



USAID
FROM THE AMERICAN PEOPLE



Expanding Access. Improving Health. Success Stories



SUSTAINING VIETNAM'S HIV AND AIDS PROGRAMS

People living with HIV and AIDS in Vietnam now have greater access to antiretroviral drugs (ARVs) than ever before. This access to care is largely the result of financial and in-kind contributions from the President's Emergency Plan for AIDS Relief (PEFAR) and The Global Fund which together have worked with the Government of Vietnam to cover 95% of the costs of ARVs (\$21.2 million in 2014).

But due to projected declines in donor funds in the next three to five years, there is a pressing need for the government to transition to more sustainable forms of financing to ensure this coverage continues.

To sustain funding for its HIV and AIDS programs, the Government of Vietnam has set a goal of covering up to 70% of ARVs by 2018. HFG is assisting Vietnam in managing this financial transition through a number of management, policy, and financing measures, related to sustainable ARV procurement.

Working with its partners in country, HFG has identified several barriers to sustainable ARV procurement:

- ▶ national laws designed to protect domestic production of pharmaceuticals, which limit competitive pricing;
- ▶ the drug procurement process is fragmented and decentralized;
- ▶ the bidding process for government tenders, such as buying medicines, is not part of a larger more comprehensive framework; and
- ▶ ARVs are not currently registered for circulation in Vietnam.

Together, these barriers dramatically increase the costs of procuring ARVs, thus limiting the ability of the Government to provide them to all people living with HIV and AIDS.



Members of the "Positive Living Group" in Vietnam travel to bring treatment and provide counseling and psychological support to remote populations. © 2012 Benoit Matsha-Carpentier/IFRC, Courtesy of Photoshare

At the request of the Ministry of Health Ministry of Health (MOH) and the Vietnam AIDS Administration Control (VAAC), HFG has assisted the Department of Planning and Finance with the procurement process. In this capacity, HFG has helped to draft appropriate procurement documentation, review bidding packages, secure approvals, review vendor bids, and assist with price negotiations. As a result, seven companies purchased tender documents and three were deemed eligible to compete for the tender. A bid was awarded, based on competitive pricing and other criteria, and a contract has been signed.

A flagship project of USAID's Office of Health Systems, the Health Finance and Governance (HFG) Project supports its partners in low- and middle-income countries to strengthen the health finance and governance functions of their health systems, expanding access to life-saving health services. The HFG project is a five-year (2012-2017), \$209 million global health project. The project builds on the achievements of the Health Systems 20/20 project. To learn more, please visit www.hfgproject.org.

The HFG project is led by Abt Associates in collaboration with Avenir Health, Broad Branch Associates, Development Alternatives Inc., Johns Hopkins Bloomberg School of Public Health, Results for Development Institute, RTI International, and Training Resources Group, Inc.

Agreement Officer Representative Team:

Scott Stewart (GH/OHS)
ssewart@usaid.gov

Jodi Charles (GH/OHS)
jcharles@usaid.gov



Abt Associates
www.abtassociates.com
4550 Montgomery Avenue, Suite 800
North Bethesda, MD 20814

April 2016

DISCLAIMER

The author's views expressed here do not necessarily reflect the views of the U.S. Agency for International Development or the U.S. Government

The new contract stipulates that approximately 6,400,000 oral; fixed-dose tablets of a combination first-line ARV will be supplied to treat nearly 17,600 patients for one year. The value of this contract is estimated to be \$2 million and is in line with current prices paid (\$.32 per tablet) by PEPFAR and The Global Fund. Now that this country-led arrangement has proven successful, HFG and MoH/VAAC will use it to form the basis of a more comprehensive and sustainable procurement framework for the government to provide ARVs at-scale.

In addition, HFG is helping to harmonize and coordinate procurement-related activities through the formation of a strategic working group. This working group is to have three intermediate functions. First, development partners will help coordinate activities to strengthen the capacity of domestic partners to assess drug quality and pricing transparency during the bidding process. Second, this working group will help to plan for the formation of a domestic body to purchase ARVs (as well other pharmaceuticals) at-scale, called the Central Procurement Unit. Third, the working group will support the establishment of a comprehensive Logistics Management Information System that enables the fluid exchange of data between the peripheral and central levels of the health system. Through its advocacy for the strategic working group, HFG is a leading force in convening stakeholders and harmonizing activities for sustainable procurement of ARVs in Vietnam.

In Vietnam, HFG has helped the Government of Vietnam to plan for a sustainable, country-led means of financing HIV and AIDS treatment and care. By identifying current barriers to implementation and helping to establish a fair and efficient process of drug procurement, HFG is helping the Government of Vietnam to play a larger role in delivering essential services to underserved members of the population. As this work in Vietnam demonstrates, HFG remains committed to helping countries strengthen their health systems while moving closer to Universal Health Coverage.