INTEGRITY ASSESSMENT IN THE HEALTH SECTOR

UNDP Project for the Jordanian Anti Corruption Commission

DEC 2011

Drafted by Dr Rania Bader, BSc, MSc “Health and Pharmaceutical Policies Consultant”

TABLE OF CONTENTS

ABBREVIATIONS

COI	Conflict of Interest
CSOs	Civil Society Organizations
FIFO	First In-First Out
GDP	Gross Domestic Product
GSD	General Supply Department
HHC	High Health Council
HI	Health Insurance Administration
ISO	International Organization for Standardization
IRP	International Reference Price
JACC	Jordan Anti Corruption Commission
JPD	Joint Procurement Department
JFDA	Jordan Food and Medication Authority
GGM	Good Governance for Medicines
HAI	Health Action International
JPD	Joint Procurement Department
KIs	Key Informants
MeTA	Medicine Transparency Alliance
MIS	Management Information System
MoH	Ministry of Health
NHA	National Health Account
QC Lab	Quality Control Laboratory
RDA	Regulatory Medication Authority
RDF	Revolving Drug Fund
RDL	Rational Medication List
SOPs	Standard Operating Procedures
SPD	Supply and Purchasing Department
TOR	Terms of Reference
UNDP	United Nations Development Programme
WHO	World Health Organization

INTRODUCTION

The report looked specifically at the areas of public mainly Ministry of Health (MoH) procurement of medications and medical devices and supplies. Accordingly a number of methodologies were being used to identify potential areas of integrity weakness in the public procurement processes.

The existence of an effective functioning procurement system is dependent on the transparency of the processes, and ability to hold individuals, entities and personnel accountable for adhering to standard procedures, norms, laws, by-laws and regulations in each of these functions. The approach to be taken in this assessment is to focus on the level of integrity rather than to deal purely with identifying corruption.

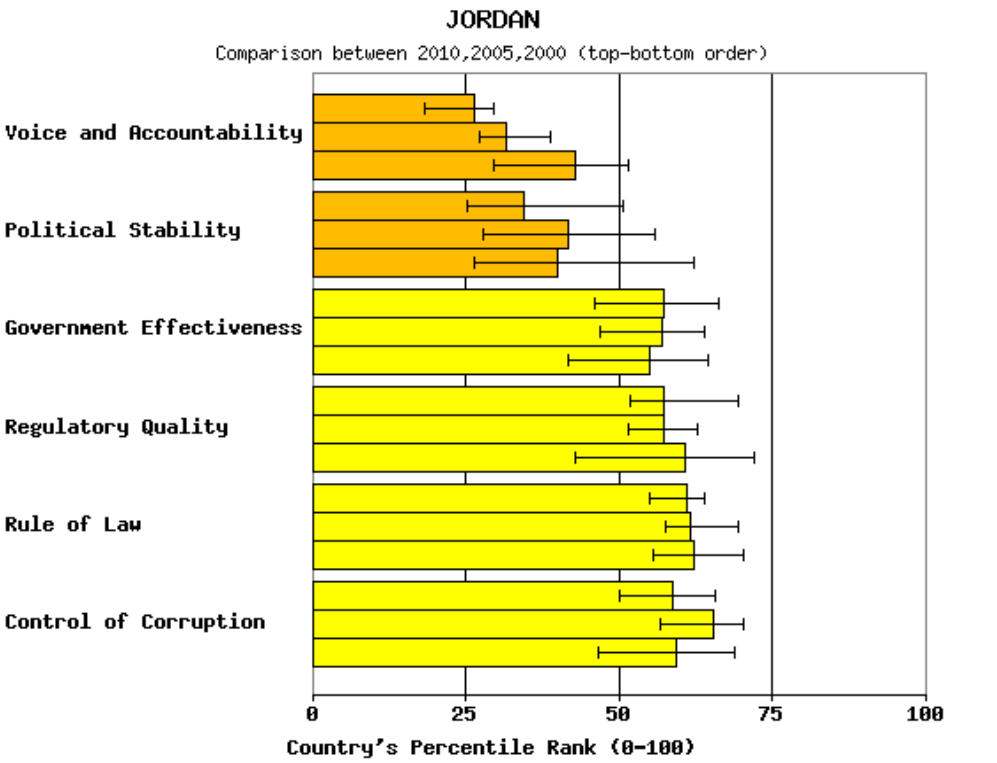
The efficiency and integrity associated with public procurement is always a crucial component of any government. This applies particularly for healthcare expenditure as it usually represents a significant proportion of Gross Domestic Product (GDP), it is essential for the well being of the population, and because of the multiple suppliers and users, it tends to be prone to market manipulation and corruption, where corruption is defined in the context of public procurement as the abuse of public office for personal gain. Within the area of healthcare, this applies particularly in the area of medications, where it has been estimated that 10-25% of public procurement spending is lost to corruption[1], and in the area of medical devices and supplies.

In Jordan the total healthcare expenditure accounts for 9.4% of GDP. Public funds provide around 45 % of national health financing, the private sector contributes 47 % of funds, and other national and international donors provide 8%[2]

[1] World Health Organization Fact Sheet No 335 December 2009
[2] DfID (2005) Jordan Health profile
http://www.dfidhealthrc.org/MeTA/documents/17%20april%20documents/Health%20System%20Country%20Profile-Jordan.doc

In terms of accepted governance indicators, a review of the World Bank Governance Indicators for Jordan shows what Jordan performance rate for the following years**: 2000, 2005 and 2010** on voice and accountability, political stability, government effectiveness, regulatory effectiveness, rule of law and finally control of corruption, is as described below:

Figure (1): World Bank Worldwide Governance indicators[3]



Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators: Methodology and Analytical Issues
Note: The governance indicators presented here aggregate the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, and international organizations. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

[3] info.worldbank.org/governance/wgi/sc_country.asp

Comparison between Jordan, Egypt, Lebanon, Syria and Iraq in a number of World Bank Governance Indicators for **2010** is detailed below. Even though Jordan is on the top of the group in terms of performance, however there is always room for improvement in a number of anti-corruption areas.

Figure (2): Comparison between Jordan, Egypt, Lebanon, Syria and Iraq in a number of World Bank governance indicators for
201

ACKNOWLEDGEMENTS

The consultant wishes to express her sincere gratitude for the time, effort and support which has been devoted to this task by Ms Tharwat Abzak. Ms Abzak indeed has provided insights and facilitated this study. She would also like to thank His Excellency Mr Samih Bino Chairman of the Jordanian Anti Corruption Commission (JACC), His Excellency Dr Abdellatif Wreikat Jordan Minister of Health, and His Excellency Mr Ramzi Nuzha member of (JACC) for their support and trust. Also she gratefully acknowledges the valuable contribution, effort and time provided in general by the Assessment Team Members, and in particular Dr Hamzeh Al Talafhah and Dr Qasem Al Zoubi. The assessment team represented Jordan Anti Corruption Commission, the Ministry of Health, the General Supply Department and the Joint Procurement Department. At last our sincere acknowledgment to the World Health Organization (WHO) contribution in reviewing the report presented by Dr Sana Naffa.

EXECUTIVE SUMMARY

This report evaluates the level of transparency and integrity in the procurement processes and procedures specifically at the public sector specifically MoH procurement of medications, medical devices and medical supplies. Accordingly a number of methodologies were being used to identify potential areas of integrity weakness in the public procurement processes, as described below, as well as proposed approaches to mitigate those weaknesses.

Existence of an effective functioning procurement system is dependent on the transparency of the processes, and ability to hold individuals, entities and personnel accountable for adhering to standard procedures, norms, laws and regulations in each of these functions. The approach taken in this assessment focused on the level of integrity rather than dealing purely with identifying corruption.

The main goals for this study:

- Identify vulnerabilities in procurements procedures and legislations
- Develop options to mitigate identified vulnerabilities
- Develop a tool to assess progress in mitigating these vulnerabilities
- Develop and perform risk treatment plan
- The second part of the study includes assessing Internal Audit Departments at the governmental institutions responsible for purchasing medication, medical supplies and devices

In general it was concluded after assessing the areas of MoH public procurement of medications, medical devices and supplies that the process for procurement for medications, devices and supplies, has developed over time to address a number of legitimate issues, and now involves a number of separate parties. There are some inherent weaknesses across the system that negatively impact on all the organizations such as the lack of an effective precise needs assessment prior to procurement and the lack of an efficient management information system to monitor products and items that were purchased.

In addition, there are some specific aspects of the procurement process that might be at higher risk of inefficiency, such as the extensively utilized local purchases of medications and supplies below the JD200 limit as we did not have the chance to capture neither monitor these purchases, any data related to , nor the reimbursement for medications paid through the Health Insurance Administration. While it is understandable how and why these processes came about, a combination of design weakness, extensive usage of this supply method, and lack of monitoring mean they must be regarded as high risk and weakness of the medical supply system.

REVIEW OF INSTITUTIONS RELATED TO PURCHASING

Ministry of Health (MoH)

The Ministry of Health (MoH) provides healthcare delivery in the public sector and is responsible of health matters ranging from preventive health services to the whole population to the organization and general supervision of the secondary and tertiary healthcare. It also offers health insurance for eligible Jordanians, with a network comprised of 760 healthcare centers, of which 72 are comprehensive and 33 Hospitals with a total of 4250 beds (38.5% of all available beds in Jordan[4]. Its mission is protecting health by providing high quality and equitable preventive and curative health services by optimizing utilization of resources, technology advances and active partnership with the concerned authorities and by adopting a monitoring and a regulatory role related to services concerned with the health of citizens and implied in a national comprehensive health policy.

Supply and Purchasing Department (MoH/SPD)

The department manages the storage and distribution of medications for all MoH facilities. The department has three main warehouses: one in Amman and two smaller ones located in the north and in the south. The warehouses lack the appropriate equipment in terms of racks, tools, shelving, efficient Management Information System (MIS) systems, and proper inventory control etc. as for the First Expired First Out (FEFO) stock issue principle that is used for inventory rotation at the warehouses, in order to minimize medications expiration, the overall layout of the warehouse and storage allocation is not designed to facilitate that. In the event of urgent procurement and purchasing out-of-stock medications a ceiling of JD20,000 is procured through local purchasing committee at MoH. Additionally, the districts and provincial hospitals are permitted to spend a small amount of less than JD200 JD for emergency/urgent medications purchases or in the case of tock out.

Jordan Food and Drug Administration (JFDA)

The Jordan Food and Drug Administration was mandated to regulate medications in Jordan, the JFDA has been established as per law[5] no. (41) of year 2008. It is a strong, independent and well functioning regulatory body, well staffed and adequately managed; it's funded through registration fees collected from drug wholesalers. Its responsibilities include product registration; pricing; licensing of pharmaceutical manufacturers, importers, wholesalers and establishments; promoting Rational Drug Use (RDU) and post marketing surveillance, including Quality Control and inspections.

[4] Jordanian Ministry of Health 2007 Report

[5] http://www.jfda.jo/

Joint Procurement Department (JPD)

The JPD [6]was mandated to procure medications and medical supplies for the whole public health sector in Jordan. The JPD has been established per Joint Procurement Department by-law no. (91) year 2002. The JPD was created with the objective of improving the efficiency of the procurement process in the public sector through demand aggregation, process standardization, and duplicity elimination. However, it should be noted that at the present time the JPD has been focusing on procuring medications and will start procuring medical supplies probably for next year.

Directorate of Biomedical Engineering (DBME)

The Directorate of Medical Equipment, formerly the Directorate Bio-Medical Engineering[7] has been created early 2001 within the Ministry of Health plan that aims at creating a party to be specialized and responsible for all issues related to medical equipment. The Directorate was provided with engineering, technical and administrative personnel that are qualified to assume its responsibilities. The groups that serve the process of medical equipment maintenance repair are spread among the Royal Scientific Society, the MoH and local agents. A Technical Cooperation Agreement has been concluded in the beginning of 2002 between the Ministry of Health and the Royal Scientific Society, where through this agreement; the technical personnel of both parties were combined. The Directorate now has (150) engineers and technicians distributed in the different departments and workshops of the Directorate. Suppliers' performance is evaluated through the Directorate in order to make sure that the purchase decisions issued to them are being implemented effectively and efficiently on the basis of the information gathered by using the "Suppliers Performance Follow up Report". The Directorate was awarded the international ISO certificate (ISO 9001:2002)

General Supplies Department (GSD)

This department was established in 1993, for purchasing and providing government ministries, departments and public official institutions with supplies. The Department's approach considers:

1. Decentralization in the purchasing process
2. Considering the cost basis for the purchased supplies instead of the price and also by considering the durability and operation cost
3. Collecting and the maintenance of excess and stagnant supplies available in ministries and governmental organizations and institutions and redistributing them where it is needed
4. Train the Department' s staff

[6] http://www.jpd.gov.jo/
[7] http://dbe.gov.jo/

5. Introduce controls through:

- Formation of Committees to conduct supplies inventory and to control the methods applied to maintain these supplies and the conditions required at the warehouses
- Classification of the government supplies
- Follow up the stagnant and excess supplies in the ministries and governmental institutions
- Development of a standardized non-medical supplies coding system on computer
- Establishment of a central register in the General Supplies Department and another register parallel to it in the concerned ministries and governmental institutions to record the government vehicles, and machinery's and to follow them up, as well as any other supplies needed
- Determines the minimum and maximum stock and the demand levels of non-medical supplies

BACKGROUND

Within the public sector arena the World Bank defines corruption as the "abuse of public office for personal gain". This can include for example an official taking a bribe so as to circumvent policy or procedures so others can have commercial advantage, or for personal gain of the official through, for example, theft of state assets or revenue. The World Bank describes a number of types of corruption:

- Bribery for influencing government contracts, allocation of government benefits, lowering taxes, inappropriate allocation of licenses, inappropriately fast-tracking processes, or interfering with the pursuit of illegal activities
- Theft of state assets or resources including for example the theft by officials of tax revenues or fees
- Political or bureaucratic corruption including for example inappropriate changes to conflict of interest laws

It is also important to differentiate between isolated corruption, where one or more individuals may be involved, to systemic corruption where multiple officials are involved and where it is difficult to conduct business without encountering corruption. Isolated corruption can be challenging to deal with, but systemic corruption can be far more difficult to resolve. Corruption is not a new phenomenon though. Through the years a number of approaches have been tried and tested to resolving the issue. The more successful approaches include:

- Institutional controls, including an independent and effective legal system, legislative oversight, external audit and independent prosecution that is enforced
- Public sector management, meritocratic and adequately paid civil service, and financial and procurement reform
- Competitive private sector, including the avoidance of monopolies, regulations and transparency in governance
- Political accountability, including transparency in financing and asset declarations
- Civil society oversight, including monitoring NGOs etc, public hearings of draft laws and freedom of information

In Jordan, the Government was instructed in 2005 by His Majesty to establish the independent Jordan Anti-Corruption Commission (JACC). The Commission was established in 2006 and now has developed an anti-corruption strategy for 2008/2012. At the recent 2011 event marking the International Anti-Corruption day, His Excellency the JACC Chairman Mr Samih Bino said during the event , "It is time to translate words into action," He also said that during the past year, the JACC has looked into more

than 1,270 cases and complaints, around 600 of which were from previous years. More than 70 of these cases, involving bribery, embezzlement and misuse of public money, were referred to the prosecutor general. His Excellency also has mentioned that around JD8.6 million in wrongly obtained assets and cash were recovered, he added.

