

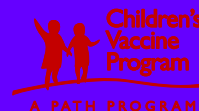
Potential Role for Group Procurement in CEE and NIS

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Children's Vaccine Program at PATH

Kyiv, Ukraine

27 May, 2004



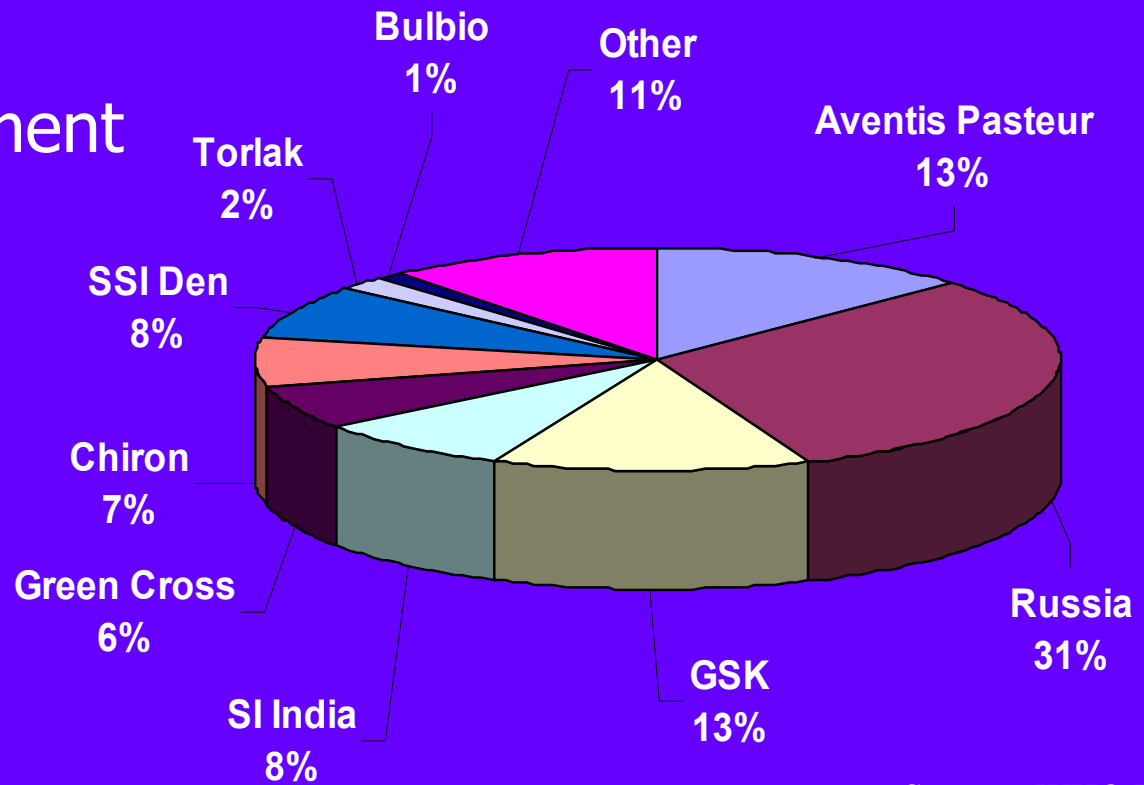
Source of vaccines, 2002

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

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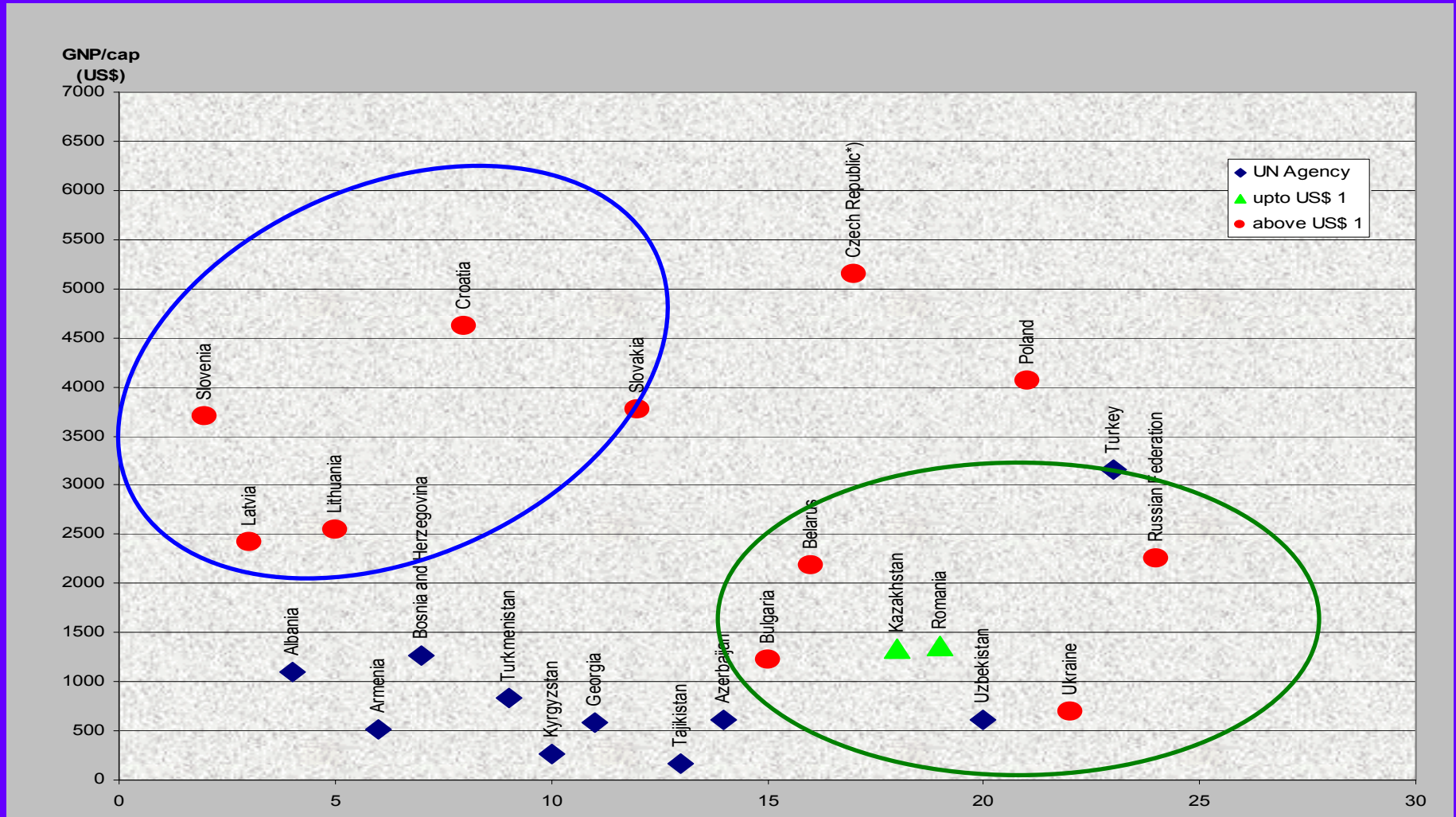
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Why new procurement options?

- 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



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

Slide Adapted from MSH

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.