



The Future of Global Health Procurement: Professionalizing Procurement and Facilitating Shared Learning

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It's time for country governments and development partners to professionalize procurement as a core health system function.

The Status Quo

Procurement plays a central role in ensuring access to lifesaving, quality health products. Yet procurement remains underappreciated and neglected as an essential health system function.

- **Limited capacity and procurement expertise:** Effective procurement requires specialized expertise in procurement processes and strategy. In low- and middle-income countries, where procurement capacity and expertise is often limited, public procurement bodies may struggle to deploy efficient or innovative tendering procedures; enforce regulatory standards; and ensure the quality of medicines and other health products. As countries assume a larger role in procurement, governments will require greater capacity and specialized expertise to effectively manage the procurement process.
- **Procurement in a vacuum:** In low- and middle-income countries, procurement is too often isolated from other interrelated functions, such as regulation, product selection, and the design of health benefits packages.
- **Inadequate and inconsistent tracking, monitoring, and evaluation:** At the country level, performance benchmarking across public and private procurement entities is almost nonexistent. At the global level, procurement entities report publicly but only on a limited set of metrics. Further, common metrics like “order lead times” and “on-time in-full delivery” vary in scope, definition, reporting period, and targets/thresholds, undermining their relevance and utility. Procurement practitioners also face a highly limited evidence base to inform procurement strategies, with few rigorous evaluations.

Institutional Inefficiencies Lead to Suboptimal Procurement Outcomes

Inefficient procurement processes can lead to high prices and stockouts—with consequences borne by public purchasers and patients.

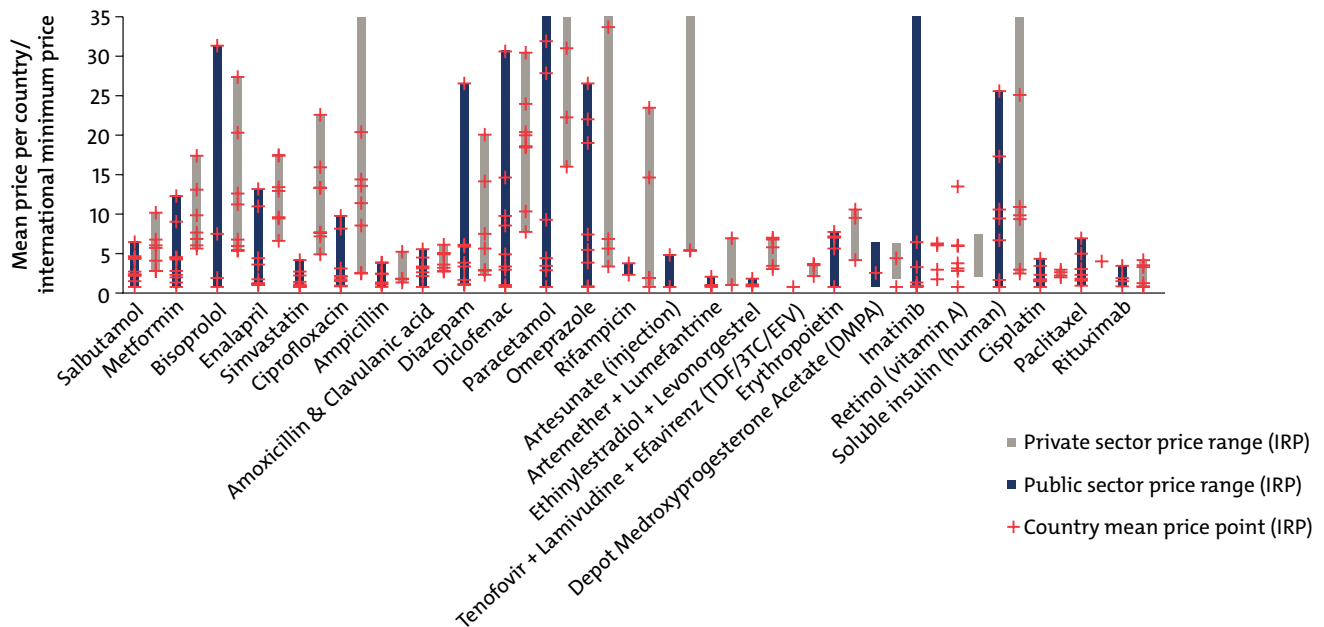
- **Procurement processes may be slow, onerous, and ineffective:** In Bangladesh, for example, limited knowledge of procurement guidelines and standards among procurement staff meant that the procurement process (from product selection to delivery) could take up to two years. Among self-procuring low- and middle-income countries, eight saw failed tenders for TB medicines, lab consumables, and reagents between 2016 and 2018.
- **The poorest countries pay high—and highly variable—prices for basic medicines:** In some low- and middle-income countries, purchasers pay as much as 20 to 30 times a minimum international reference price for basic generic medicines, such as the heartburn treatment drug omeprazole or the common pain reliever paracetamol (Figure 1).

The Way Forward: Professionalize Procurement by Building Capacity and Driving Strategic Practice

The global health community should recognize and strengthen procurement as an integral health system function. A partnership or network of country procurement agencies, global procurement bodies, and multilateral institutions could help professionalize global health procurement by supporting the following components:

Figure 1. Price Variation Across Seven Low- and Middle-Income Countries for Generic Pharmaceutical Products

Comparison of public and private pharmaceutical procurement prices (US\$) across countries, relative to international minimum price



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- Procurement University:** An intensive short course on best practices would help national and international procurement officials build relevant skills and improve procurement management.
- Mentoring and exchange:** Targeted mentorship and exchange programs, potentially including a joint learning network or dedicated community of practice, would allow procurement professionals the opportunity to enhance skills and competencies and to share knowledge of strategic best practices.
- Global health-specific procurement guidance and resources:** Guidance could include affordability guidelines calibrated to local budgets; costing toolkits; a repository of HTA models by disease and technology; decision trees and guidance on when and how to adopt different tendering modalities; links to existing resources and pricing databases; and dedicated guidance and toolkits to drive greater use and better analyses of market and pricing data. Compliance with a core set of procurement guidelines could also be incorporated as a requirement for all global health procurement supported by international financing.
- Standardized set of performance measures for global health procurement:** Alignment behind a single set of key performance indicators for global health procurement would create a common performance assessment framework across procurement entities.
- Evaluation of procurement policies and approaches:** Financial and technical assistance would help support countries, global health agencies, and independent researchers to rigorously evaluate innovative procurement reforms and build an evidence base of strategic practices for health products procurement. Support from one or more donors could also help establish a peer-reviewed journal on global evidence and best practices related to health products procurement.

This factsheet is based on the final report of CGD's Working Group on the Future of Global Health Procurement. The full report, Tackling the Triple Transition in Global Health Procurement, is available at www.cgdev.org/better-health-procurement.