



Pan American
Health
Organization



World Health Organization
Regional Office

STRATEGIC FUND - PAHO

**Partnership for the Management
of HIV/AIDS Drugs and
Reagents**

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What is the Strategic Fund?

Public health strategic supply acquisition mechanism for the member countries, through:

- **Technical Assistance in Acquisition Management**

- Planning, acquisition systems, storage and distribution, intellectual property, quality, etc.

- **International acquisition service**

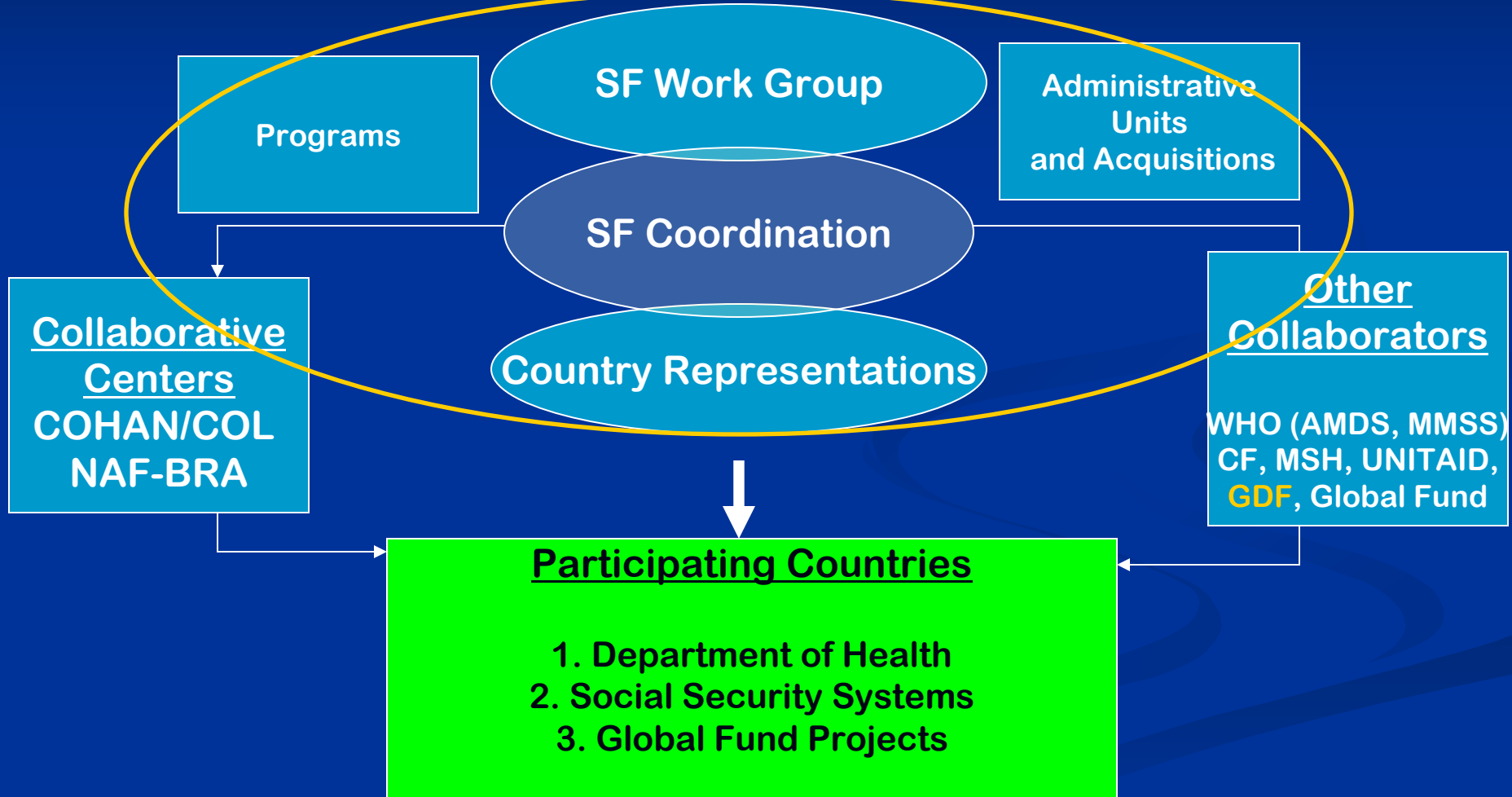
- Drugs (HIV, TB, Malaria, Neglected diseases, other), Lab Supplies and Insecticides

