

VOLUNTARY POOLED PROCUREMENT

Update
December 10th 2010

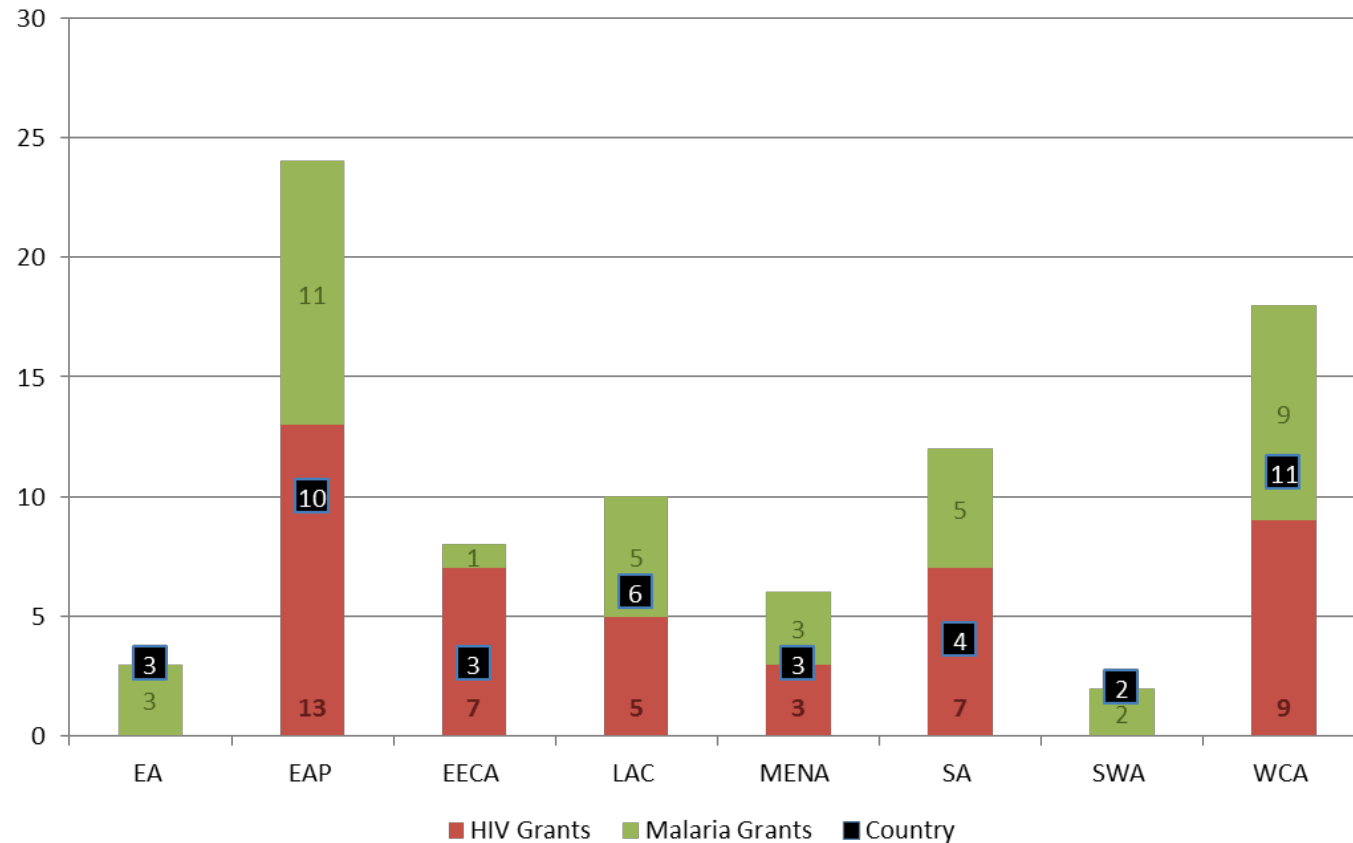
**Mariatou Tala Jallow,
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Pharmaceutical Management Unit**

Pooled Service Facility established: June 2009 – December 2010

- Multiple PRs/ Countries using VPP mechanism
- Procurement base established
- Structured procurement mechanism with Standard Operating Procedures implemented
- Direct payment mechanism established – grant disbursement
- Master Supply Agreement (MSA) signed with manufacturers

