The Global Fund and UNICEF
LLIN Suppliers Meeting

Dubai 8-9 Sept 2015
Welcome
Who’s here today

- LLIN Manufacturers
- Partners:
  - ALMA; BMGF; DFID/Crown Agent; PMI; UNITAID; WHO
- UNICEF
- Global Fund & PSA & PR
- IDA Foundation; Ghana; Nigeria, Uganda
Today’s Objectives

1. To update you on the progress of The Global Fund’s and UNICEF’s sourcing strategies for LLIN.

2. To create a platform for partner agencies to share key messages and forthcoming changes in the LLIN market.

3. To discuss the demand profiles in 2016 and 2017.

4. To present the Global Fund and UNICEF tender processes and timelines.

5. To obtain feedback from you.
Global Fund, UNICEF, PMI Collaboration - Objectives

1. To support a healthy market and greater supply security

2. To achieve the most economically advantageous pricing.

Key elements

• Exchanging general information affecting LLIN procurement
• Sharing information on procurement strategies and supplier engagement formats
• Sharing information on market dynamics and intelligence
• Discussing and aligning new product introduction (such as PBO nets)
• Sharing demand forecasts (annual and long term, if available)
• Developing a consolidated forecast
• Coordinating and alignment in the tenders:
### Global Fund-UNICEF collaboration

<table>
<thead>
<tr>
<th>Global Fund-UNICEF collaboration</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordinated approach/messages</td>
<td>✓</td>
</tr>
<tr>
<td>Synergistic strategies</td>
<td>✓</td>
</tr>
<tr>
<td>Direct engagement with suppliers &amp; supplier visits</td>
<td>✓</td>
</tr>
<tr>
<td>Providing Improved demand visibility</td>
<td>✓</td>
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<tr>
<td>Sharing of synthesized market intelligence and general supplier performance</td>
<td>✓</td>
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<tr>
<td>Measuring supplier performance</td>
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<tr>
<td>Sharing confidential information</td>
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<td>Long term agreements with manufacturers</td>
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<tr>
<td>Selection of suppliers and demand allocation</td>
<td>×</td>
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<tr>
<td>Execution of purchase orders</td>
<td>×</td>
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<tr>
<td>Managing overall supplier performance (Price, lead-time, delivery etc.)</td>
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</tr>
<tr>
<td>Time</td>
<td>Activity</td>
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<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>0900-0945</td>
<td><strong>Introductions, Objectives, How the Global Fund and UNICEF are working together</strong>&lt;br&gt;Mariatou Tala Jallow, Helene Moller</td>
</tr>
<tr>
<td>0945-1015</td>
<td><strong>The Global Fund, Procurement for Impact and the Market Shaping Strategy</strong>&lt;br&gt;Mariatou Tala Jallow</td>
</tr>
<tr>
<td>1015-1030</td>
<td><strong>Global Fund LLIN Quality Assurance Policy and Challenges</strong>&lt;br&gt;Alain Prat, Global Fund Global Fund QA Specialist</td>
</tr>
<tr>
<td>1030-1055</td>
<td><strong>Approved Products and the New Evaluation System</strong>&lt;br&gt;WHOPES – Dr Rajpal Yadav</td>
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<tr>
<td>1055-1120</td>
<td><strong>Coffee</strong></td>
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<tr>
<td>1120-1145</td>
<td><strong>New Strategies on Addressing Resistance</strong>&lt;br&gt;WHO – Dr Abraham Mnzava</td>
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<tr>
<td>1145-1215</td>
<td><strong>Global Demand and Progress of Malaria Elimination</strong>&lt;br&gt;ALMA - Melanie Renshaw</td>
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<tr>
<td>1215-1300</td>
<td><strong>The Global Fund E-Marketplace</strong>&lt;br&gt;Kivanc Cubukcu</td>
</tr>
<tr>
<td>1300-1400</td>
<td><strong>Lunch</strong></td>
</tr>
<tr>
<td>1400-1430</td>
<td><strong>2016 Forecast Demand</strong>&lt;br&gt;Aziz Jafarov, Lama Suleiman, Alexis Leonard</td>
</tr>
<tr>
<td>1430-1515</td>
<td><strong>The UNICEF 2015 Strategy, Tender and Timeline</strong>&lt;br&gt;Helene Moller, Lama Sulieman</td>
</tr>
<tr>
<td>1515-1545</td>
<td><strong>Tea</strong></td>
</tr>
<tr>
<td>1545-1700</td>
<td><strong>The Global Fund 2015 Strategy, Tender and Timeline</strong>&lt;br&gt;Aziz Jafarov; Mariatou Tala Jallow</td>
</tr>
</tbody>
</table>
**Wednesday 9th September: Meeting Schedule**

<table>
<thead>
<tr>
<th>Time</th>
<th>Group 1</th>
<th>Group 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0900-1000</td>
<td>A to Z</td>
<td>DCT</td>
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<tr>
<td>1000-1100</td>
<td>Sumitomo</td>
<td>BASF</td>
</tr>
<tr>
<td>1100-1200</td>
<td>Shobikaa</td>
<td>Vestergaard</td>
</tr>
<tr>
<td>1200-1300</td>
<td>Lunch</td>
<td></td>
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<tr>
<td>1300-1400</td>
<td>VKA</td>
<td>Tana</td>
</tr>
<tr>
<td>1400-1500</td>
<td>Yorkool</td>
<td>Real Relief</td>
</tr>
<tr>
<td>1500-1600</td>
<td>Life Ideas</td>
<td>Mainpol GmbH</td>
</tr>
</tbody>
</table>

**UNICEF**

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.00</td>
<td>9.30</td>
<td>BASF</td>
</tr>
<tr>
<td>9.30</td>
<td>10.00</td>
<td>Sumitomo</td>
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<tr>
<td>10.00</td>
<td>10.30</td>
<td>Shobikaa</td>
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<td>10.45</td>
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<td>A-Z</td>
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<td>11.15</td>
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<td>13.15</td>
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<td>Vestergaard</td>
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<td>13.45</td>
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<td>Life Ideas</td>
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<td>14.15</td>
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<td>Mainpol</td>
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<tr>
<td>15.00</td>
<td>15.30</td>
<td>VKA</td>
</tr>
<tr>
<td>15.30</td>
<td>16.00</td>
<td>Tana</td>
</tr>
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Global Fund Market Shaping Strategy and Procurement for Impact
Progress and Opportunities
# The Spend Profile