Few initiatives have taken place in Jordan, tackling Transparency, Accountability and Good Governance in the public health sector:

1- The world health organization (WHO) has launched the Good Governance for Medicines[8] (GGM) project in late 2004 where Jordan joined the initiative in 2007[9]: The project's overall goal is to raise awareness of the potential for corruption in the public pharmaceutical sector, and to minimize such corruption by promoting and implementing good governance measures. Its ultimate aim is to help ensuring that essential medicines are achieving maximum impact in terms of improving people's health and well-being. The GGM assessment report was published and disseminated in 2009[10]

2- The Medicines Transparency Alliance (MeTA)[11] is a pilot multi-stakeholder alliance "Public and Private sectors and Civil Society Organizations (CSOs)" working to improve access and affordability of essential medicines. Jordan made a high-level political commitment in 2008 and agreed on the MeTA core principles, to increase accountability at all levels of the medicines supply chain, and to work with the private sector and with civil society. After Jordan has fulfilled MeTA principles, MeTA was launched officially in 2009. The pilot phase was funded by (DFID, WHO and the WB). Jordan MeTA Council generated some policy options that emphasized on transparency, good governance and accountability principles, MeTA has emphasized on the concept of sharing knowledge and information to have information publicly available. MeTA has contributed in CSOs Building Capacity in health issues: which was a major success, along with improving the pharmaceutical supply chain elements, improving selection criteria of the essential medications with a wider range of medications that the government is considering in tendering.

[8] http://www.slideshare.net/MeTApresents/good-governance-for-medicines-in-jordan

[9] www.emro.who.int/edb/media/pdf/JOD_MIS_E_10.PDF

[10] www.emro.who.int/edb/media/pdf/JOD_MIS_E_10.PDF

[11] http://www.medicinestransparency.org/meta-countries/jordan/

METHODOLOGY OF THE ASSESSMENT

This study focuses on certain practices in institutions and organizations responsible for procurement of medications, medical devices and medical supplies in Jordan, the main objective being to promote and achieve a way where these institutions will be performing in an unbiased and responsible manner. This involves improving transparency in the processes, ensuring that relevant data are available to the public, and ensuring that staff and all responsible personnel working are accountable for every single action taken throughout the whole processes.

A methodology was developed by the consultant to capture, evaluate and assess all the significant risks associated with the different forms of integrity loss in the procurement processes, however due to the short time frame set for the study the consultant agreed with the JACC focal point and the UNDP project manager to set a methodology that is applicable within this short timeframe. The methodology is based on establishing a road map of useful warning signals throughout the implementation process. By focusing on analyzing the obstacles, it provides a helpful management and policy tool and helps to identify key vulnerabilities and prioritize potential solutions.

General Approach:

- Determine the existence of policy measures such as legislations, laws, by-laws and regulations relating and affecting the procurement and purchasing of medications, medical devices and supplies.
- Identifying issues that may prevent those policies from being effective, such as lack of adherence to appropriate processes and Standard Operating Procedures (SOPs), if they exist, this will be captured through developing a list of relevant questions and then conducting interviews with Key Informants (KIs) in order to capture their perceptions and/or experiences
- Agree with the Assessment Team on the data to be analyzed and then gather data for medications and supplies purchasing, such as tenders, direct purchasing and request for proposals for the past three years, linking the different approaches to the various purchasing authorities.
- Evaluate the Internal Audit Units responsible for the MoH purchases.

Key Steps**:**

1. Select an assessment team representing Jordan Anti-Corruption Commission (JACC), MoH Supply and Purchasing Department, Joint Procurement Department (JPD), and the General Supply Department (GSD) and finally the World Health Organization (WHO)

2. Review existing reports on medications, medical supplies and medical devices procurement in Jordan and other countries
3. Summarize laws, by-laws and regulations relating to procurement and purchasing medications, medical supplies and medical devices
4. Identify key business processes in medications, medical supplies and medical devices procurement
5. Interviews with Key informants (KIs) to get the general view of main areas of concern after:
    - Developing a structured interviews using "structured list of questions" to identify additional vulnerabilities and share the list of questions with the assessment team for their input and feedback, and test the KIs list of questions and modify if necessary
    - Identify key informants (KIs) to interview
    - Interview (2 interviewers) using the "structured list of questions"
    - Analyze KIs answers based on the list of questions
6. Extract data on tenders, direct purchasing and request for proposals for the past three years
7. Identify key vulnerabilities and recommendations
8. Hold a meeting with key people and decision makers to discuss major outcomes and recommendations
9. Conduct a workshop to discuss major recommendations with concerned parties and get their feedback

METHODOLOGY PART I

LEGAL REVIEW

Review the legal framework, the aim being to review whether appropriate legislations exist and if so, whether there are any weaknesses in adopting them. Weaknesses are then red flagged. The existing laws, by-laws and regulations relating to and affecting the procurement and purchasing of medications, medical supplies and devices were reviewed and summarized.

List of existing laws, by-laws and regulations affects medications, medical supplies, and medical devices procurement:

1. Joint Procurement Department By-law no. (91) 2002
2. General Supplies Act no. (32) 1993 and its amendments and instructions issued accordingly
3. The general conditions for participating in tenders and concluding contracts with contractors, under the General Supplies Act no. (32) 1993
4. Drug and Pharmacy Provisional Law no. (80) 2001
5. Quality Control testing by-laws no. (48) 2006 from the stipulations of the Drug and Pharmacy Provisional Law no. (80) 2001
6. Jordan Food and Drug Administration law no. (41) of year 2008
7. Official Cabinet Announcement for tenders and procurement no. (31) 1987
8. Criteria for medical supplies (septic and antiseptics) from the stipulations of the Drug and Pharmacy Provisional Law no. (80) 2001
9. Registration criteria for medications from the stipulations of the Drug and Pharmacy Provisional Law no. (80) 2001
10. Pricing Criteria for medications from the stipulations of the Drug and Pharmacy Provisional Law no. (80) 2001
11. Instructions No. (7) 2004, provision of medications in hospitals and comprehensive health care centers issued under the provisions of Article 23 / d of the health insurance system of civil No. (83) 2004

METHODOLOGY PART I FINDINGS

FINDINGS ARE BASED ON REVIEWING THE LEGISLATIONS LISTED ABOVE, THE FOLLOWING AREA WERE REGARDED AS POTENTIALLY WEAK, AND THUS VULNERABLE

1. **Findings: Joint Procurement Department By-law no. (91) of year 2002**

Article 7: JPD Board of Directors' Membership and Tasks

Extract from legislation

Membership: Minister of Health, Minister of Finance, Director of the Royal Medical Services, JPD Director, Jordan University Hospital Director General, King Abdullah University Hospital Director General, and a Director of any hospital that will be established at any of the official Jordanian Universities, this board is presided by the Prime Minister or by a Minister delegated by him. Tasks for the board of directors: setting up the JP General Policy and approval of the plans and programs required for this purpose, and any other duties entrusted to it in accordance with the rules of the law,

Article 8: JPD Director General Duties

C -The Director General assumes the following duties and authorities:

1. Manages the JP operations and supervise their implementation for the purpose of securing the needs of parties governed by the rules of this law
2. Issues necessary instructions for the purpose of preparing lists of items required to be purchased in a joint form including special medications
3. Organizes requests incoming from the parties participating in supplies offers
4. Prepares the JP items table and determines a time table for procurement dates

Article 18:

The director should provide the committee resolutions to the board for approval and signature within a period not exceeding fifteen days after submittal. Those resolutions won't be valid prior to approval and authentication.

Articles 7, 8 and 18: reflects that gathering such a senior management group together is difficult and it might lead to high risk in delaying decisions to be taken

Article 9: Internal Auditing Unit

Extract from legislation

One of the administration units will be established under the department, the head of each unit works under the department, the head of each unit works under the director: Internal Auditing Unit

Article 9: The Internal Auditing Unit should report to the board of directors or to a higher managerial level, and should be empowered with more authority. Capacity building should be required for the Internal. Auditing Unit staff also it is recommended that any internal audit reports to be shared with to an external body, such as Jordan Anti Corruption Commission. But this should be reflected in a new legislation.

Note: *Evaluation of the Internal Auditing Units is under* ***Chapter II of the study***

Article 13: Tender Process

Extract from legislation:

The JP operations are performed by interior and exterior tender invitation provided procurement may be implemented by either the following methods:

A- By offering invitations, in emergency situations, for any of the JP items unpredictable or unexpected, un-deferrable for the sake of the tender invitation.
B- Direct procurement by negotiation with sellers or producers or suppliers in any of the following cases:
1- In-case items are needed to encounter emergency that don't allow JP to follow tender invitation procedures or offers invitation through the council resolution.
2- In-case it became impossible to get the required items except from one source

Article 13/ A: Emergency situations under part A/ as offering invitations needs to be defined and set in a way that people don't misinterpret could be by introducing a committee that would decide on emergency cases

Article 13/ B, 2: Direct procurement needs further investigation since it helps sole suppliers to manipulate the market and create" monopolists" , see "methodology part II", international tendering could be an option as well

Article 16: Medications not available in Jordan

Extract from legislation

It is possible – under the prior consent of the council /board for each procurement operation – to obtain the JP items directly from outside the kingdom, by means of a committee representing all parties taking part in procurement provided that one or more employees of

the Jordanian mission employees should share in day procurement operation, in the country of origin named by the mission chief in each of the two following cases:

A- If items are not available in the kingdom and procurement by correspondence is not possible
B- If direct procurement from abroad is useful to the department

Coordination between the JFDA and the JPD is required for introducing "Fast-track registration" for vital medications the JPD is considering for international tendering

Article 23: Receiving Committees

Extract from legislation

A – The receiving committees must observe the following measures:

1. The supplied items within three weeks of arrival date after verifying the supplied items specifications and documents and making sure they are in conformity with the award decision terms.

Article 23/ A, 1: Receiving committee requires expertise and building capacity for efficient judgment

2. Findings: General Supplies Act no. (32) of year 1993 and its amendments

Article 11: Purchasing

Extract from legislation

Institutions should not be allowed to purchase supplies if it is available at the General Supplies Department's store or if the General Supplies Department concluded a contract for delivering the same supplies or announced its intent to purchase the same supplies according to a tender or already asked the departments to provide it with their annual needs of the same supplies

Article number 11 should be activated and endorsed

Article 15: Purchasing methods

Extract from legislation

A) Requesting for proposals in any of the following cases:
1. In case of urgent emergency need for supplies difficult to be expected or predicted where tenders invitation were not possible.

B) Direct purchasing of supplies by negotiation with sellers or producers or suppliers, in any of the following cases: -

1. If the required supplies prices were determined by the official authorities.

3. If it was not possible to obtain the supplies, except from one source only.

Article 15/ A: Emergency cases should be defined in order to lower any risk or abuse

*Article 15/ B, 1 and 3: Should add a comment as **"medications are excluded",** since medications are priced and determined by the JFDA however we can get them and negotiate for lower prices, as for the sole single supplier, at one point another supplier might enter the market and by that the prices should be less*

Article 16: Purchasing Authorities

A- The Minister in charge " minister of health" may 1) Purchase supplies that worth no more than JD 3000 (around USD 4237) in each purchasing process, in the way he deems suitable 2) The Minister is authorized to form a committee of three members to purchase supplies up to JD 10,000 (around USD 14,000)

B- The MoH Secretary General may 1) Purchase supplies of an amount up to JD 500 (around USD 700). 2) Authorized to form a committee of three members to purchase up to JD 5,000 (almost USD 7,000). 3) Purchase spare parts and operational materials whatever their value was, through the purchasing committee if it was not available except from one source.

C- The Director "districts and provincial hospitals Director General" is: 1) Permitted to spend a tiny amount of JD 200 (around USD 283) for emergency medication purchases when they are out of stock. 2) Permitted to spend an amount of JD 1000 (around 1,400 USD) for emergency medication purchases through a purchase committee of three members approved by the Secretary General for out-of-stock medications and medical supplies purchase.

Although flexibility is important, it is reasonable to assume that the above limits could contribute to misuse and overuse, as there is no specific NUMBER of use for each amount also a reporting mechanism should be in place by the internal audit unit

Article 20: Purchasing Authorities

Extract from legislation

The cabinet is authorized based on a call from the concerned minister to form a special committee with members no less than first category from the departments under secretary and the director general and three government senior employees, in order to purchase supplies for a certain project.

Nominating same members are noticed in most special committee. Forming this special committee should be based on the principle that it is a temporaly committee and membership should be

renewed once another project arises taking into consideration different members sititing in the committees; from governcance point of view

3. Findings: The general conditions for participating in tenders and concluding contracts with contractors No. (1) of year of year 2008, under the General Supplies Act no. (32) of year 1993 and its amendments

Article 44: Studying and evaluating the offers

The tender committee should consider best quality and affordable prices not the cheapest. Also should include the Health Technology Assessment (HTA) "see Appendix C" concept when reviewing tenders for medications and medical devices specifically, as well as training committees' members on health technology assessment (HTA) concept which is an innovative program that determines if health services used by state government are safe and effective.

4. Findings: Drug and Pharmacy Provisional Law no. (80) of year 2001

Articles 4: Membership for the Higher Drug and Pharmacy Committee

The private sector "as pharmaceutical companies" is represented at the higher drug and pharmacy committee, though this reflects a conflict of interest and will influence decisions that might affect pharmaceutical policies. However Civil Society Organizations CSOs representative should be sitting in the higher Drug and pharmacy committee, with considering that the CSOs representative is competent in setting pharmaceutical policies, legislations, patients' rights and monitoring.

Articles 9: Registration criteria

Extract from legislation

Procuring medications at the public sector requires registration at the JFDA, article no. 9 of the registration criteria states: The Committee decides on any application for registering new medications and medications that have a registered equivalent that it receives, within a maximum period of one hundred and eighty days (180) from the date of the submission of the application of completed documents to the Directorate.

"Registration criteria for medications from the stipulations of the Drug and Pharmacy

Provisional Law no. (80) 2001"

There should be fast tracking for certain required or vital medications according to the procurement by law; if suppliers don't submit a bid, or when there is only one sole supplier in the market. Or in case of emergency situation when we have to procure medications for specific diseases that are not available in the market. In order for international suppliers submit a bid, the JPD should discuss and consult the JFDA on the possibility for international suppliers to apply for medications registration where the JFDA consider "light or fast track" registration of medications that are already in the market in countries with stringent regulatory authorities.

