

Introduction to Procurement Assessment Reports

December, 2018



To kick-off CHAI's Procurement work in Gavi transitioning countries, CHAI worked with governments to develop Procurement Assessment for 4 countries in Africa and South East Asia



GOAL

Create a consolidated document detailing existing procurement processes to **identify key gaps in the context of transition and preliminarily highlight priorities to focus on to strengthen current processes and capabilities**



PROCESS

- Conducted **interviews with country EPIs, partners, and in-country CHAI teams**
- Conducted **desk research** looking at: shipment invoices, eLMIS records, Gavi JA, transition reports, budget documents, etc
- **Supported EPI in tangential, relevant work** to gain access to key documents, data, and stakeholders and build government relationships
- **Shared back key risks** identified and proposed potential solutions to EPI officials



OUTPUT

- Framework for analysing Procurement processes
- ~25 page Procurement Assessment Report in Word or Powerpoint

The results of the procurement assessment were developed primarily in close cooperation with country EPIs and when possible global partners

Procurement Assessment Collaborations

Government Interviews	Interviews with country EPI managers and other relevant vaccine government stakeholders were conducted to deep-dive on the issue of procurement
Existing EPI Support	Much of the procurement assessments were informed by the day-to-day work that CHAI supports country EPIs with (e.g. NVI decision making, procurement management, supplier consults, supply chain support)
Joint Partnerships	In certain countries, global partners were consulted and brought in to help combine efforts to tackle complicated, systematic issues like long-term financial stability for vaccines.

At a high-level, the Procurement Assessment Reports aimed to answer the following six questions

What does the country's **current vaccine procurement** process look like?

What are/will be key **risks that will affect vaccine price, quality, and quantity** as the country transitions from Gavi support?

How can countries ensure **long-term EPI and immunization program financial sustainability** following Gavi graduation?

Where are the **key gaps/weaknesses in the country's existing procurement process** and how can these be addressed?

What **procurement options are available to the country** and what are the **theoretical benefits/costs**?

How can the country **best optimize vaccines procurement in the long term**?

Each report followed a similar framework to map the existing procurement process and identify key gaps and potential solutions

Governance

Objectives: enable and oversee effective vaccine procurement

- What are the legal requirements and barriers to procurement, drug registration, and financing?
- Who are the main regulatory bodies involved in immunization and vaccine procurement? What are their roles?

Planning

Objectives: procure optimal quantities of the right vaccines, while minimizing cost and risk of supply shortage

Products

- How are products and their presentation chosen, do they make sense?
- Is government aware of full spectrum of vaccines in the market?

Quantities

- How are forecasted vaccine quantities decided and are those estimates accurate?

Method

- Is the current procurement mechanism effective; what about post-transition? (e.g., UNICEF SD, PAHO, self)

Execution

Objectives: execute procurement plan, ensure order fulfillment, adjust to unanticipated circumstances

Tendering

- Does the country provide a clear product preference profile?
- Is the tendering process transparent and open to suppliers?

Order Management

- How effective and accurate is the shipment plan?
- Is NVIP able to order vaccines in a timely and cost efficient manner?
- Does EPI have access to sufficient financing?

Evaluation

Objectives: assess performance, inform future planning

- Is there a regularly used system of feedback and performance measurement?
- How can current processes be improved?

As part of this process, CHAI started to identify a number of procurement-related challenges across Gavi countries

PRELIMINARY

	Governance	Plan			Execute		Evaluate
		Products	Quantities	Method	Tendering	Order Mngt.	
<i>Information</i>		2 Limited understanding of market					8 Absence of regular review process
<i>Processes</i>	1 Poor cross-functional coordination		4 Inaccurate forecasting			7 Inefficient payment and poor budget execution	Absence of regular review process
<i>Capabilities</i>		3 Limited capacity					
<i>Policies and regulation</i>				5 Poorly informed procurement method restrictions	6 Restricted supplier competition		

These challenges are related to country needs that partners can potentially help support in preparation for Transition

