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WAMBO.ORG: GLOBAL FUND PRS MAY PLACE A LIMITED NUMBER OF ORDERS USING DOMESTIC FINANCING Pilot project approved by the Board

The Global Fund Board has agreed to allow wambo.org to facilitate, on a pilot basis, 10 procurements by principal recipients (PRs) using domestic funding. Each procurement can be for multiple products.

As described in a [GFO article](#), wambo.org is an online marketplace where implementers of Global Fund grants can check prices and place purchase requisitions for medicines, other health products and non-health commodities. wambo.org is currently open to all implementing partners now using the Global Fund's pooled procurement mechanism (PPM).

The decision by the Board, taken at its meeting on 3-4 May in Kigali, Rwanda, allows PRs currently facilitating procurements on wambo.org with money from an existing Global Fund grant to facilitate procurements using money from domestic sources (i.e. outside the grant) instead – but only on a pilot basis and for a limited number of transactions.

Compared to orders placed with Global Fund grant funding, those placed with domestic funding will typically carry a higher risk for the supplier or procurement agent. To mitigate potential risk, the PRs will have to make an upfront payment before the order is acknowledged as actionable by the supplier or procurement agent.

(Some questions have been raised concerning whether in some cases domestic laws might not have to be changed to permit pre-payment. Domestic procurements are usually strongly regulated by governments; these regulations may require payment after delivery.)

According to the paper prepared for the Board meeting in Kigali, Rwanda on 3-4 May, over a dozen PRs (it could be as many as 20) have manifested strong interest to use the platform with domestic funding. Interest has been expressed, in particular, by government PRs in various regions. The list of countries includes some that are transitioning, some that are approaching transition and some that are still in the low-income category but are nevertheless actively planning for future transition.

Use of wambo.org on a limited basis using domestic financing will respond to some of these countries' requests and will provide some lessons learned that the Global Fund can use to plan future expansion of the platform.

The paper said that this opportunity to use wambo.org to facilitate procurements with domestic funding is in line with the Global Fund's Amended and Restated Market Shaping Strategy, which requires the Global Fund to extend the results of its market shaping efforts to countries approaching transition. In practice, certain PRs can already leverage Global Fund negotiated pricing while purchasing commodities with their own funding. This initiative will complement these efforts at an operational level by providing a platform that can enable a more systematic approach to extending access to the prices achieved through the PPM.

The Board decision authorizing the pilot also requested that the Secretariat (i) provide the Strategy Committee with clearly defined draft indicators of success for the pilot; and (ii) report regularly on progress to the Strategy Committee. Progress will be assessed through three lens: (a) savings realized on product prices; (b) efficiency of the process; and (c) PR satisfaction with wambo.org.

The wambo.org project is currently in Phase 1. Phase 2, if approved by the Global Fund Board at a later date, could see wambo.org expand its benefits outside of the Global Fund to include members of the broader global public health community. However, the paper says, before proceeding to any Phase 2, there will be extensive consultations and analysis at committee level, and with the Board.

Currently, the Secretariat does not expect Phase 2 preparations and consultations to be launched before 2018. Once started, the preparations and consultations would likely require at least 12-18 months.

Update on wambo.org

The paper stated that "with over 70 PR organizations having access to the platform and over \$400 million worth of transactions channeled, [wambo.org] is well on track to completely transitioning the order placement operations of the PPM by June 2017." Work on utilizing the platform's potential to accelerate the scale-up of innovative products is progressing, led jointly by the Global Fund and UNITAID, which is co-funding the wambo.org project. A dialogue with the Global Drug Facility towards a potential future launch of TB products is ongoing.

Using wambo.org, order lead time – i.e. the number of days from initial requisition to order confirmation – has averaged 36 days (25 business days), a 16% reduction from the time needed to complete the corresponding steps without using wambo.org. The Secretariat expects to improve order lead times as it gains more experience with the platform. The target for 2017 is 21-26 days.

Currently, artemisinin combination therapies, antiretrovirals, long-lasting insecticide-treated bed nets, condoms and lubricants, rapid diagnostic tests for HIV and malaria, and viral load test bundles are available for purchase on wambo.org. General medications, including those for treating opportunistic infections, those used for opioid substitution therapy, and hepatitis C drugs, are expected to be available for purchase on the platform soon, along with select non-health products.

As at 30 March 2017, the end of the first year of operations of wambo.org, 74 PR organizations from 53 countries have enrolled with wambo.org and activated access to the system. Of these, 40 have already

placed orders. Confirmed purchase orders through wambo.org have reached \$348.4 million. In addition, requisitions currently being processed equal approximately \$78.5 million, bringing the total of what the Fund calls “transaction throughput” to \$426.9 million. Thus, results have far exceeded the first year throughput target of \$250 million.

During a survey conducted in November 2016, PR users of wambo.org reported a 100% satisfaction rate with their overall experience.

The paper prepared for the Board meeting contains a detailed explanation of how wambo.org works.

The wambo.org Progress Update and Steps for Advancement, Document GF-B37-07, should be available shortly at www.theglobalfund.org/en/board/meetings/37.

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