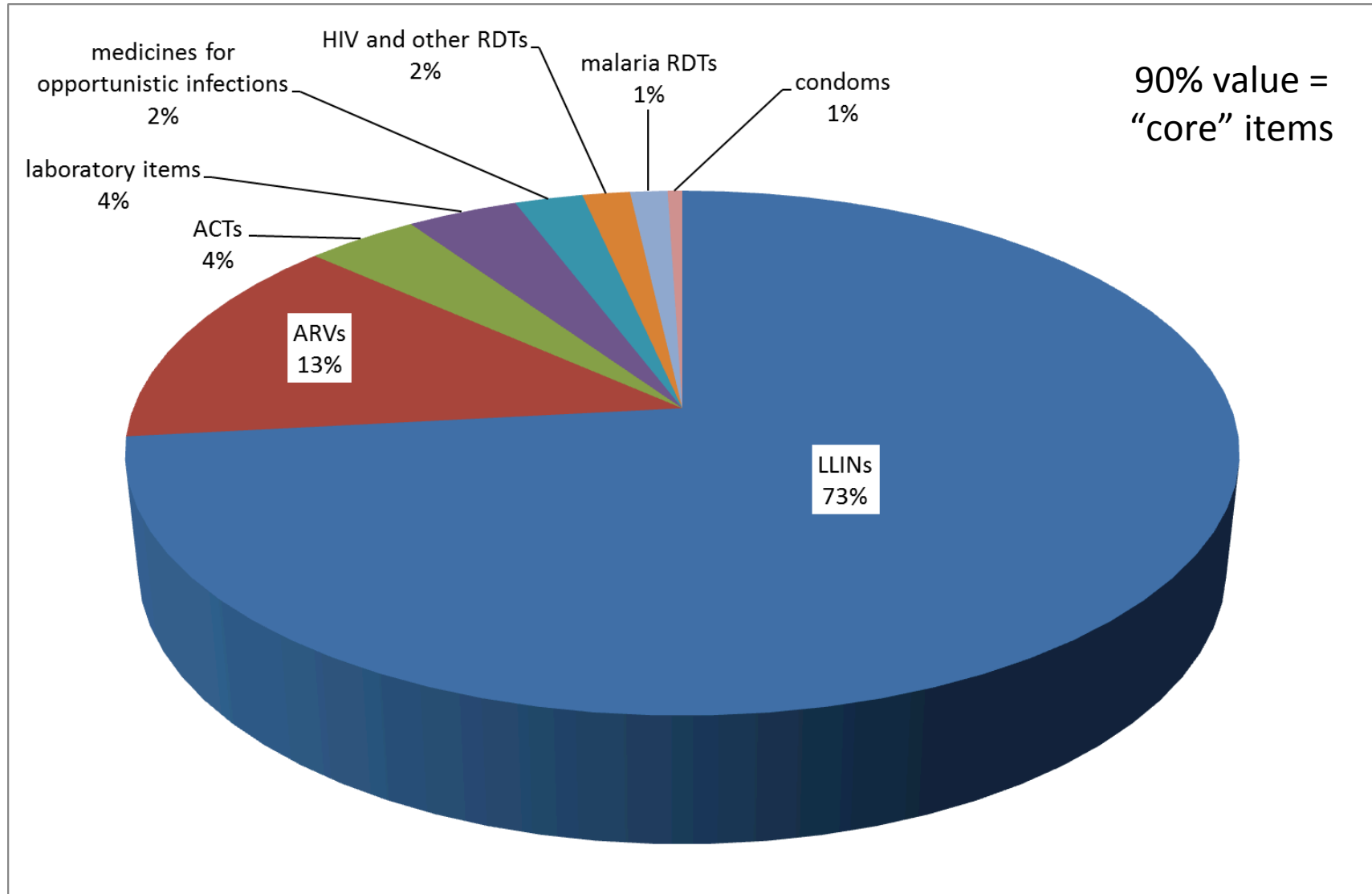
Operational Phase- PR participation

42 Countries and 83 Grants