Between 2014 & 2016 the spend on the three diseases will be **US$14.6 billion**

<table>
<thead>
<tr>
<th>Disease</th>
<th>Spend</th>
<th>Percentage</th>
<th>No of Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIDS</td>
<td>$7.8bn</td>
<td>53%</td>
<td>105</td>
</tr>
<tr>
<td>Malaria</td>
<td>$4.3bn</td>
<td>30%</td>
<td>74</td>
</tr>
<tr>
<td>Tuberculosis</td>
<td>$2.6bn</td>
<td>17%</td>
<td>98</td>
</tr>
</tbody>
</table>

**Key areas of spend:** medicines and other health products & program implementation
### Annual spend for key products

<table>
<thead>
<tr>
<th>Product</th>
<th>US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIV</strong></td>
<td></td>
</tr>
<tr>
<td>ARV medicines</td>
<td>800</td>
</tr>
<tr>
<td>Diagnostics</td>
<td>125</td>
</tr>
<tr>
<td>Prevention</td>
<td>40</td>
</tr>
<tr>
<td>Medicines for opportunistic infections</td>
<td>60</td>
</tr>
<tr>
<td><strong>TB</strong></td>
<td></td>
</tr>
<tr>
<td>Medicines</td>
<td>125</td>
</tr>
<tr>
<td>Diagnostics</td>
<td>35</td>
</tr>
<tr>
<td><strong>Malaria</strong></td>
<td></td>
</tr>
<tr>
<td>Antimalarial medicines</td>
<td>75</td>
</tr>
<tr>
<td>LLINs</td>
<td>310</td>
</tr>
<tr>
<td>Diagnostics</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,600</td>
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</table>
A Recap: Procurement for Impact (P4I)

P4I was established to increase access to health products by fundamentally changing the way the Global Fund works across the supply chain.

- Earlier involvement and closer collaboration with manufacturers
- Improving our purchasing capability and changing our contracting models
- Optimising the international supply chain to reduce cost
- Better planning & scheduling to support continuity of supply
- Delivering more products at the right time and place to more people
Our Approach has remained constant throughout

In determining our approach we deploy a standard methodology which does not end with the tender process.

**UNDERSTAND**
Going to the real places, meet the stakeholders and understanding the facts.

**DESIGN**
Defining a set of objectives based on findings and designing an approach to deliver them.

**ENGAGE**
Designing tenders and Engaging suppliers to meet our objectives.

**MANAGE**
Working with suppliers to drive continuous improvement.
An update on progress

Since the last Supplier Meeting, significant progress has been made in the way the Global Fund engages with its suppliers with implementation of the following:

- **July 2014:** Framework Agreements for Artemisinin Combination Therapies (ACTs)

- **January 2015:** A new strategy and Framework Agreements for Antiretroviral medicines (ARVs)

- **June 2015:** New approaches in the selection and procurement of Viral Load and Early Infant Diagnosis Technologies
Projects in Progress:

- Rapid Diagnostic Tests: HIV and Malaria
- Medicines (Drugs) for opportunistic infections
- TB medicines
LLIN Achievements – 2014 /2015

Focus Areas

Availability

• Optimization of PPM portfolio for better outcomes;
• Over 150 million Nets procured supporting PPM countries to meet their targets

Supply Security & Market Sustainability

• Greater visibility in demand
• Long term Framework Agreements;
• Diversity in Supplier Panel;
• Price stability;
• Local Manufacturing supported

Supplier Relationship

• Supplier engagement;
• Improved Supplier performance
Going forward, the Global Fund is revising its Market Shaping Strategy, which guides health product sourcing

Vision

*Market shaping supports health outcomes and access to critical health products by…*

...Leveraging the Global Fund’s position to facilitate healthier global markets for health products, today and in the future

Scope

- Medicines or technologies that prevent, diagnose or treat the three diseases
- Focus on products where Global Fund can expect to shape the market (core health products eg, LLINs, ACTs, ARVs, diagnostics)
- May intervene on new products when the Global Fund can play a catalytic role in bringing new and/or cost-effective products to scale

Dimensions of a healthy market

- Innovation
- Availability
- Demand and adoption
- Affordability
- Delivery
- Quality

P4I will continue to be Sourcing’s vehicle to operationalize the MSS
# Strategy focuses on maintaining availability and affordability, investing in scaling innovations and sustainability

<table>
<thead>
<tr>
<th>Focus</th>
<th>Continuing vs. new</th>
<th>Strategic objectives (summary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Near-term market shaping</td>
<td>Refine &amp; institutionalize ongoing activities</td>
<td>Ensure continued availability and affordability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Market transparency and competition, strategic procurement, RSM</td>
</tr>
<tr>
<td></td>
<td>Make targeted investments</td>
<td>Promote consistent quality standards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maintain and refine QA policies (diagnostics); support WHO</td>
</tr>
<tr>
<td>Building for the future</td>
<td></td>
<td>Support efforts to stimulate innovation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recognize innovation in sourcing strategies; engage partners</td>
</tr>
<tr>
<td>Foundational enablers</td>
<td></td>
<td>Accelerate adoption of new and/or cost effective products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Partner on product scale-up roadmaps, target ERP, expand capacity for AMCs, optimize product selection</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prepare for country transition and long-term market viability</td>
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<tr>
<td></td>
<td></td>
<td>Transition planning, grants to support PSM systems, in-country capacity building, process to assess further interventions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strengthen key market shaping enablers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Systems and tools to support forecasting &amp; data management, further strengthening partnerships</td>
</tr>
</tbody>
</table>
Several channels for Global Fund-financed procurements
Context: Pooled procurement is a key tool for the Global Fund to shape markets

**2009: Voluntary Pooled Procurement (VPP) created**

- Mechanism to centrally procure health products to impact markets
- Recognizing need to address common procurement and/or risk-related grant performance issues
- From 2009 – 2011, responsible for:
  - Over US$ 700 million of health product orders from 47 countries
  - Savings of US$ 57 million vs. budgets
- Constrained by procurement process and disbursement of grant funds

**2013: Transition to Pooled Procurement Mechanism (PPM)**

- Market Shaping Strategy calls for policy changes to enable true consolidation of volumes
- Grew to 60 countries and about US$ 1 billion in 2013
- Global Fund can leverage pooled demand to shape markets, delivering benefits for countries and suppliers
  - **Countries**: improved value for money, risk reduction
  - **Suppliers**: greater visibility into demand, more predictable volume and lower transaction costs
ARVs and LLINs are largest categories purchased through the Global Fund’s pooled procurement mechanism

<table>
<thead>
<tr>
<th>Category</th>
<th>USD $M</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARVs</td>
<td>414</td>
</tr>
<tr>
<td>LLINs</td>
<td>382</td>
</tr>
<tr>
<td>ACTs</td>
<td>60</td>
</tr>
<tr>
<td>Lab supplies</td>
<td>39</td>
</tr>
<tr>
<td>HIV Dx</td>
<td>55</td>
</tr>
<tr>
<td>Malaria Dx</td>
<td>34</td>
</tr>
<tr>
<td>Other medicines</td>
<td>34</td>
</tr>
<tr>
<td>Condoms</td>
<td>34</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Total</td>
<td>1,030</td>
</tr>
</tbody>
</table>

Source: Global Fund pooled procurement data.

