

Pooled Procurement

Faith-Based Organizations create Pooled
Procurement Mechanism in Cameroon



Presenter

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Introduction

- Lack of demand visibility is a major barrier to efforts for securing reliable pharmaceutical supply in developing countries
- Three faith-based organizations (FBOs) created a pooled procurement mechanism in Cameroon, facilitated by EPN and SIAPS



In **selected** model: Tendering and award of contracts are carried out as a group through a central buying unit



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Context and Challenges

- FBOs provide >40% healthcare to Cameroon's 24 million population
- Lack of government financial support to FBOs
- Inability of central medical store to satisfy medicines demand of FBO health facilities
- Limited availability of generic medicines in local market as suppliers prefer selling more expensive and therefore more profitable branded products
- Increasing availability of substandard medicines in local market



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Benefits

- Reduced cost through:
 - Economies of scale
 - Stronger negotiating and purchasing power
 - Pooling of financial and human resources
- Harmonization of quality assurance processes
- Maintaining a pool of reliable suppliers
- More efficient and transparent system for purchases



Dr. Irene Tankoua, Chief Pharmacist of EEC, inspects delivery to ensure that it conforms to the order



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Achievements

- First pooled procurement effectively completed with 48 out of 50 quality assured products purchased locally at lower prices and delivered promptly
- Members of the pooled procurement mechanism leveraged expertise and warehouse capability of other members
- EPN, together with 4 other medicine supply FBOs in Kenya, Rwanda, Tanzania, and Uganda, run East African Community Pooled Procurement (EACPP) Initiative



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Helen Tata, Consultant, and Mirfin Mpundu, EPN Director, enter data in a spreadsheet during bid opening in Douala.

Trucks for PCC (right) and another for EEC (left) pick up their consignments from the virtual CPU in Mutengene.



Lessons Learned



Technical expertise

The availability of technical experts in procurement and supply chain ensures good quantification of requirements.



Leadership engagement from start to finish

Sustaining support from CEOs requires engaging them from the start and keeping them informed at each stage of the project.



Establishing a strong foundation for technical collaboration

TWG members must be committed from the beginning to the end of project as groundwork requires time and patience.



Involvement of prescribers

Consultations between pharmacists and physicians facilitates compromise on the products to be included on the procurement list.



Understanding complexity of context matters

Understanding the local bidding process is critical as is clearly spelling out all product specifications in tender notices to minimize issues and challenges at bid adjudication.

Banking procedures not only differ from one country to another, but also between organizations and joint organization banking. Analysis is required of the type of bank account to be opened and included in MOUs.



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Reflections

Resilient pharmaceutical systems are possible where there is:

- Value procurement, including strategies such as pooled procurement with its associated better demand visibility
- Collaboration between major actors, such as leveraging of procurement and supply management capabilities



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