5. Findings: Quality Control Testing By-law no. (48) of year 2006

The by-law states the medication that has been in the market for more than two years and achieves seven consecutive successful batches, should not go through quality inspection/testing for each batch and the selection should rely on a random batch Quality Control inspection. Meanwhile the JPD insists that every single batch received through tenders to the MoH should undergo quality testing, in case of any delays occurring in the testing process which impact the delivery time schedule, suppliers are susceptible for potential penalties and in the long run the suppliers build the cost of such penalties and additional warehousing costs into the quoted prices.

Accordingly: Testing should be performed in a set timeframe, there should be a commitment from the Quality Control lab that testing will be conducted in a fair and timely manner and results to be publicly available, the Quality Control lab staff should be accountable for any delay in testing. It is also recommended to ativate and endorse the Quality Control testing by-law for every single batch received through JPD tenders.

6. Findings: Jordan Food and Drug Administration Law no. (41) of year 2008

Article: 5/ B JFDA responsibilities point no. 9/ Quality Control

Review Article 5/ B where the article states that the quality aspect of registered medications is the responsibility of the JFDA, this might bring a conflict when the regulatory body for medications is also responsible for quality testing. By being a regulator the QC testing and assuring high quality medications should be the responsibility of an Independent body, this can be achieved by linking the QC Labs to the MoH as an example. Another suggestion could be that the QC Labs testing could be outsourced, "a yearly contract with the Royal Scientific Society (RSS) laboratories".

7. Findings: Official Cabinet Announcement for tenders and procurement no. (31) of year 1987

A practice of some ministries and departments and public institutions to purchase machineries and equipment through direct purchasing under the pretext of emergency cases had to resort to this method of purchase, or the pretext of buying certain equipment conform to the equipment used to unification. However all companies and agencies are eligible, without limiting them to certain equipment and machinery in accordance with the supplies in place.

The Prime Ministry emphesises on the general rule "puchaisng through tenders is basic for procurement", which opens the door for competition, based on the General Supplies by-law article (15) along with the JPD by-law. Accoridnlgy this announcement refering to

1. *Unifying the brand*
2. *Direct purchasing*
3. *Emergency*

The above listed reasons are no longer to be adapted for purchasing from a single supplier.

Accordingly this should be enforced and people involved in listing the specifications and purchasing should be accountable if other practices have been commenced, also spare parts and maintenance and training should get a value in medical supplies procurement at all times. This shows that these two articles are badly used by practitioners.

8. Findings: Criteria for medical devices including septic and antiseptics, based on article no. 5 of Medication and Pharmacy Provisional Law no. (80) of year 2001

Clear list and definition of devices and a reference for such a definition should be considered

9. Findings: Pricing Criteria under the stipulations of Drug and Pharmacy Provisional Law no (80) 2001

The JFDA is responsible for price setting for medications at the private sector using a price setting criteria that relies on a range of methods to calculate a price for a medication in the private sector. For originator medications, the mechanism essentially calls for prices to be calculated using each of the different methods and the one that provides the lowest price is adopted as the price for the private sector. The following different methods are used 1. Arithmetical formula based on CIF/FOB prices, 2. Selling price at country of origin (adjusted to local margins), 3. Median price based in a basket of countries, 4. Export price to Saudi Arabia market, 5. Product reference pricing at the country of origin, as for generics, the price ceiling is set at 80% of the originator brand. It is recommended to review pricing criteria to guarantee reasonable prices at the private sector, since the Health Insurance Administration is considering the private sector prices for reimbursement.

METHODOLOGY PART II

This part of the methodology considered a sectoral accountability assessment: this is a system approach to look at the accountability relations between the many different actors involved in decisions and policy making in the procurement process. By determining who is to be held accountable for what service delivery functions by whom and how, it is possible to determine whether there are any capacity gaps in the accountability mechanisms for the health sector. The assessment mainly includes conducting interviews with identified Key informants (KIs) using a "Perceptions and Experience based list of questions", as opposed to the more common perception based questionnaires or experience based questionnaires which usually ask respondents about their knowledge on an actual experience with the level of integrity through procurement process.

KIs list of questions ***See Appendix B***, were drafted after numerous discussions with key people and the assessment team, and accordingly were tested. The KIs were selected based on their role and knowledge in procurement and purchasing. The selection criteria were also based on the extent the KIs are involved in particularly the procurement processes. Senior and middle management level and junior staff were identified that included the governmental/ public employees, private sector and the CSOs. The interviews were conducted at the offices of the KIs.

METHODOLOGY PART II FINDINGS

FINDINGS BASED ON KEY INFORMANTS (KIs) RESPONSES ***see Appendix B***

A. Questions about the public procurement processes for Medications

General view is that procurement departments do exist but are not working efficiently in terms of processes and outcomes. In regards to prices the consensus is that they are achieving the desired results but there are some weaknesses in the process. Accurate needs assessment does seem to be lacking according to many of the KIs. Bidders and contractors pre-qualification would be a desirable process prior to the tendering process but would require an ongoing performance monitoring process to be in place. As for the Rational Drug List (RDL), which is the approved list of medications to procure from for the public sector facilities, there are questions about the manner in which medications are added to the list and there is a general view that the SELECTION of medications for listing in terms of adding and deletion is prone to corruption or in other word vulnerable to corruption, committees' members might be in favor to certain pharmaceutical companies and products caused by pharmaceutical promotion. It is recommended that Jordan Food and Drug Administration (JFDA) manages efficiently and update periodically the selection of RDL medications considering cost benefit analysis; there should be a selection criteria for committees' members since purchasing organizations should have more clarity in how medications were added to the RDL, in order for the MoH and the participating partners trust the selection process and adhere to the list. In addition, the KIs report indicated that there are no management information systems in place to report problems and monitor procured medications.

Figure (3): Are procedures in place to ensure efficient procurement / KIs feedback: the majority states that there are SOPs but they need to be revisited and implemented

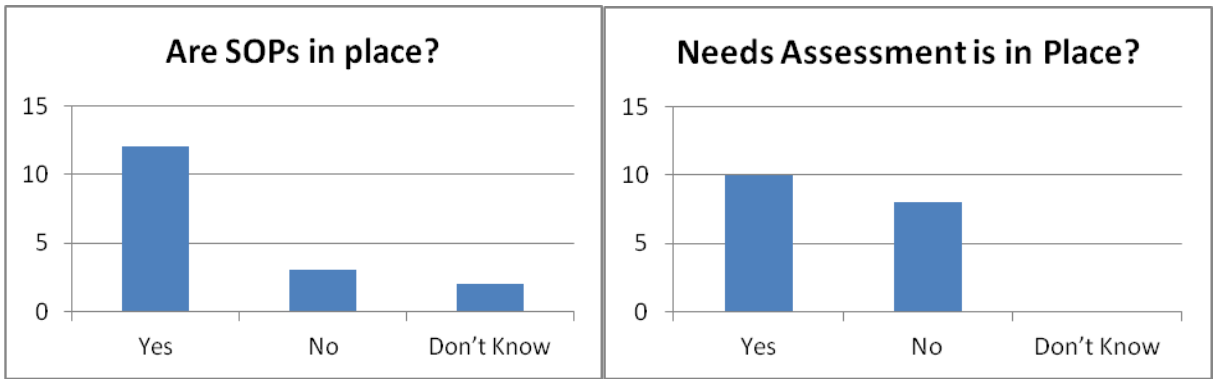


Figure (4): KIs feedback on having a separate committee managing and evaluating appeals received from vendors

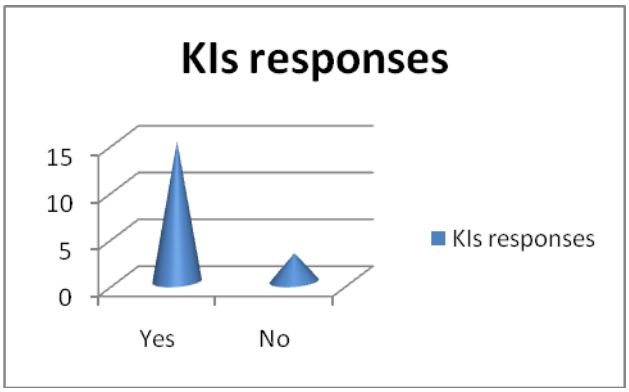


Figure (5): A clear algorithm, based on actual need to determine quantity and type of medications

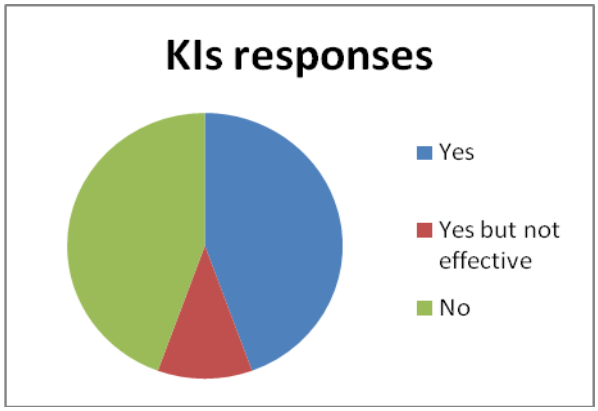
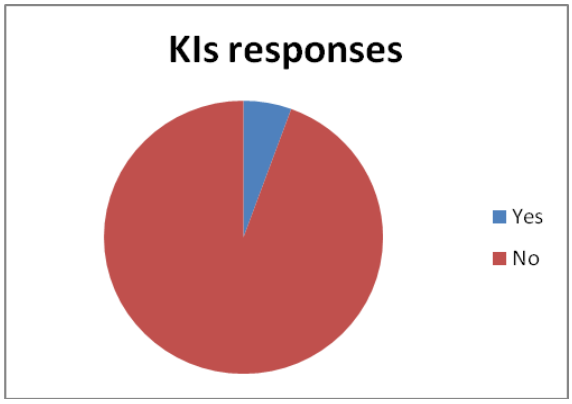


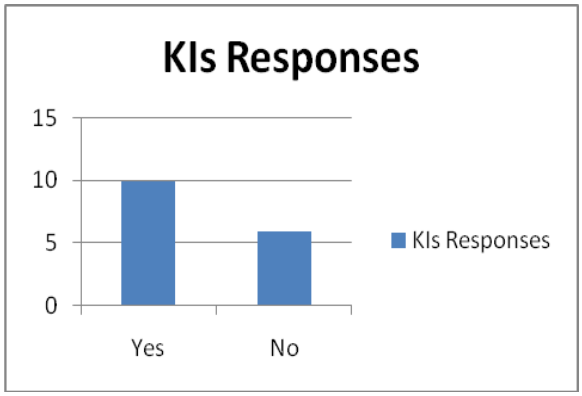
Figure (6): Availability of Management Information System (MIS) is in place



B. Questions about the public procurement processes for <u>Medical Devices</u>

The comments with regard to medical devices included inequity considering the geographical distribution of devices. There are also some procedural issues reported such as the lack of Conflict of Interest (COI) declarations by committee members. The accessibility and transparency of medical devices tender prices is extremely low. However unlike medications, the medical device evaluation and pre-qualification process for suppliers are fairly good.

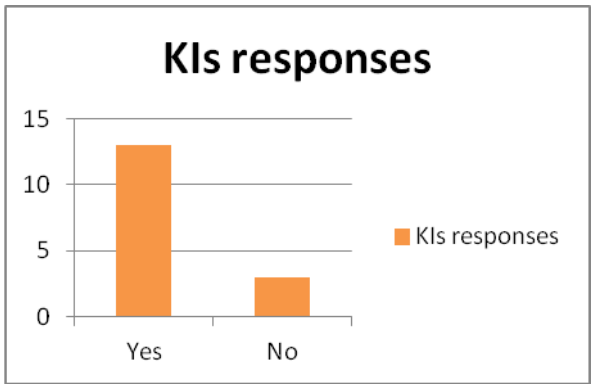
Figure (7): Committee members signing Conflict Of Interest (COI) statements



C. Questions about the public procurement processes for Medical Supplies

The comments with regard to medical supplies were similar to those made in regard to medications, mainly involving inadequate estimations for the quantities needed. As for the procedural issues, they included the lack of Conflict of Interest (COI) declarations by committee members and the lack of Management Information System (MIS) to report problems and to monitor the procured supplies. The Key Informants (KIs) also suggest a pre-qualification process for suppliers to be in place.

Figure (8): KIs suggested introducing a qualification mechanism for medical supplies suppliers



D. Questions about fraud and related matters

The Key informants (KIs) report having considerable experience in Tenders and suggest that there is indeed fraud and misuse, the average indicated by all KIs being around **18%**. This was confirmed by a separate but related question which indicated fraud and misuse at around **12%**, although the various estimates varied considerably, with KIs from the private sector putting the estimates at much higher than those KIs in the public sector. The biggest problems appear to be the **sole-suppliers** they manipulate the market prices "which is described as exclusive control of medication needed in a particular market, or a control that makes possible manipulation of prices" and this develops monopolies; and the **modification of contracts during execution**. KIs reported personal knowledge of such instances. According to the KIs, uncontrolled communications between bidders and the committee members may lead to inappropriate influence. When asked how they would improve the system, the KIs came up with a variety of approaches but many focused on hiring the right people and then training and incentivizing improve efficiency. There was a majority view that the government is sincere in its desire to improve the system but this was by no means common between KIs responses'.

Figure (7): Key Informants (KIs) estimation of losses to fraud

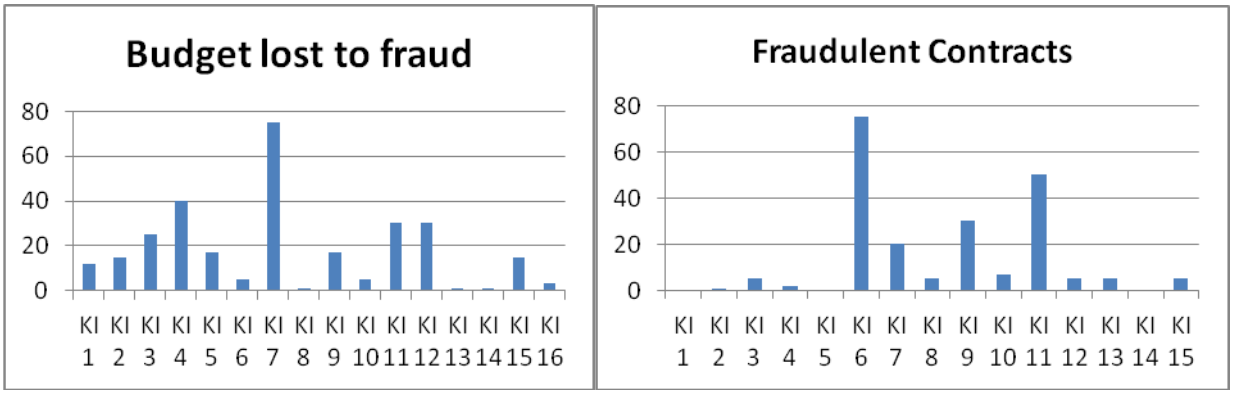
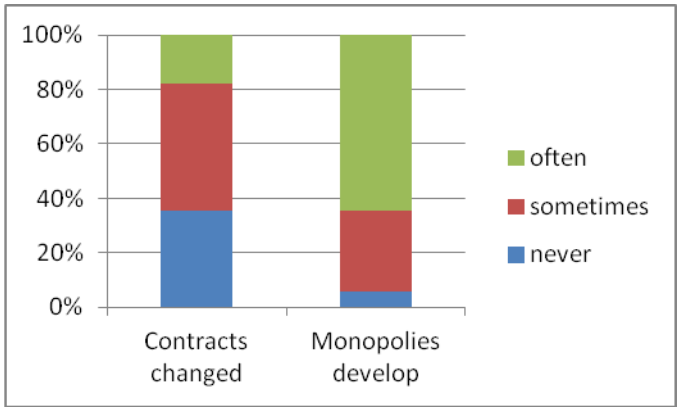


Figure (8: Types of Contract Abuse



E. Conclusions

The results of the interviews with the identified Key Informants (KIs) would suggest that the various control mechanisms are in place within Jordan to prevent fraud and misuse in the procurement system. There are however concerns about how well the various control mechanisms are implemented, with inadequate needs assessments prior to procurement, poor use of existing standard operating procedures (SOPs), the control of conflict of interest and in the way that bidders interact with the committee members.

