GF STC POLICIES AND THREATS TO PROCUREMENT

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CONTEXT – TB/HIV/HCV IN EECA

HIV

- **Fastest-growing HIV epidemic in the world**
- Treatment coverage: 21% (second from bottom after MENA**)**

TB

- **Highest rates of MDR-TB**: 9 of the 30 high-burden countries (list favors larger countries)
- Drug resistant TB is more expensive, and more difficult to treat
- Outdated models of care

HCV

- 16 countries of the Eastern Europe and Central Asia (EECA) region are home to **6.6 million people** in need of HCV treatment

Sources: http://eecaplatform.org/en/about-platform/
http://www.who.int/tb/publications/global_report/high_tb_burdencountrylists2016-2020.pdf
https://doi.org/10.1186/s41124-017-0026-z

CONTEXT – GF FUNDING IN REGION

The GFATM New Funding Model (NFM) allocation methodology resulted in deep funding cuts for EECA more than any other region

- 15% reduction in funding between 2010-2013 and 2014-2017 and about 40% by the 2017-19 allocation period (3 year equivalents)

2014 Global Fund Investment Guidance for Eastern Europe Central Asia required countries to pay for increasing percentages of commodities using domestic/other funding sources

- Lower-Lower middle income (LLMI) countries: 60% for ARVs, diagnostics ; 50% for second-line TB drugs
- Upper lower-middle income (ULMI) countries: 75% of ARVs for people already on ART; 75% of second-line TB drugs (GF funds can be used for ARVs for new treatment enrollment and scale-up *among key pops*)
- Upper middle income countries (UMIC): GF funded ARVs for new initiations and key pops only; 100% existing patients, and 2nd line TB drugs on domestic funds.

April 2016 Global Fund Sustainability, Transition, Co-Financing (STC) calls for all countries to progressively take up the costs of key interventions including essential drugs.

With thanks to MSF Access Campaign

CONTEXT – GF FUNDING IN REGION

Transition priorities: Components with existing grants and classified as LMI with low or moderate disease burden or UMI

UMI countries	Albania (HIV*/TB*), Armenia (HIV**, TB**), Azerbaijan (HIV, TB), Belarus (HIV, TB), Georgia (HIV, TB), Kazakhstan (HIV, TB), Montenegro (HIV), Romania (TB), Serbia (HIV), Turkmenistan (TB)
LMI country components with low or moderate disease burden	**Kosovo (HIV, TB)**
* Ineligible and received transition funding for 2017-2019.	** Newly ineligible as per 2018 list and may receive Transition Funding in 2020-2022.

Source: http://eecaplatform.org/wp-content/uploads/2018/04/core_sustainabilityandtransition_guidancenote_en.pdf

GF ALLOCATIONS F0R 2017-2019

Country	Disease	Allocation 2017-2019 (Grant Currency)
Albania	HIV/AIDS	1,138,134
Albania	TB	500,000
Armenia	HIV/AIDS	5,282,781
Armenia	TB	3,138,925
Azerbaijan	HIV/AIDS	6,068,394
Azerbaijan	TB	6,529,446
Belarus	HIV/AIDS	7,862,511
Belarus	TB	7,977,941
Georgia	HIV/AIDS	8,412,986
Georgia	TB	7,175,076
Kazakhstan	HIV/AIDS	2,714,223
Kazakhstan	TB	9,840,440
Kosovo	HIV/AIDS	1,576,433
Kosovo	TB	1,527,522

Country	Disease	Allocation 2017-2019 (Grant Currency)
Kyrgyzstan	HIV/AIDS	11,266,362
Kyrgyzstan	TB	12,203,652
Moldova	HIV/AIDS	7,144,919
Moldova	TB	8,751,802
Montenegro	HIV/AIDS	556,938
Romania	TB	4,052,972
Serbia	HIV/AIDS	1,098,351
Tajikistan	HIV/AIDS	12,939,544
Tajikistan	TB	9,752,657
Turkmenistan	TB	3,956,665
Ukraine	HIV/AIDS	70,836,441
Ukraine	TB	48,646,090
Uzbekistan	HIV/AIDS	13,928,377
Uzbekistan	TB	21,640,400