Spend by category purchased through the Pooled Procurement Mechanism, 2013
Food for Thoughts-----

How many suppliers is sufficient to maintain availability and competition in a market? Is there a baseline threshold?

If product availability is secure, what are the additional risks if a supplier exits the market? What is the Global Fund’s responsibility for maintaining the supplier base?

What constitutes a healthy level of innovation? How should the Global Fund assess whether it needs to do more to support innovation?
THANK YOU
Global Fund LLIN Quality Assurance Policy and Challenges

Alain Prat: The Global Fund
Global Fund
Quality Assurance Policy
LLINs and challenges

TGF & UNICEF: LLIN Manufacturers Engagement
8th - 9th September 2015

Alain Prat, Quality Assurance Specialist
Pharmaceutical Products (December 2010)

Condoms

Global Fund Quality Assurance for Health Products

Diagnostic Products (February 2014)

Long Lasting Insecticidal Nets, IRS
Global Fund QA Policy
Basic Principles (Not specific)

• Compliance with national laws and regulation mostly registration system
• Internationally recognized stringent regulatory processes considered
• Adherence to WHO protocol, norms and standards (treatment, algorithm,…)
• Compliance with Quality management system implemented by manufacturers for design and manufacturing
• Monitoring quality and reporting non-conformities
• Reporting system for price and quality
Global Fund QA Policy
LLINs Main requirements

• LLINS recommended for use by WHO Pesticide Evaluation Scheme (WHOPES)(1)

• Pesticides compliance with specifications indicated in WHOPES reports (1)

• Random pre-shipment testing by an independent Quality Control laboratory (2)
  • Sampling to be done by an independent sampling agent
  • ISO 17025 certified laboratory, WHO Collaborating Centre for QC of Pesticides
  • According to WHO Methods and Specifications
Global Fund QA Policy for Pesticides

Global Fund Lists

- List of indoor residual sprays (IRS) that meet WHOPES specifications for use against malaria vector
Global Fund QA Policy
Challenges / 1

- Change in the manufacturing site was identified during our quarterly review of PQR data from Italy to Germany
  - Manufacturer states that JMPS does not require to provide data on extension to an additional manufacturing site
    - providing that the manufacturing route for the active ingredient has not changed and
    - the additional site is under the manufacturer's control

- WHOPES informed us of the need for analytical data from their new plant to reconfirm compliance with WHO specifications

Variation related issue
Global Fund QA Policy
Challenges / 2

• Testing failure for one of the IRS products = Colour variations identified during the quality control + slight contamination of plastic sheet

• Performance not affected as per the manufacturer conclusions of investigations

Good Manufacturing Practices related issue
Global Fund QA Policy
Challenges / 3

• Customer survey (Laos, Cambodia) showing community preference to specific type of LLIN
  • Complaints for users on dimension, thickness,..

• Studies efficacy of insecticide used in the LLIN against the local vectors (Niger)

• Monitoring durability monitoring poor at baseline and 6 months (Madagascar).

Study methodology issue
Global Fund QA Policy
References

• Guide to the Global Fund Policies on Procurement and Supply Management of Health Products – June 2012 (under revision)

• Operational policy note: Implementing the Quality Assurance Policies for Pharmaceutical, Diagnostics and Other Health Products – November 2014

• http://www.theglobalfund.org/en/procurement/quality/health/
Approved Products and the New Evaluation System

Dr Rajpal Yadav: WHOPES
WHOPES CHANGE PLAN
(2016 – 2018)

Rajpal Yadav
WHOPES/NTD Department
WHO HQ, Geneva
<table>
<thead>
<tr>
<th>Product name</th>
<th>Product type</th>
<th>Status of WHO recommendation</th>
<th>Status of publication of WHO specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>DawaPlus 2.0</td>
<td>Deltamethrin coated on polyester</td>
<td>Interim*</td>
<td>Published</td>
</tr>
<tr>
<td>Duranet Interceptor</td>
<td>Alpha-cypermethrin incorporated into polyethylene</td>
<td>Full</td>
<td>Published</td>
</tr>
<tr>
<td>LifeNet</td>
<td>Alpha-cypermethrin coated on polyester</td>
<td>Full</td>
<td>Published</td>
</tr>
<tr>
<td>MAGNet</td>
<td>Alpha-cypermethrin incorporated into polyethylene</td>
<td>Interim*</td>
<td>Published</td>
</tr>
<tr>
<td>MiraNet</td>
<td>Alpha-cypermethrin incorporated into polyethylene</td>
<td>Interim*</td>
<td>Published</td>
</tr>
<tr>
<td>Olyset Net</td>
<td>Permethrin incorporated into polyethylene</td>
<td>Full</td>
<td>Published</td>
</tr>
<tr>
<td>Olyset Plus</td>
<td>Permethrin and PBO incorporated into polyethylene</td>
<td>Interim*</td>
<td>Published</td>
</tr>
<tr>
<td>Panda Net 2.0</td>
<td>Deltamethrin incorporated into polyethylene</td>
<td>Interim*</td>
<td>Published</td>
</tr>
<tr>
<td>PermaNet 2.0</td>
<td>Deltamethrin coated on polyester</td>
<td>Full</td>
<td>Published</td>
</tr>
<tr>
<td>PermaNet 3.0</td>
<td>Combination of deltamethrin coated on polyester with strengthened border (side panels), and deltamethrin and PBO incorporated into polyethylene (roof)</td>
<td>Interim*</td>
<td>Published</td>
</tr>
<tr>
<td>Royal Sentry</td>
<td>Alpha-cypermethrin incorporated into polyethylene</td>
<td>Full</td>
<td>Published</td>
</tr>
<tr>
<td>SafeNet</td>
<td>Alpha-cypermethrin coated on polyester</td>
<td>Full</td>
<td>Published</td>
</tr>
<tr>
<td>Yahe</td>
<td>Deltamethrin coated on polyester</td>
<td>Interim*</td>
<td>Not yet finalized</td>
</tr>
</tbody>
</table>
WHO leadership is strongly committed to vector control reform

WHO has initiated ambitious reforms in response to needs of vector control community

- WHO recognizes the need for reforms regarding evaluation of innovative tools, improving quality in the system, standardized vector control evaluation and timely development of normative guidance, etc.

