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Aidspan Releases Analysis of Global Fund Procurement Costs

Procurement costs for HIV, TB and malaria commodities have either come down or remained stable over the past seven years, according to an analysis conducted by Frank Wafula, Ambrose Agweyu and Kate Macintyre at Aidspan. The findings of the analysis are described in a working [paper](#) published on April 29, 2013 on the Aidspan website.

The analysis used data from the Global Fund's price and quality reporting (PQR) system. The PQR collects information for commodities procured by organisations implementing Fund grants. Although the PQR has collected data since 2005, little analysis has been published to date describing how costs vary by time and across regions.

The analysis looked at seven commodities: condoms, bednets, HIV and malaria rapid test kits, one HIV combination antiretroviral (ARV) medicine, one anti-TB medicine and one anti-malarial medicine. The data were taken from 580 grants in 126 countries, collected between 2005 and 2012.

The costs for bednets and the ARV combination therapy fell substantially during the period covered by the analysis, while those for the other five commodities remained unchanged or fell only gradually. No commodity showed an increase in cost.

Substantial regional variations were seen in the costs for bednets and test kits, but the variations were minimal for all three types of medicine.

The analysis compared PQR costs to the costs reported through the Global Fund's centralised voluntary pooled procurement (VPP) system. The VPP is designed to lower prices and make procurement easier for participating countries. VPP data are not entered into the PQR system. When compared to PQR costs, VPP costs were lower for condoms and malaria test kits, but the differences were minimal for the other

five commodities.

The working paper recommends that in future costs continue to be monitored closely to ensure the best use of resources, particularly during difficult economic times.

Aidspan plans to conduct similar analyses in future looking at more commodities over longer periods of time.

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