One of the more interesting results is regarding the perception of the scale of fraud and other undesirable outcomes of the procurement process. Practices that are clearly fraudulent, such as collusion between committee members and bidders are not reported as being very common, whereas issues that are more reflective of manipulation of the procurement process do appear to be an issue. Issues here include the development of monopolies and the changing of contracts conditions during the contract execution phase. These issues may or may not reflect fraud but they do show inefficiency and defects in the procurement process.

It appears also that the perception of the scale of the issue regarding illegal practices within the

procurement process varies depending on the perspective of the key informant. Assuming that all KIs are responding honestly, then those with deeper knowledge of the process consider fraud to be at 10-15% whereas the view of people outside the system is that it could be as high as 70%. While any fraud is unacceptable and efforts made to eliminate it, it may not be as rampant as some in the community believe it to be.

METHODOLOGY PART III

This part of the methodology consists of measuring the level of integrity based on, initially looking at purchasing methods/ considering "value" conducted by all purchasing parties in regard to medical procurement "procurement of medications and medical devices and supplies", the Joint Procurement Department (JPD), the General Supply Department (GSD) and the MoH Supply and Purchasing Department (SPD) in order to identify purchasing patterns. The intention of examining the data regarding purchasing is first to identify the relative scale of each type of purchasing in order to identify any potential risk, and secondly to examine where possible individual tender documents can take place to identify any indication that tenders are being manipulated to the advantage of any particular party.

Accordingly, purchasing data for medications and medical supplies for 2009, 2010 and 2011 has been sought from the Joint Procurement Department (JPD), General Supply Department (GSD) and the MoH Supply and Purchasing Department (MoH/SPD) in order to identify issues. Some data was also sought from the Health Insurance Administration (HI).

Predictably to some degree, the data pertaining to particular local purchases has not been made available by MOH/ Supplies department and neither have the details for local purchases below JD200. Before assessing the significance of these missing data we will first review the overall data on purchasing.

List of data sought:

1. Medical Supplies purchased by General Supply Department (GSD) through Tenders for 2009, 2010 and 2011
2. Medical Supplies purchased by MoH Supply and Purchasing Department through local purchase (amount of less than JD200) for 2009, 2010 and 2011
3. Medical Supplies purchased by MoH Supply and Purchasing Department through local purchase (amount more than JD200 and less than JD20, 000) for 2009, 2010 and 2011
4. Medications for MoH purchased through JPD for 2009, 2010 and 2011
5. Medications purchased by MoH Supply and Purchasing Department through local purchase (amount of less than JD200) for 2009, 2010 and 2011
6. Medications purchased by MoH Supply and Purchasing Department through local purchase (amount more than JD200 and less than JD20, 000) for 2009, 2010 and 2011
7. Out of stock formulary medications purchased from the private sector through Health Insurance Administration for 2009, 2010 and 2011
8. JPD Medication Tenders for all parties (MoH, KHCC, RMS, JUH, KAUH, PHH) for 2009, 2010 and 2011
9. Tender prices for Medical Devices purchased by the General Supply Department (GSD)

Data received:

1. Medical Supplies purchased by General Supply Department (GSD) through Tenders for 2009, 2010 and 2011
2. Medical Supplies purchased by MoH Supply and Purchasing Department (MoH/SPD) through local purchase (amount more than JD200 and less than JD20, 000) for 2009, 2010 and 2011
3. Medications for MoH purchased through JPD for 2009, 2010 and 2011
4. Medications purchased by MoH Supply and Purchasing Department through local purchase (amount more than JD200 and less than JD20, 000) for 2009, 2010 and 2011
5. Out of stock formulary medications purchased from the private sector through Health Insurance Administration for 2009, 2010 and 2011
6. JPD Medication Tenders for all parties (MoH, KHCC, RMS, JUH, KAUH, PHH) for 2009, 2010 and 2011
7. Tender prices for Medical Devices purchased by the General Supply Department (GSD)

Finally, in discussing the data and whether this can reveal whether there are issues with the level of integrity, it is useful to separate the findings based on products: medications, medical supplies and medical devices, as each is managed in a different way by different agencies.

METHODOLOGY PART III FINDINGS

FINDINGS WERE BASED ON THE DATA RECEIVED

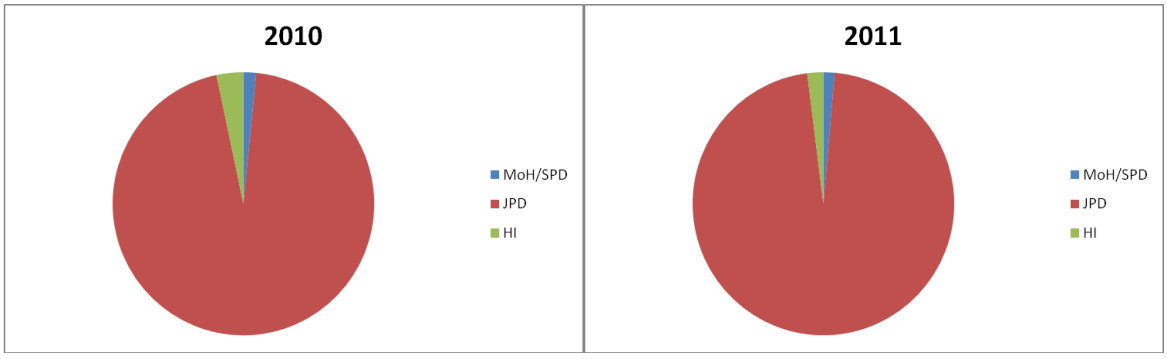
1. MEDICATIONS

The principal agency for procuring medications in the public sector is the Joint Procurement Department (JPD), in the event that there is a shortage of supply then the Ministry of Health Supply and Purchasing Department (MoH/SPD) can procure medications through local purchasing if they fall below JD 20,000. In the event that the medications are out of stock at the hospital or health care center level the Director can purchase items of a value of JD200. In the event that the formulary medications are out of stock at the local level then the MoH will reimburse the purchase of the medications through Health Insurance (HI), at the private retail price.

As for Non formulary medications (medications outside the RDL Rational Drug List) they are reimbursed through the HI based on an official approval by a committee of three members and a formal request singed by the provider/doctors considering that the patient has health insurance.

Data was requested from the JPD, the GSD, and the (MoH/SPD) and from the Health Insurance Administration (HI) regarding quantities purchased and the details of specific procurements, such as the names of the bidding companies in tenders. These data are useful to assess the level of risk and reflects transparency and integrity levels. It is neither possible nor useful in any event to try to separate inefficiency issues from potential corruption issues, as they are often related, so the two issues will be addressed jointly.

Figure (9): Shows the relative amounts for medications procured during 2010 and 2011 through the various mechanisms of purchasing, "the data for purchased items of a value less than JD200 were not received" form the (MoH/SPD):



a) Joint Procurement Department (JPD)

In the case of the JPD the data were readily made available. In terms of total amount of medications procured, as can be seen from the table below, this has increased in 2011. This is likely to be a result of the JPD taking a more active role in procurement and does not in itself indicate an issue with efficiency or corruption. Examination of a number of tender documents, where bidder companies were identified, did not reveal any indications that false bids or other similar irregularities were taking place.

MoH medications purchased through JPD tenders for 2009, 2010 and 2011			
	2009	2010	2011
	Amount in JD	Amount in JD	Amount in JD
Total amount for MoH tenders purchased by JPD	52,665,244	51,709,694.298	61,303,241.860

Source of data Dr Sameer Khashoka and Amal Abu Abed, Joint Procurement Department

A more detailed view of the types of medications procured for the various agencies and facilities also are not suggestive of inefficiency or corruption.

JPD Medications through Tenders for all parties (MoH, KHCC, RMS, JUH, KAUH, PHH) Amount in JD			
Tender	Total		
	2009	**2010**	**2011**
Antibiotics	6,806,920.947	8,839,674.809	11,363,759.815
Respiratory and ENT Medications	2,870,294.999	3,305,461.256	3,972,070.496
Digestive System Medications	2,473,381.076	2,606,137.754	2,908,880.658
Endocrine Medications, gynecology and obstetrics, and reproductive system	5,782,597.535	6,773,961.045	9,512,593.262
Nervous System Medications	10,359,770.980	10,260,458.217	12,310,919.276
Eye Medications	783,156.724	850,364.365	1,331,968.680
Oncology Medications	9,251,603.524	9,693,961.262	15,433,485.729
Nutrients and Blood Medications	8,895,069.217	9,477,431.790	5,990,517.011
Vaccines sera Anti-Poisoning Medications	10,080,984.135	10,697,819.916	8,405,829.826
Dermatology Medications	1,158,199.514	1,947,311.780	1,915,278.652
Anesthetic	1,183,081.910	1,507,264.838	1,624,726.870
AIDS	122,950.765	116,844.578	165,233.210
Diagnostic Medications	189,642.867	168,141.200	527,889.400
Cardiovascular Medications	6,264,111.563	6,277,903.065	8,960,522.306
Family Planning Methods	650,312.524	310,362.750	337,914.088
Thalasemia/ note 2009 and 2010 was included with nutrients and blood Medications	0.000	0.000	5,580,548.642
Total	66,872,078.280	72,833,098.625	90,342,137.921
Amount procured for the MoH facilities	**52,665,244,445**	**51,709,694.298**	**61,303,241.860**

Source of data Dr Sameer Khashoka and Ms Amal Abu Abed, Joint Procurement Department

In terms of effectiveness of the JPD in keeping public procurement prices relatively low, past study conducted by the World Health Organization and Health Action International (WHO/HAI)[12], have concluded that Jordan's public procurement is relatively efficient when compared to International Reference Prices (IRP). WHO/HAI survey methodology presents prices as median price ratios (MPR). The MPR is calculated by dividing the local price by an (IRP) (converted to local currency). The International Reference Price (IRP) used for the survey was taken from the 2003 Management Sciences for Health (MSH) International Medications Price Indicator Guide. *These reference prices are medians of recent prices offered by for-profit and not-for-profit international generic products suppliers of developing countries. These suppliers typically sell to governments or large NGOs in bulk,* and therefore prices are relatively low and represent efficient bulk procurement without the costs of shipping or insurance.

Public sector procurement prices and international reference prices
The Median MPR reflects the number of times more expensive the medications **compared to the international reference price**[13]

	Originator/brand medications	Lowest priced generic medications
Median MPR for procured medications	**1.38**	**0.57**
(inter-quartile range)	(0.7–2.3)	(0.3–0.7)
Minimum	0.27	0.13
Maximum	6.53	2.74
No. of medications	13	15

As seen in the table above, on average generics when compared to the International Reference Price (IRP) were purchased at about half of the International Reference Price (median MPR of 0.57) while originators/brands had a median MPR of 1.38 which is slightly higher than the IRP. These MPRs represent efficient and cost-effective procurement in Jordan. The data does suggest that the JPD process is relatively efficient, with a relatively high level of transparency within the procurement process.

It is suggested that foreign companies should be able to apply for registration of medications directly (without the use of local agent-wholesalers as currently is the practice and mentioned in the law). In terms of JPD taking its role on addressing issues regarding the efficiency of international procurement, the consultant did not notice any consultation neither discussions between JPD and JFDA. JFDA may consider "light" registration or fast track registration of medications that are already in the market in countries with stringent pharmaceutical regulatory authorities (member-countries of Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme PIC/S and ICH[14]). This is

[12] Bader, R, 2004 HAI/WHO Pricing and availability survey published in 2007 http://www.haiweb.org/medicationprices/surveys/200405JO/survey_report.pdf
[13] Bader, R, 2004 HAI/WHO Pricing and availability survey published in 2007 http://www.haiweb.org/medicationprices/surveys/200405JO/survey_report.pdf
[14] Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme (PIC/S) participating regulatory authorities (www.picscheme.org) and the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH) participating regulatory authorities (www.ich.org)

especially important for medications that are vital, but not commercially interesting enough to expect companies to register with a complete dossier.

b) MoH /Supply and Purchasing Department (MoH/SPD)

The following table shows the value of medications procured through the (MoH/SPD), in the event that there was a shortage of medications available. There are different procurement authorization levels for the various management levels as described elsewhere in this report. The following data relate to the procurement that related to the range between JD200 and JD20,000. The data relating to procurement below JD200 was not available.

Medications Purchased through (MoH /SPD) local purchase (more than JD200 and less than JD20,000) for three consecutive years			
	2009	2010	2011
	Amount in JD	Amount in JD	Amount in JD
Total amount of MoH formulary medications purchased by (MoH/SPD)	372,515	847,390	866,574

Source of data Dr Akram Haikal and Dr Wafa Habahbeh/MoH, SPD

As can be seen the total amount for three years is about 1.4% of the amount procured through tenders by the JPD.

The detailed list of some individual purchases is described below, including a comparison of the local purchase unit price through (MoH/SPD) compared to the tender unit price through JPD.