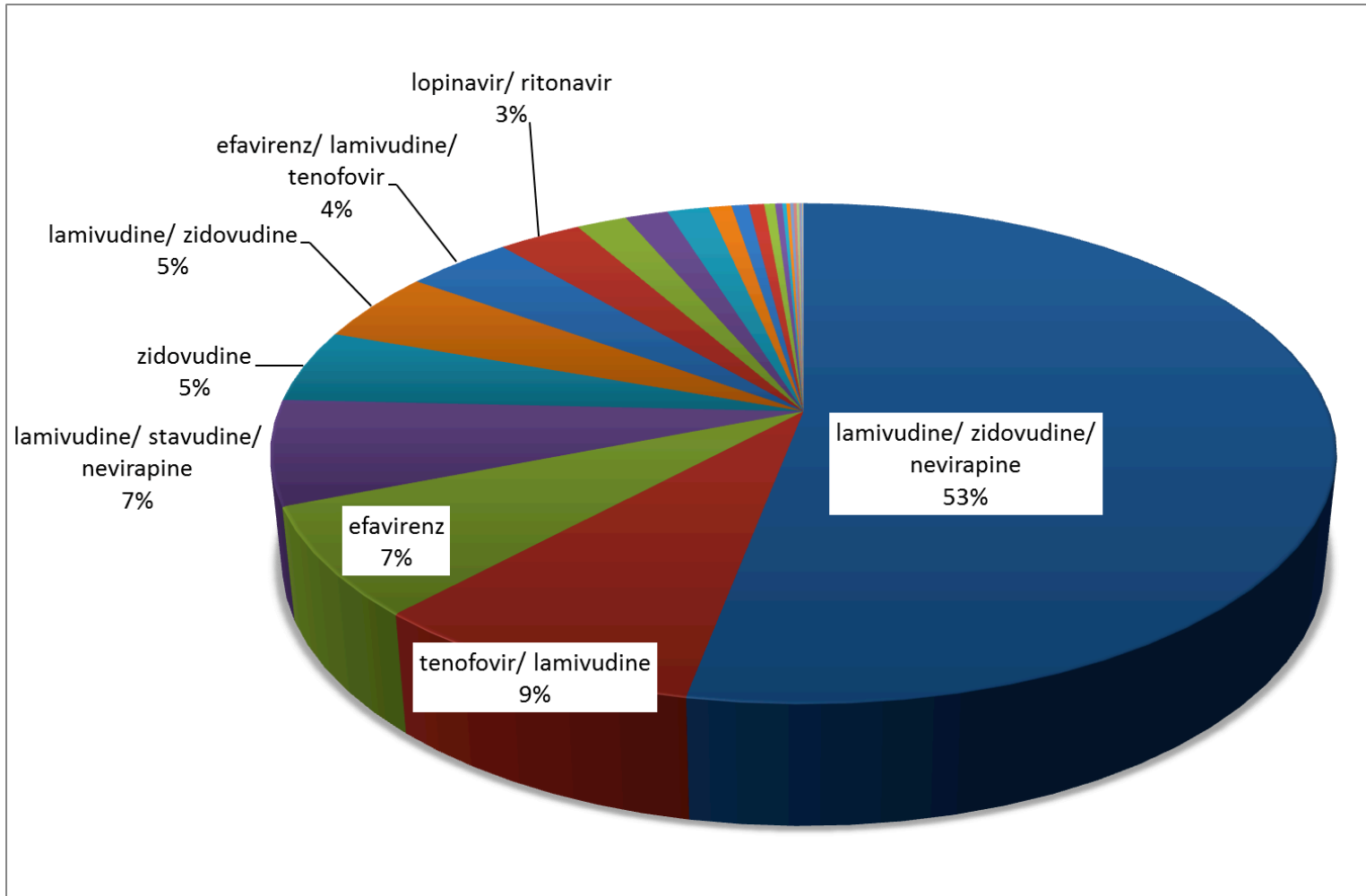


Source : VPP Data, 31 Aug 2010

\$410 million products delivered/in transit (December 2010)