Objectives:

- **Improve access and availability of Strategic Public Health Supplies** in the Member States
- **Improve the national supply capacity** (planning, acquisition and management) of Strategic Public Health Supplies
- **Promote principles and concepts of quality** in the acquisition and management of supplies
- **Strengthen priority health programs** at the national level and promote the implementation of PAHO/WHO regulatory mandates

The Structure of the Strategic Fund (SF)

PAHO



Advances

■ Participants

- 21 countries signed the agreement (+2 SS Institutions and 5 RP FM)
- 12 of these countries made purchases in 2009
 - Arg, Bel, Bra, Ecu, Gua, Hon, Nic, Pan, Par, Dom. Rep, Sal, Ven
- Other countries agreed to provide Technical Cooperation
- Alliances/strategic collaboration: COHAN FC, MSH

■ Acquisition of drugs and lab supplies

- Approximately \$10 M in 2009 (Oct); ~50% in ARVs

■ ARVs

- Quality: Drugs pre-qualified by WHO or Strict Regulatory Agencies (ICH) -> = World Fund criteria
- Prices: Comparable or less than the international reference (MSH, MSF, Clinton Foundation)

Advancements

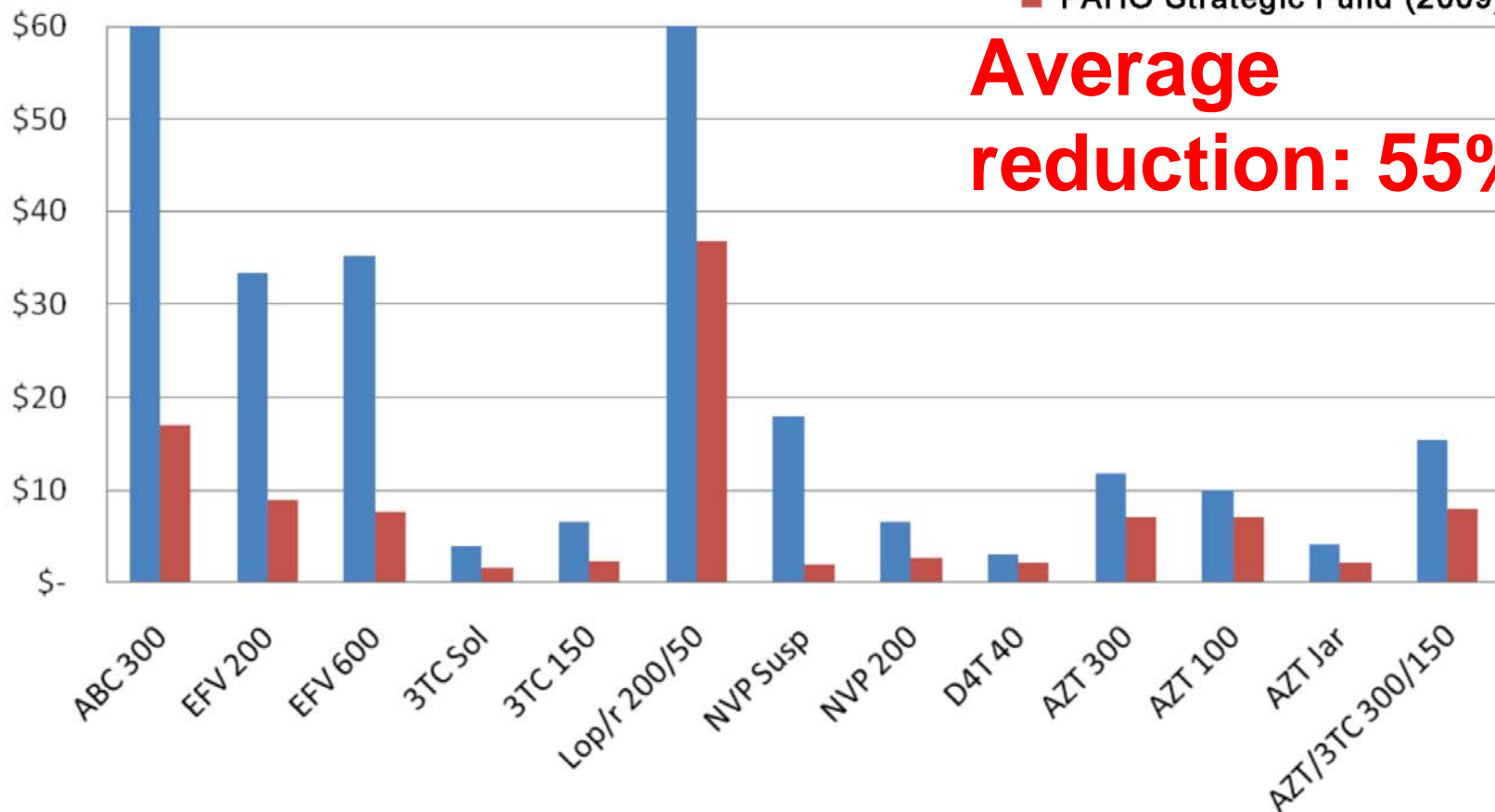
- **HIV Technical Cooperation Projects (last 12 months):**
 - HIV/AIDS Supply Management Assessment (Paraguay; El Salvador)
 - Consolidation of the countries' ARV needs and joint annual negotiation
 - Assessment of the supply management in Integral Care Units (DOR)
 - Other...
- **Impact**
 - Significant price reduction in 12 countries (ARVs, TB, Malaria); **up to 80% reduction** (Argentina)
 - Assistance in the incorporation of more adequate formulations (combined fixed dosage, pediatric, etc.)
 - Identification and recommendation of opportunities for strengthening (as part of the supply management system evaluations)
 - **Capitalization Account** successfully used to avoid shortages in emergency situations (Brazil, Bolivia, Nicaragua, Dom. Republic, Venezuela)