Local Purchasing through Supply And Purchase Department (MoH/SPD) for 2010/ Amounts in JD						
Medication name	Quantity	Total Value	Tender Price/ Unit	Private Price/ Unit	% Difference	Number of times
Entecaviar 1mg	240	4,516.18	18	18.82	5%	0.05
Navelbine 10mg inj	100	1,605.76	16.01	16.06	0%	0
Clopidogril 75mg tab	1,072.00	7,236.00	0.25	6.75	2600%	26
Cyclophosphonide 500mg inj	400	1,152.40	2.5	2.88	15%	0.15
Dacarbazin 200mg ing	400	3,580.00	2.5	8.95	258%	2.58
Etoposide 100mg inj	137	397.3	3.03	2.9	-4%	-0.04
Survanta 100-3ml	20	2,865.40	140	143.27	2%	0.02
Phenobarbitone 40mg inj	1,000.00	998	0.5	1	100%	1
Sandostatin LAR 20mg	18	19,844.32	938.27	1,102.46	17%	0.17
Clopidogril 75mg	60,000	11,400.00	0.25	0.19	-24%	-0.24
Idarubicin 10mg	50	4,887.00	87.95	97.74	11%	0.11
Navoban 5mg inj	1,045.00	19,997.12	16.28	19.14	18%	0.18
Cyclophosphamide 50mg	500	1,440.00	2.5	2.88	15%	0.15
Paclitaxel 300	50	3,360.00	58.97	67.2	14%	0.14

Doxorubisin 50mg	68	780.64	13.76	11.48	-17%	-0.17
Doxorubisin 50mg	275	4,147.00	13.76	15.08	10%	0.1
Prizma	1,700.00	11,900.0	7.75	7	-10%	-0.1
Curacne 20 mg	10,000.0	4,700.00	0.48	0.47	-2%	-0.02
Etoposide 100mg	200	1,493.44	3.03	7.47	147%	1.47
Depakine chrono	75,796.00	19,992.7	0.25	0.26	4%	0.04
Kemadrin 5mg	154,000.00	4,996.99	0.03	0.03	0%	0
Tienam 500mg	1,000.00	7,540.00	7.54	7.54	0%	0
Valsrantan 160mg	27,777.00	4,999.86	0.2	0.18	-10%	-0.1
Losartan 50mg	71,792.00	4,999.80	0.05	0.07	40%	0.4
Fentanyl 500mcg	10,000.00	2,464.80	0.26	0.25	-4%	-0.04
Simvastatin 20mg	197,340.00	4,999.28	0.02	0.03	50%	0.5
Atorvastatin 20mg tab	150,000.00	4,950.00	0.03	0.03	0%	0

Source of data Dr Akram Haikal and Dr Wafa Habahbeh/MoH, SPD

The data for the JD200- JD20,000 purchases suggests that in the main, the (MoH/SPD) is achieving reasonable prices compared to tender prices. The procurement documents and data have not been made available so it is not possible to assess the risks during the bidding process, so there may be some residual risk there. The total lack of data for purchases made below JD200 means that this may be regarded as a high risk for both inefficiency and for possible corruption, it is not possible to quantify this risk as there is no data upon which to base the assessment.

Interesting findings showed in data received form MoH/SPD included in the table above:

- Two different local unit purchase price of Doxorubisin 50mg from the same vendor on the same day using two different purchase orders; the first unit price is of 83% of the tender unit price while the second is of 110% to the tender unit price, the reason for this should be investigated
- Local purchase unit price of Clopidogril 75mg tablet is 26 times higher than the tender price
- However in some cases local purchase unit prices for around seven medications were less than the tender prices

c) Health Insurance Administration (HI)

In the event that the quantity for formulary medications to be procured has been underestimated or that there is an unexpected demand for medications, resulting in shortages, insured patients can acquire the approved formulary medications through private retail pharmacies, and reimbursed by Health Insurance Administration.

The total amount reimbursed through Health Insurance Administration in this way is as follows:

MoH out of stock approved medications will be purchased from private sector and reimbursed by HI			
	2009	2010	2011
	Amount in JD	Amount in JD	Amount in JD
Medications purchased from private sector through Health Insurance Administration	1,017,463	1,791,191	1,250,650

Source of data Dr Khaled Abu Hdaib/ Director General, Health Insurance Administration

The most COMMON prescribed medications acquired through private retail pharmacies, at private price and reimbursed through Health Insurance budget during **2010** were:

Medication name	Quantity	Tender Price/ Unit	Private Price/ Unit	% Difference	Number of times
Metfomin 850 mg	1,271,217	0.01	0.09	800%	8
Atorvastatin 20mg	106,803	0.03	0.67	2133%	21.33
Candesartan 16	86,937	0.21	0.63	200%	2
Indapamide 1.5 mg	72,706	0.15	0.29	93%	0.93
Enalapril 20mg	63,636	0.01	0.3	2900%	29
Enalapril 10mg	54,850	0.01	0.17	1600%	16
Mesalasin 500 mg	47,691	0.35	0.44	26%	0.26
Amlodipine 5mg	42,113	0.01	0.3	2900%	29
Alfacalcidiol 1mcg	42,003	0.17	0.42	147%	1.47
Simvastatin 20mg	29,373	0.02	0.52	2500%	25
Reviteracetam 500 mg	19,525	0.75	1.85	147%	1.47
Azathioprin 50mg	14,895	0.11	0.2	82%	0.82
Quetiapine 200 mg	14,217	1.99	2.72	37%	0.37
Clopidogrel 75mg	12,630	0.25	1.6	540%	5.4
Gabapentin 400 mg	9,870	0.06	0.6	900%	9
Finasterid 5mg	9,844	0.3	0.77	157%	1.57
Alfacalcidiol .5mcg	9,306	0.24	0.35	46%	0.46
Eprosartan 600 mg	8,176	0.59	1.03	75%	0.75
Tamsulicin .4 mg	5,220	0.5	0.94	88%	0.88
Gabapantin 300 mg	4,640	0.06	0.48	700%	7
Olanzapin 10 mg	4,630	0.55	2.44	344%	3.44
Acetyl salisalic acid 100mg	4,380	0.01	0.03	200%	2
Lamiduvine 100 mg	4,222	1.49	3.7	148%	1.48
Brinzolamide 1% ed	1,109	5.47	9.79	79%	0.79
Alendronate 70mg	836	1	4.6	360%	3.6
Travaprost 0.004	608	8.17	15.65	92%	0.92
Brimonidine .2 %	340	3.25	7.76	139%	1.39
Alfacalcidiol drop	101	15.97	23.67	48%	0.48

Source of data Health Insurance Administration through MoH, HI Statistical Report

The total amount paid on formulary medications[15] acquired by insured patients through private retail pharmacies, at the private price and reimbursed through Health Insurance budget during **2010** was JD 539,408 while the amount that could have been spent for the same quantity of purchased medications considering tender prices is JD 156,334. **This represents a percentage of waste reached 71%**

The data for 2009 shows a similar pattern, with the total amount paid on the medications[16] acquired by patients through private retail pharmacies, at the private price and reimbursed through Health

[15] MOH/ Health Insurance Statistical Report formulary medications reimbursed by HI budget for 2009, 2010
[16] MOH/ Health Insurance Statistical Report formulary medications reimbursed by HI budget for 2009, 2010

Insurance budget during **2009** was JD 146,822 while the amount that could have been spent for the same quantity of medications considering tender prices is JD 46,352. **This represents a percentage of waste reached 68%** as seen in the table below:

Year	2009	2010
Percentage of waste	68%	71%

Source of data Health Insurance Administration/MoH Statistical Report[17]

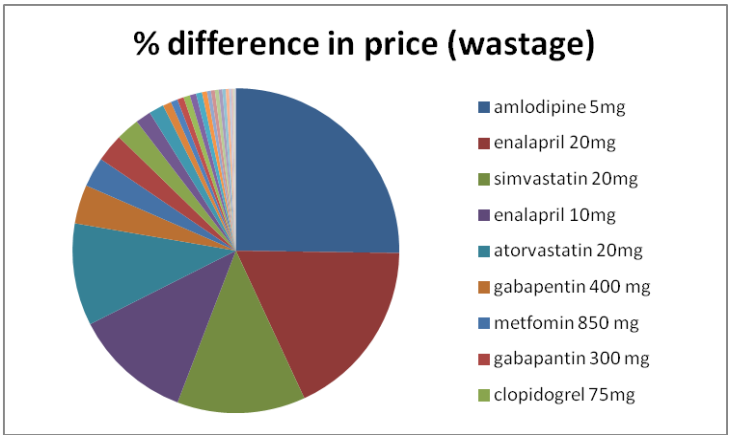
In terms of **PRICE DIFFERENTIAL** between medications (reimbursed by the Health Insurance considering private retail prices) during 2010 versus tender prices, the following are the **most expensive/ Amount in JD**

Medication Name	Quantity	Tender price/unit	Private price/unit	% Difference	Number of times
Amlodipine 5mg	42,113	0.01	0.3	2900%	29
Enalapril 20mg	63,636	0.01	0.3	2900%	29
Simvastatin 20mg	29,373	0.02	0.52	2500%	25
Enalapril 10mg	54,850	0.01	0.17	1600%	16
Atorvastatin 20mg	106,803	0.03	0.67	2133%	21.33
Gabapentin 400mg	9,870	0.06	0.6	900%	9
Metfomin 850 mg	1,271,217	0.01	0.09	800%	8
Gabapantin 300mg	4,640	0.06	0.48	700%	7
Clopidogrel 75mg	12,630	0.25	1.6	540%	5.4
Alendronate 70mg	836	1	4.6	360%	3.6
Olanzapin 10mg	4,630	0.55	2.44	344%	3.44
Candesartan 16mg	86,937	0.21	0.63	200%	2
Finasterid 5mg	9,844	0.3	0.77	157%	1.57
Alfacalcidiol 1 mcg	42,003	0.17	0.42	147%	1.47
Lamiduvine 100mg	4,222	1.49	3.7	148%	1.48
Reviteracetam 500mg	19,525	0.75	1.85	147%	1.47
Brimonidine .2 %	340	3.25	7.76	139%	1.39
Acetyl Salisalic Acid 100mg	4,380	0.01	0.03	200%	2
Travaprost 0.004mg	608	8.17	15.65	92%	0.92
Indapamide 1.5mg	72,706	0.15	0.29	93%	0.93
Tamsulicin .4 mg	5,220	0.5	0.94	88%	0.88
Azathioprin 50mg	14,895	0.11	0.2	82%	0.82
Brinzolamide 1% ed	1,109	5.47	9.79	79%	0.79
Eprosartan 600mg	8,176	0.59	1.03	75%	0.75
Alfacalcidiol drop	101	15.97	23.67	48%	0.48
Alfacalcidiol .5mcg	9,306	0.24	0.35	46%	0.46
Quetiapine 200 mg	14,217	1.99	2.72	37%	0.37
Mesalasin 500 mg	47,691	0.35	0.44	26%	0.26

Source of data Health Insurance Administration/MoH Statistical Report[18]

[17] Health Insurance Administration/MoH Statistical Report from 2009 till first quarter of 2011

Figure (10): Graph below shows the PRICE DIFFERENTIAL for few medications reimbursed by the Health Insurance considering private retail prices versus tender prices during 2010



In terms of **PRICE DIFFERENTIAL** between medications (reimbursed by the Health Insurance considering private retail price) during **Jan-March 2009** versus tender price, the following are the most expensive.

Medications name	Quantity	Amount paid tender price	Amount paid private price	% Difference	Number of times
Amlodipine 5mg Tablet	104,000	624	27,144	4250.00%	42.5
Simvastatin 20mg Tablet	25,000	475	12,850	2605.30%	26.05
Atorvastatin 20mg Tablet	1,029,000	43,218	691,488	1500.00%	15
Bisoprolol 5mg Tablet	20,000	220	2,900	1218.20%	12.18
Metfomin 850mg Tablet	69,000	897	6,003	569.20%	5.69
Calcium Dobesilate 500mg Tablet	80,000	1,120	5,360	378.60%	3.79
Losartan 50mg Tablet	16,000	1,232	5,760	367.50%	3.68
Candisartan 16mg Tablet	64,000	17,152	38,272	123.10%	1.23
Acetyl Salicylic Acid 100mg Tablet	64,000	640	1,344	110.00%	1.1
Indapamid 1.5mg Tablet	24,000	3,408	6,984	104.90%	1.05
Trimetazidine 20mg Tablet	32,000	2,752	4,992	81.40%	0.81
Fluvastatin 80mg Tablet	39,000	28,197	47,502	68.50%	0.68
Mesalazine 500mg Tablet	16,000	5,552	7,008	26.20%	0.26
Pravastatin 40mg Tablet	7,000	6,454	7,861	21.80%	0.22

Source of data Health Insurance Administration/MoH Statistical Report[19]

[18] Health Insurance Administration/MoH Statistical Report from 2009 till first quarter of 2011
[19] Health Insurance Administration/MoH Statistical Report from 2009 till first quarter of 2011

As can be seen from the data, the private prices reimbursed by the Health Insurance for the above listed medications are significantly higher than those paid through tenders. The difference between the private and public sector prices raises issues in regards to inefficiency and raises the red flags. Leading to a conclusion that the pricing policy could need further review, which is out of the scope of this project. However it is not possible to conclude that inefficiency is noticeable without further examination, the underlying question however is why procurement requirements are so frequently underestimated?

Conclusion for MEDICATIONS purchase:

The efficiency within the JPD is relatively high and the risk of abuse within the system is relatively low. The out of stock procurement by the (MoH/SPD) is relatively efficient between JD200 and JD20,000, however the lack of any data for purchases below JD200 means that this may be regarded as inefficient. Purchases below JD200 would therefore be rated as medium/high risk. Purchasing through health insurance is extremely expensive and therefore highly inefficient and also at high risk. The rating for this would have to be high, the rating for the Health Insurance reflected amounts reimbursed considering private prices, and not the Health Insurance Administration itself

The scale of the risk for MEDICATIONS procurement

There are a number of points relating to all data included in the tables above (finding of methodology III/ under medications part) in relation to efficiency and integrity in medication procurement:

- JPD: Significant purchasing is being directed through to the JPD, and the JPD tender prices do seem to be significantly lower than the private prices and in some cases, such as Statins, the difference is very significant. The JPD is clearly resulting in some benefit
- MoH/SPD: Local purchasing by MoH/SPD for amounts below JD 20,000, while relatively low in terms of overall amount, are more likely to be more prone to integrity loss, since this purchasing is mainly achieved by direct purchasing or request for a proposals, the SPD should seek the +30% increase in quantities of needed medications through JPD tender terms and conditions.
- The failure to obtain purchasing data for amounts below JD200 from the (MoH/SPD and lack of proper documentation means that there is inefficiency in the purchasing process accordingly the scale of the risk is unknown, but may indicate an integrity risk in this area.
- Health Insurance: The process for dealing with out of stock formulary medications and non formulary medications through health insurance, while being an effective means of supplying these medications in an emergency situation, is extremely expensive and as it appears to be continuing on a regular basis, indeed raise the red flags and needs further investigation and review of the price setting criteria, note: the overall risk regarding HI is considering the purchases through HI not the efficiency of the Administration itself

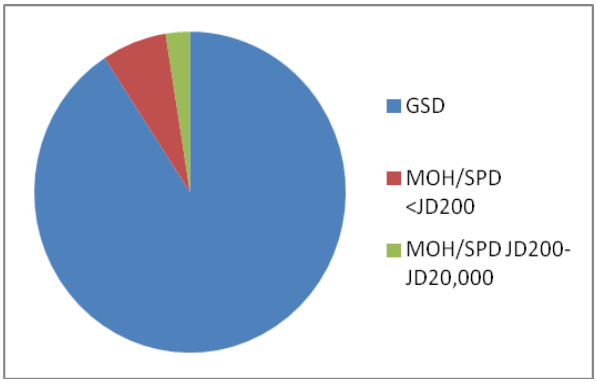
OVERALL RISK FOR MEDICATIONS	
JPD procurement/ medications	- Low
Local Purchase through (MoH/SPD)	- Low/Medium
Purchases through Health insurance/ reimbursement	- High

2. MEDICAL SUPPLIES

Medical supplies are procured by the General Supply Department (GSD) and by the MoH Supply and Purchasing Department in the event that there was a shortage of medical supplies available at the MoH facilities. And as stated earlier there are different procurement authorization levels for the various management levels of a value below JD 20,000.

