

Terms of reference (ToR) for the procurement of services (ANNEX 1)



CONTRACT: 83418859

Project Title: Needs Assessment for Electronic Procurement for the Lesotho National Drug Service Organisation (NDSO)

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General information

a. Brief information on the project

The program “Cooperation for the Enhancement of Southern African Development Community (SADC) Regional Economic Integration” (CESARE) supports the Southern Africa Development Community (SADC) in economic development as well as good governance. Its main cooperation partner is the SADC secretariat in Gaborone, Botswana. The program is further implemented in cooperation with the national governments of SADC member states as well as with associations and companies of the private sector and civil society. One of the four measures of the program is the Joint Action “Support towards Industrialization and the Productive Sectors (SIPS) in the SADC region”. This Private Sector Development Action is financed by the EU and the German Government. GIZ is responsible for the implementation of two result areas of SIPS: to enhance the private sector participation in regional medical and pharmaceutical value chains, in this case specifically the anti-retroviral (ARV) value chain (VC), and to enhance the private sector participation in the regional leather value chain.

b. Context

The Joint Action SIPS is supported by the European Union (EU) under European Development Fund (EDF) 11 as approved by the European Commission in October 2018. The Action has been initiated to support the SADC Industrialisation strategy through developing and strengthening selected regional value chains.

The overall objective of the SIPS Program is to contribute to the SADC industrialisation and regional integration agenda. The project purpose (specific objective) is:

To improve the performance and growth of selected regional value chains and related services within the agro-processing, pharmaceutical and medical products sectors.

The SIPS Program addresses key concerns of the private sector that are currently impeding industrialisation in the SADC region, by addressing both market failures and coordination and linkages failures between the national and regional levels as well as between the public and private sectors. Accordingly, the program aims to achieve its objectives through two mutually reinforcing components:

- Component 1 (Result 1) is enhancing the policy, regulatory and business environment at national and regional levels for the development and sustainable operation of regional value chains (for selected products) in the agro-processing and pharmaceutical sectors.
- Component 2 (Results 2 and 3) is enhancing private sector participation in regional pharmaceutical and medical as well as leather value chains. More specifically, result 2 exclusively aims at enhancing private sector participation in regional anti-retroviral (ARV) and Covid-19-relevant medical and pharmaceutical products (CMPP) value chains (results 2.1 and 2.2, respectively).

The EU and the SADC Secretariat have identified the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH as the lead implementing agency for the Results 2 and 3 of the SIPS Program (in the framework of a co-financed Contribution Agreement). GIZ is implementing the private sector component through a Multi-donor Action, the Joint Action SIPS, that is jointly co-financed by the European Union and the Federal Republic of Germany's Federal Ministry for Economic Cooperation and Development (BMZ). GIZ implements the Private Sector Component of SIPS as part of the BMZ-commissioned program "Cooperation for the Enhancement of SADC Regional Economic Integration" (CESARE II) which has an implementation period of up to 41 months, with effect from October 2019.

Economic and public health potential of the regional ARV value chain

The antiretroviral value chain is an important focal area given the impact of the HIV pandemic across the world, over 5 decades after it emerged as a major disease threat. The highest burden of HIV/AIDS resides within the African continent, particularly Sub-Saharan Africa, where approximately 67% of HIV positive cases are found. Furthermore, the SADC region has the highest prevalence on the continent. According to 2020 data, over 20 million individuals in East and Southern Africa are HIV positive, representing over 54% of the worldwide population, with the vast majority (17.3 million people) in the SADC region.

Currently, there are effective antiretroviral therapies (ART) that do not cure the infection but offer long term remission and reduction in viral load. Although antiretroviral therapies are widely available, and there has been a significant decline in the number of new HIV infections, the condition remains a major infectious disease risk. It is important to highlight that, of the estimated 17.3 million people living with HIV/AIDS in SADC, an estimated 13.1 million have access to antiretroviral therapy, meaning that 4.2 million people are not on treatment. Efforts are underway to increase access to ART in line with the UNAIDS 95-95-95 strategy aimed at ensuring that 95% of people living with HIV know their HIV status; 95% of people who know their status are on treatment; and 95% of people on treatment are virally suppressed. Given these targets, the uptake of ART in the region is likely to rise over time.

The majority of ARVs used in SADC are imported, and there is a clear economic opportunity for the region by increasing the local capture of this market through investment in pharmaceutical manufacturing in the ARV value chain. The region incurs an estimated annual expenditure of US\$1.7 billion on ARVs. Most ARVs are currently

imported by donor agencies from outside the continent, with the public sector in SADC Member states also procuring a sizeable amount directly. ARV production in the SADC region has the potential to shorten ARV procurement lead times for government or donors in the ARV supply chain and create new market opportunities for supporting industries. Therefore, the ARV value chain offers both public health and an economic opportunity for the SADC region.

