

Practices That Improve Global Fund Procurement and Supply Management: Key Implementation Actions



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About SPS

The Strengthening Pharmaceutical Systems (SPS) Program strives to build capacity within developing countries to effectively manage all aspects of pharmaceutical systems and services. SPS focuses on improving governance in the pharmaceutical sector, strengthening pharmaceutical management systems and financing mechanisms, containing antimicrobial resistance, and enhancing access to and appropriate use of medicines.

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PRACTICES THAT IMPROVE GLOBAL FUND PROCUREMENT AND SUPPLY MANAGEMENT: KEY IMPLEMENTATION ACTIONS

The Global Fund to Fight AIDS, Tuberculosis and Malaria has approved millions of dollars' worth grants for countries to procure and distribute medicines and other health products for HIV/AIDS, tuberculosis (TB), and malaria. However, some Global Fund recipients face significant challenges in using the allocated funds to get these products to the service delivery points as planned.

In 2006, case studies¹ in Ghana, Guinea-Bissau, and Nigeria showed how each country was using Global Fund malaria grants to implement artemisinin-based combination therapies (ACTs), with a particular focus on procurement and supply chain management. Although some countries' challenges were specific to their own processes, many implementation delays resulted from a poor general understanding of Global Fund procedures, weak articulation of the roles and responsibilities of the various stakeholders, inadequate planning, and poor coordination of the implementation process.

This list of key implementation actions was developed to help countries, Principal Recipients (PRs), and program managers plan their activities related to procurement and supply management (PSM) under Global Fund grant implementation—from PSM plan development to monitoring and evaluation (M&E)—and to identify any gaps, so that mechanisms to address those gaps can be arranged early, along with any needed technical assistance. Although drawn from malaria implementation experiences, the majority of these actions may be applicable to implementation of Global Fund HIV/AIDS and TB grants.

The steps in the PSM cycle are interconnected: the activities are not necessarily linear, although the completion of one activity may affect another.

This list is not intended to be prescriptive; neither is it a requirement of the Global Fund. The context for implementation is different for each country; therefore, each country will have to develop an individualized plan that is best adapted to its own situation.

Steps in the Global Fund PSM Cycle

1. Country Coordinating Mechanism (CCM) develops proposal and appoints Local Fund Agent (LFA)
2. Developing the PSM plan
3. Planning for PSM
4. LFA assesses PR and PSM plan before submission
5. Addressing policy and regulatory issues
6. Grant negotiation, signing, and fund disbursement
7. Policy development, training, and communication
8. Procurement
9. Complying with Global Fund quality assurance policies
10. Distribution
11. Rational use by patient/caretaker
12. Reporting, monitoring, and evaluation for PSM activities

¹, Shretta R. 2007. *Global Fund Grants for Malaria: Summary of Lessons Learned in the Implementation of ACTs in Ghana, Nigeria, and Guinea-Bissau*. Submitted to the U.S. Agency for International Development by the Rational Pharmaceutical Management Plus Program. Arlington, VA: Management Sciences for Health. (http://www.theglobalfund.org/en/files/regionalmeeting/abuja_12_2007/CaseStudiesSummary_June2007.pdf)

The list highlights key implementation actions with which selected countries have experienced success. These actions may form the basis for consultation with the stakeholders involved in implementing the PSM plan, including—

- The ministry of health: national malaria, HIV/AIDS, and TB control programs; pharmacy and essential medicines departments; health education department; provincial and district health officers; director of reproductive health; director of the integrated management of childhood illness program
- Those responsible for procurement of medicines and other health products

As an addendum to each of the following implementation steps, stakeholders using this checklist should—

- List the aspects their team would like to address to strengthen the PSM process
- List the actors they would like to involve
- If applicable, indicate timelines and responsible actors for particular actions
- Identify external technical assistance needs if required

1. Developing the Global Fund grant proposal: how the PR can contribute

Stakeholders: CCM, in-country technical bodies, technical partners, PR, LFA

The CCM has overall responsibility for preparing the Global Fund grant proposal. However, engaging stakeholders at all levels will help build ownership of the Global Fund grant, so that all parties recognize their responsibilities and are interested in making the plan work.

<input type="checkbox"/> Map and analyze PSM implementation stakeholders
<input type="checkbox"/> List activities to be supported by government and other partners, and identify gaps to be filled by Global Fund
<input type="checkbox"/> Consider and budget for external assistance
<input type="checkbox"/> Identify and budget for complementary activities (e.g., distribution, monitoring, and evaluation)
<input type="checkbox"/> Consider free distribution or cost-recovery for commodities in proposal
<input type="checkbox"/> Ensure that subrecipients (SRs) and other PSM stakeholders understand their roles
<input type="checkbox"/> If a consultant is hired, maintain involvement and ensure understanding of all plan aspects
<input type="checkbox"/> Identify realistic activities and targets in the proposal