ARV Price Reductions - 2005 to 2009

Price reductions ARVs 2009-2010

■ II Regional Negotiation (2005)

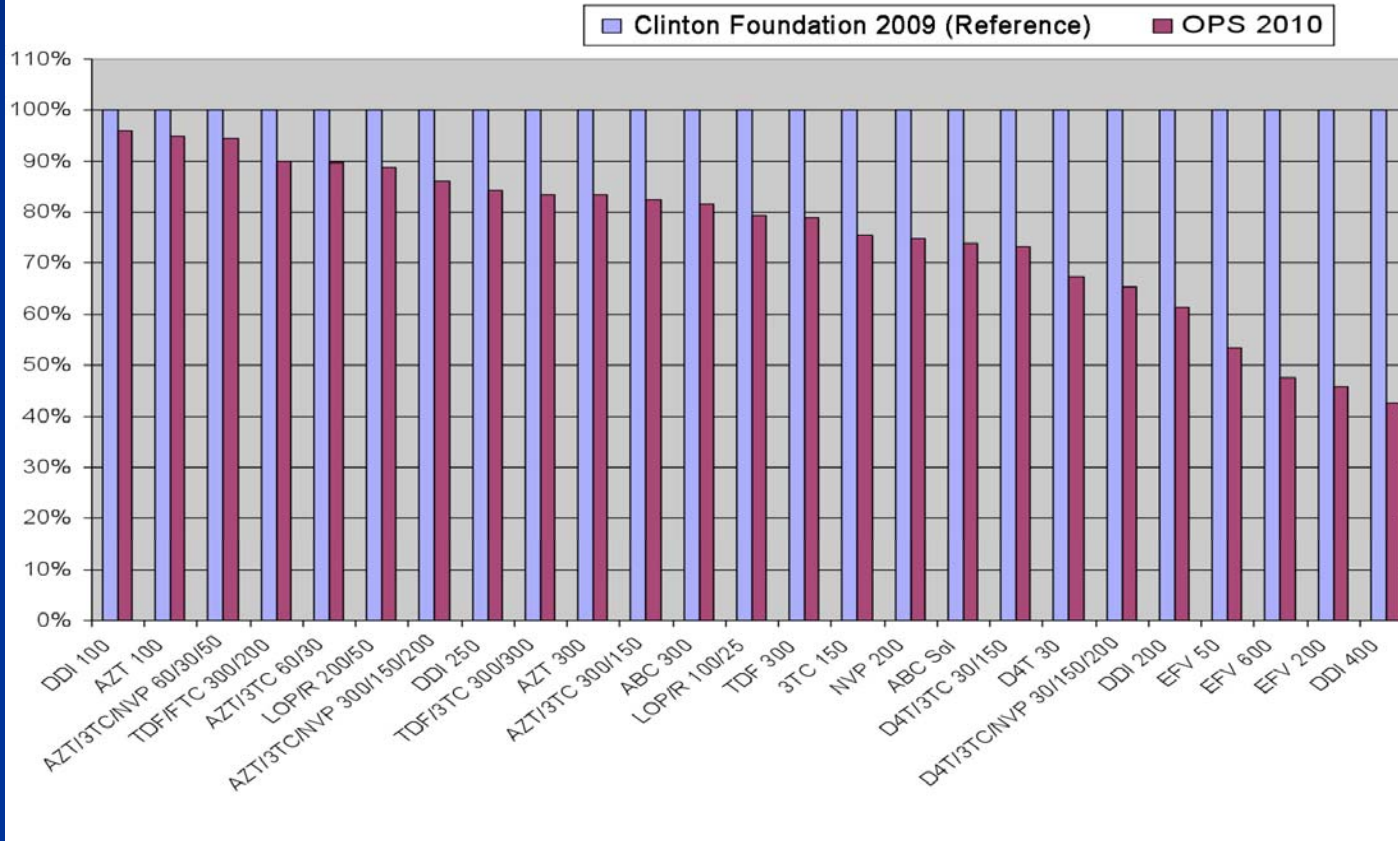
■ PAHO Strategic Fund (2009)



