
Sourcing update: Procurement for multi-product campaigns

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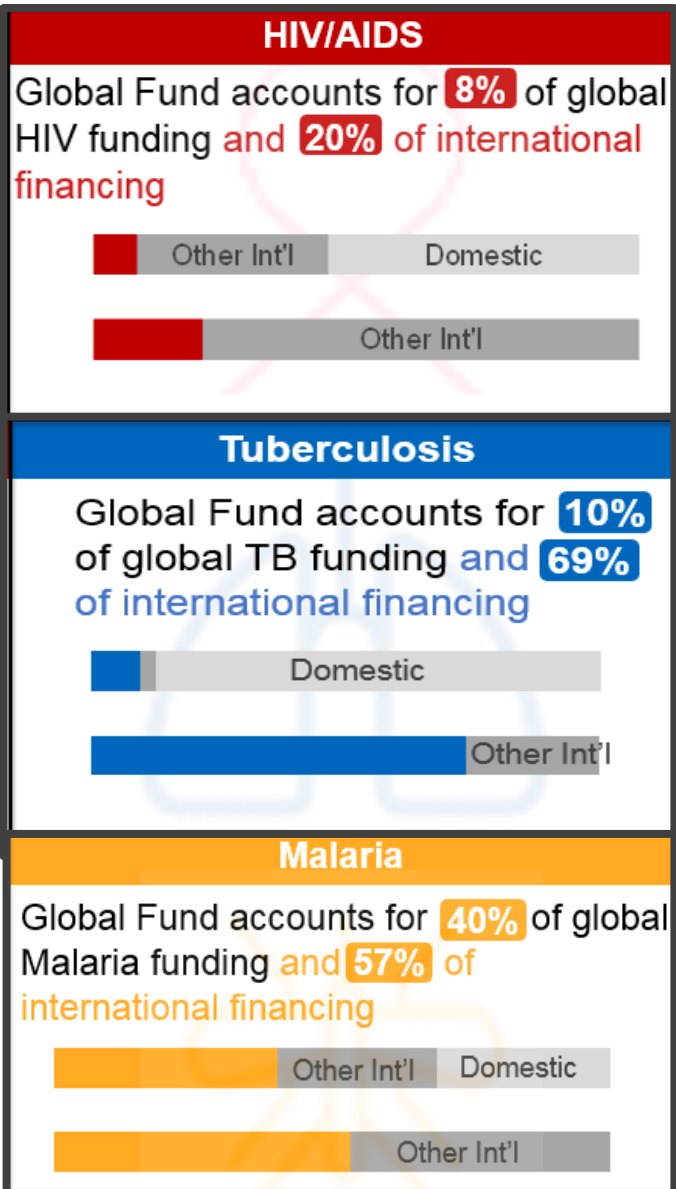
Content

Pooled Procurement Mechanism (PPM)