2. Developing and submitting the PSM plan

Stakeholders: PR, CCM, technical partners

<input type="checkbox"/> Develop PSM plan through broad consultation with stakeholders
<input type="checkbox"/> Coordinate PSM targets and milestones with key activities and funds
<input type="checkbox"/> Carry out pharmaceutical quantification for the national level as well as by district or equivalent. (ensure quantification or parallel procurement efforts are coordinated)
<input type="checkbox"/> If using a consultant to prepare plan, ensure his or her understanding of the system and stakeholders in the country; agree on all aspects of the plan and if required, to make provisions

3. Planning for PSM

Stakeholders: PR, SR, other implementers, partners, CCM

<input type="checkbox"/> Develop working groups, committees, or task forces to steer and/or coordinate PSM activities— <ul style="list-style-type: none">• Involve key stakeholders• Develop terms of reference
<input type="checkbox"/> Develop plans in collaboration with appropriate stakeholders— <ul style="list-style-type: none">• Implementation plan<ul style="list-style-type: none">○ Include phase-out plan for old medicine (determine pipeline, adjust future procurements, and develop mechanisms for phasing out)○ Include phase-in plan (e.g., nationwide or phased)○ Include work plans• Procurement plan<ul style="list-style-type: none">○ Include customs importation procedures and regulations○ Include how to obtain waivers and other procurement documents○ Include fees, if applicable, for each step• Training plan<ul style="list-style-type: none">○ Include strategy (e.g., cascade training)○ Include target groups• Distribution and storage plan, including assessment of distribution and storage capacity• Monitoring and evaluation plan<ul style="list-style-type: none">○ Ensure alignment of PSM activities with the grant M&E plan○ Ensure realistic rollout of M&E targets and milestones that follow the PSM processes and timeline
<input type="checkbox"/> Develop a list of documentation needed at each stage of plans
<input type="checkbox"/> Identify roles and responsibilities of stakeholders and ensure implementers and partners understand them
<input type="checkbox"/> Define budgets for activities
<input type="checkbox"/> Define timelines for activities
<input type="checkbox"/> Establish mechanisms for accountability

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|--|
| <input type="checkbox"/> Develop memorandums of understanding |
| <input type="checkbox"/> Review or develop a management information system (MIS) |

4. LFA assessment of PR and PSM plan before submission

Stakeholders: LFA, PR, CCM

When the proposal has been approved, the LFA's role is initially focused on assessing the PSM capacities of the PR and PSM plan the PR has developed for grant implementation. The LFA provides the results of this assessment to the Global Fund, which develops recommendations for the PR on what plan processes and aspects must be improved to enable the PR to respond promptly to identified improvement needs and ensure grant implementation.

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|---|
| <input type="checkbox"/> Respond promptly to queries and conditions of Technical Review Panel related to PSM |
| <input type="checkbox"/> Make information readily available for LFA assessment of PR's financial management, program management, and PSM capacity |
| <input type="checkbox"/> Review gaps identified by LFA and take steps to implement recommendations |
| <input type="checkbox"/> Take steps to respond to and requirements of the Global Fund in relation to PSM capacities prior to grant signing |

5. Addressing policy and regulatory issues

Stakeholders: CCM, policy makers, national drug regulatory authority

- | |
|---|
| <input type="checkbox"/> Verify and determine what regulatory processes will affect PSM implementation; develop mechanisms to address these issues |
| <input type="checkbox"/> Fast-track any policy or regulatory processes as needed, including registration of medicines |
| <input type="checkbox"/> Work with relevant stakeholders to review regulatory status of medicines and make changes as appropriate (for example, changing ACTs to over-the-counter status) |
| <input type="checkbox"/> Apply for and obtain any waivers that may be required |
| <input type="checkbox"/> Conduct any necessary training, e.g., port-clearing and regulatory staff |

6. Grant negotiation, signing, and fund disbursement

Stakeholders: Global Fund, PR

<input type="checkbox"/> Agree on realistic PSM plan rollout with input from technical bodies in-country
<input type="checkbox"/> Agree on conditions precedent related to PSM based on Global Fund recommendations
<input type="checkbox"/> Negotiate and sign grant
<input type="checkbox"/> Mobilize corrective actions immediately to satisfy any conditions precedent

7. Policy development, training, and communication

Stakeholders: PR, SR, other implementers

Policy development: If required or applicable—
<input type="checkbox"/> Map process for revising new guidelines (e.g., standard treatment guidelines, essential medicines lists), groups to be involved, and timelines
<input type="checkbox"/> Review diagnostic criteria and incorporate into guidelines
<input type="checkbox"/> Develop plan for revision, publication, and dissemination of new guidelines
Provider training:
<input type="checkbox"/> Revise pre-service and in-service training curricula
<input type="checkbox"/> Review training plan and make adjustments, as needed, according to information on procurement
<input type="checkbox"/> Develop training materials
<input type="checkbox"/> Train on pharmaceutical management and inventory management after procurement and just before medicines arrive in-country, according to training plan
<input type="checkbox"/> Conduct any problem-based training, if needed
<input type="checkbox"/> Train on medicine quantification for pull system ²
Communication:
<input type="checkbox"/> Develop and disseminate behavior change communication strategies and information, education, and communication (IEC) messages (coordinate widespread communication with distribution of medicines)
<input type="checkbox"/> Implement supportive supervision
<input type="checkbox"/> Launch communication strategy
<input type="checkbox"/> Provide information about medicines

² In a “pull” system, health facilities order medicines from the stores or suppliers based on their determination of their own needs.

