

**TB Procurement challenges  
at country level  
and Global Fund bureaucracy**

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# Last consultant meeting in Berlin

- Problem of stock-out situations in countries where The Union works raised
- Decision to document much more the situations before addressing them to The Global Fund/GDF
- A questionnaire was developed by AT and CM and sent to a group of consultants
- No real feedback except from AT (for some french speaking african countries)

# Actions so far...

- Contact established with the new GDF manager to inform her on GDF procurement challenges for countries
- When necessary, intervention to alert GDF staff or Global Fund Portfolio managers to solve problems for specific countries
- Documentation of specific cases during technical assistance to countries (AT and CM)
- Presentation done in a symposium in Lille conference

# Example 1: Madagascar

- Shortages at peripheral level early 2010 due to gap of 7 months between Round 4 and Round 8 which started in 2011 and big delivery delays from GDF (for grants and procurement)
- Buffer stock used during this period, but not enough budget in Round 8 Phase 1 to reconstitute it
- Order placed by NTP/PR on 23 March 2011 to GDF to cover only yearly needs for adult formulations
- After 3 months, no quotation was received: GDF had no valid contracts with suppliers (tender process problem)!
- Deliveries expected between Sept 2011 and Jan 2012
- A GDF grant required to reconstitute the buffer stock at national level

# Example 2: Benin

- In 2010 near stock-out situation due to GDF delivery delays due to non-alignment of the GDF sources with The Global Fund quality assurance policy
- The NTP decided to place its order this year through the experimented national procurement centre CAME which has already experiences with GF procedures on other diseases
- But again the situation is very critical...
- Tender dossier submitted by CAME/NTP to LFA on 22 March 2011, but validation of the dossier only on 29 June 2011 after many exchanges
- Tender analysis submitted to LFA on 5 September, but was only approved by GF on 13 October 2011
- Order now confirmed to Mac Leods representative
- With a very short time delivery 12 January 2012...(realistic?) based on quantification done in Feb 2011...

# Example 3: Ivory Coast

- Early 2011: emergency order of TB medicines with government budget to avoid shortages considering GF money was not disbursed in time (consolidation Round 6 and 9 approved in April 2010, signed on 13 Sept 2010 but disbursed only on Dec 2010 and used mainly to pay salaries and Global Fund missions).
- Risk taken on quality of medicines supplied and high prices
- In parallel, GDF order directly paid by GF but long delivery delays and short shelf-life at reception
- The NTP is advocating to maintain a budget line for TB medicines to not be dependent of The Global Fund and GDF procurement system

# Example 4: Cameroon

- Money from PPTTE was used to order medicines through CENAME last year, however some shortages occurred early 2011 because Mac Leods didn't respect its time delivery commitment
- Round 9 is finalised since Oct 2010 and money is available since 1st quarter 2011
- But the PSM plan is under finalisation since 10 months...will not be very updated when validated!
- Which means no tender have been done yet to cover needs of next year...
- Shortages expected if funds are not disbursed very quickly

# Example 5: Burkina Faso

- TB medicines are purchased by CAMEG with funds from Global Fund and from government
- Round 8, Y1: Order placed with GF money on July 2010, was delivered partially on Feb 2011 but was not in line with GF QA policy, second delivery cancelled and new order placed through IDA expected early 2012
- Round 8, Y2: Order prepared on April 2011 but contract still under signature between CAMEG and PADS (PR)

# **Example 6: Myanmar (for HIV/AIDS medicines)**

- Round 9: The Union project is supplied through UNOPS Procurement
- Phase 1, Y1: Needs given to UNOPS Myanmar (PR) mid 2010, finalised with UNOPS in Dec 2010 after many exchanges and interlocutor changes, expecting deliveries mid-2011
- UNOPS Myanmar had no experience, procurement done with support from UNOPS India
- Tender document approved by GF on 7 Feb 2011 and tender analysis approved by GF on 31 May 2011
- But early August 2011, notices of awards still not sent to suppliers and PO not confirmed

# Example 6: Myanmar

## (for HIV/AIDS medicines)

- But among 34 ARVs only 18 offered and awarded and among 200 OIs only 29 items awarded...by end of May 2011
- For missing items, demand to GF to use UNICEF or IDA...Long time also to get quotations and confirm orders
- No shortages only because we have other funds from 3DF and Yadana...
- First delivery of medicines only in Sept 2011
- Phase 1 Y2: UNOPS Myanmar is not allowed to purchase pharmaceuticals...a procurement agent such as IDA or UNICEF should be identified
- Phase 2: The Union wants to negotiate with GF to do the procurement

# Main problems identified...

- GDF
  - No valid contracts, no possibility to send quotations → problem now solved, new contracts established, letter sent by GDF manager to clients
  - Long time delivery → penalties now included in GDF contracts with manufacturers
  - Short expiry dates → to be followed under new contracts
  - Restructuring process approved but lack of support
- Principal Recipients
  - UN organisations with no experience in procurement accepted as procurement agents by Global Fund when national systems are considered to have no or weak capacities (Myanmar UNOPS and past experience with UNDP in DRC)
  - Is the objective of The Global Fund to do capacity building of UN organisations in procurement?

# Main problem identified... (2)

- Global Fund/LFA: huge bureaucracy!
  - Delay in disbursement linked to negotiation of budgets or consolidation of rounds creating gaps in funding for medicines (consumption of buffer stocks): **delays from 6 months to 24 months**
  - Procurement and Supply Management (PSM) Plan development and validation very long...including needs which are not anymore accurate if process is too long: **delays from 3 to 10 months**
  - Long delays to receive feedback on tender dossiers and tender analysis, before orders can be confirmed to suppliers
  - When orders are confirmed, time delivery commitment not always respected by manufacturers/suppliers: **delays from 4 months to 8 months**

# What next?

- How could we make sure the GDF restructuring process is supported by the Stop TB Partnership?
- How to address the bureaucratic problem of The Global Fund?
- How could we advocate to make sure The Global Fund is reinforcing national systems and not external organisations?