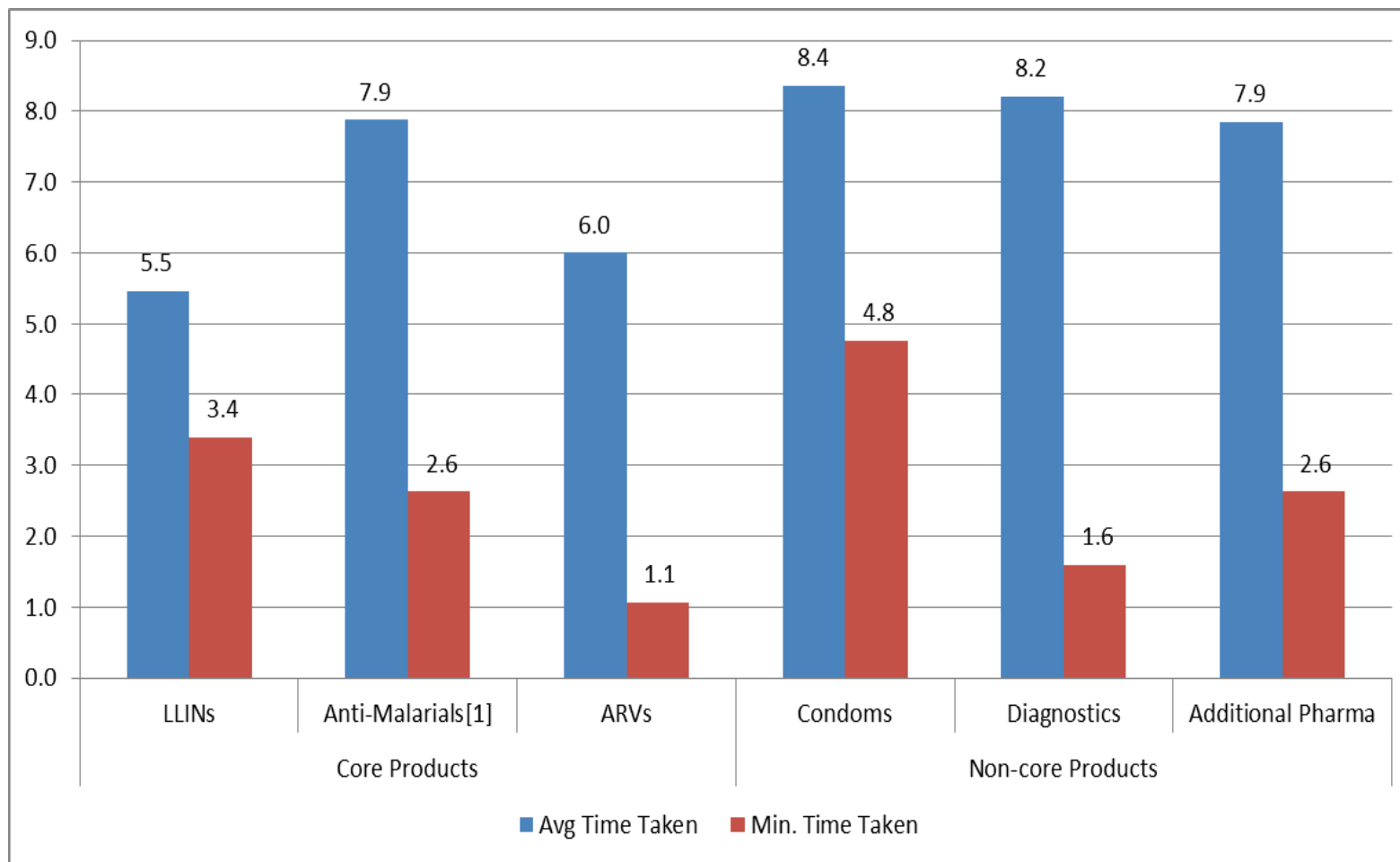


13%= \$55 million ARVs



- Mozambique
- Zambia
- Cambodia
- Haiti
- Swaziland
- Niger
- Nicaragua
- Togo
- Congo
- Georgia
- Guinea Bissau
- Laos
- Gambia
- Indonesia
- Honduras
- Djibouti
- Thailand
- Armenia
- Cape Verde
- Philippines
- Macedonia
- East Timor
- Mongolia

Procurement Cycle* (months)