8. Procurement

Stakeholders: PR, SR, other implementers (e.g., central medical store)

<input type="checkbox"/> Review procurement plan (previously developed), including any documentation needed for procurement, importation, and port clearance
<input type="checkbox"/> Review existing orders to ensure phase-out of old medicines
<input type="checkbox"/> Develop product specifications and prepare tender documents
<input type="checkbox"/> Obtain appropriate procurement, importation, and other procurement documents, including any waivers
<input type="checkbox"/> Review procurement procedures and identify any weaknesses
<input type="checkbox"/> Identify procurement agent if necessary
<input type="checkbox"/> Identify supplier through a transparent and competitive process
<input type="checkbox"/> Initiate and manage procurement processes
<input type="checkbox"/> Procure medicines and commodities
<input type="checkbox"/> Make timely payment
<input type="checkbox"/> Contract with clearing agent if necessary
<input type="checkbox"/> Plan for monitoring supplier performance

9. Complying with Global Fund quality assurance policies

Stakeholders: PR, SR, other implementers (e.g., drug regulatory authority)

<input type="checkbox"/> Develop or review system and strategy for quality assurance (QA) of medicines— <ul style="list-style-type: none">• Establish or review mechanisms for quality control (QC) of incoming medicines, if necessary• Ensure that all processes and products conform with Global Fund QA policy• Plan for postmarketing surveillance (if part of strategy)• Develop strategy for responding to quality violations
<input type="checkbox"/> Establish mechanisms for quality assurance of each PSM function (including supervision)
<input type="checkbox"/> Develop or review system for adverse drug reaction (ADR) monitoring <ul style="list-style-type: none">• Review pharmacovigilance policy and plan• Train in pharmacovigilance• Develop appropriate documentation and implement system
<input type="checkbox"/> Coordinate surveillance systems (e.g., ADRs, quality assurance, drug resistance monitoring)

10. Distribution

Stakeholders: PR, SR, other implementers (e.g., central medical store)

<input type="checkbox"/> Review previously developed distribution plan
<input type="checkbox"/> Review capacity needs
<input type="checkbox"/> Contract with distribution agent, if needed, before goods arrive in the country
<input type="checkbox"/> Develop distribution list and delivery schedule <ul style="list-style-type: none">• For integrated distribution within the existing system, jointly plan or design the distribution schedule for the eligible facilities, or• If using a distributor, provide distribution list and delivery schedule to distributor
<input type="checkbox"/> Clear medicines and store in central warehouse until ready for distribution
<input type="checkbox"/> Distribute medicines to district stores and health facilities according to distribution plan
<input type="checkbox"/> Review inventory control system
<input type="checkbox"/> Distribute tools for recording inventory and stocks if necessary
<input type="checkbox"/> Establish/review mechanisms for reordering; develop and distribute appropriate documentation
<input type="checkbox"/> Establish/review mechanisms for evaluating distribution processes
<input type="checkbox"/> Develop/adapt systems for tracking consumption
<input type="checkbox"/> Develop/review transportation options
<input type="checkbox"/> Develop/review security measures— <ul style="list-style-type: none">• Strategies for preventing leakage to private sector• Preventing theft from warehouses or during transportation
<input type="checkbox"/> Develop/review systems to ensure management of shelf life
<input type="checkbox"/> Monitor efficiency of distribution and distribution system and make revisions

11. Rational use by patient/caretaker

Stakeholders: PR, SR, health care providers, patients

<input type="checkbox"/> Consider producing IEC materials and strategy for adherence
<input type="checkbox"/> Review supervisory system for monitoring provider adherence
<input type="checkbox"/> Review system for monitoring patient use

12. Reporting, monitoring, and evaluation for PSM activities

Stakeholders: PR, SR, other implementers, LFA, CCM, Global Fund

<input type="checkbox"/> Review previously developed PSM rollout plan
<input type="checkbox"/> Assess and build capacity for PSM monitoring follow-up system (human and information technology)
<input type="checkbox"/> Develop/adapt and implement systems and schedules for routine and accurate PSM-related data collection
<input type="checkbox"/> Enter data into database and store in a central location easily accessible by PR and SR
<input type="checkbox"/> Ensure SR reports on key PSM indicators to PR promptly each month (i.e., reports medicine consumption from peripheral levels to central level)
<input type="checkbox"/> Convene quarterly meetings of PR, SRs, and CCM
<input type="checkbox"/> Provide quarterly reports (PR to CCM)
<input type="checkbox"/> Provide quarterly reports (PR to LFA)
<input type="checkbox"/> Conduct periodic supervisory visits to validate accuracy of data
<input type="checkbox"/> Develop plans for evaluation

Key Implementation Actions