Recommended ARV Chain interventions

Based on stakeholder engagement and analysis of the ARV wider value chain conducted during the inception phase of Result area 2.1 of the Joint Action SIPS, a comprehensive inception report was compiled, and it forms part of the information pack for this assignment. The report profiles the regional ARV market, procurement dynamics, the current state of the industry and the opportunities and challenges that exist, along with proposed interventions.

Given the very different parameters that govern and drive the identified market segments, the interventions are structured to take account of these individual market segments, which are:

1. The public market.

This represents government procurement (tenders). It is the highest priority and main focal area for the Joint Action SIPS project due to its relative size and accessibility by local manufacturers, it is the main sales opportunity for local manufacturers and essential in ensuring the viability of local manufacturers. SIPS component 1 and component 2 will work in tandem to increase the accessibility of this market by manufacturers in the region.

2. The donor market.

This represents ARV procurement by donor agencies such as PEPFAR or Global Fund on behalf of governments and is the largest market by size in all countries, excluding South Africa which is dominated by the private sector; however, it is largely 'locked' to most local manufacturers since they need to attain World Health Organization Prequalification (WHO-PQ) or Stringent Regulatory Authority quality standard to access it and as competitive prices for larger donor procurements depend on economies of scale of manufacturers outside SADC.

3. The private market.

This represents private insurance or out-of-pocket purchases of ARVs. The only substantial private market in the region is South Africa. From a value perspective, it is attractive; however, the presence of non-tariff barriers, multinational competition, and the presence of a sizable South African pharmaceutical manufacturing base, makes it challenging to compete for companies of other SADC member states.

Based on the above analysis and findings from the inception report, several interventions targeting the public market were identified. These include, (i) promoting public-private engagement dialogue for information sharing and better understanding of each other's needs (ii) promoting information exchange among Central Medical Stores to foster best practices (iii) supporting initiatives aimed at enhancing efficiency within Central Medical Stores with regards to information sharing with suppliers and execution of relevant procurement processes. Against this background and findings, these Terms of Reference will focus on building capacity of the Lesotho National Drug Service Organisation in improving their procurement processes.

The Joint Action SIPS aims to support Central Medical Stores in the SADC region who are the major buyers of ARVs in the region in availing quality information to suppliers on their requirements and ensuring operational efficiencies as a way of ensuring that the private sector collaborates effectively with this segment of the market thereby enhancing the value chain. Findings from the inception phase of the ARV VC analysis revealed that there is lack of market information data and working with Central Medical Stores on improving procurement processes is a step towards increasing market access by the private sector and enhancing internal processes of the Central Medical Stores.

Specifically, the Joint Action SIPS will support member states to develop electronic platforms for managing the procurement processes in line with modern trends. In addition to the platform, the Lesotho National Drug Service Organisation (NDSO) will receive capacity building through training on product specification, legal issues in pharmaceutical procurement and contract management.

- c. GIZ shall hire an Individual consultant for the anticipated contract term, from 17th October 2022 to 30th January 2023.
- d. The consultant shall provide the following services:
The overall objective of the individual contractor is to develop and conduct a needs assessment and build capacity of the Lesotho NDSO to facilitate the development of an e-procurement, tender portal and a customised supplier evaluation tool. For this purpose, the consultant must present a comprehensive methodological approach and detailed work-plan in their proposal (max 5 pages). The Joint Action SIPS Team will create a working group comprising of the contractor, software developer and the client (Lesotho NDSO) before the contract begins to facilitate collaboration and effective implementation of the activity.

The consultant will undertake the following activities:

1. Needs Assessment:

The needs assessment aims to understand the current procurement processes of the NDSO and their expectations regarding e-procurement, identify focal areas for capacity building and explore all legal and technological aspects of the proposed intervention.

- 1.1 Design a needs assessment questionnaire for Lesotho NDSO based on current best procurement practices to identify missing gaps in their procurement system for ARVs and other medical products. The needs assessment should include a site visit to the NDSO.
- 1.2 Conduct interviews with relevant stakeholders (pharmaceutical companies, policy makers, ICT department, Legal Affairs, Regulatory agencies) on the external factors affecting procurement and how these can be mitigated where possible. Joint Action SIPS and NDSO will support the organisation of the interviews.
- 1.3 Analyse data and present the data to the working group for discussion and validation. The data will be presented in a 2-hour online workshop using the Joint Action SIPS Microsoft Teams platform.
- 1.4 Prepare a needs assessment report with incorporated comments from the working group.
- 1.5 Support the software developer in developing the user requirements for the e-procurement portal

- 1.6 Collaborate closely with a software developer in building an e-procurement portal for NDSO.
2. Conduct training on procurement with a focus on transition to e-platforms and the adoption of current trends and best practices in the industry.
 - 2.1 Develop training material in collaboration with GIZ SIPS, the training material remains property of GIZ SIPS at the end of the assignment.
 - 2.2 Training should cover legal issues, contract management, communication, product specifications and relevant areas identified in the need's assessment.
 - 2.3 Support the Joint Action SIPS Team Monitoring and Evaluation (M&E) expert by preparing a M&E report of the activity.
3. The consultant will be expected to participate in online meetings with relevant stakeholders occasionally.