- To support the development, evaluation, quality control, adoption, and sound management of pesticides, a change plan has been presented in Stakeholder Convenings (12 Feb and 24 June).

- Since then, WHO has been detailing its plans to reform evaluation systems and procedures, and to strengthen vector control normative functions

- Plan shown today is the result of joint work across WHO teams relevant to vector control (NTD and GMP) and prequalification (PQ/HSI)

WHO leadership has expressed full support of this change

Quotes from WHO leadership

"A global health agenda that gives higher priority to vector control could save many lives and avert much suffering."

"I fully support this WHO vector control change and am looking forward to see significant progress by the end of 2016 and celebrate success in 2017."

Margaret Chan,
Director-General WHO
WHO reform aims to deliver 4 primary outcomes

1. **Stimulate development of more innovative products**
   - Increased drive for innovation in development of vector control products for public health

2. **Accelerate availability of vector control products**
   - Improved efficiency and transparency of WHO vector control evaluation process

3. **Improve quality of vector control products**
   - Enhanced quality management by WHO for vector control products across the system

4. **Increased appropriate use of innovative vector control interventions**
   - Strengthened normative guidance functions

Target system will ensure effective, safe, high quality and innovative vector control tools
WHO will reinforce several areas of vector control and build additional capabilities to achieve these outcomes

<table>
<thead>
<tr>
<th></th>
<th>Stimulate development of more innovative products</th>
<th>Accelerate availability of vector control products</th>
<th>Improve quality of vector control products</th>
<th>Increased appropriate use of innovative vector control interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Trial data generated by manufacturers</td>
<td>Provided specific pre-submission guidance</td>
<td>Standards, team and process in place to conduct pre-marketing manufacturing site inspections</td>
<td>Facilitated insecticide resistance monitoring and management</td>
</tr>
<tr>
<td>B</td>
<td>Established network of sufficient GLP/GEP test sites</td>
<td>Reduced time required for dossier evaluation to &lt; 100 days</td>
<td>Standards, team and process in place to conduct post-marketing QA and manage complaints from procurers and countries</td>
<td>Enhanced evidence-based normative guidance available</td>
</tr>
<tr>
<td>C</td>
<td>Technical criteria for equivalence reviewed</td>
<td>Increased transparency to allow tracking of evaluation progress</td>
<td>Pesticide evaluation system harmonized to WHO-PQ</td>
<td>Assisted countries in implementing IVM strategies</td>
</tr>
<tr>
<td>D</td>
<td>Optimized evaluation of public health value of new paradigms</td>
<td></td>
<td></td>
<td>Strengthened countries in pesticide life cycle management, including insecticide resistance management</td>
</tr>
<tr>
<td>E</td>
<td>Revised review committee procedures and composition to maintain independence</td>
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</tbody>
</table>

Note: Does not reflect all proposed changes
Context for shifting data generation to manufacturers

WHO has agreed to move the generation of testing data to manufacturers via GLP/GEP sites

As a result, WHO together with IVCC will help build an infrastructure of GLP sites

- That would guarantee high quality data and provide confidence in testing quality

Building this infrastructure will take time, so WHO has developed a transition plan

- To start shifting data generation to manufacturers with stringent WHO oversight during the testing
- And to allow GLP sites to be used as soon as they become available
Rationale and approach of reviewing equivalency

**Rationale**

Need to review criteria of equivalency in vector control product evaluation

WHO to organize technical consultation with a broad range of experts and the goal is to review technical criteria for equivalency for pesticide products

**Approach for reviewing equivalency:**

<table>
<thead>
<tr>
<th>Determine reason for issue</th>
<th>Organize technical consultation</th>
<th>Review criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>At last I2I convening, all stakeholders recognized that this is a technical issue that can be solved by technical experts</td>
<td>WHO will hold expert consultation to review technical criteria for equivalency</td>
<td>Equivalency determined according to agreed upon criteria</td>
</tr>
<tr>
<td>WHO has started to collect the technical issues that manufacturers see in the current criteria of evaluation process</td>
<td>Criteria is different for each type of health product and is an area where expertise from other health fields can also be leveraged (e.g., from drugs, vaccines, diagnostics)</td>
<td>Technical criteria for equivalency revised if/as necessary</td>
</tr>
</tbody>
</table>
New evaluation process, operating model and set of experts

**Rationale**:

Need for improved and evaluation process to accelerate high quality product availability

WHO to revise review committee composition for broader expertise, evaluation model to ensure independent recommendations and reviewing frequency to enable faster evaluation process

**Process for changing evaluation process:**

<table>
<thead>
<tr>
<th>Current state</th>
<th>Target state</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Review frequency</strong></td>
<td><strong>Assessment of dossier completeness within 30 days</strong></td>
</tr>
<tr>
<td>Review 1x/year</td>
<td>Review of product dossier within 100 days of complete dossier submitted</td>
</tr>
<tr>
<td><strong>Evaluation model</strong></td>
<td>Presentation of all testing results to full committee</td>
</tr>
<tr>
<td>All recommendation decisions taken by one main review committee</td>
<td>Recommendation decisions made by core members not affiliated with testing or development of products under evaluation</td>
</tr>
<tr>
<td><strong>Review experts</strong></td>
<td>Number of review experts will expand</td>
</tr>
<tr>
<td>Mostly entomologists, one statistician, QC expert</td>
<td>Breadth of expertise will increase to include (more) statisticians, epidemiologists, regulatory, and product development experts</td>
</tr>
</tbody>
</table>
Pre-/post-marketing quality assurance system

**Rationale**

Need for improved quality of vector control products

WHO/PQ to establish QA criteria for manufacturing facilities, conduct site inspections and establish regular post-marketing quality control to assure quality standards are met by all recommended products

**Approach for establishing pre-/post-marketing quality assurance**

**Establish standards and team**
- Establish criteria, baselines and formalized procedures for quality management, for both pre- and post-marketing
- Build and train a quality assurance team at the WHO-PQ

**Establish process**
- Update product evaluation process to include manufacturing site inspections
- Provide assistance to manufacturing sites for QA compliance

**Execute QA**
- Complete manufacturing site inspections for all products under evaluation *(pre-marketing)*
- Conduct *post-marketing* surveillance
# Change reform to strengthen six areas of normative functions

