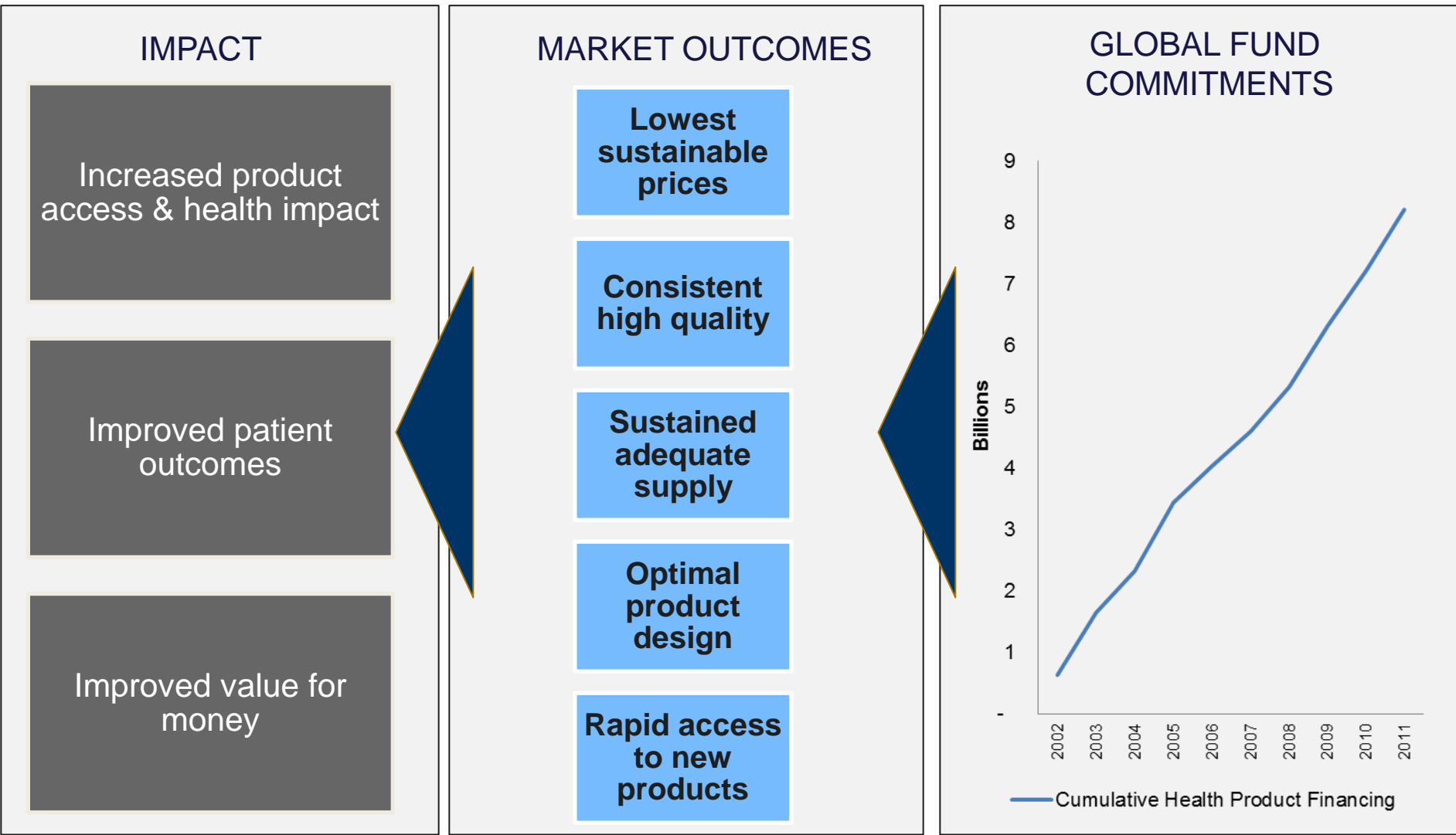


ACT Funding and Forecasting

Artemisinin Conference, January
15th – 16th 2013, Nairobi, Kenya

Dr. Mariatou Tala Jallow

Global Fund – Leveraging Purchasing Power to Improve Market Outcomes and Impact



PROCUREMENT STRATEGY

- **Improve VPP mechanism**
 - Pooling Volumes – quarterly ordering & pooled disbursement
 - Improved Forecasting – consolidation of demand forecast
 - Reducing funding volatility – annual disbursement / de-linking disbursements for critical health products from performance

- **Strengthen Secretariat’s Capacity for strategic market shaping**
 - Appointment of Chief Procurement Officer - Christopher Game
 - Re-organizing the procurement structure

PROCUREMENT STRATEGY

- **Establish Rapid Response Mechanism**

- Physical stockpile and cash - to better manage stock-outs and treatment disruptions

- **Management and use of health product Information system**

Two-phase process

- 1) manual consolidation of PSM plan information for 2012- 2014;
- 2) IT tool for PSM plan management, monitoring of procurement activities, and automating VPP process – with end activities linked to PQR

Consolidating Data for Approved Procurement (PSM) Plans

- U\$ 2.8 billion product level procurement data captured (2012-2014)
 - U\$ 1.1 billion for 2012 and U\$ 1.2 billion for 2013
 - +/- 90% of 2012 and 2013 volumes
 - 15 countries = 70% total
- VPP = 40% for HIV & malaria
 - 34% Anti-malaria medicines

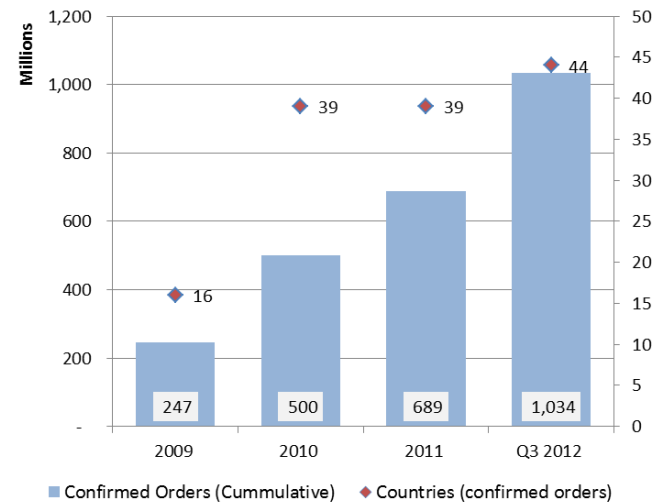
	U\$ million	%
ARVs	1,118	40%
LLINs	696	25%
Anti-TB medicines	255	9%
Antimalarial medicines	187	7%
Malaria rapid diagnostic tests	174	6%
HIV rapid diagnostic tests	147	5%
	2,577	92%

FUTURE FUNDING AND FORECASTING

- New Funding Mechanism
 - Sustainability and predictability
- Pharmaceutical Management Information System
 - Improved forecasting mechanism
 - Improved procurement planning
- Procurement Strategies
 - Improved VPP Mechanism
 - New / improved procurement strategies

Voluntary Pooled Procurement (Update)

- Operational in June 2009
- Confirmed Orders : June 2009 – 4 December 2012
 - U\$ 1.03 billion
 - 53 countries/121 grants*
 - 11 high impact countries
 - Estimated cumulative savings on budget of U\$ 113 million (18%)
- 2013 forecast
 - U\$400 million (with current grant portfolio)



**Includes countries and Grants in process of Joining VPP (as of 07 June 2012)*