Data for the (MoH/SPD) is separated for purchases (below JD200) and those from (JD200-JD20,000) as there may be different levels of risk involved. The relative percentages of medical supplies procured from the GSD, from MoH/SPD JD200-JD20,000, and MoH/SPD <JD 200 are indicted below. The data presented below is for **2010** as this is the data-set that is most complete.

Figure (11): Relative percentages of Medical Supplies procured from the GSD, from MoH/SPD (JD200-JD20,000), and MoH/SPD (<JD 200) for 2010



a) General Supply Department

The total value of supplies procured through the GSD is indicated below:

Medical Supplies Purchased through General Supply Department (GSD) through TENDERS for 2009, 2010 and 2011			
	2009	**2010**	**2011**
	Amount in JD	Amount in JD	Amount in JD
Medical Supplies Purchased through General Supply Department	12,870,000	16,177,472	15,572,461

Source of data Dr Ahmed Al Azaideh, GSD

Due to the limited time frame the consultant was not able to go through the details of the individual procurement transactions, so it was not possible to conclude whether there is a significant risk of corruption in the procurement process itself, nevertheless the medical supplies procurement process was covered under methodology part II.

b) Supply and Procurement Department (MoH/SPD)

MoH/SPD can procure supplies directly if they are equal or below JD20,000. As in the case of medications, considering that different management levels have different authorization limits. Data of amounts between JD200 and JD20,000 is as described below:

Medical Supplies Purchased by MoH /SPD through local purchasing for amounts between JD200 and JD20,000			
	2009	2010	2011
	Amount in JD	Amount in JD	Amount in JD
Total amount of Medical Supplies purchased by MoH/SPD	842,669	450,000	450,000

Source of data Dr Akram Haikal and Dr Wafa Habahbeh/MoH, SPD

For amounts below JD200 the total value is detailed below:

Medical Supplies Purchased by MoH/SPD through local purchasing for amounts below JD200			
	2009	2010	2011
	Amount in JD	Amount in JD	Amount in JD
Total amount of Medical Supplies purchased by MoH/SPD		1,200,000	

Source of data Dr Akram Haikal and Dr Wafa Habahbeh/MoH, SPD

Conclusion for Medical Supplies

The lack of detailed procurement data and documentation received makes it more difficult to build conclusions about the efficiency and risk associated with the procurement of medical supplies. The risk rating generally for medical supplies would therefore be moderate. Given the relatively large amounts procured by the (MoH/SPD) below the JD200 threshold, while there are presumably less controls in place. In the absence of any other data, the risk would need to be rated as medium/high.

The scale of the risk for SUPPLIES procurement

There are a number of points relating to the above tables in relation to efficiency and integrity:

- The lack of detailed data provided made it difficult to assess the integrity of the procurement process used by the GSD.
- As in the case for medications, the flexibility that the system has for purchasing supplies that cost less than JD20,000, by the MoH/ SPD, brings with it potential for loss of integrity. The financial cost is relatively low (JD 450,000), so the economic impact of this type of risk is also relatively low.

OVERALL RISK FOR SUPPLIES	
GSD procurement/ Supplies	- Medium
MoH/SPD (Non-GSD procurement)	- Medium/High

2. MEDICAL DEVICES

Medical devices are procured through the General Supplies Department (GSD); however spare parts are purchased and organized through the MoH/ Biomedical Engineering Directorate. The maintenance services after sale is managed by the Biomedical Engineering Directorate as well. As in the case of medical supplies, the detailed procurement documents have not been made available, so an accurate assessment of procurement integrity by the GSD is not possible. A list of a selection of devices procurement with their tender price has been provided and compared with their private retail price. With a couple of exceptions (recommend further investigation), in general the tender prices achieved seem to be reasonable compared to the private price.

In terms of tender prices achieved, this is described in the table below for a selection of items:

Medical Devices	Manufacturing Company	Tender Price/ in JD	Private price/ in JD	% difference
Cardiac stress system CARDIOVIT AT-104	Schiller	7418	7900	6%
Treadmill 8100 T	Schiller	6148	6500	6%
PB monitor	Schiller	4437	2500	-44%
Patient Monitor life scope	Nihon	6900	4250	-38%
Fully automated hematology analyzer	Niher	6400	7000	9%
ECG Recorder multi channel	Nihon	2300	2750	20%
Vital sign Monitor	Infinium	1990	2250	13%
Transport incubator	Fanem	4950	5500	11%
Elisa reader	Biotek	2552	2600	2%

Source of Data, tender prices Eng Ali AbuElsamen, GSD, private prices through the local market

Reviewing individual tenders has shown high level of efficiency in the process. A review of the services provided by the Biomedical Engineering Directorate suggests that they are qualified and efficient in their operations; an assessment was undertaken by the WHO in 2010[20] on the efficiency of the Jordanian medical device procurement process. Some of the key findings[21] are described below

POLICY/PROCEDURE	**STATUS**
National policy on health technology	yes, but not part of national health program
Medical equipment allocation	yes
Technical specifications	yes, but not publically available
User training	yes
Health technology assessment	Mid stage an initiative led by the HHC and the WHO
Procurement guideline	Yes
List of approved devices for procurement	Yes
List of devices for different types of facilities	Yes

[20] Baseline country survey on medical devices ,WHO
[21] Baseline country survey on medical devices ,WHO

Device nomenclature system	Yes, based on UMDNS

Conclusion for Medical Devices

In general the tender prices achieved seem to be reasonable compared to private prices, and reviewing individual tenders has shown high level of efficiency in the process. The review of the services provided by the Biomedical Engineering Directorate suggests that they are qualified and efficient in their operations. However the lack of detailed data made it difficult to make solid conclusions about the level of integrity and risks associated with the procurement of medical devices. The process where bidders openly talk to committee members about details raises the question of influence being exerted on those committees' members to favor certain supplier. This could be addressed by having rules for how to interact and monitor interactions with bidders.

The Scale of the risk for DEVICES procurement

The lack of detailed data provided means that it is difficult to assess the integrity of the procurement process used by the GSD

OVERALL RISK FOR DEVICES	
GSD procurement/Devices	-Medium
Biomedical Engineering Directorate/ Spare Parts	- Low

KEY VULNERABILITIES AND RECOMMENDATIONS

General Recommendations:

- **Legislative:**

  It is recommended to remedy the gaps that were identified under Methodology Part I: as the Joint Procurement Department by-law 2002, General Supplies Act 1993, Drug and Pharmacy Provisional Law 2001, Quality Control Testing by-law 2006, and Jordan Food and Drug Administration Law 2008. As there are number of weaknesses in the legislations that might lead to misunderstanding, inefficiency and possible loss of integrity and transparency

❖ **Audit Departments:**

It is recommended to strengthen governmental Internal Audit Departments. This may require external assistance as it requires specific expertise. Capacity building for audit department staff should be considered including training of government officials and health professionals, in areas such as liaison with Jordan Anti Corruption Commission (JACC), as the JACC is important to identify areas vulnerable to corruption and track progress. Actions should include regular interaction with JACC to provide information about specific risk areas. *Note: Evaluation of the Internal Auditing Units is included under Chapter II of the study*

❖ **Personnel Involved in Procurement:**

- It is recommended to conduct a study or to do further investigation on introducing an accountability system into the appropriate legal framework, and to look into establishing a clear disciplinary approach and process for public servants' misbehaviour. Staff should be accountable for their actions, an example the JFDA/ Quality Control Laboratories (QCL) staff and their direct relation with delays in delivering testing results, etc. where vendors are responsible for penalties. Accountability and disciplinary provisions could be included under the Civil Service By-law No. (30) of 2007. It is also recommended to limit additional work to certain number of hours, set up a system for monitoring any additional work, introduce incentives and offer capacity building for health care workers, and adopt Code of Ethics for employees.

❖ **Anti Corruption Commission Role:**

- It is recommended to appoint a health expert; with expertise in procurement, as one of the Jordan Anti Corruption Commission (JACC) council members. The expert should focus in stamping out corruption and monitor transparency and accountability in health care system in order to offer sensitive, practical suggestions to address any problem.

- It is recommended also to introduce under the Jordan Anti Corruption Commission legislation a structured and well defined relationship between governmental Internal Audit Units and the (JACC) with a possibility of introducing whistleblowers, through introducing an internal channel and listing clear procedures for reporting, it is also recommended to guarantee protection for health workers who report corruption.

Medications Procurement /Recommendations:

- It is recommended that the MoH uses an algorithm and refers to the National Health Accounts (NHA) data for accurate needs assessment prior to procurement. The ultimate solution should be achievable by the recently introduced initiative "Hakeem" a Health Information System (HIS) VistA, which works on transforming the concepts and practices of health and medical care in Jordan through the provision of automation solutions that enhances the quality and efficiency of health care. Once the solution is implemented at all public health care facilities, estimation and assessment of accurate needs will become achievable, ***see Appendix D***. Meanwhile, a simple Decision Support Tool would be useful which can capture historical tender orders, quantities and items purchased through local purchases, actual delivery times, prices, and comparisons against international published price lists. This should improve the efficiency of the procurement process for both single-sourced and generic medications and will improve information required for more precise needs assessment and forecasting, since lack of accurate data and information about the true demand for medications will result in stock-outs, or stockpiling.

- It is recommended to introduce: Suppliers' per-qualification and performance monitoring system, since the pre-qualification of suppliers, the assessment of competency and the continuous measurement and analysis of performance are key elements in improving efficiency in the procurement processes. With one fundamental principle that: only pre-qualified and certified suppliers will be contracted.

- It Is recommended that JPD commences with international tendering: In order to decrease the manipulation of sole suppliers in the market which usually leads into higher prices, the (JPD) should go into international tendering especially for vital medications, this will require an agreement with the JFDA, an assistance from an external expert and an intensive JPD staff training on international tendering, It is suggested that foreign companies apply for registration of medications at the JFDA directly (without the use of local agent-wholesalers as currently is the practice and mentioned in the law) that's introduce "light registration" of medications that are already on the market in countries with stringent pharmaceutical regulatory authorities (member-countries of Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme PIC/S and ICH[22]). This is especially important for medications that are vital, but not commercially interesting enough to expect companies to register with a complete dossier.

[22] Pharmaceutical Inspection Convention and Pharmaceutical Inspection Cooperation Scheme (PIC/S) participating regulatory authorities (www.picscheme.org) and the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH) participating regulatory authorities (www.ich.org)

- It is recommended that the MoH allocates a budget from the national treasury to utilize the +30% if needed. During contract negotiations quantities can be changed by Joint Procurement Department (JPD) ± 30% without change in price. Accordingly, instead of going into local purchasing, with its associated high prices and a chance of possible loss of integrity the MoH can accordingly utilizes the +30%

- It is recommended: that the Jordan Food and Drug Administration (JFDA) manages efficiently and update periodically the Rational Drug List (RDL) which is the approved list of medications to procure from for the public health sector facilities, the JPD sticks to this list, but there are questions about the manner in which medications are added to the list and there is a general view that the committees' members decisions on SELECTION of medications for listing in terms of adding and deletion is affected by certain pharmaceutical companies and that they might be in favor for certain products, rather than considering cost benefit analysis; there should be a selection criteria for committees' members since purchasing organizations should have more clarity in how medications were added to the RDL, in order for the MoH and the participating partners trust the selection process and adhere to the list.

- It is recommended: That the Joint Procurement Department (JPD) continues managing the purchasing process, but payments should be secured for the suppliers, by the MOH through the treasury, the JPD is NOT obligated under the legislation to actually pay the suppliers.

- It is recommended: to conduct a feasibility study to evaluate establishing a funding system as the Revolving Drug Fund (RDF), ***see Appendix F***. The funding system might be established under the Health Insurance Administration. This helps make fund for procurement available before the tendering process starts, or at least before purchase orders are being placed.

- It is recommended to re-examine the price setting criteria/policy[23] for medications to introduce price setting efficiency, which decreases the waste of "price differences" through receiving medications form private retail pharmacies, which is reimbursed through the Health Insurance budget, the HI purchases appears inefficient and at high risk. The current price setting criteria use a range of methods to calculate prices for medications in the domestic market in Jordan. For originator medications, the mechanism essentially calls for prices to be calculated using each of the different methods and the one that provides the lowest price is adopted as the approved price. In practice, however, the most frequently used is based on prices in Saudi Arabia. An alternative approach may be that medications

[23] Impact of change in the pricing structure; Jordan Health sector Reform Project; Australian Government/Health Insurance Commission; June 2004

purchased through private retail pharmacies are reimbursed not at the private price but at the tender price plus a percentage (could be + 20% of tender price), this needs further investigations and evaluation.

- It is recommended to evaluate and review the need for testing each batch purchased by the Joint Procurement Department (JPD) for the MoH facilities by the JFDA Quality Control Labs (QC Labs). The by-law of JFDA states that a medication that has been in the market for more than two years and achieves seven consecutive successful batches does not have to go through quality inspection for each batch and only random batch Quality Control inspections should be carried out. However, for medications procured for the MoH health care facilities by the JPD, the JPD insists that every single batch received should undergo quality testing. But any contractual penalties resulting from testing delays are borne by suppliers. In the long run the suppliers build the cost of such penalties and additional warehousing costs into the quoted bid prices, which in turn leads to higher tender prices. Accordingly the JPD could outsource quality testing services, such as contracting the Royal Scientific Society for quality testing services.

- It is recommended to introduce tighter control on procurement below JD200, including mandatory reporting and independent procurement auditing unit or system in place.

- It is recommended to introduce a tighter control mechanism on the non-formulary medications purchased "per patient name and ID" and reimbursed through the Health Insurance Administration; the committee membership should be renewed on yearly basis.

- It is recommended that the tender/ procurement committees sign Conflict Of Interest (COI) statements before opening the bids as there might be a potential for a conflict of interest.

Medical Devices Procurement /Recommendations:

- It is recommended that the Health Technology Assessment (HTA) ***see Appendix C*** initiative move forward, this is being a program that determines if health services used are safe and effective. The goals of HTA are to make: health care safer by relying on scientific evidence, to make coverage decisions of state agencies more consistent, purchased health care more cost effective by paying for medical tools and procedures that are proven to work, making coverage decision processes more open and inclusive by sharing information, holding public meetings, and publishing decision criteria and outcomes. Logical location for HTA initiative should be the High health Council (HHC)

- It is recommended to have committees' members sign a Conflict Of Interest (COI) statement before opening the bids. Since there might be a potential for a conflict of interest
- It is recommended to have medical devices tender prices publically available to improve transparency
- It is recommended to include mandatory reporting and independent audit for medical devices tenders process and inventory management and control.