<table>
<thead>
<tr>
<th>Expected outcomes</th>
<th>Description</th>
</tr>
</thead>
</table>
| **I** Facilitated insecticide resistance management in NTDs/malaria vectors       | - Develop global policy on insecticide resistance management  
- Build capacity to support **monitoring and managing insecticide resistance**     |
| **II** Enhanced evidence-based normative guidance available                        | - Develop/update testing guidelines, specifications and risk models for evaluation of VC  
- Enable timely development of **normative guidance** (< 6 mos) for new product & categories  
- Standardize and enhance required entomological procedures and practices           |
| **III** Assisted member countries in implementing IVM strategies                   | - Develop and publish policies, recommendations and topical guidance for countries  
- Develop operational guidelines for **non-pesticide vector control tools** and their evaluation |
| **IV** Optimized situational targeting of vector control products in countries     | - Develop LLIN **quality standards** (e.g., intra-lab validation tests)  
- Develop guidance on best targeting of vector control interventions                |
| **V** Strengthened countries in registration processes for vector control products  | - Strengthened **registration process efficiency** at country level (update FAO registration tool kit)                                     |
| **VI** Strengthened countries in regulation of pesticides lifecycle management     | - Develop and update guidelines and support countries on life-cycle management of pesticides  
- Set up routine **monitoring of insecticide use** by member states                 |
Communication plan

• A communication plan developed and disseminated
• Organize a stakeholders meeting in early 2016
• Review and improve WHOPES website
• Position paper on website
• Regular updates via:
  • Website
  • WHO Regional Programme managers meetings
Thank you
New Strategies in Addressing Resistance

Dr Abraham Mnzava: WHO
Strategies to address the problem of insecticide resistance
Insecticide resistance a real threat
Global Plan for Insecticide Resistance Management in malaria vectors (GPIRM) – Five-Pillar Strategy

**Five pillars of strategy**

1. Plan and implement insecticide resistance management strategies in malaria-endemic countries.
2. Ensure proper, timely entomological and resistance monitoring and effective data management.
3. Develop new, innovative vector control tools.
4. Fill gaps in knowledge on mechanisms of insecticide resistance and the impact of current insecticide resistance management strategies.
5. Ensure that enabling mechanisms (advocacy, human and financial resources) are in place.

Source: WHO (2012) GPIRM
Insecticide resistance in *Anopheles* has spread geographically and resistance increased in intensity $\times 1000$ - particularly for pyrethroids

*Some progress* has been made in implementing GPIRM technical recommendations

But adoption to policy and operational implementation at country level have generally been poor due to a lack of political will coupled with major financial, human and infrastructural resource deficiencies

Urgent efforts are needed to ensure correct use of existing interventions and availability of new tools in order to **maintain the effectiveness of malaria vector control**

Reported pyrethroid susceptibility status for malaria vectors (2010-2014) and status of national insecticide resistance monitoring and management plan (2014)

Where multiple insecticide classes or types, mosquito species or time points were tested, the highest resistance status is shown.

The boundaries and names shown and the designations used on this map do not imply the expression of any opinion whatsoever on the part of the World Health Organization concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Dotted and dashed lines on maps represent approximate border lines for which there may not yet be full agreement.

Data Source: World Malaria Report 2014
Map Production: Global Malaria Programme
World Health Organization

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Need for new tools: Progress and challenges
• VCAG has reviewed 16 submissions and established 8 new paradigms
• One of them is a PBO net - P3
• Evidence on protective efficacy is variable
• WHO has been requested to comprehensively review available data to provide guidance to countries
• Under which conditions such nets could be deployed
• Such conditions include profiles of resistance mechanisms (metabolic)

Which country has that data?

www.who.int/neglected_diseases/vector_ecology/Operational_procedures_for_VCAG.pdf

PBO is a synergist that enhances effects of pyrethroids by inhibiting metabolic detoxification enzymes
Acknowledged by VCAG that this is a novel approach – Nov’14

Presented to MPAC for a possible recommendation – March’15

MPAC was not convinced on the strength of the evidence presented for possible deployment

MPAC requested GMP to consolidate all available and if possible commission the generation of new evidence to identify areas where PBO nets could be deployed

GMP requested the consolidation of such evidence and constituted an independent Evidence Review Group (ERG) – 21-23 Sept’15
Some of the questions the ERG will consider in deliberate

- All the evidence available is based on entomological end points. Is this adequate to issue a guidance?
- Would data from CRTs strengthen the evidence?
- If evidence is weak, can the ERG rely on modelling to issue a guidance?
- PBO nets would ideally work best in areas with metabolic resistance (P450 systems). Do countries have such data?
- The ERG will be presented with an economic analysis but understandably it is not in their TORs to come up with any potential pricing
- All available PBOs have a WHO interim recommendation. Would procuring them as standard LLINs and generate the evidence be an option?
- In generating the evidence, what indicators should be used?
Conclusions

- WHO is committed to supporting a transparent process
  - Evaluate the evidence with programmatic consideration
  - Issue the necessary guidance to countries on where and under which conditions to deploy PBO nets
- Work with industry and other partners to develop and avail “game changer” tools to address the real threat of insecticide resistance
- Recognizes that harnessing innovation and adoption of future tools is dependent on countries capacity to:
  - Routinely monitor IR
  - Analyze and manage IR data for procurement and policy decisions
Thank you
Global Demand and the Progress in Malaria Elimination

Melanie Renshaw: ALMA
Global LLIN Demand and Progress on Malaria Elimination
LLINs remain a core intervention for malaria control:

- LLINs are prioritized in the WHO Global Technical Strategy
  - “NMCPs need to ensure that all people living in areas where the risk of malaria is high are protected through the provision, use and timely replacement of LLINs or, where appropriate, the application of IRS”

- Countries have prioritized LLINs for financing in their GF NFM concept notes 2014-2017 including in both allocation and above allocation funding (i.e. incentive funding), sustaining the scope and scale of what the GF had previously funded
Some Lessons Learned from the Concept note process

▪ With almost 100% of concept notes now submitted:
  – Vast majority of incentive funding for malaria has been allocated to LLINs
  – Countries have prioritized LLINs alongside public sector case management when resources are insufficient
  – Difficult issues arising have included:
    ▫ managing insecticide resistance where resources are sufficient to cover the population with just one intervention
    ▫ When to withdraw vector control?: Agreement that vector control interventions must be maintained until malaria transmission is halted
LLINs remain a priority intervention for vector control post 2015

- Countries continue to prioritise LLINs in their 2015-2020 national strategic plans and projected gap analyses
- Countries in Africa are planning to sustain universal coverage of LLINs through:
  - universal coverage campaigns every three years
  - continuous distribution through ANC and EPI
  - School based and community based distributions
- Agreement that vector control interventions must be maintained until malaria transmission is halted
LLIN deliveries 2010-2015
Countries in Africa have financed the majority of the LLINs required for 2015 and 2016 largely with resources from the Global Fund and PMI, although there are increasing examples of LLINs being also financed by country governments e.g. Angola, Cameroun, Togo.

