Potential Role for Group Procurement in CEE and NIS

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Source of vaccines, 2002
28 countries

160 Million doses
80% Self-Procurement
20% UNICEF

Source: WHO EURO
Background

- Mid-2001 -- St. Petersburg. Survey of prices paid by countries.
- End-2002 -- Copenhagen. Formalized interest and call for detailing of issues and options
- 2003 Analysis and report:

**Group Procurement of Vaccines for CEE & NIS:**

*Feasibility, Issues, and Options*

Available in Russian & English to participants
Why new procurement options?

- Often high vaccine prices and widely varying prices from country to country,
- Insufficient transparency and competition in the vaccine procurement process,
- Limited selection of vaccines,
- Irregular supply of vaccines, and
- Inadequate quality assurance for vaccines (in some countries).
Illustrative Hepatitis B Prices - EURO

- Albania
- Armenia
- Bosnia and Herzegovina
- Croatia
- Czech Republic
- Kyrgyzstan
- Georgia
- Tajikistan
- Azerbaijan
- Uzbekistan
- Turkey
- Kazakhstan
- Romania
- Russia
- Ukraine
- Slovenia
- Lithuania
- Latvia
- UN Agency
- up to US$ 1
- above US$ 1

GNP/cap (US$)

0 5 10 15 20 25 30

0 500 1000 1500 2000 2500 3000 3500 4000 4500 5000 5500 6000 6500 7000
Initial Inclusion in Analysis

- “Tier” of non GAVI/VF countries (GNP/Capita greater than $1000).
- Assumes countries below $1000 best assisted by UNICEF.
Method

• Analysis of potential models -- PAHO Revolving Fund, Gulf Cooperation Council, plus.
• Detailed visits to and discussions with 4 countries—Croatia, the Former Yugoslav Republic of Macedonia, Lithuania and Romania
  – Selected for potential interest, feasibility, representativeness, local production, EU plans
• An analysis of the likely impact of EU accession
Results

Limited region-wide commitment at this time, but extensive commitment in certain countries (e.g. Baltics).

3 Baltic countries could see savings on the order of €200,000-800,000 plus/year, not including operating costs, for Hib, Hepatitis B, IPV, and MMR.

Joining or plans to join EU increases likelihood for viable group procurement.
Implications of Results

- Group procurement could be an option for a subset of countries in the region
- Sustainability implications
- Opportunity exists to take cautious, step-wise approach over long-term – WHO primary support
Step-Wise Approach to Group Procurement

4. Central contracting
   Member countries jointly conduct tenders and award contract through an organized acting on their behalf
   The central buying unit manages the purchase on behalf of countries

3. Group contracting
   Member countries jointly negotiate prices and select suppliers
   Countries agree to purchase from selected suppliers
   Countries conduct procurement individually

2. Coordinated informed buying
   Member countries undertake joint market survey, share suppliers performance, information and monitor prices
   Countries conduct procurement individually

1. Informed buying
   Member countries share information about suppliers
   Countries conduct procurement individually
What can be done in short-term?

Establish mechanism allowing countries to share information, including:

- vaccines they are using;
- prices they are paying; and
- experiences with various suppliers & vaccines (including reported adverse events).

One or more of the countries in the region could manage the database, with technical assistance from WHO or another technical agency.