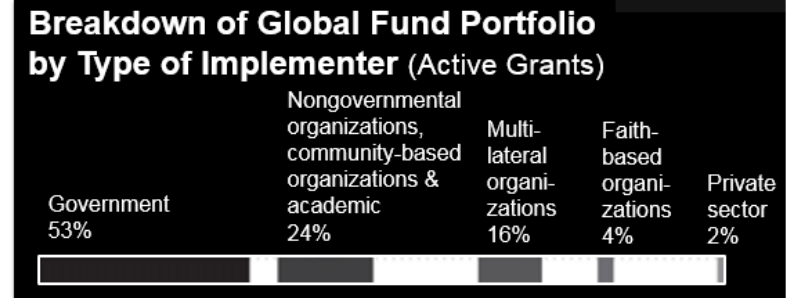
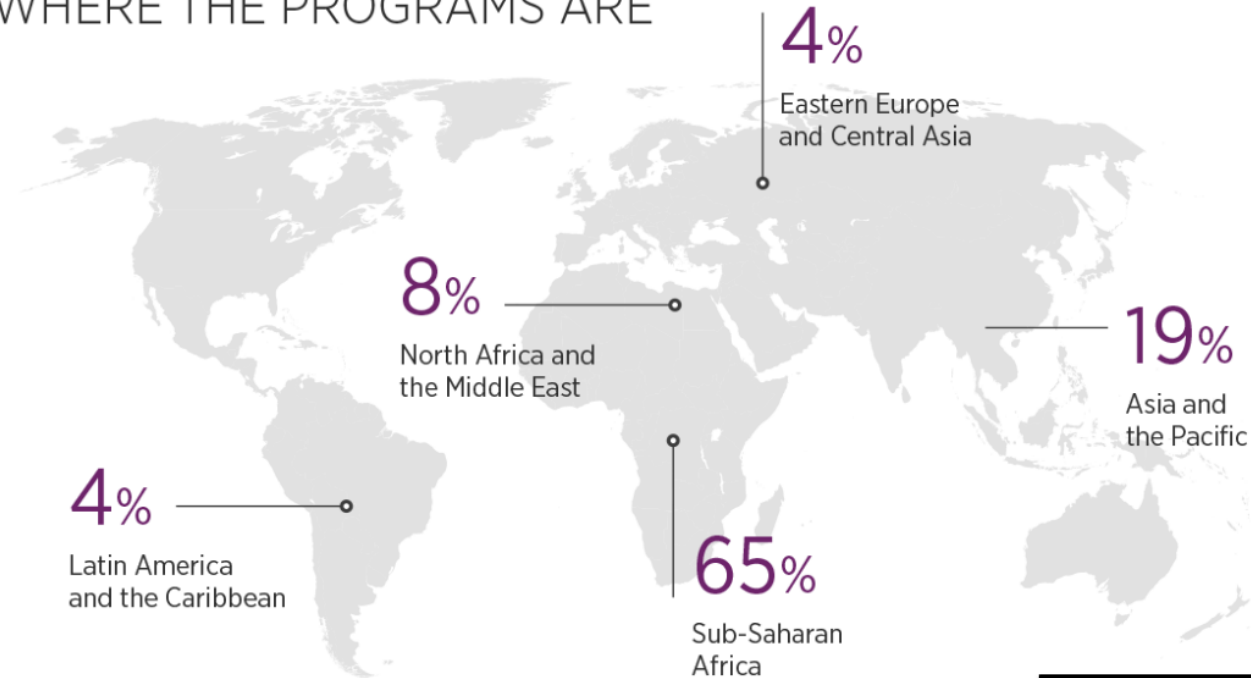
LLIN Procurement Strategy & Global Tenders