Discussions are ongoing with the GF on filling the outstanding “scope and scale” 2017 gaps, particularly for short grant duration countries e.g. Uganda, Nigeria including through reprogramming, as well as with other key donors.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>need</td>
<td>228,790,875</td>
<td>178,813,155</td>
<td>240,446,801</td>
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<tr>
<td>Financed</td>
<td>185,416,482</td>
<td>118,811,137</td>
<td>93,415,505</td>
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<tr>
<td>Gap</td>
<td>43,374,393</td>
<td>60,002,019</td>
<td>147,031,297</td>
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</table>
LLIN Projections: Africa 2015-2017 with "redline" gaps filled

![Graph showing LLIN Projections for Africa 2015-2017 with gaps filled.]

- **2015**: Need: 220,000,000, Financed: 100,000,000, Gap: 120,000,000
- **2016**: Need: 180,000,000, Financed: 80,000,000, Gap: 100,000,000
- **2017**: Need: 250,000,000, Financed: 150,000,000, Gap: 100,000,000
• USG PMI resources, GF replenishment and next concept note process, DFID and others are expected to fill majority of the gaps in 2018-2020
# ALMA Scorecard for Accountability and Action

## Quarter 4, 2014

<table>
<thead>
<tr>
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<td>Quality</td>
<td>Real Achievement</td>
<td>Growth in public and private sector investments</td>
<td>Global health financing</td>
<td>Operational ALMA</td>
<td>Monitoring</td>
<td>IMPACT</td>
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<tr>
<td>Madagascar</td>
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<td>B</td>
<td>B</td>
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<tr>
<td>Mozambique</td>
<td>A</td>
<td>A</td>
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<td>B</td>
<td>B</td>
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<tr>
<td>Rwanda</td>
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<td>Sierra Leone</td>
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</tr>
<tr>
<td>Tanzania</td>
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<td>B</td>
<td>B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Republic of Tanzania</td>
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<td>B</td>
<td>B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zaire</td>
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<td>A</td>
<td>A</td>
<td>B</td>
<td>B</td>
<td></td>
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</tr>
</tbody>
</table>

## Key:
- **Green**: Target achieved / on track
- **Yellow**: Progress, but more effort required
- **Red**: Not on track
- **Gray**: No data / not applicable
- **Increase since last quarter**
- **Decrease since last quarter**

© 2014, ALMA
Malaria control and elimination post 2015

- Significant progress towards malaria control and elimination has been made since 2000
  - The malaria mortality rate declined by >60%
  - >6.4 million lives have been saved
  - Malaria contributed to over 27% of the reductions in child mortality globally

- But further action is necessary
  - Around 422,000 children die from malaria each year
  - Over 200 million malaria cases will still occur in 2015

- Achieving malaria elimination requires
  - Commitment and action at the highest political levels
  - Tools to drive evidence-based action and accountability
  - Innovative mechanisms for coordinating and sustaining financing and a multi-sector response
  - New tools and technologies

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- Tools to drive evidence-based action and accountability
- Innovative mechanisms for coordinating and sustaining financing and a multi-sector response
- New tools and technologies
<table>
<thead>
<tr>
<th>Vision</th>
<th>A world free of malaria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goals</strong></td>
<td><strong>Milestones</strong></td>
</tr>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>1. Reduce malaria mortality rates globally compared with 2015</td>
<td>$\geq 40%$</td>
</tr>
<tr>
<td>2. Reduce malaria case incidence globally compared with 2015</td>
<td>$\geq 40%$</td>
</tr>
<tr>
<td>3. Eliminate malaria from countries in which malaria was transmitted in 2015</td>
<td>At least 10 countries</td>
</tr>
<tr>
<td>4. Prevent re-establishment of malaria in all countries that are malaria-free</td>
<td>Re-establishment prevented</td>
</tr>
</tbody>
</table>

Global Technical Strategy: Goals, Milestones and Targets
The GTS targets and milestones will be achieved by:

- ensuring universal access to malaria prevention, diagnosis and treatment;
- accelerating efforts towards elimination and attainment of malaria-free status;
- transforming malaria surveillance into a core intervention.

These core strategies will be reinforced by research and innovation, and by building a conducive enabling environment – including increasing international and domestic financing, strengthening health systems, and engaging a wide range of stakeholders.

- Funding requirements to meet the targets have also been identified:
  - $6.5 billion by 2020
  - $8 billion by 2025
  - $9 billion by 2030
In order to meet the challenges of post 2015, Roll Back Malaria is undergoing a restructuring process led by a Transition Oversight Committee and will finalise arrangements for a malaria leaders council, executive board, partnership committees and regional and country support mechanisms in the near future.

- Key essential functions including country support will continue – e.g. SRN and HWG support – until the new structure for the partnership is in place.

- APLMA will launch its regional roadmap for elimination by 2030.

- ALMA Heads of State declared malaria elimination as a priority and Africa (WHO AFRO/AU/ALMA) are working on an Africa malaria strategy to 2030.
Summary

- 2015-2017 majority of funding for country LLIN needs is likely to be secured
- 2017-2020 replenishment rolling out and country needs and gaps already expressed til 2020
- Post 2015 – LLINs remain the priority intervention for vector control. Insecticide resistance and net durability are being raised as key issues by countries alongside targeting of vector control – innovation is expected in the next five years
- 2015-2020 is a crucial period to ensure the existing gains are sustained and built upon
The Global Fund E-Marketplace

Kivanc Cubukcu: The Global Fund
Developing the e-Marketplace of the future
Supplier update

September 8th, 2015
Agenda

- e-Marketplace introduction and current status
- Changes in the procurement process
- Next steps and questions
The e-Marketplace is an online platform that allows buyers to enter and process orders in a highly automated and transparent manner.

In the initial phase, e-Marketplace is designed to provide an automated solution of the PPM process of the Global Fund.