GF Allocations to EECA 2017-2019 (to be implemented 2018-2020): $**296,519,982**
GF Availability to EECA for 2014-2016 (stretched to 2017): $659 million
GF Disbursements in EECA for 2010-2013: $768 million

TB AND OTHER MARKETS ARE FRAGILE

Small, fragmented

- Despite heavy burdens, only about 130K people with MDR-TB started on treatment each year
- Hundreds of different regimens compiled using combinations of dozens of drugs
- 11% of medicine products sold through Global Drug Facility (largest TB procurement body in world) have fewer than $20,000 in annual sales; 61% have sales <$1M

After >50 years with no new drug classes to treat TB, and over 100 years relying on microscopy, **we finally have new drugs for MDR-TB and rapid diagnostics**

- More coming down pipeline

However, **uptake is slow, and newer products are expensive**

- bedaquiline – donation based on GF eligibility; otherwise currently $3,000 for 6 months in middle income countries (registration rejected in some EECA countries)
- delamanid -$1,700 for 6 month course (not registered in most places)
- GeneXpert MTB/RIF Ultra—uptake far below what it needs to be; cost =$10/cartridge for eligible public programs; otherwise can be up to $60/cartridge

Other commodities also have fragile markets, e.g. pediatric ARVs, second-line ARVs

This is a critical time to be supporting uptake of new tools, ensuring access to quality and lowest price commodities

GLOBAL FUND HAS BEEN CRITICAL FOR MARKET-SHAPING

Global Fund provides more than 65% of all international financing for TB

- $5.8 billion disbursed for TB to more than 100 countries over 2002-2016*
- 17.4 million people received TB treatment between 2002 and 2016*
- TB treatment coverage increased from 35% in 2000 to 61% in 2016**
- MDR-TB cases enrolled in treatment increased 4-times between 2009 and 2016**

Global Fund committed to market-shaping from early on

- Acknowledged that beyond financing, its purchase power could be used to create and shape markets (11th Global Fund Board Meeting Sep 2005)
- Global Good that could provide benefits beyond Global Fund recipients
- Within Global Fund, market-shaping strategies evolved:
  Market Dynamics Committee → Market Dynamics Advisory Group → GF Sourcing Department

GF Market Shaping Strategy has one of its six objectives dedicated to countries in transition*, *but the strategy is not implemented***

- "**Prepare for country transition and long-term market viability.** Transition planning, grants to support PSM systems, in-country capacity building, process to assess further interventions"

USAID, UNITAID, DFID, Canada and many other donors have supported market shaping interventions towards increased access to TB care

Source: Global Fund Results Report 2017; **WHO Global TB Report 2017; ***Global Fund Market Shaping Strategy

First half of slide content taken from STBP/GDF with thanks

WHY PROCUREMENT MATTERS

Commodities are essential for diagnosis/prevention/treatment/ care

- Access to essential medicines (and now essential diagnostics) is a human right

National procurement laws

- often favor locally manufactured/registered products
- tend to look for lowest available local price, regardless of quality or lowest available global price

Special considerations for products with low volumes/commercial appeal (e.g., TB medicines/diagnostics, pediatric ARVs, second-line ARVs)

- unlikely to be locally registered, i.e. not even available
- if they are available locally, quality not always known
- if available, suppliers charge premium to make worth their while

Donor funding allows for national procurement laws to be superseded

- **Pooled procurement, technical assistance, strategic rotating stockpile** (e.g., Global Drug Facility for TB commodities) ensures access to lowest prices, high quality, stable supply of even "niche" products in accordance with global standards
- ***But what is the plan when countries revert to domestic funding?***

QUESTIONS?
CONCERNS?
CONTACT ME!

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