HOW TO PROMOTE A PHARMACEUTICAL BUSINESS?
Public sector procurement in Iraq

- Public sector procurement in Iraq is both centralized and decentralized.
- The public sector procurement is centralized under the responsibility of a procurement agency KIMADIA which is a part of the MOH and semi-autonomous.
- KIMADIA refers to the “State Company for Marketing Drugs and Medical appliance” created in 1964.
- KIMADIA role is to support the national economy by providing cost effective and qualified medicines, medical supplies and medical equipment.
- KIMADIA is in charge of the procurement of a defined list of 531 life saving commodities (National EML)
Overview of Iraq Statistics

- **For 2018**, total population in Iraq is 38 Million.
- **For 2012**, Government spends 6.5% on health out of its general expenditure.
- **For 2015**, Government spent 3.4% from total governmental budget on health (MOH 2017);
- **For 2019**, total health expenditure on health and environment is about 6 trillion only (4.5 % of general Government expenditure(133 Trillion). 
- Per capita health expenditure is reduced from $292 in 2012 (NHA 2012) to $154 in 2015 (WB 2015) compare to$366 in Iran and $257 in Jordan,

http://www.emro.who.int/countries/irq/index.html
Current health expenditure as a Percentage of GDP, by country, 2015

Domestic General Government Health Expenditure (GGHE-D) as % Gross Domestic Product (GDP) - Percentage

Source: WHO global health expenditure database
Procurement 2017

- Life Saving: 11.63%
- Anesthetic: 1.26%
- Chemotherapy: 17.35%
- NCD: 1.90%
- Vaccines: 38.38%
- General: 14.92%
Procurement 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Saving</td>
<td>6.12%</td>
</tr>
<tr>
<td>Anesthetic</td>
<td>0.21%</td>
</tr>
<tr>
<td>Chemotherapy</td>
<td>37.95%</td>
</tr>
<tr>
<td>NCD</td>
<td>2.08%</td>
</tr>
<tr>
<td>Vaccines</td>
<td>14.02%</td>
</tr>
<tr>
<td>General</td>
<td>28.45%</td>
</tr>
</tbody>
</table>
### Availability of medicines in health institutions for 2018

<table>
<thead>
<tr>
<th>Number of essential medicines (nEML)</th>
<th>% of medicines NOT available at any time during the year</th>
<th>% of medicines available but NOT all the time</th>
<th>% of medicines available at all time</th>
</tr>
</thead>
<tbody>
<tr>
<td>531</td>
<td>49%</td>
<td>39%</td>
<td>12%</td>
</tr>
</tbody>
</table>
Access: where are we

- Public Sector availability ideally should cover 2/3 of needs.
- Private Sector availability covers only 1/3 of needs.

Total Pharmaceutical Expenditure by Sector 2008
KIMADIA Procurement types

- Three different types of tendering process:
  1) General open tender (most common)
  2) Direct invitation for sole source products
  3) Direct invitation for local Manufacturers (for emergency procurement)

- All suppliers must be registered in Iraq. Registration could be fast tracked on special cases.

- The contract is established with:
  - Scientific bureaus in Iraq which represents one of the global companies.
  - Local market, Local manufacturers. Only in case of direct procurement in emergency cases for only three months shipping period.
  - International Manufacturers.
  - MAH (Marketing Authorization Holder)
## The procurement process

The procurement process is taking about **one year**:

<table>
<thead>
<tr>
<th>Duration</th>
<th>Activity Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 months</td>
<td>Assessing the needs (national quantification and forecasting)</td>
</tr>
<tr>
<td>4 months</td>
<td>Cost estimate of the items (budgeting exercise)</td>
</tr>
<tr>
<td>2 months</td>
<td>Requirements of qualifications including: the legal, technical and financial requirements as mentioned in Bidding Document</td>
</tr>
<tr>
<td>2 months</td>
<td>Announcement period is about 10-60 working days. (Bidding process)</td>
</tr>
<tr>
<td>1 month</td>
<td>Analysis period (dossier assessment)</td>
</tr>
<tr>
<td>1 month</td>
<td>Contracting administration</td>
</tr>
</tbody>
</table>
KIMADIA main challenges

- Related to procurement
  - No Responses to the tenders: (in 2019 more than 160 items / 531 were not offered by any suppliers)
    - Too small quantities
    - Manufacturers not interested to serve Kimadia (Administrative burden, open tender).
  - Under estimation of the prices compared to the international market.

- Related to Manufactures (after contracting)
  - Changes of manufacturing sites (workshop)
  - Changes of financial details (bank account)
  - Changes of the Trade Name of the item
  - Changes in the delivery schedules fixed in the contract
  - Shelf life
KIMADIA main challenges

- Related to Manufactures (after contracting)
  - Delaying in providing the required certificates that should be signed and stamped from Iraqi embassy in the country of origin.
  - Delaying in providing the required Documents for lot release like COA, and reference standards.
  - Delaying in providing requested samples.

- Related to the country:
  - Due to emergency procurement shelf life is not always adequate
How MOH is planning to improve the access?

- Improving market competition
- Price Controls
- Strong Generics Policy needs.
What Kimadia offered to encourage the suppliers to participate in Iraqi market

- Registration – all suppliers and products should be registered – fast tracking registration on special cases /emergency needs (Minimizing No. of required documents)
- Payment method – improvement in banking system process
- Performance bond 5% - improve the tracking to make sure that the 5% are released on time.
- Facilitate in solving the legal outstanding issues with companies like pervious payments and expired medicines. Both sides, to increase the pool of manufacturers and work again with them.
Iraq Message

- Iraq is entering now a new chapter in his promoting and improving the accessibility to essential medicines.

- There are a lot of efforts and willing to attract the companies and manufacturers and to re-build the trust.

- To help Iraq to achieve a successful, affordable and qualified pharmaceutical market. The suppliers to be more cooperative and collaborative.
For 2020:

Kimadia is looking for suppliers able to offer:

- Life saving Drugs
- Biosimilar products.
- Chemotherapeutic Drugs.

Additional information:
- Look at the website on how to work with us. **English / Arabic**
  
  [http://kimadia.iq/en/](http://kimadia.iq/en/), **gen.relat@kimadia.iq**

- Look at the tender on going on the web site.
Thank You