- Search and compare products, lead-time, quality across products
- Increased market transparency
- Select desired specifications, order terms and place order
- Implementers more autonomous in decision-making
- Track and trace order, direct payment
- Automation and acceleration

**SOURCE:** Project team
The e-Marketplace can streamline and accelerate procurement processes for PRs through 3 mechanisms

<table>
<thead>
<tr>
<th>E-marketplace mechanisms</th>
<th>Description of mechanisms</th>
<th>Selected examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>e-ordering from LTAs</td>
<td>• Electronic ordering process leverages internal catalogues that are the result of Global Fund tenders (e.g. selectable items based on LTAs)</td>
<td>LLINs, ACTs, ARVs, Malaria/HIV diagnostics</td>
</tr>
</tbody>
</table>
| e-catalogues            | • Electronic ordering process leveraging external catalogues that reflect items and prices agreed with The Global Fund  
                          • Standard specifications & competition driven prices of products | Vehicles, laboratory supplies, condoms, TB diagnostics |
| e-RFQs and e-auctions   | • PR managed electronic quotation process for products and services that can be accompanied by e-auctions allowing real-time bidding visible to all suppliers | Non-core drugs |

SOURCE: Project team
In all phases of the e-Marketplace there is a wide range of benefits to buyers, suppliers and partners at a global scale

- **e-Marketplace will leverage LTA conditions and reduced prices**
  - other products like PCs and vehicles will be available at competitive prices as well

- **All suppliers on the platform will be screened** by the organization to ensure they meet our quality assurance policy for health products

- **Access to new innovative products will be facilitated** as new suppliers and innovative product are added to the e-MP

- **PRs do not need to build up complex and costly procurement systems**

- **Increased market visibility and decrease transaction costs**

- **Number of manual processes limited and lead times of the ordering process shortened**

**SOURCE:** Project team
The e-Marketplace is a voluntary platform for all PRs of the Global Fund

• The e-Marketplace is planned to be launched in Q1 2016, starting with e-order from LTA and followed by e-catalogue and e-RfQ/e-auction sequentially throughout 2016

• The e-Marketplace will be available for current PPM PRs and non-PPM PRs of the Global Fund. A staggered approach to enrollment of PRs will be taken

• In the initial phase, the e-marketplace will serve to automate existing PPM processes

• The e-Marketplace will be spun-off as a separate entity (not before H2 2017) – during the transition phase (until spin-off), e-marketplace will be available for TGF funds only

SOURCE: Project team
e-Marketplace will launch with LLINs in Q1 2016, followed by ACTs, diagnostics, ARVs, condoms, and vehicles

<table>
<thead>
<tr>
<th>Category launch prioritization</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
</tr>
<tr>
<td>e-order from LTA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- LLINs (Bed nets)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- ACTs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Diagnostics – Malaria (RDTs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- ARVs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e-order from catalogues</td>
<td></td>
<td></td>
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<tr>
<td>- Condoms and vehicles</td>
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<td></td>
</tr>
<tr>
<td>e-RFQ/e-auction</td>
<td></td>
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</tr>
</tbody>
</table>

1Additional product categories which could be included in the 2016 launch could be diagnostics for HIV, Malaria and TB

SOURCE: Project team
Agenda

• e-Marketplace introduction and current status

  Changes in the procurement process

• Next steps and questions
Implementation of the e-Marketplace as the Global Fund’s main procurement tool will not change key processes for you as a supplier

<table>
<thead>
<tr>
<th>Process</th>
<th>Current</th>
<th>e-Marketplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTA negotiations &amp; demand forecast</td>
<td>• PSA issues PO to suppliers (manufacturer + logistics) and manages orders</td>
<td>• No changes</td>
</tr>
<tr>
<td>Order management</td>
<td>• Claims managed by the PSA in alignment with PPM</td>
<td>• No changes</td>
</tr>
<tr>
<td>Claim management</td>
<td>• Invoices will be provided to and paid by the PSA</td>
<td>• No changes</td>
</tr>
<tr>
<td>Invoicing &amp; Payments</td>
<td>• Order data is made available through the PSA</td>
<td>• Historic order data is available electronically in the eMP</td>
</tr>
<tr>
<td>Reporting</td>
<td>The PSA will still remain the entity through which the supplier interactions occur</td>
<td></td>
</tr>
</tbody>
</table>

1 Country teams at grant level, aggregation by Sourcing team
Agenda

• e-Marketplace introduction and current status

• Changes in the procurement process

• Next steps and questions
2016 Forecast Demand

Aziz Jafarov, Lama Suleiman, Alexis Leonard
Joint Forecast
Global Fund PPM, UNICEF, PMI
Global LLIN deliveries by region 2004-2014

Data source: The AMP Net Mapping Project

### Table

<table>
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<th>2015</th>
<th>Total</th>
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<td>UNICEF</td>
<td>26,000,000</td>
<td>21,000,000</td>
<td>47,000,000</td>
</tr>
<tr>
<td>PMI</td>
<td>38,953,759</td>
<td>31,917,918</td>
<td>70,871,677</td>
</tr>
<tr>
<td>Global Fund</td>
<td>92,000,000</td>
<td>70,000,000</td>
<td>162,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>156,953,759</strong></td>
<td><strong>122,917,918</strong></td>
<td><strong>279,871,677</strong></td>
</tr>
</tbody>
</table>

### Graph

- **Number of LLINs**
  - 20,000,000
  - 40,000,000
  - 60,000,000
  - 80,000,000
  - 100,000,000
  - 120,000,000
  - 140,000,000
  - 160,000,000
  - 180,000,000

- **Year**
  - 2014
  - 2015
Global Fund *PPM, UNICEF & PMI: Forecast 2016/17*

<table>
<thead>
<tr>
<th></th>
<th>UNICEF 2016</th>
<th>PMI 2017</th>
<th>Global Fund 2017</th>
<th>Total 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td>22,170,000</td>
<td>30,000,000</td>
<td>72,591,238</td>
<td>124,761,238</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td>16,000,000</td>
<td>30,000,000</td>
<td>63,269,992</td>
<td>109,269,992</td>
</tr>
</tbody>
</table>

- Number of LLINs

- **2016**
  - UNICEF
  - PMI
  - Global Fund
  - Total

- **2017**
  - UNICEF
  - PMI
  - Global Fund
  - Total
2016 Forecast: Global Fund *PPM, PMI & UNICEF*

- **Global Fund**
  - **Certain**: 47,755,328
  - **Possible**: 6,835,910
  - **Likely**: 18,000,000
  - **Total**: 72,591,238

- **UNICEF**
  - **Certain**: 15,870,000
  - **Possible**: 6,300,000
  - **Likely**: 0
  - **Total**: 22,170,000

- **PMI**
  - **Certain**: 30,000,000
  - **Possible**: 0
  - **Likely**: 0
  - **Total**: 30,000,000

- **Number of LLINs**
  - **PMI**: 20,000,000
  - **UNICEF**: 60,000,000
  - **Global Fund**: 80,000,000
The President’s Malaria Initiative: Net Procurement

Dubai Sept. 8-9, 2015
Alexis Leonard, PMI Malaria Technical Advisor (Commodities and Supply Chain Team)
President’s Malaria Initiative Background

- **PMI Goal & Strategy**: Began in 2005 to reduce the burden of malaria for at-risk populations in sub-Saharan Africa.
- **New 2015–2020 Strategy**
  - Work with PMI-supported countries and partners to further reduce malaria deaths and substantially decrease malaria morbidity, toward the long-term goal of elimination.
  - Objectives:
    - (1) reduce malaria mortality by one-third from 2015 levels in PMI-supported countries, achieving a greater than 80 percent reduction from PMI’s original 2000 baseline levels;
    - (2) reduce malaria morbidity in PMI-supported countries by 40 percent from 2015 levels; and
    - (3) assist at least five PMI-supported countries to meet the WHO criteria for national or sub-national pre-elimination.
PMI Background Continued

Where: 19 focus countries and a regional program in the Greater Mekong Sub-region, plus 3 non-focus countries.

