



**Pan American
Health
Organization**
*Regional Office of the
World Health Organization*

Elements of effective antiretroviral procurement

The procurement methods applied in the purchase of any pharmaceutical product, including ARV, must adhere to the requirements set-out in national legislation and should conform to ‘WHO Principles for Good Pharmaceutical Procurement’ (<http://www.who.int/medicines/library/par/who-edm-par-99-5/who-edm-par-99-5.doc>).

Specifically, it is expected that through the application of efficient procurement methods, countries in Latin America and the Caribbean may avail of the most cost-effective pharmaceutical products of quality, in correct quantities, on a timely basis, at the lowest possible total cost.

The elements of effective procurement policy will include:

1. Selection of Pharmaceutical Products

Countries should ensure that the product purchased is included in national treatment guidelines

2. Estimation of Needs

Countries should ensure that product needs are initially based on morbidity data, and thereafter on product consumption and scale-up rates. Stock management parameters within the supply chain must be taken into account to avoid stock outs.

3. Selection of Suppliers

Product quality is to be ensured through the rigorous application of criteria in the source selection of product (see section on Quality).

4. Price Solicitation and Procurement

Countries will then proceed to price solicitation through a bidding system coherent with the requirements of national legislation. In adjudication of the offers countries will take into account price and delivery and payment terms, and information relating to quality criteria and drug registration status of the product on the local market.

In addition to adhering to regulatory requirements, the procurement of ARV requires a collaborated effort between technical, administrative and legal professionals, particularly in the following areas:

- The evaluation of national procurement legislation to determine the most appropriate mechanism of purchase. The evaluation should include an analysis to determine if provision exists for the procurement of ARV through direct negotiation with ARV suppliers.
- Under circumstances where ARV suppliers are Sole Suppliers, the evaluation of national procurement legislation to determine conditions of purchase from Sole Suppliers.

- Under circumstances where multisource ARV may exist within the market, the determination of Quality Acceptance Criteria (see section on Quality). It should be noted that the application of certain Quality Acceptance Criteria may result in the creation of a Sole Supplier Status for an ARV supplier in the market, and hence conditions of purchase from the Sole Supplier need to be determined.
- The use of reference prices to evaluate offers received from suppliers
- The evaluation of patent status of ARV and the impact of international trade agreements and related legislation. In addressing this issue, countries need to focus on the determination of ARV patent protection status within the country and the options available to National Authorities to authorize third parties (including government bodies and public institutions) to produce or import ARV from the competitive sector, under specific conditions, in the case where ARV patent protection status has been established. Important references can be found on the impact of international trade agreements on access to medicines, safeguards with particular attention to administrative models for the compulsory licensing of patents, and compulsory licensing models for State Practices in Developing countries at <http://www.who.int/medicines> as well as at <http://www.cptech.org/ip/health/> (Consumer Project on Technology: Health Care and Intellectual Property). Other WHO publications that facilitate and give guidance to countries, sub-regions and regions in the decision making process and the development of informed approaches to health and trade are listed below^{1, 2}
- The elaboration and administration of bid documentation including product specification and delivery conditions.

¹ Network for Monitoring the Impact of Globalization and Trips on Access to Medicines, Health Economics and Drugs, EDM Series No. 11, February 2001.

² Implications of the DOHA Declaration on the TRIPS Agreement and Public Health, Health and Economics and Drugs, EDM Series No. 12, June 2002.