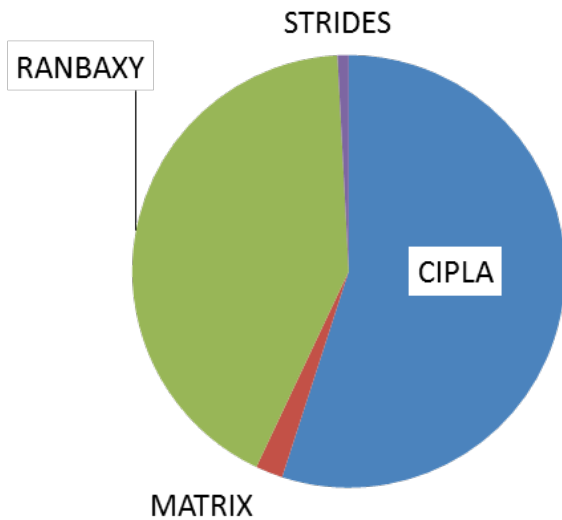
*Procurement cycle: From the time procurement agent received request till date of delivery

Source : VPP Data/ PFSCM Client Center / PSI, 31 Aug 2010

[1] Includes a very small proportion of non-core, non-ACT antimalarial medicines

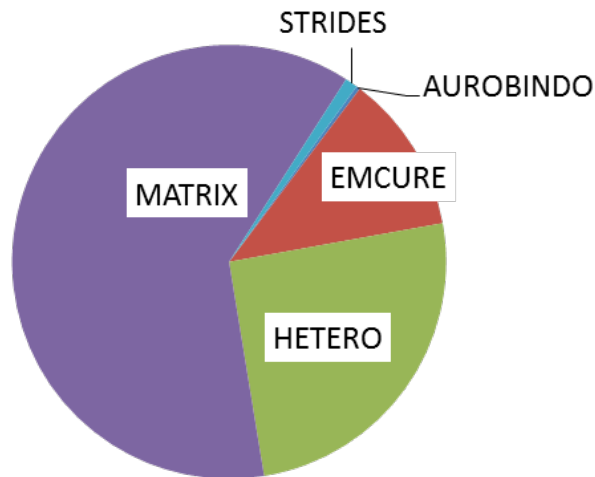
Supply & Sustainability

Lamivudine/ Zidovudine/
Nevirapine 150/300/200mg



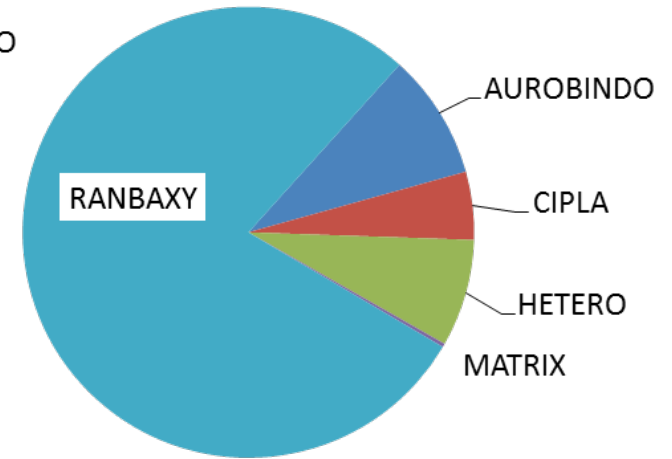
8 quality assured suppliers
6 in primary pool
procured from 4

