and quantities may be estimates)								
List all pharmaceuticals to be procured under this grant. Use Year 3 columns only if applicable.								
Product Category	Estimated price for a unit, US \$ [1]	Yr 1	Yr 1 (2009)	Yr2	Yr 2 (2010)	Yr 3	Yr 3	Procurement to be conducted by [2]
		Estimated quantity	Total cost, US \$	Estimated quantity	Total cost, US \$	Estimated quantity	Total cost, US \$	
Healthcare commodities	Syringes and needles	0,07	7 519 000	526 330,00	8 212 500	592 121,25		
	Condoms (standard)	0,05	6 057 517	302 875,88	5 175 000	266 512,50		
	Disinfectants (tabl. 1 gr)	0,04	2 000 000	81 680,00	2 250 000	103 740,00		
	Rubber gloves	0,4	185 751	74 300,2	208 969	86 095,42		
	Containers for used syringes	0,4	60 833	24 333,33	66 444	27 375,00		
	Total Healthcare commodities			1 009 519,41		1 075 844,17		
medical equipment	<i>Express-diagnostic tests:</i>							
	Test-systems for laboratory monitoring of ARVT efficiency (CD-4)	2 283,00	3	6 849,00	7	15 981,00		
	- Test-systems for laboratory monitoring of the efficiency of virus burden	3 601,00	4	14 404,00	9	32 409,00		
	Test-systems for the resistance defining	15 000,00	2	30 000,00	3	45 000,00		
	Test-systems for laboratory monitoring of PLWHA	2 283,00	26	59 358,00	35	79 905,00		

Subtotal test-systems:			110 611,00		173 295,00			
Lab sets:								
The standard set for monitoring of sensitivity of circulating of gonococcus cultures to antibiotics;	2	4000	8 000,00		8 000,00			
Set of immune ferment analysis (IFA) for the diagnostic equipment and test-system for IFA tests	5	15 600	78 000,00					
Test-systems for IFA tests	1,50			2 000	3 000,00			
Subtotal on lab sets			86 000,00		11 000,00			
Equipment and instruments for friendly clinics:								
gynecologic armchair	1 100	9	9 900,00	9	9 900,00			
heat case	650	9	5 850,00	9	5 850,00			
bactericidal oscillator	97	9	873,00	9	873,00			
mirror on Kusko № 1	10	9	90,00	9	90,00			
mirror on Kusko № 2	10	9	90,00	9	90,00			
mirror on Kusko № 3	10	9	90,00	9	90,00			
mirror on Sims № 1	10	9	90,00	9	90,00			
mirror on Sims № 2	10	9	90,00	9	90,00			
mirror on Sims № 3	11	9	99,00	9	99,00			
mirror on Sims № 4	11	9	99,00	9	99,00			
uterine probe 290 mm	7	9	63,00	9	63,00			
Folkman's spoon gynecological 130 mm	5	9	45,00	9	45,00			
scissors 140 mm	12	9	110,00	9	110,00			

	pincers surgical 150 mm	5	9	45,00	9	45,00			
	dressing forceps 260 mm	12	9	108,00	9	108,00			
	urological probe	12	9	108,00	9	108,00			
	binocular microscope	843	9	7 587,00	9	7 587,00			
	object-plate	10	9	90,00	9	90,00			
	gloves disposable	22	9	200,00	9	450,00			
	-additional documents			2 849,00		3 751,00			
	Subtotal on equipment and instruments for friendly clinics			28 476,00		29 628,00			
	Labware («Tag-Man-48») for virus burden	239 193,00	1	239 193,00					
	Total on medical equipment			464 280,00		213 923,00			
Services	Mass-media campaigns	125000	2 times in a year	250 000,00	2 times in a year	250 000,00			
	Project company's audit	30000	1	30 000,00	1	40 000,00			
	Total on services			280 000,00		290 000,00			
The goods of non-medical appointment	Informational-educational materials for vulnerable groups of population	0,4	51 800	20 720,00	58 300	23 896,00			
	Informational-educational materials	-	457 550	286 350,60	470 780	292 518,16			
	Sanitary transport for mobile trust points)	12000	4	48 000,00	4	48 000,00			
	Computers		93	181 000,00	8	8 000,00			
	Software	500	22	11 000,00					

	Total on the goods of non-medical appointment			547 070,60		372 414,16			
	Total on Annex 1 b			2 300 870,01		1 952 181,33			
	TOTAL ON ANNEXES 1a and 1b			2 609 705,24		2 444 894,59			

The mentioned prices for the unit of pharmaceutical products in particular ARV drugs specified in this plan are established taking into account the prices offered by the pharmaceutical companies and exclusive distributors. Brand ARV drugs are bought in Pharmaceutical company "GlaxoSmithKline", «Bristol Myers Skvibb of the USA», «Abbott Ladoratories S.A.» and generics of Pharmaceutical company "Ranbaxy". At the same time the constant negotiations are conducted in order to reduce the prices on drugs and there are the results of such negotiations: the company «Abbott Ladoratories S.A.» has reduced their prices on ARV drugs for 50 %. Under the statement of representations of the companies being in the Republic of Kazakhstan prices correspond to the international prices and even more low taking into account the economic condition of the country. As to procurement of syringes, needles and gloves, the prices correspond to quality of procured goods. According to GF requirements the preliminary approbation is conducted and the bought syringes and needles are examined in focus – groups and after the focus groups results the procurement is allowed. If to get goods of poor quality and accordingly of lower prices it can lead to unclaimed goods and it will lead to loss of means of GF. On the 14-15th of April, 2008, in Almaty the above-stated questions under the prices were discussed with the financial officer Pdraig Power and the Portfolio Manager of GF Dr. Valery E. Chernyavskiy and LFA.

For the most efficient management procedures by the Project Implementation Unit it is necessary to include the lawyer to the PIU's structure, who will be responsible on carryng out of the documentation working according to the requirements of Global Fund and Legislation of the Republic of Kazakhstan, controlling of their further application in practical activities of PIU and also will participate in negotiations and regulate possible disputes with suppliers.

Annex 2: Pre-qualification status of single and limited source pharmaceuticals to be procured			
Product Category	Generic Name	Strength	Prequalified by WHO or registered for use in ICH/PIC/S country?³ Yes/No
ARVs	Generic Name	100mg	Yes
	Zidovudin+lamivudin	tabl. 300/150 mg	Yes
	Niverapin	tabl. 400 mg	Yes
	Efavirenz	tabl. 600 mg	Yes
	Stavudin	capsule 80 mg	Yes
	Lamivudin	tabl. 300 mg	Yes
	Abakavir	tabl. 600 mg	Yes
	Lopinavir/ritonavir	capsule 133/33 mg	Yes
	Didanozin	tabl, 400 mg	Yes
Anti-malarials			This column is required for ACTs only
Anti-TB			This column is only required for some 2 nd line TB drugs (single- and limited-source)

Abbreviations

ACT	Artemisinin Combination Therapy
ARV	Antiretroviral drugs
WHO	World Health Organization
MOH	Ministry of Health
MOF	Ministry of Finance
NDRA	National Drug Regulatory Authority
PR	Principal Recipient
PIC/S	Pharmaceutical Inspection Cooperation Scheme
STG	Standard Treatment Guidelines
RUD	Rational Use of Drugs
GMP	Good manufacturing practices
MIS	Management Information Systems
EML	Essential Medicines Lists
SR	Sub-recipient
PSM	Procurement and Supply Management

³ Get assistance from WHO—EDM Department, if required.
Guide to writing a PSM Plan