Medical Supplies Procurement /Recommendations:

- It is recommended to have the Joint Procurement Department commence with the medical supplies purchase in a stepwise manner.
- It is recommended to have an efficient needs assessment mechanism/tool and process for supplies should be introduced prior to procurement
- It is recommended that tender Committee membership duration should be for one year, unless tender duration is for two years
- It is recommended that the leadership of procurement agencies should be appointed for a maximum of four years
- It is recommended to have committees' members sign a (COI) statement before opening the bids. Since there might be a potential for conflict of interest
- It is recommended to have a clear complaint mechanism for receiving vendors complaints by the tender committee, should be treated in a transparent and unbiased manner, and should be recorded for audit and accountability purposes
- It is recommended to get the Civil Society Organizations (CSOs) involve as an example have a CSOs representative in the tender committees, where they have a neutral position, provided that the member representing the CSO is competent
- It is recommended to introduce a pre-qualification for bidders should be considered and an effective management information system (MIS) needs to be introduced for monitoring issues
- It is recommended to introduce a tighter control on procurement below JD200, including mandatory reporting and independent procurement auditing unit

CONCLUSIONS

It is clear that the process for procurement for medications, devices and medical supplies, has developed over time to address a number of legitimate issues, and now involves a number of separate parties. There are some inherent weaknesses across the system that negatively impact on all the related organizations, such as the lack of an effective needs assessment prior to procurement and the lack of an efficient management information system to monitor the whole process.

In addition, there are some specific aspects of the procurement process that are at higher risk of inefficiency and potential corruption, such as the local purchases of medications and medical supplies especially amount below the JD200 limit and as well the purchases of medications paid through reimbursement by the Health Insurance Administration. While it is understandable how and why these processes came about, a combination of inherited weakness and lack of monitoring mean they must be regarded as high risk.

APPENDIX A – ASSESSMENT TEAM

Name	Organization	Email address
Dr Qasem Al Zoubi	Jordan Anti Corruption Commission (JACC)	qasem@jacc.gov.jo
Dr Mohamed Khasawneh	Jordan Anti Corruption Commission (JACC)	Mohamed34@jacc.gov.jo
Dr Ahmad Abu Zaid	Jordan Anti Corruption Commission (JACC)	ahmad56@jacc.gov.jo
Mr Saleem Al Halhouli	Jordan Anti Corruption Commission (JACC)	saleem.th@jacc.gov.jo
Mr Abdalrhman Mhedat	Jordan Anti Corruption Commission (JACC)	abdalrhman@jacc.gov.jo
Ms Ban Al karaki	Jordan Anti Corruption Commission (JACC)	ban74@jacc.gov.jo
Mr Ra'ad Al Tal	Jordan Anti Corruption Commission (JACC)	raad117@jacc.gov.jo
Dr Amal abu abed	Joint Procurement Department (JPD)	amal.a@jpd.com.jo
Dr Samir kashouqa	Joint Procurement Department (JPD)	s.kashouqa@yahoo.com
Dr Akram Hykal	Joint Procurement Department (JPD)	akramhykal@yahoo.com
Dr Ahmed Al Azaidah	General Supply Department (GSD)	Alazaidah63@yahoo.com
Eng Ali Abu Al Samn	General Supply Department (GSD)	Ali.Abualsamn@gsd.gov.jo
Dr Wafa Habahbeh	Supply and Purchasing Department/ MoH	dr_wafa1990@yahoo.com
Ms Tharwat Abzakh	UNDP	tharwat.abzakh@undp.org
Mr Nassfat Kamal	UNDP	nassfatjalil@undp.org

APPENDIX B– LIST OF QUESTIONS[24]

A. BACKGROUND ON THE INTERVIEWEE

In what sector does the interviewee work? **(Public, Private, CSO)**

In which public institution does the interviewee work?

What position does the interviewee occupy in this institution? ***(Senior level management / middle level management/ other)***

B. QUESTIONS ABOUT THE PUBLIC PROCUREMENT PROCESSES / MEDICATIONS:

1. Is there an audit unit that monitors the procurement department? **Y/N if yes mention the internal audit unit name ----------**
2. Is this unit role efficient and the staff role is it efficient in monitoring the purchasing **Y/N**
3. To whom do you think the audit unit should report to? **(The The Director /Director General / Board of Directors, others)**
4. What is the regulatory body for medications in Jordan ----------
5. Does the government and departments that purchase medications have written procedures SOPs for procurement? **Y/N**
6. Are tenders for medications publicized in newspapers, or other similar means? **Y/N**
7. Does the procurement conducted uses generic names for medications? **Y/N**
8. Are the medications details and procurement prices publicly available? **Y/N**
9. Are tender public procurement prices for medications below the private sector prices? **Y/N**
10. Provide examples if prices differ between the two sectors percentage wise:
11. Is there a clear algorithm, based on actual need and not only consumption of medications to determine quantity and type of medications to be purchased? **Y/N**
12. Is medications procurement based on the:
    a. Rational Medication List
    b. Hospital formularies
    c. Neither
13. Do you think medications included in the RDL have been chosen carefully on evidence base? **Y/N**
14. Is batch quality testing part of the procurement procedure? **Y/N**

[24] Drafted by Bader R, based on knowledge and review on procurement processes and legislations, with contribution from the UNDP/PM, and the assessment team, represent: the JACC, JPD, GSD and MoH/ SPD and the WHO representative. References: WHO and WB questionnaires. "Confidential Interview"

15. Do you think batch quality testing is needed as part of the procurement procedure? **Y/N**
16. Is there a time frame for quality testing? **Y/N**
17. Do you think suppliers are responsible for any delays in batch quality testing results, such as paying fees for delays in lab results? **Y/N**
18. Do you think the general and specific conditions affect tender prices? **Y/N**
19. Is a management information system used to report problems in the procured medications? **Y/N**
20. Does the appeal committee look into appeals carefully and without being biased? **Y/N**
21. Do you agree that committees' members sign Conflict of interest statements? **Y/N**
22. Do you recommend having a separate committee receiving and evaluating the appeals? **Y/N**
23. Is there a qualification mechanism for suppliers? **Y/N**
24. Do you recommend having a qualifying mechanism linked to suppliers' performance? **Y/N**
25. Do you recommend that the information obtained from the monitoring is used to influence future procurement decisions? **Y/N**
26. What is the regulatory body's role in the procurement processes:

C. QUESTIONS ABOUT THE PUBLIC PROCUREMENT PROCESSES FOR MEDICAL DEVICES[25]

27. Do you think the committees' members involved in setting the specifications are qualified? **Y/N**
28. Does the department base their needs on a clear mechanism and evidence base reasons? **Y/N**
29. Is there a clear plan based on geographical and population distribution throughout the country, based on utilization of services and health needs to determine quantity of devices as MRI/X-RAYS etc ..? **Y/N**
30. Are tenders for medical devices publicized in newspapers or other similar means? **Y/N**
31. Do you agree with a qualification mechanism for suppliers? **Y/N**
32. Do you think the committees' members involved in purchasing are qualified and competent? **Y/N**
33. Do you agree that committees' members sign Conflict of interest statements? **Y/N**
34. Are the procurement prices for the medical devices publicly available? **Y/N**
35. Does the public medical devices price differ from the private sector devices price? **Y/N If YES, then provide examples of the % of private price for three types of products:**

[25] Drafted by Bader R, based on knowledge and review on procurement processes and legislations, with contribution from the UNDP/PM, and the assessment team, represent: the JACC, JPD, GSD and MoH/ SPD and the WHO representative. References: WHO and WB questionnaires. "Confidential Interview"

36. Is the sample evaluation conducted in a scientific manner? **Y/N**
37. Does the MoH have a policy for evaluating medical devices? **Y/N**
38. Is a management information system used to report problems associated with procuring medical devices, as maintenance, spare parts, supplies needed etc..? **Y/N**
39. Do you agree with introducing a qualification mechanism for suppliers? **Y/N**
40. Do you recommend that the information obtained from the monitoring is used to influence future procurement decisions? **Y/N**
41. What are the main reasons that lead to delays in the procurement process**?**

D. QUESTIONS ABOUT THE PUBLIC PROCUREMENT PROCESSES FOR MEDICAL SUPPLIES[26]

42. Do you think the committees' members involved in setting the specifications are qualified? **Y/N**
43. Does the department base their needs quantities on a clear mechanism and evidence base reasons? **Y/N**
44. Are tenders for medical devices publicized in newspapers or other similar means? **Y/N**
45. Do you think the committees' members involved in procurements are qualified? **Y/N**
46. Do you agree that committees' members sign on Conflict of interest statements? **Y/N**
47. Are the procurement prices for the medical devices publicly available? **Y/N**
48. Is the evaluation conducted on samples during evaluating tenders conducted in a scientific manner? **Y/N**
49. Is a management information system used to report problems associated with procuring medical devices, such as maintenance, spare parts, supplies needed etc..? **Y/N**
50. Do you agree with introducing a qualification mechanism for suppliers? **Y/N**
51. Which authority is responsible for purchasing medical supplies? ----------
52. Which form of purchasing is used the most: **(Tenders/ direct purchasing/ request for proposals) and why in your opinion?**

E. THE FOLLOWING QUESTIONS WILL BE KEPT IN STRICT CONFIDENCE, WITH NO RECORD MADE OF WHO MADE SPECIFIC COMMENTS

53. In your opinion, in the last two years 2009 and 2010 what percentage of the institutional budget was misused as a consequence of fraudulent practices, irregularities or any other type of public service abuse?
54. How many **tenders/ direct purchasing/ RFPs** you were involved in?

[26] Drafted by Bader R, based on knowledge and review on procurement processes and legislations, with contribution from the UNDP/PM, and the assessment team, represent: the JACC, JPD, GSD and MoH/ SPD and the WHO representative. References: WHO and WB questionnaires. "Confidential Interview"

55. Do you compare the tender prices for this year with years before **Y/N**, or with international prices **Y/N**
56. What percentage of medications and devices public contracts would you estimate used illegal practice in order to secure the awarding of contracts?
57. How frequently have the following have occurred in contracting cases?
    a. Modification of the terms of the contract during the execution stage ***(never, sometimes, often)***
    b. Presenting offers from non-existent competitors ***(never, sometimes, often)***
    c. Contracting with fictitious/non-existent companies ***(never, sometimes, often)***
    d. Contractor monopolies ***(never, sometimes, often)***
    e. Modifying the terms of the contract to favor the interest of a company ***(never, sometimes, often)***
58. Do you have any firsthand experience with a public official influenced to ensure that particular tender conditions will favor suppliers' interests? **Y/N**
59. Do you have any firsthand experience with key people influenced to ensure that particular laws, policies, by-laws and guidelines would favor suppliers' interests? **Y/N**
60. Based on the objections of suppliers for the year 2010, how many times do you think the committees decisions have been changed based on the objections of suppliers for:
    a) medications
    b) medical devices ----------
    c) medical supplies ----------
61. Do you think that allowing potential bidders to ask questions from the committee influenced the committee members to be in favor of a certain supplier? Y/N
62. How many cases of winning suppliers, who were ultimately unable or unwilling to deliver, were recorded for the year 2010------
63. Do you think procurement methods as (direct purchasing and Request for proposals) are appropriately used by the authorities who do purchasing? Y/N
64. If you were in a position of highest authority, what would be the first action that you would undertake to increase the level of integrity in the procurement process?
65. Do you believe and trust that there is a genuine and sincere desire within the government to improve integrity in medications, medical supplies and devices procurement? **Y/N**
66. Any other comments?

Confidentiality Statement

This document and all information gathered during the interview is strictly Confidential Information. It will not be disclosed or link to your name or identity in any means.

APPENDIX C- HEALTH TECHNOLOGY ASSESSMENT (HTA)

Health technology assessment (HTA) is the systematic evaluation of properties, effects, and/or impacts of health technology. Its main purpose is to inform technology-related policy-making in health care, and thus improve the uptake of cost-effective new technologies and prevent the uptake of technologies that are of doubtful value for the health system. The WHO has developed a reference document to provide an introduction to the concept and programme of health technology assessment (HTA) around the world and to highlight the contribution that HTA can make to informed policy and decision-making, particularly in developing and emerging countries. It further aims to describe strategic actions that countries can take for introducing HTA into their health systems.

Health Technology Assessment (HTA) in Jordan[27]:

Formation of the Health Technology Assessment Steering Committee by H.E the Prime Minister Chairman of the High Health Counsel by an official letter no. 235 in June 6th 2010, a HTA Steering Committee was formed and four meetings were held at the High Health Council (HHC), members discussed:

- Introducing the concept of the HTA
- Preparing for the first national HTA workshop
- Formation of a national Health Technology technical committee
- The HHC to host the HTA initiative and run administrative work in a HTA unit , (however the activation of this unit was postponed due to the lack of funding, it is recommended to fund this initiative since the cost saving on the long run should be noticeable)

A workshop was held on in November 2nd 2010 in Amman under the patronage of H.E the MoH Minister with the participation of more than 100 participants representing public and private sectors, the main objective of the workshop was introducing the concept of the Health Technology Assessment in Jordan, the workshop recommendations were:

- To reach a consensus on Health Technology Assessment activates
- To implement the Health Technology Assessment project in Jordan as a unique model in the region
- Establishing a HTA unit hosted at the HHC

As for the National Health Technology strategy technical committee members, they have met in July 6th 2011, and agreed to formulate the following three subcommittees: (Medical Procedures, Pharmaceuticals and Medical Devices)

The HTA Steering Committee agreed on the next steps: (Preparing a National Health Technology strategy, introducing Clinical Practice Guidelines and Certificate of Need)

[27] Source of information, Dr Taher Abu ElSamen, the High Health Council

APPENDIX D- HEALTH INFORMATION SYSTEM (HIS) "HAKEEM"

It is an evolving concept defined as a systematic collection of electronic health information about individual patients or populations. It is a record in digital format that is capable of being shared across different health care settings, by being embedded in network-connected enterprise-wide information systems. Such records may include a whole range of data in comprehensive or summary form, including demographics, medical history, medication and allergies, immunization status, laboratory test results, radiology images, vital signs, personal stats like age and weight, and billing information. Its purpose can be understood as a complete record of patient encounters that allows the automation and streamlining of the workflow in health care settings and increases safety through evidence-based decision support, quality management, and outcomes reporting.

As for the Electronic Health Solutions (EHS), it is a non-profit, innovative, technology–driven company. It works on transforming the concepts and practices of health and medical care in Jordan through the provision of automation solutions that enhance the quality and efficiency of health care offerings.

The company has been established in early 2009. It focuses on deploying effective and proven technologies that leverage the best clinical practices to serve public health in Jordan. The initiative was launched in October 2009, under the patronage of His Majesty King Abdullah II," Hakeem".

