

Beware of the Global Fund Procurement Cliff



WARNING: A premature shift for countries from the Global Fund to national procurement risks compromising the quality, affordability, and availability of TB medicines in those countries.

The Global Fund & affordable quality medicines

Over the last 16 years, the Global Fund to Fight AIDS, TB and Malaria (Global Fund) has helped to ensure a more affordable, quality, and sustained supply for HIV, TB, and malaria medicines:

➔ **LOWER-PRICES:** Coordinating pooled procurement across countries in order to negotiate volume-based discounts.

➔ **COMPETITION:** Attracting additional manufacturers, including generic companies, in order to create competition in price.

➔ **QUALITY:** Requiring WHO Pre-Qualification (WHO PQ) or approval from a stringent drug regulatory authority (SDRA).

➔ **SUPPLY:** Using blanket waivers to address the widespread problem of companies not registering products in countries.

Global Fund co-financing & transition policies

Following a reduction in funding and pressure from donors, the Global Fund revised its co-financing and allocation policies,* accelerating the transition of certain countries (those without a high enough disease burden or those which are considered higher income) from Global Fund support. As another means to compensate for reduced funding, the Global Fund is encouraging co-financing agreements, whereby eligible countries are required to dedicate more domestic funds to the national response, including to support the procurement of medical commodities.

We are bringing attention to how these policies impact the procurement of medicines.

As part of co-financing and the transition process, countries are expected to **shift to nationally funded procurement systems**, either wholly or partially, for key medicines including TB drugs. This often leads to a loss of access to international mechanisms (such as the Global Drug Facility (GDF)).

* Sustainability, Transitions and Co-Financing policies:
https://www.theglobalfund.org/media/4221/bm35_04-sustainabilitytransiti onandcofinancing_policy_en.pdf

What's at risk by shifting to national drug procurement systems?



AFFORDABILITY: Not all countries can access international pooled procurement mechanisms (such as the GDF) or have the negotiating power to **secure the most affordable prices**.



QUALITY: Not all countries require WHO PQ or SDRA approval to ensure quality of drugs and diagnostic tools.



SUPPLY: Not all countries are able to efficiently issue waivers for medical commodities that have not been registered locally, creating delays in accessing supply to TB medicines and diagnostic tools.

What should the Global Fund do?

- 1. LOOK BEFORE YOU LEAP:** Conduct and act upon **risk and readiness assessments** for countries undergoing transition and/or countries on track to increase co-financing of medical commodities.
- 2. PROVIDE TRANSPARENCY** for co-financing agreements, transition timelines and readiness assessments.
- 3. PROVIDE BRIDGE FUNDING** and flexibilities to allow countries to access GDF or pooled procurement mechanisms (PPM).
- 4. MONITOR & REPORT** on scale up of TB testing and treatment, as well as sickness and death in countries that are co-financing and/or transitioning.

What should countries do?

- 1. AFFORDABILITY:** Change laws as necessary in order to access global markets as an option and provide transparency throughout the procurement and bidding process.
- 2. QUALITY:** Require WHO PQ or SDRA approval, at least for an interim period.
- 3. ACCESS:** Enroll in the WHO Collaborative Registration Procedure to facilitate national registration and reduce onerous regulatory barriers.
- 4. SUPPLY:** Strengthen procurement supply mechanisms and forecasting.

What should donors do?

- 1. FUND** the Global Fund.
- 2. STOP** pressuring the Global Fund to reduce support for procurement of lifesaving quality TB drugs in countries.
- 3. SUPPORT** advocates to play a watchdog role in countries' procurement.
- 4. SUPPORT** countries in adopting pro-access policies.
- 5. SUPPORT** WHO PQ and incentives for companies to submit to WHO PQ.