Procurement Challenges during the Global Fund Transition Period: the Example of Armenia

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OVERVIEW

• Republic of Armenia
• Location: South Caucasus, Eurasia
• Area: 29.7 thousand sq. km
• Population: 2.9 mln
• GDP: $10.6 per capita
• Capital: Yerevan
TB EPIDEMIOLOGY

TB Morbidity and Mortality (per 100,000)

Source: National TB Center

New Frontiers: Innovation And Access
8th TB Symposium – Ministry of Health of the Republic of Uzbekistan
**RR/MDR-TB PROPORTION**

<table>
<thead>
<tr>
<th>Year</th>
<th>RR/MDR-TB cases</th>
<th>New TB cases</th>
<th>RR/MDR-TB proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>942</td>
<td>116</td>
<td>11%</td>
</tr>
<tr>
<td>2014</td>
<td>928</td>
<td>118</td>
<td>11%</td>
</tr>
<tr>
<td>2015</td>
<td>739</td>
<td>103</td>
<td>12%</td>
</tr>
<tr>
<td>2016</td>
<td>690</td>
<td>128</td>
<td>16%</td>
</tr>
<tr>
<td>2017</td>
<td>587</td>
<td>104</td>
<td>15%</td>
</tr>
<tr>
<td>2018</td>
<td>536</td>
<td>85</td>
<td>14%</td>
</tr>
</tbody>
</table>

**Source:** National TB Center

**New Frontiers: Innovation And Access**

8th TB Symposium – Ministry of Health of the Republic of Uzbekistan
RR/MDR-TB PREVALENCE

Among new TB cases
- 2016: 15%
- 2017: 16%
- 2018: 18%

Among retreatment TB cases
- 2016: 57%
- 2017: 47%
- 2018: 35%

Source: National TB Center
New Frontiers: Innovation And Access
8th TB Symposium – Ministry of Health of the Republic of Uzbekistan
MDR-TB TREATMENT

- WHO recommended regimens
- MSF pioneer as long as 20 years
- No ‘waiting list’
- Bdq since 2013 and Dlm since 2014

<table>
<thead>
<tr>
<th>Enrolment</th>
<th>Period</th>
<th>TB cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compassionate use</td>
<td>2013-2015</td>
<td>62</td>
</tr>
<tr>
<td>endTB</td>
<td>2015-2017</td>
<td>111</td>
</tr>
<tr>
<td>New drugs (including ‘off-label’ use)</td>
<td>2018</td>
<td>114</td>
</tr>
<tr>
<td>New drugs</td>
<td>2019</td>
<td>125</td>
</tr>
</tbody>
</table>
SLD PROCUREMENT

Second line anti-TB drugs (SLD) procured via

• Global Fund financing
• Direct (pooled) procurement mechanism
• Partners: StopTB, IDA (International Drug Agency), GDF (Global Drug Facility), WHO (World Health Organization)
CHALLENGES FOR ARMENIA

- Lack of external and state funding and sustainability
  - GF current grant ends in 2021
  - MSF-F withdraws in March 2019
  - Low level of public spending in health - competing health priorities (total health expenditure as GDP share=10.1%, 2015)

GOOD NEWS

Strong political commitment
STATE COMMITMENT

Significant increase in Mid-Term Expenditure Framework (MTEF) for 1st and 2nd line TB drugs

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$51,310</td>
<td>$47,217</td>
<td>$75,000</td>
<td>$290,000</td>
<td>$300,000</td>
</tr>
</tbody>
</table>

Total TB budget ($)

International
Domestic

Source: WHO, Country Profile

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RISKS

- Fragile market for TB drugs
  - small demand ↔ increased prices
- Registration of new drugs
- Stock-out/shortage of drugs
  - Irregular supply
  - Complex quantification and forecasting
  - Lack of HR capacity and skills
RISKS (cont’d)

- Quality assurance
- More expensive regimens/wastage of obsolete drugs
- Local tenders
  - No interest from bidders
  - Overpriced bids
  - Poor quality-cheap drugs
OPPORTUNITIES

• Transition preparedness plan
• Shift to national procurement using domestic funds (increased allocations MTEF)
• GoA Decree #489 on *TB drugs and ARV’s Procurement through International Platforms* (April 12, 2018)
• QuanTB introduction and GDF support

- Addressing funding gap
- Planning far ahead of time
- Early warning system
- Individualized regimens
- Biannual frequency of procurement
- Updated guidelines (longer, shorter, modified fully oral shorter regimens)
- Improved legal framework/protocols

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EXPECTATIONS

• QUALITY and PRICE
  • Access to WHO pre-qualified drugs through pooled procurement from international suppliers (GDF, UNDP, UNICEF, IDA etc.)
  • Lower prices
EXPECTATIONS

• **SUPPLY**
  • Precise forecasting and quantification (e.g. QuanTB, other tools)
  • Trained staff

• **AFFORDABILITY**
  • MTEF – Increasing state allocations for drugs and lab consumables in 2020-2022 MTEF
  • Advocating for GF funding for Armenia in next allocation period