**Average
reduction: 55%**

ARVs price reduction 2009-2010

Price reductions 2009-2010



**Price reduction
(median): 21%**

**Cost
reduction:
\$2.6M (24%)**

Main reduction:

EFV 600: 52%

DDI 400: 57%

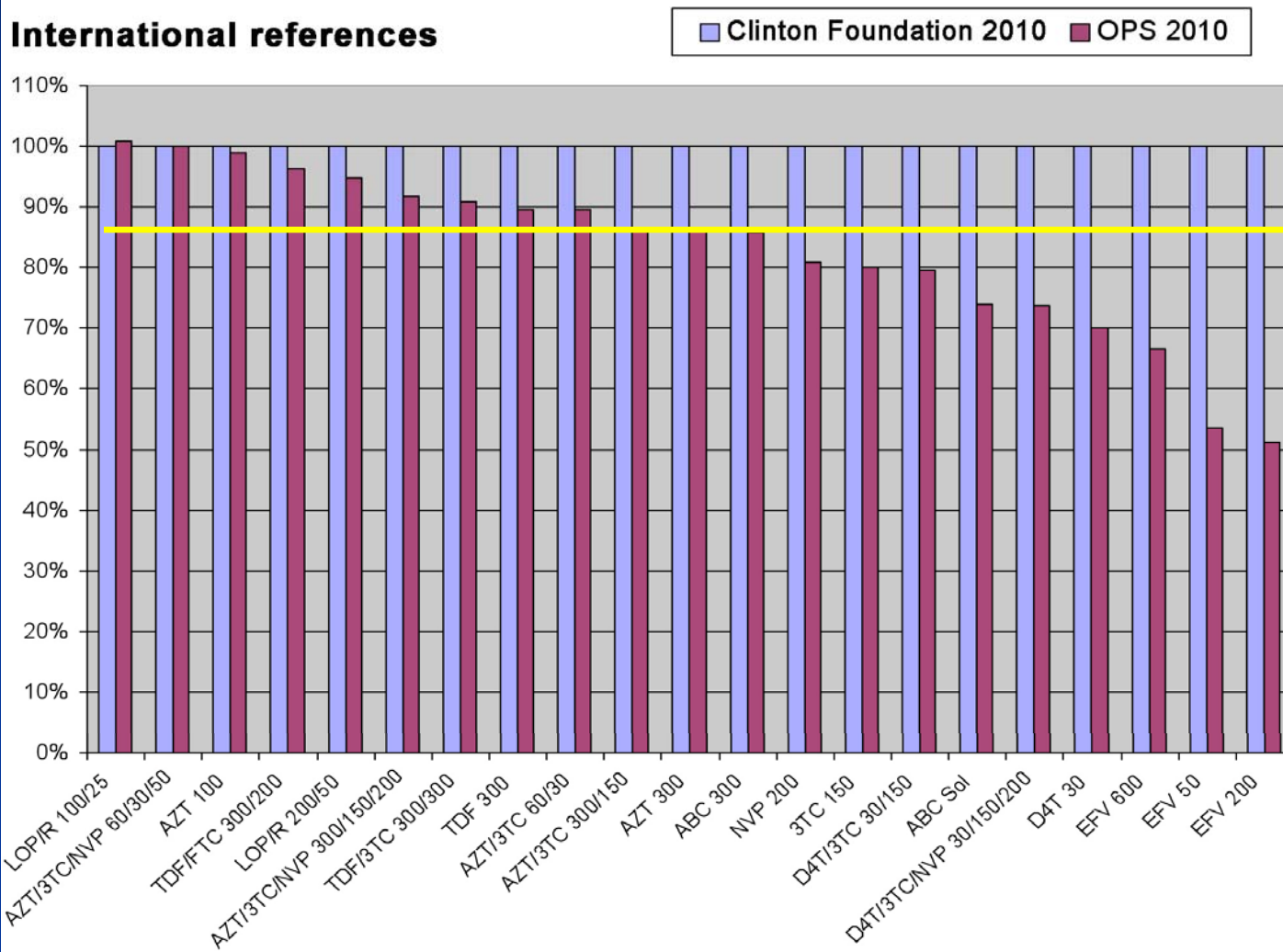
TDF 300: 21%

ABC 300: 19%

Lop/r 200/50: 11%

2010 PAHO Price Comparison with International References 2010

2010 PAHO prices in relation to International references



Price reduction (median): 14%

Cost reduction: \$1.3M (15%)

Main reduction:

EFV 200: 49%

EFV 600: 33%

D4T 30: 30%

ABC 300: 14%

AZT/3TC: 14%

TDF 300: 10%

TDF/3TC: 9%

Lop/r 200/50: 5%

Aspects to optimize in the collaboration between the countries and the Strategic Fund

- **Planning needs (for consolidation)**
 - Support from the countries and the scheduled annual collection of ARV projections for the next year, to improve negotiator capacity and delivery
- **Order anticipation/Emergency incidence reduction**
 - The process and delivery time (average of 4 months) becomes critical if the orders are placed with short notice.
 - Possibility of avoiding complications if the orders are placed beforehand (PAHO support available to improve inventory monitoring and needs projection)
- **MS Coordination/Social Security/RP FM/Others**
 - Opportunity to simplify processes, improve costs and standardize drugs if the different buyers coordinate their purchases (through SF or externally).

Aspects to optimize in the collaboration between the countries and the Strategic Fund

■ 3rd line ARVs

- Monopoly suppliers (due to patents or due to shortage of generic drugs) establishing high prices => Limited bargaining power
- Basic:
 - Considering its future use, it is essential to perform multi-annual projections to understand budgetary requirements and properly plan funding (to ensure access sustainability)
 - Importance of establishing clear criteria for rational use and systems to monitor and control prescriptions
 - Work simultaneously on improving adherence
 - Confirm whether each country has a patent or not

Aspects to optimize in the collaboration between the countries and the Strategic Fund

- For a negotiation, we recommend:
 - Perform multi-annual and consolidated projections for the entire region (PAHO and other agencies may provide support)
 - Use mechanisms and lessons learned from joint negotiation (COMICSA, Strategic Fund, others)
 - Use reference prices from Brazil and other reference buyers
 - Clearly understand the therapeutic alternatives – substitutive products- as an element of negotiation

Aspects to optimize in the collaboration between the countries and the Strategic Fund

- **Quick Tests (validation and standardization)**
 - The Strategic Fund can purchase a wide variety of tests; but the supply would be improved if the countries would reduce the variety through standardization (using for example, validated tests or tests validated by Reference Laboratory GORGAS)
- **Drugs for Opportunistic Infections (standardization + volume consolidation)**
 - Currently, the SF doesn't have enough volume of IOs to provide major benefits for these drugs. Opportunity if more countries require these drugs
(Volume aggregation process; deliveries according to the needs of each country)



What is the Strategic Fund?

Thank you for your attention!

www.paho.org/fondoeestrategico

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