Deadlines and Deliverables:

Tasks	Deliverables	Deadline	Comments
Needs Assessment	Needs Assessment questionnaire and visit	3 weeks after the contract has started	
	Presentation of proposed identified gaps and intervention areas to the working group.	6 weeks after the contract has started	Identified procurement gaps will inform the procurement training
	Short needs assessment report (5-10 pages)	7 weeks after the contract has started	Informed by the visit and interactions with NDSO
Procurement Training	Draft training material on e-procurement, contract management and legal issues in pharmaceutical procurement	8 weeks after the contract has started	Training content to draw on current best practices and the findings from the needs assessment
	Final training material on e-procurement	10 weeks after the contract has started	Two weeks are needed for revising
	2-day on-site Procurement Training plus provision of a training report (5-10 pages)	12 weeks	Communication and visibility actions to be coordinated by GIZ SIPS M&E Coordinator
Monitoring and Evaluation	Submit a M&E report of the assignment	14 weeks	The Joint SIPS team M&E will provide a reporting template
Communications and Visibility event	Videos, pictures and communication material	12 weeks	

Period of assignment: from 17 October 2022 until 30 January 2023. The GIZ-SIPS Technical Team will call for other update meetings with the contractor where necessary to discuss the progress of the project.

Tender requirements

1. Qualifications of proposed staff

1.1 Expert 1:

1.1.1 General qualifications

University qualification (first degree/master's) in education, pharmacy/ biomedical sciences, business studies and/or supply chain management

Professional experience:

- Min 7 years' experience in pharmaceutical supply chain management and working with procurement agents such as Central Medical Stores and/or private sector companies supplying government institutions
- Excellent methodological skills (including data analysis, sector, stakeholder and value chain analysis).
- Experience in designing and conducting needs assessments as well as training.
- Knowledge / relevant experience with donor institutions such as Global Fund and USAID and their supply chain medical and supply chain processes;
- Networking experience with Central Medical Stores, Ministry of Health and pharmaceutical suppliers in SADC member state/s.
- Proven track record in capacity development in a public or private sector context; experience in facilitating multi-stakeholder processes.
- Ability to interact in different cultural and professional environments and to create good working relationships at local and international levels.
- Extensive experience in procurement and supply chain technical assistance in the development sector.

1.1.2 Experience in the region/knowledge

- Work experience in Africa/ SADC.
- Work experience with regional/ international (industry) development organizations (e.g. UNIDO, GIZ, Sida, AFD, USAID) or working with regional inter-governmental communities such as SADC, ECOWAS, EAC

1.1.3 Language skills:

- Excellent business language skills in English required
- Knowledge of local languages such as Sesotho are an advantage

2. Specification of inputs

The number of work days is up to 30 days

Fee days	Number of experts	Number of days per expert	Comments
• Preparation/debriefing	1	3	

• Implementation	1	27	
Travel expenses	Number of experts	Number of days/nights per experts	Comments
• Per-diem allowance in country of assignment	1	5	This relates to the physical workshop in Mafeteng, Lesotho.
• Overnight allowance in country of assignment	1	5	This relates to the physical workshop in Mafeteng, Lesotho.
• Travel costs (train, private vehicle)	1	5	This relates to in-country travel between Maseru and Mafeteng.
Flights	Number of experts	Number of flights per experts	Comments
• Regional flights	1	2	This relates to the needs assessment visit and the physical training in Mafeteng, Lesotho.
• Domestic flights	n/a	n/a	
Other costs	Number of experts	Amount per experts	Comments
• Flexible remuneration	n/a	n/a	

Calculate your financial bid exactly in line with the quantitative requirements of the specification of inputs above. There is no contractual right to use up the full days/travel or workshops or budgets. The number of days/travel/workshops and the budgets will be contractually agreed as **maximum amounts**. The regulations on pricing are contained in the price sheet.

Note:

If restrictions are introduced to combat coronavirus/COVID-19 (restrictions on air travel and travel in general, entry restrictions, quarantine measures, etc.), GIZ and the contractor are obliged to make adjustments to their contractual services to reflect the changed circumstances on the basis of good faith; this may involve changes to the service delivery period, the services to be delivered and, if necessary, to the remuneration.