EHS is supposed to implement a number of projects that are expected to have a quick and lasting impact on the health sector. Over the next five years, the company is supposed to concentrate its efforts on successfully implementing its flagship program "Hakeem".

The program also seeks collaboration with health authorities and health donors to develop and implement diverse e-health solutions. This includes studying the costing of basic health services, strengthening on-line health information sources, building the capacities of fresh graduates in the field of e-health, and introducing health awareness technologies for public media and local outreach, doctors, health practitioners, health managers, and Jordanians will experience indeed the benefits and impact of the program[28].

The company has built and configured a National Drug File (NDF) which includes medications in Jordan as generics along with their synonyms as brands; the NDF includes routes of administration, standard schedules, doses, and patient instructions in which they were translated into the Arabic language. As for the laboratory , "Hakeem" facilitated the connection between the medical laboratories at Prince Hamzah Hospital and Amman Comprehensive Center where physicians can view patients' lab results directly on their computer screens, EHS has also developed "PACS" system which provides high quality X-rays , CT, MRI etc.. Electronically on the computer screens which reduces the use of radiographic images or films which contributes in cost reduction. The system was also run to study X-rays digital image solutions, including voice recognition software at Prince Hamzah Hospital.

[28] http://www.ehs.com.jo/node/7

APPENDIX E- REVOLVING DRUG FUND (RDF)

One of the methods for financing medicines is Revolving Drug Fund (RDF)[29] concept, in which after an initial capital investment, medications are replenished with monies collected from the sales of medications. Usually this is the best reforms to guarantee a reliable supply of low cost generic medications; it is described as self-funded whilst improving prescribing practices and increasing equitable access to services. Policy-makers and practitioners should be convinced that RDF is responsible for maintaining a regular supply of medicines in its health facilities, one of the noticeable advantages is improving geographical equity of access to medicines.

Revolving fund is defined as: a fund established for a certain purpose, such as making loans, with the stipulation that repayments to the fund may be used anew for the same purpose[30].

In order for JPD to follow best practices in procurement, funds need to be available before actual purchasing takes place. The current system doesn't support this. It is being recommended to create a special account or medicines fund, accordingly the establishment of a funding system as a Revolving Drug Fund (RDF), will assure medications funding for procurement is made available before the procurement process is triggered or at least before purchase orders are being placed.

Political commitment should be a priority to commence with the RDF, in order to have a separate account so that its managers have a free hand in keeping generated revenues out of public treasury regulation. Revenues generated from medicine sales should be kept in the RDF and entirely excluded from the Ministry of Finance budget. The RDF also should enjoy the benefits of a strong political commitment in terms of tax exemption and import licence exemption.

The government should as well consider applying a commercial style of business management to assure control over operations and reduction of risk. This should also help in preserving the entity of the RDF. In addition, the RDF needs to recruit staff with expertise in finance, accountancy, pharmaceuticals and private sector experience. This enables the RDF to establish a profit and loss account on a commercial basis.

The RDF could be implemented at the Ministry of Health, to improve shortages of medicines in public health care facilities. The expected outcomes also include establishing an effective self-sustaining medicine supply system and promoting community participation in providing health care. After a while with introducing the RDF the revenues of pharmaceutical sales can be used to procure more medications and shortages of medications will be no longer an issue.

[29] http://www.msh.org/resource-center/publications/upload/MDS3-Ch13-Revolving-drug-funds-Nov2011.pdf

[30] http://www.thefreedictionary.com/revolving+fund

To ensure the RDF's success, reliable sources of quality medications must be identified. The drug procurement strategy should be based on an annual purchase of a large quantity of medications and on responding to situations of stock-out and emergencies. The RDF medications should be affordable by users. And in order to make medications affordable, their cost has to be subsidized through the sale of cheaper medications on the RDF list, in order to cover the potential loss, and to generate more funds for the continued supply of the expensive medications, the cost of the cheaper medications should be kept as low as possible to maintain their high turnover.

APPENDIX F- TERMS OF REFERENCE

UNITED NATIONS DEVELOPMENT PROGRAMME

JORDAN

TERMS OF REFERENCE

Consultant for Integrity Assessment in the Health Sector,
Jordan

Background

Corruption remains one of the biggest impediments in Jordan, not only when it comes to the economy, but social development as well. With the gap between rich and poor widening, there's a bigger need now more than ever for corruption to be fought extensively in the name of reform[31].
Jordan's population is 6,3 million (July 2009 est.). GDP Per Capita (Current Prices, US Dollars) for Jordan in year 2010 is US$ 4,499.79. Among the population living below the poverty line 2% live on less than US$ 1/day and 7% below US$ 2/day (2002–2003 expenditure-based estimates)[32].
Total expenditure on health per capita in Jordan was US$ 499 in 2009. Total expenditure as a percentage of gross domestic product was 9.3% in 2009, with one third of this expenditure spent on medications[33].

Health system in Jordan

The Ministry of Health is the principal provider of health care and provides subsidized services to all Jordanian citizens. The Ministry of Health owns and operates hospitals, comprehensive health centers, primary health centers, maternity and child health centers, dental clinics and chest disease centers to provide healthcare for citizens. It also administers the Health Civil Insurance Fund, which is the largest public insurance mechanism in Jordan. The other providers of healthcare in Jordan include the Royal Medical Services, which provides medical services to the military and their dependants. National or social health insurance coverage as percentage of total population extends to 68% of the population while 32% remain un-insured. Some of the population has multiple insurance coverage. The National Institute for Health covers 55%, the Refugee's Mission covers 18%, and private insurance coverage reaches 8%[34].

Relevant pharmaceutical organizations

The Joint Procurement Department (JPD) was established in 2004 for joint procurement of medications and medical devices for the public sector. In 2007, JPD started procurement of 142 items anti-infectives). The plan was to procure all the medications for public sector, in the next 2 years.

Objective of the Assignment:

The objective of this assessment is to identify the level of transparency and vulnerabilities to corruption in the procedures and structures for the Procurement of medication, medical and nonmedical supplies

[31] http://www.black-iris.com/2011/01/16/corruption-continues-to-plague-jordan-and-5-steps-to-fighting-it/
[32] http://www.economywatch.com/economic-statistics/country/Jordan/
[33] http://www.who.int/countries/jor/en/
[34] Measuring transparency to improve good governance in the public pharmaceutical sector- JORDAN - World Health Organization 2009

and medical devices, discussions with concerned parties, and desk reviews of business processes, regulations, and policies.

Effective functioning of a procurement system is dependent on the transparency of the processes, and ability to hold individuals and entities accountable for adhering to standard procedures, norms, laws and regulations in each one of these functions.

In this context, corruption is defined as the abuse of public office for personal gain. The goals are to develop: i) options to mitigate identified vulnerabilities, ii) a tool to assess progress in mitigating these vulnerabilities, and iii) and to perform risk treatment plan.

Assessment Methodology

Corruption is a hidden phenomenon; therefore it is hard to measure or to assess in a precise scientific way. Objective assessment data might only reveal the "tip of the iceberg" the visible failure of the systems. The approach to be taken in this assessment is rather focus on opposite to corruption; i.e. integrity, even if the assessment cannot fully capture the level of integrity in an organization, It can help identify the strengths and weaknesses of specific policy instruments constructing the institutional and procedural mechanisms for promoting integrity and preventing corruption[35].

The assessment is intended to focus on specific measures regarding procurement of medication, medical and nonmedical supplies and medical devices, their interaction and contribution to the overall aim of the procurement policy:

- Risks analysis and reviewing vulnerable areas susceptible to corruption,
- Assessing separate integrity measures,
- Examining the interaction of policy measures,
- Reviewing values, attitudes, behavior and specific actions of public officials.

This assessment is based on a holistic approach to assess the implementation and the actual impact:

1- Assessing the existence of policy measures

The assessment will consider whether key instruments, such as laws, by-laws, instructions and clear procedures are in place.

2- Assessing effectiveness

To assess the risk factors or areas that might inhibit the law by-laws, instructions and the procedures form being effective, and whether these policy measures are achieving their specific initial objective.

3- Measuring perceptions

To assess the relevance of the policy measures to verify the extent to which it has contributed to stakeholders expectations. A set of questionnaires are to be prepared to measure the perceptions, by interviewing key informants (KIs).

Key steps prior to assessment

Clearance from the Ministry of Health

It is critical that before starting the assessment and setting up any meetings with KIs, there is clear "buy-in" from the relevant political officials. This involves some initial groundwork before launching the

[35] Public Sector integrity, a framework for assessment, OECD 2005

assessment and interview process. It will mean working together with counterparts officials in the Ministry of Health (MoH), and in other relevant institutions. The Jordan Anti Corruption Commission (JACC) in line with the existing laws and regulations will be responsible to facilitate this.

Selection and role of assessors' team

A team will be selected from the JACC, MoH and other related institutions if required. To ensure objective interpretation of the results, the team will work with the expert to manage the whole assessment exercise, in direct coordination with JACC senior management and UNDP project manager.

After introducing and approving the assessment methodology and the accompanying tools. The team under the supervision of the expert will start the assessment and plan for the meetings with the KIs, carry out the interviews, compile and analyze the results, and write a report describing the findings of the assessment.

Scope of the Assignment:

Integrity Assessment (Vulnerability to Corruption Assessment) in the Ministry of Health includes:

Identify major business processes for Procurement of medication, medical and nonmedical supplies and medical devices, based upon the assessment methodology as described above.

The expert is expected to work closely with the team of assessors in conducting the following:

A- Conduct a desk review :

1. Identify underlying laws, regulations, guidelines, procedures and standards for each process.
2. Identify key steps of each business process including key stakeholders / decision makers /managerial responsibilities and the tools to hold them accountable (e.g.; recruitment /assigning the procurement team process, procurement processes, evaluation mechanisms, etc);
3. Study the customer interface and key elements causing delays and bureaucracy in the contracting of services/procurement;
4. Assess strengths and vulnerabilities to corruption for each step based on weakness in the formal system (Guidelines, rules, SoPs) or weakness in the capacity and incentives to implement the formal system. This step can be based on assessments of the Qualifications of the concerned staff.1) Do they know the prescribed process? 2) Do/can they implement it? 3) Do they have the tools and capacity to implement it effectively?
5. Summarize key vulnerabilities to corruption in the medical procurement process, developing options to mitigate these vulnerabilities and in addition, document areas where vulnerabilities have already been mitigated. This should be validated through group or individual discussions as appropriate.

B- Measuring perceptions / Meet with Key stakeholders

1. Assess the interaction and coordination with other relevant parties internally and externally in the medical procurement.
2. Develop a questionnaire and/or other instruments to measure the perceptions, by interviewing key informants (KIs), and to assess progress in mitigating these vulnerabilities (this should be validated through group/individual discussions). This could be a self-assessment for the medial Procurement process / Committees staff or and/or a survey for

direct stakeholders with respect to corruption; The Interviews should be loosely structured, based on the pre-approved questions.

3. Provide recommendations for the development of incentive systems to promote high performance of ministry staff;
4. Conduct risk treatment plan as required for the procurement departments upon the identification vulnerabilities after the assessment.

Selection of key informants (KIs)

KIs are people with *special knowledge of and interest in* the medical sector. Their selection will be based on their first hand knowledge about the subject and/or their level of involvement in the medical procurement sector. The KIs should be a mix of senior, middle managerial and junior-level personnel and should represent various institutions to get *multi-perspective* answers to the questionnaires. They may include government officials, representatives of the private sector, and of NGOs, and others with relevant involvement in the medical procurement. However, not all KIs need to be from the medical sector, as it would also be helpful to have cross-checks from KIs active in other areas, such as finance,

Output of the Assignment:

The consultant will provide a report providing analytical information on business processes, supported by appropriate process charts and tabular information, encompassing:

- Identification of key actions for major Procurement department/ committees business processes, tracking measures, area of vulnerability, suggested mitigation measures, and weight impact of the vulnerability;

- Summary of key findings, recommendations of mitigation measures, and next steps towards their implementation;

- Prepare a report of findings with writing the business procedure risk assessment plan for departments in the medical procurement; In order to build the capacity of the local staff,

- The expert will deliver two seminars/workshops during his/her stay, for the required departments (and wider audience may be invited), which will be agreed by JACC to explain the processes, methodology and key findings. Consultant will also share his/her knowledge about international best practice/comparative experience when the recommendations brought qualitative change.

Management arrangements and duration of the Assignment:

The contract will be issued by the Jordan Anti-Corruption Commission. UNDP Jordan's Project Manager at the JACC will be managing the day-to-day activities of the assignment in close consultation with the JACC officials. Duration of the assignment will be for 40 Working days, to be concluded by end of this year.

Reporting and payments:

A first payment of 50% of the contract is to be paid after the receive and approval of the first report which is expected to be submitted after 20 days of the start of this assignment and to include the following:

- Prepare a report of findings with writing the business procedure risk assessment plan for departments in the medical procurement; In order to build the capacity of the local staff,
- Develop a questionnaire and/or other instruments to measure the perceptions, by interviewing key informants (KIs).

The final payment of last 50% of contract is to be paid after the receive and approval of the final report and concluding the workshops, as follows:

The first draft of the final report is expected to be delivered by Dec, 1st 2011, while the final report is expected to be delivered by Dec, 15th 2011.

The workshops are expected to take place between Dec. 1-15th 2011

The reports are to be delivered in Arabic

The intellectual properties of these reports are reserved for JACC and UNDP.

Duties and Responsibilities

In carrying out the assignment, the expert shall:

- review all relevant legislations and other relevant documents
- consult extensively with JACC and stakeholders

Responsibility:

The expert will be under the overall guidance and management of the JACC and the UNDP Project Manager. The expert will work in close consultation with the senior management of the JACC as well as the relevant team.

Qualifications and Competencies:

- Advanced university degree in law, Economics or pharmaceutical Studies or any related field.
- Five to ten years of relevant work experience in the field of governance, with a particular focus on transparency and accountability;
- At least 5 years experience and proven technical track record in anti-corruption and public administration reforms;
- Proficiency in English Languages is essential; knowledge of Arabic is an asset.
- Knowledge of Jordan is preferable. Previous experience of working to the Government of Jordan is an asset;
- Proven ability to communicate effectively, and build partnerships on difficult reforms;

Evaluation of applicants:

Candidates will be evaluated based on the combination of the applicants' qualifications and financial proposal.

The award of the contract should be made to the individual consultant whose offer has been evaluated and determined as:

- responsive/compliant/acceptable, and
- Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

Only the highest ranked candidates who would be found qualified for the job will be considered for the Financial Evaluation.

Technical Criteria – 70% of total evaluation – max. 70 points:

- Technical expertise – maximum points: 15
- Relevant professional experience – maximum points: 25
- Knowledge and experience in the region – max points: 5
- Previous working experience on similar assignments – max points: 25

Financial Criteria – 30% of total evaluation – maximum 30 points.

Incomplete applications will not be considered. Please make sure you have provided all requested information.