Procurement Planning Guidance

The USD 4 billion per year spent by the Global Fund is critical in the fight



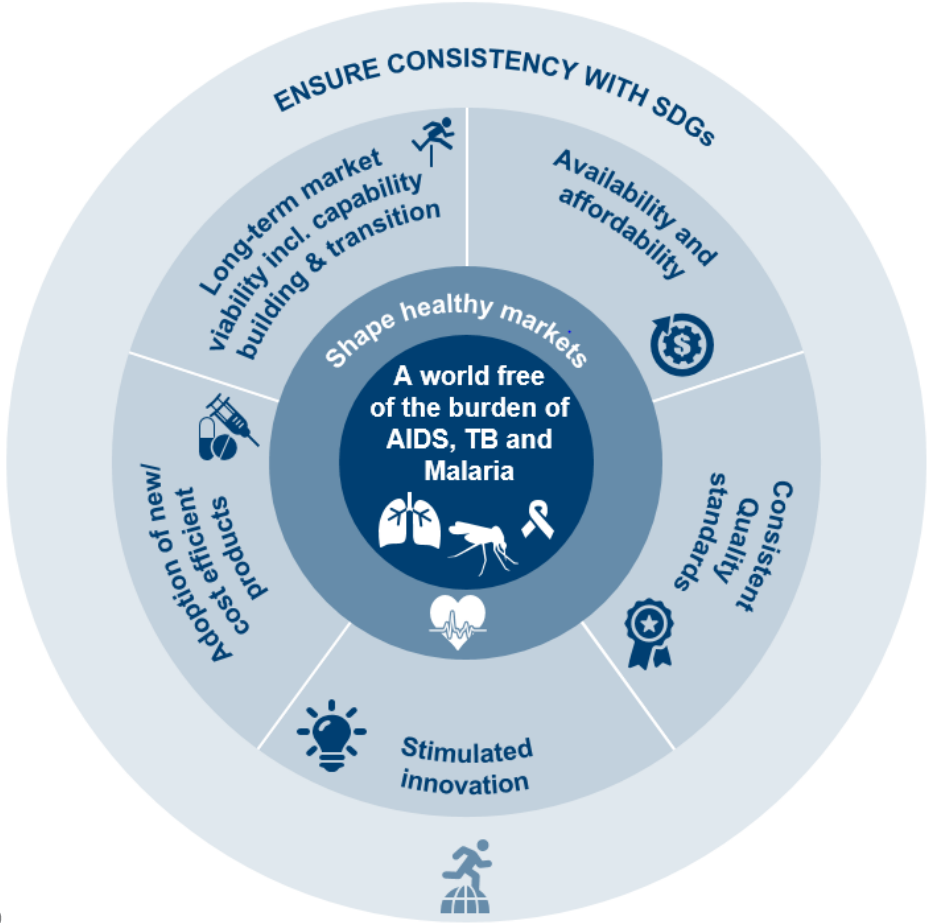
WHERE THE PROGRAMS ARE



Funding sources [2016 data for HIV/Malaria, 2018 for TB]: OECD DAC-CRS; UNAIDS FactSheet World AIDS Day 2017, UNAIDS; Global Tuberculosis Report 2018, WHO; World Malaria Report 2017, WHO *GF share of international funding*: Global Fund 2017 Results Report. Figures are global and are not solely for countries where Global Fund resources are disbursed.

The Global Fund's Market Shaping Strategy extends beyond its direct spend to help ensure healthy markets and value for money

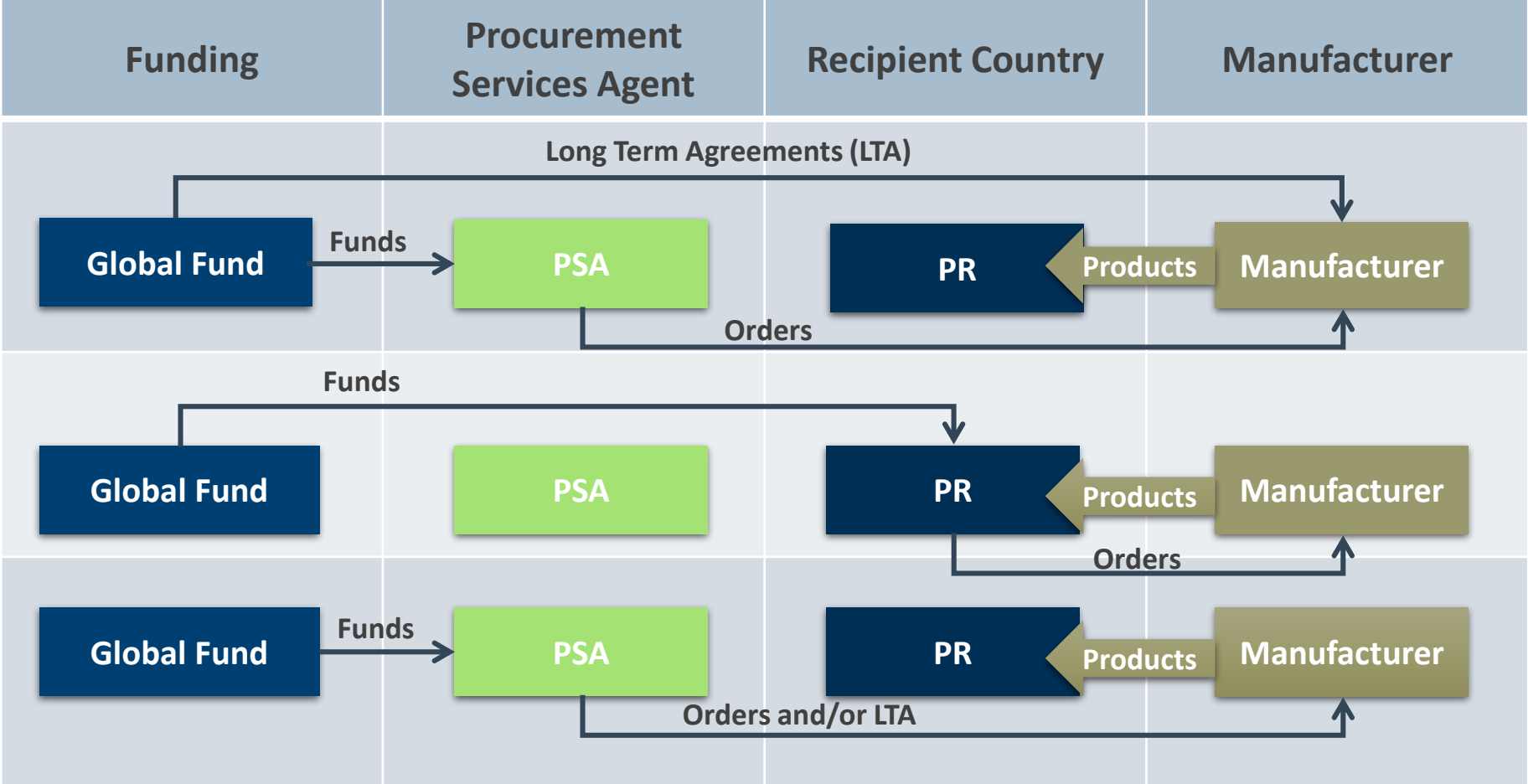
Mission of the Global Fund's Market Shaping Strategy:
Leverage our position to facilitate healthier global markets for health products – today and in the future



