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GLOBAL FUND ADDRESSES RISKS OF TREATMENT DISRUPTIONS

The Global Fund is taking action to minimise the risk of treatment disruptions arising from interruptions in Global Fund financing and from weaknesses in country-level procurement and supply management (PSM) systems.

Details of what the Global Fund is doing and is planning are contained in a report prepared for the Portfolio and Implementation Committee of the Board in September 2009. The report is entitled, “Preventing Drug Stock-Outs and Treatment Disruptions in the Global Fund-Supported Programs.”

The Global Fund has identified a number of risk factors relevant to the occurrence of stock-outs. These factors include:

- low capacity of PRs in stock management and forecasting;
- poor state of medical warehouses;
- non-transparent procurement processes;
- the non-timely submission of Progress Updates and Disbursement Requests (PU/DRs) by the PR;
- disbursement delays; and
- weak coordination between PRs and other in-country stakeholders.

However, the Global Fund says that a thorough analysis of the root causes and consequences of stock-outs is hindered by the fact that there is no systematic collection and monitoring of relevant information. In fact, the information systems used for the early identification of stock-outs are unsystematic and largely informal.

There are currently a number of measures in place to reduce the risk of stock-outs. These include:

- the Voluntary Pooled Procurement (VPP) service, which PRs can use, and which provides, among other things, improved supply and delivery;
- direct payments to third parties to facilitate the timely delivery of products;
- the use of the Price and Quality Reporting (PQR) mechanism to track information on health products;
- the use of stock-out-related performance indicators; and
- the Continuity of Services Policy, which entitles a PR to up to two years of funding to continue treatment activities when a grant ends with no replacement funding.

In its report, the Global Fund notes that only about one-third of grants include stock-out-related performance indicators. For this reason, the Global Fund says that by the end of 2009 it will require that stock-out-related indicators be included in all Performance Frameworks.

As well, in early 2010, the Global Fund is planning to introduce a revised PU/DR form, which will include a section on stock-outs.

The Global Fund says that it “is working to ensure a greater compliance” with current reporting requirements. Under current Fund policy, disbursements should be withheld in cases where the PR has not fully reported on health product purchases in the PQR.

The Global Fund also says that in early 2010, it will introduce “country profiles,” which will describe in-country systems for the management of pharmaceutical and health products, and assist in the identification of critical weaknesses related to PSM systems. The country profiles will replace the current PSM Plans for all active grants.

The Global Fund Secretariat will work with CCMs to enhance their role in responding to potential treatment interruptions. A CCM Dashboard, currently being developed, will assist CCMs in identifying and following up on actual and potential problems with grant implementation, including stock-outs. More capable CCMs will be encouraged to develop one-year plans on monitoring and preventing stock-outs. Finally, where there are stock-out risks, the Secretariat will encourage PRs and CCMs to explore potential sources of funding to ensure treatment continuity.

The Secretariat will also work with partners to address key risks of stock-outs, with the emphasis being placed on building PR capacity to detect and prevent stock-outs. In its report, the Global Fund acknowledges that its interaction with partners on issues of treatment disruption has been insufficient.

The Secretariat is already in discussions with partner organisations concerning a possible joint response to preventing and mitigating drug stock-outs.

“Preventing Drug Stock-Outs and Treatment Disruptions in the Global Fund-Supported Programs” has not yet been posted at the Global Fund website.

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