

15th
GENERAL MEMBERSHIP MEETING
of the **REPRODUCTIVE HEALTH**
SUPPLIES COALITION
20-24 OCTOBER
MEXICO CITY

mexico
2004-2014
REPRODUCTIVE HEALTH
SUPPLIES COALITION

IMPROVING CONTRACEPTIVE PROCUREMENT: LESSONS FROM LAC'S SOUTH-TO-SOUTH EXCHANGE NETWORK

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Through regional meetings, eight countries formed a network (*Guatemala, El Salvador, Dominican Republic, Bolivia, Honduras, Nicaragua, Paraguay, and Peru*), and learned from their neighbors:

Brazil
Chile
Colombia
Costa Rica
Ecuador
Mexico





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Procurement Identified as Key Challenge

2002

- Phase-out process begins
- Countries depend on contraceptive donations
- Little to no experience in contraceptive procurement



2006

- Procurement studies carried out
- Various countries mobilize financing for contraceptives
- Five countries begin to procure through a procurement agent



2011-2014

- Most countries financing almost 100% of contraceptives
- Several countries facing procurement barriers adapt methods, providing lessons on best practices



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Procurement Context in LAC

Decentralized health systems

Restrictive/protective regulatory environment

Local producers/distributors in several countries

Prices and quality vary dramatically by country

Ministries of Health have quality control laboratories



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Procurement Mechanisms Used in the Region



Procurement agent

- Dominican Republic, Paraguay, most Central American Countries (directly through MOUs, third party procurement, and co-financing)



Reverse Auction/Pooled Procurement

- Peru, Brazil, Paraguay, Colombia, Ecuador, Venezuela (national competitive bidding)
- SE-COMISCA (pooled procurement)



Framework Agreements

- Chile (international/national competitive bidding)



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Procurement Agent

Advantages

Disadvantages

Low prices

Technical support

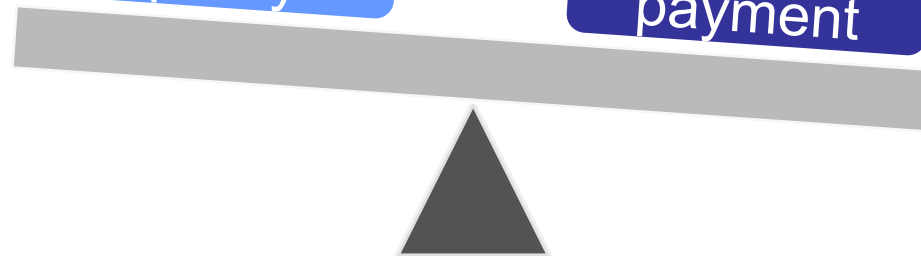
Good quality

Fixed quantities

Donor dependent

Long process

Upfront payment





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Reverse Auction/Pooled Procurement