Efavirenz 600mg



8 quality assured suppliers
7 in primary pool
procured from 5

Lamivudine/ Zidovudine
150/300mg



10 quality assured suppliers
6 in primary pool
procured from 5

Source : VPP Data/ PFSCM Client Center, 31 Aug 2010

Initial Challenges

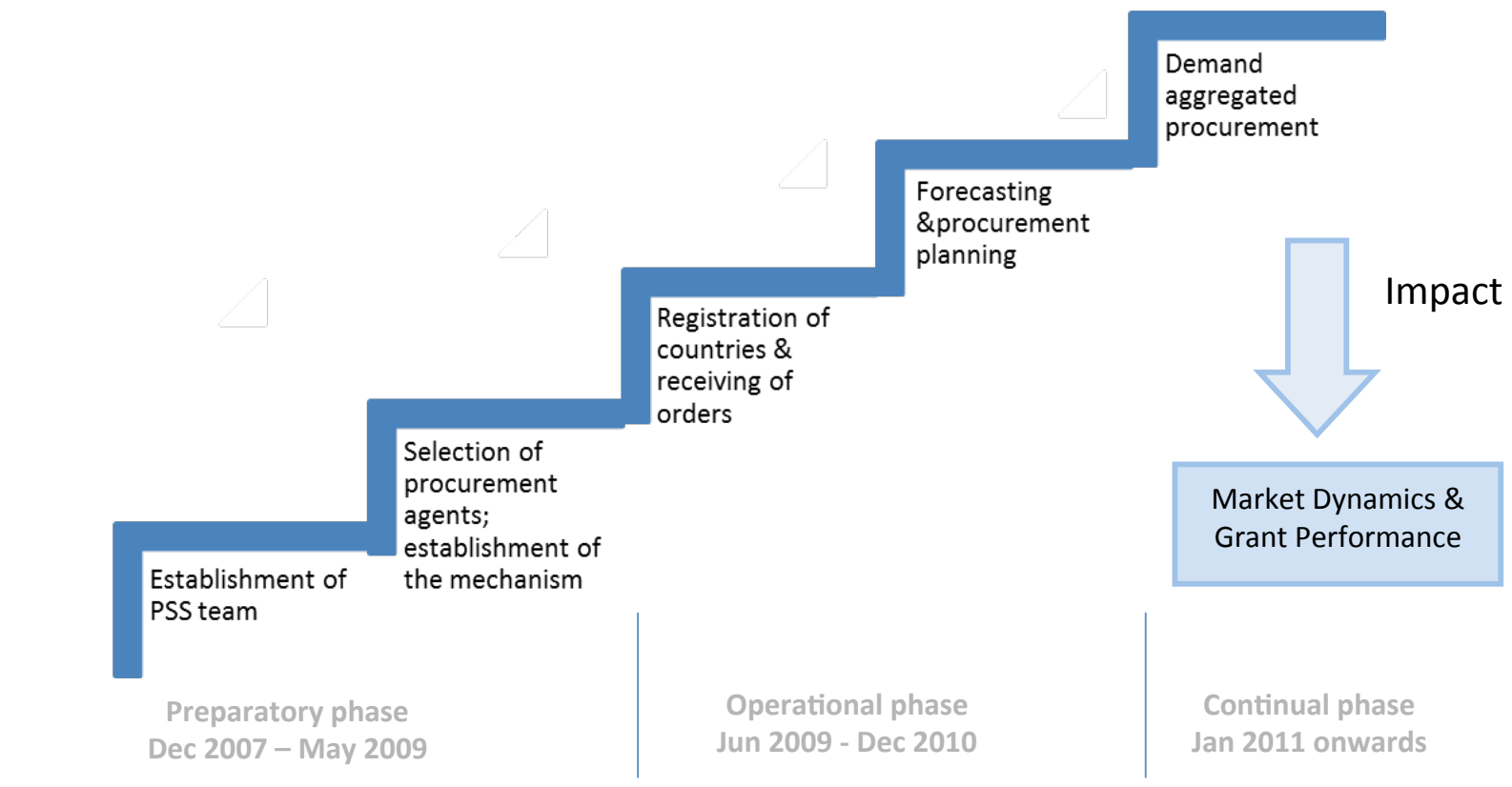
- Irregular and unpredictable participation
- Limited demand aggregation
 - grant architecture; individual PSM plans and non-coordinated procurement cycles.
 - A high proportion of emergency procurements (40%) and inadequate procurements planning
- Unrealistic expectations, including delivery times
- Long lead times from manufacturers

Next steps

Strengthening and refining the VPP mechanism / strategically positioning VPP to better meet its objectives through:

- Improving on demand aggregation (stepwise approach)
- Strengthening VPP operational process
- Implementing recommendations on the Market Dynamics Strategy for the Key health products where the VPP can be used as a primary tool (MDC Consultancy study)
- Implementing the VPP Monitoring and Evaluation Framework

Steps Towards Pooled Demand & Procurement



Preliminary forecasts - 2011-2013

- 40 countries and 50 grants confirmed for VPP for 2011
 - 20 countries confirmed participation for ARVs – estimated U\$50 million
- A number of new grants anticipated to join
- Forecasts being compiled for core products including ARVs for 2011/2012 and 2013