PRELIMINARY

Challenge	Description	Associated needs
1 <i>Poor cross-functional coordination</i>	<ul style="list-style-type: none"> • Inadequate communication and feedback across entities involved in procurement (e.g., EPI, procurement entity, finance entity within MoH, NITAG, NRA, MOF) 	<ul style="list-style-type: none"> • Improved procurement process • Improved roles, responsibilities, and chains of command (e.g., clear definitions)
2 <i>Limited understanding of market</i>	<ul style="list-style-type: none"> • Incomplete access to information on demand, supply landscape, products available and in development • Limited appreciation for complexity in vaccine market 	<ul style="list-style-type: none"> • Enhanced understanding of global vaccine market dynamics and implications for procurement
3 <i>Limited capacity</i>	<ul style="list-style-type: none"> • Limited procurement-related experience, skills • Fundamental HR issues (e.g., hiring, performance, retention) • Uneven long-term capacity building support from partners 	<ul style="list-style-type: none"> • Improved capabilities related to vaccine procurement • Revised capacity building methods
4 <i>Inaccurate forecasting</i>	<ul style="list-style-type: none"> • Forecasting not informed by reliably accurate data and assumptions (e.g., consumption, wastage, stock levels) • Forecasting based on population, past procurement, or budget 	<ul style="list-style-type: none"> • More accurate forecasting through improved inputs and/or methodology
5 <i>Poorly informed procurement method restrictions</i>	<ul style="list-style-type: none"> • Governments do not fully understand benefits and risks of various means of procurement (e.g., UNICEF SD, self procurement) • Risk of ill-informed regulations which could restrict procurement methods and result in a detrimental impact 	<ul style="list-style-type: none"> • Understanding of economic and programmatic implications of various procurement options
6 <i>Restricted supplier competition</i>	<ul style="list-style-type: none"> • Confusing, time-intensive, and/or costly registration procedures discourage supplier registration in country • Tendering processes (e.g., not in English, local agent needs, price-only focus) discourage manufacturer participation 	<ul style="list-style-type: none"> • Understanding of implications of registration requirements and tendering regulations
7 <i>Inefficient payment / poor budget execution</i>	<ul style="list-style-type: none"> • Delayed release of funding from MOF, poorly timed or bureaucratic processes, and/or policy against prepayment • Lengthy foreign exchange conversion procedures 	<ul style="list-style-type: none"> • Improved ability to pay for vaccines and/or release funds in an efficient, timely manner
8 <i>Absence of review process</i>	<ul style="list-style-type: none"> • Governments unaware of basic EPI procurement performance KPIs • Procurement performance and improvement not considered a high priority 	<ul style="list-style-type: none"> • Develop procurement KPI dashboard and regular performance review process

The central challenge is effective and efficient procurement in light of transition; CHAI's proposed intervention is split into global and country level solutions

Goal: Contribute to ensuring governments can efficiently and transparently procure all vaccines needed at the optimal/sustainable quality, price and supply security (particularly through Gavi transition)

Preliminary activities identified

Global-level

- **Global TA landscape:** Landscape TA support available today with Partners (e.g., information about global vaccine markets, cash flow solutions, and pricing agreements for recently transitioned countries)
- **Sharing lessons and scaling successful interventions:** By identifying challenges and testing solutions, CHAI hopes to bring these country lessons and test cases to the global level to inform policy and future investments
- **Workplan:** By comparing the above work with Gavi and UNICEF SD to rally more/better TA for critical areas where there is large country need but not yet global support

Country-level (specific countries)

- **Procurement mapping and decision-making:** Support understanding of how countries procure today and changes in procurement that may happen due to transition (including implications of these changes)
- **Key challenges and drivers:** Understand which are key challenges that hinder effective/efficient procurement and the drivers that underlie those as well as potential solutions
- **Support building/implementing a roadmap for procurement:** Support government to build a roadmap for procurement changes that are needed, including (where appropriate and in coordination with other partners) a role for CHAI support