Advantages

Shorter
process

Low prices

Uses local
system

Deliver to
lower levels

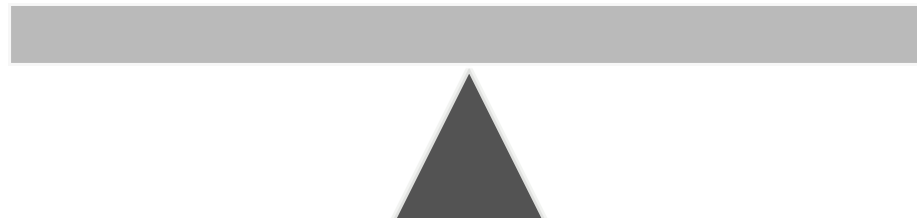
Disadvantages

Requires bid
quantities

Prices may
be too low

Fixed
quantities

Additional
skills needed





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Framework Agreement

Advantages

Disadvantages

Flexible
quantities

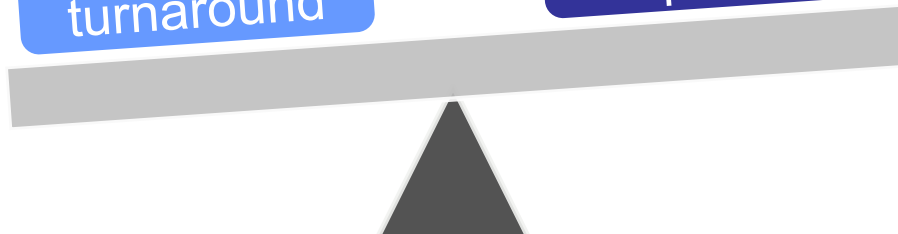
Low prices

Uses local
system

Short
turnaround

Significant
investment

Varied
quality





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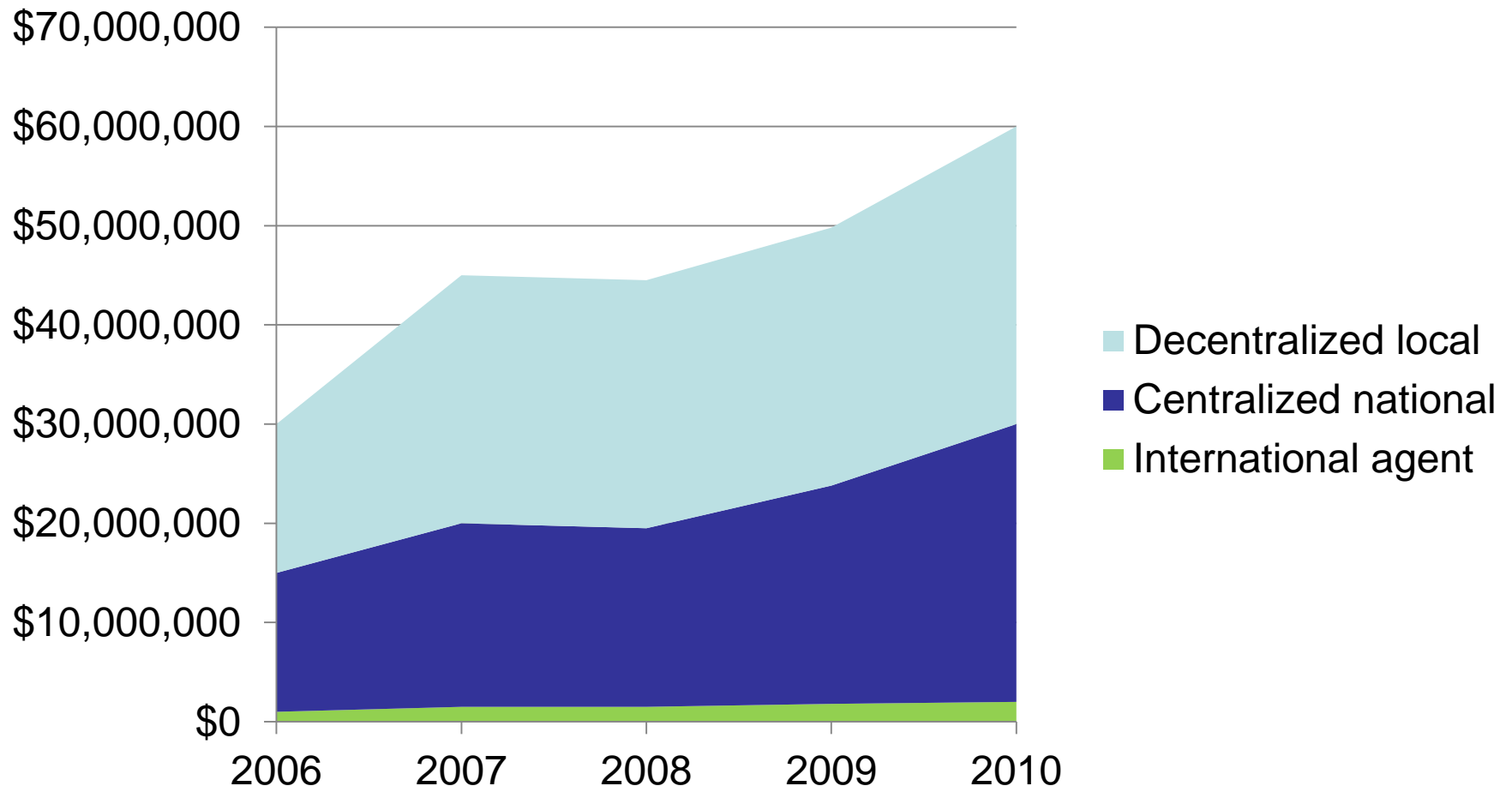
What Countries Shared through South-to-South Exchanges: 2003-2014

- Substantial savings using procurement agents
- Substantial savings through reverse auction (Peru, 2010)
 - Price of injectable reduced from US\$1.18 to US\$0.41.
 - Government agencies pooled procurement of 165 essential medicines, saving approx. US\$14 million
 - Length of bidding process reduced 7 to 2 months
- More agile supply chains using reverse auction/pooled procurement through COMISCA (2014)
 - El Salvador received prequalified products at competitive prices (\$1.85/vial versus \$1.33 thru procurement agent), achieving shorter lead time and no upfront payment



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Savings through International Procurement versus the National and Local Markets in Guatemala





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Key Messages

- South-to-south exchanges present an opportunity to identify and share effective, sustainable strategies
- Data is key to addressing procurement bottlenecks
- Streamlined policies and procedures create space to use available, but unexplored procurement options
- Procurement options are dependent on country capacity
- No “one size fits all” solution. a combination can be used
- Cost not sole driver: quality, timeliness, payment conditions



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Encuentro Sur - Sur: "Conociendo las Alternativas para la Adquisición Eficiente y Sostenible de Anticonceptivos en el Sector Público"
Lima, Perú

17 - 19 de mayo de 2011

THANK YOU !