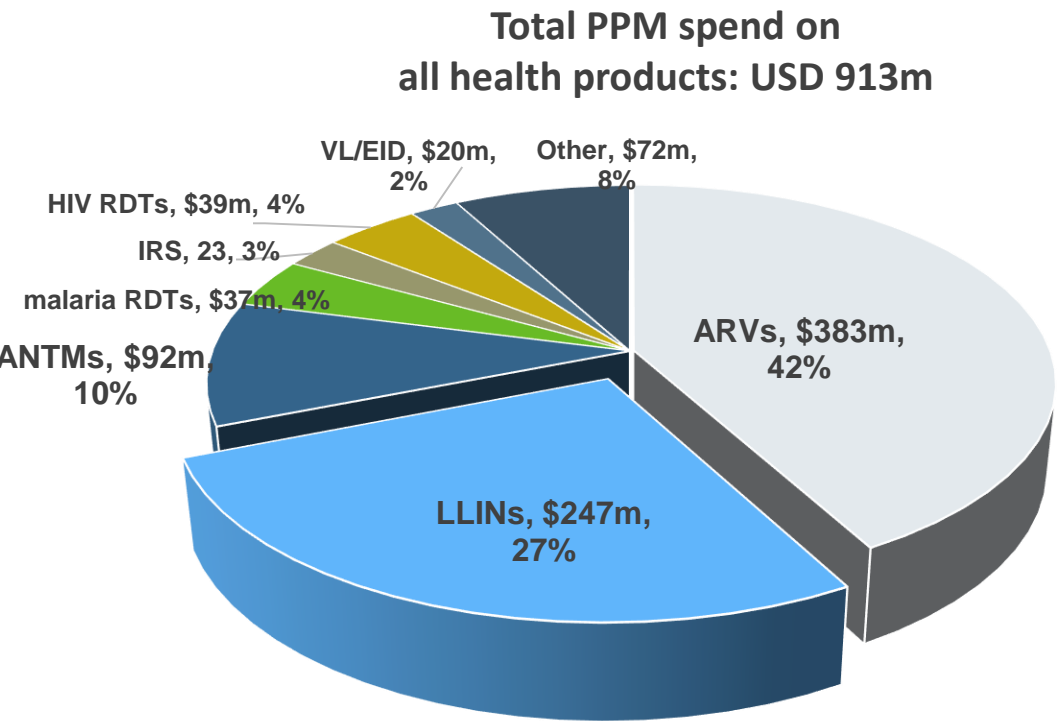
The Pooled Procurement Mechanism is the largest of the Global Fund’s procurement channels

~55% of Global Fund health product spend





Pooled Procurement Mechanism (PPM)



44% of the Pooled Procurement Mechanism (PPM) health product spend is for malaria products and 27% is spent on LLINs



Malaria product volumes

Prevention		LLINs	108m nets
		IRS	1m liters
Diagnostics		Malaria RDTs	120m tests
Treatment		ANTM medicines	110m treatments

Acronyms:

ARVs: Antiretroviral medicines

ANTMs: Antimalarial medicines

IRS: Indoor Residual Spraying

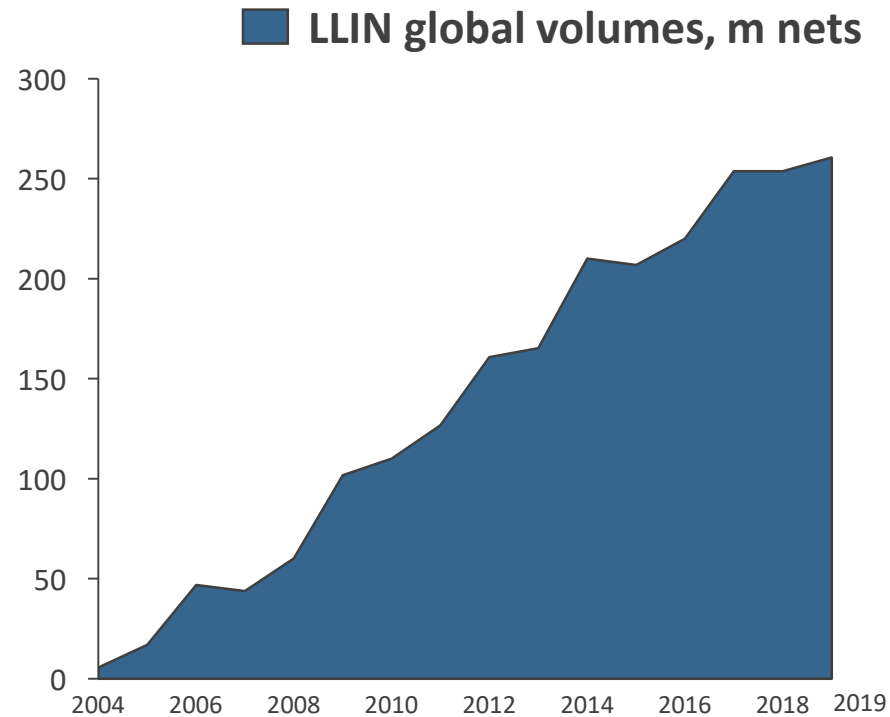
LLINs: Long-Lasting Insecticidal Nets

RDTs: Rapid Diagnostic Tests

VL/EID: Viral Load/Early infant diagnosis

Other: General lab equipment & supplies, essential medicines, condoms, and other diagnostics

LLIN demand and supply highlights



- **LLIN volumes have increased significantly** over the past 15 years.
- **PPM annual demand** is around **100m nets**.
- Around **30 countries** order LLINs via PPM each year.
- Between 2016 and 2019; **90% of LLINs** were **delivered to countries on time**.
- **Peaks in LLIN demand** are a continuing challenge.
- **Production capacity in Africa has increased** over the past 3-5 years.

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Global Fund has launched global LLIN tenders since 2013 to maximize value



LLIN Procurement Strategy Objectives 2020 - 2021

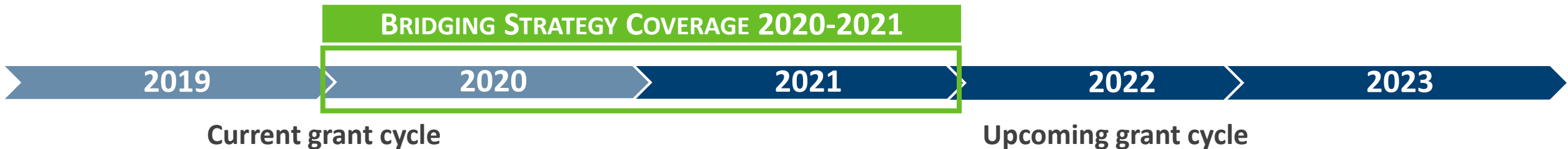
Leverage volumes and work together with partners to maximize market shaping value on the following 5 dimensions:

1. **Quality-assured** products
2. Greater **affordability** and improved **delivery** performance
3. **Supply continuity** and long-term **supply base sustainability**
4. Promote **responsible procurement**
5. Foster innovation, facilitate adoption and **accelerate scale-up of new products**



A Bridging Strategy

Evolving the LLIN Procurement Strategy in a shifting product and policy landscape



4 Key Features of the Strategy

- 1



Recognize supplier investment to ensure supply continuity, and promote sustainable business practices
- 2



Joint effort to support WHO PQ process implementation with a focus on QMS strengthening
- 3



Gradually address Environment, Health and Safety (EHS) concerns through the Responsible Procurement Framework
- 4



Strategic projects: future ambitions on plastic recycling, reuse, and environmentally-friendly materials

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Indicative LLIN Procurement Lead-Time



Factors affecting actual LLIN procurement lead-times:

- **Type of product**: PBO nets and New Nets may take longer
- National **product registration** requirements
- **Geography**: direct access to sea port or land-locked country
- **Delivery location**: level- and number of delivery points
- **Importation** process

For more information visit:

<https://www.theglobalfund.org/en/sourcing-management/health-products/long-lasting-insecticidal-nets/>

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