Interventions: PMI supports four key interventions to prevent and treat malaria:

- Indoor residual spraying with insecticides
- Insecticide-treated mosquito nets
- Intermittent preventive treatment for pregnant women (IPTp)
- Proper diagnosis of malaria and treatment with artemisinin-based combination therapy (ACT)
Net Coverage Achievements

• Household ownership of at least 1 ITN doubled from a median of 29 percent to 60 percent.

• Usage of an ITN the night before the survey increased from a median of 18 percent to 46 percent among children under five years of age.

• Usage of an ITN the night before the survey more than doubled from a median of 17 percent to 41 percent among pregnant women.
Household ITN Ownership

Data shown are from the most recent nationwide household survey conducted in the country. Refer to Appendix 3 (Figure 2) for more detail.

• *Procurement and technical assistance are closely linked to ensure a comprehensive support program.*

• **Technical assistance** through Vectorworks, DELIVER Task Order Malaria and SIAPS

• Each PMI focus and non-focus country has a consortium of partners to assist with the technical assistance, quantification, planning, distribution of nets required for a comprehensive vector control strategy.

• **Procurement** through the DELIVER Project, Task Order Malaria and implemented by JSI with sub-partners. The project will continue through Sept 2016, suppliers and manufacturers should continue to work with JSI through the end of this period.
PMI Net Fast Facts

• Net strategy includes campaigns and continuous distribution to maintain high coverage.

• As part of a comprehensive program, ITN procurement, delivery and promotion account for about 20% of PMI’s overall budget.

• During Fiscal Year 2014 alone PMI procured over 31 million ITNs, and (since 2006) procured over 155 million ITNs and distributed over 102 million.

• Based on planned 2016 country estimates PMI will procure and deliver ~32 million nets (subject to available funding, changes).
## PMI Procured and Distributed Nets

<table>
<thead>
<tr>
<th></th>
<th>ITNs Procured</th>
<th>ITNs Distributed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PMI Year 1</strong></td>
<td>1,047,393</td>
<td>5,210,432</td>
</tr>
<tr>
<td>(FY2006)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PMI Year 2</strong></td>
<td>5,210,432</td>
<td>6,481,827</td>
</tr>
<tr>
<td>(FY2007)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PMI Year 3</strong></td>
<td>6,481,827</td>
<td>15,160,302</td>
</tr>
<tr>
<td>(FY2008)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PMI Year 4</strong></td>
<td>15,160,302</td>
<td>18,592,039</td>
</tr>
<tr>
<td>(FY2009)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PMI Year 5</strong></td>
<td>18,592,039</td>
<td>23,174,496</td>
</tr>
<tr>
<td>(FY2010)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PMI Year 6</strong></td>
<td>23,174,496</td>
<td>21,407,129</td>
</tr>
<tr>
<td>(FY2011)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PMI Year 7</strong></td>
<td>21,407,129</td>
<td>40,877,491</td>
</tr>
<tr>
<td>(FY2012)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PMI Year 8</strong></td>
<td>40,877,491</td>
<td>31,852,527</td>
</tr>
<tr>
<td>(FY2013)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PMI Year 9</strong></td>
<td>31,852,527</td>
<td>155,473,636</td>
</tr>
<tr>
<td>(FY2014)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cumulative</strong></td>
<td>155,473,636</td>
<td></td>
</tr>
</tbody>
</table>

PMI Net Procurement

• Must follow U.S. Government requirements and regulations

• Use principles of best value and programmatic need.

• Stress the importance of quality assurance and conduct independent lot testing of all net orders.

• Watch pricing, lead time and market trends.

Continued Areas of Focus and Challenges

- Maintaining shorter lead times
- Ensuring a healthy market place and affordable pricing
- Guaranteeing quality products
- Achieving and maintaining high coverage
- Planning and Distribution (continuous vs. campaign)
- Research and development – Durability and Resistance
Procurement to people

Increasing and maintaining, accessibility, timely distribution, high net coverage in our PMI countries to protect the end-user and reduce the burden of malaria remains the main goal and challenge.

Thank you!
The UNICEF 2015 Strategy, Tender and Timeline

Helene Moller, Lama Sulieman

TheGlobalFund unicef
2016-17 UNICEF’s LLIN Procurement Strategy – Tender Process and Future Plans

Joint UNICEF/GFATM LLIN Pre-tender Meeting
8-9 September 2015, Dubai

Presenters:
Helene Moller
Lama Suleiman
THE ROLE OF UNICEF SUPPLY DIVISION

Oversee UNICEF’s global procurement and logistics operation.

Procure supplies on behalf of UNICEF and Procurement Services partners

Ensure that high quality, good value supplies reach children and their families quickly.

Maintain the highest ethical standards for procurement.

Provide technical support to UNICEF offices and Procurement Services partners globally. Share procurement know-how with development partners.

Innovate to find ever-better supply solutions for children.
Where we are
Major commodity groups

2014: $3,382 billion in supplies and services

Approximately $1.650 billion funded via Procurement Services (procurement on behalf of governments and other partners)
Procurement & supply overview 2014 (in $ millions)

$3,382

Total supplies and services procured

$2,582
Goods

$1,650
Services

$134
International freight

UNICEF's key commodity groups (in $ millions)

Vaccines

$1,481
2.71 billion doses
UNICEF supplied vaccines reaching 40% of the world's children

Pharmaceuticals

$251
624 million co-trimoxazole tablets
289.3 million zinc tablets
136 million de-worming tablets
74.3 million sachets of oral rehydration salts
14.6 million artesinin-based combination therapy malaria treatments
11.8 million packs of anti-retrovirals to treat 1.2 million adults for one year of first-line therapy
18.8 million amoxicillin pneumonia treatments for children under 12 months

Procurement Statistics

Nutrition

$154
30.440 tonnes of ready-to-use therapeutic food
514 million vitamin A capsules
346 million sachets of micro-nutrient powder

Medical supplies & equipment

$140
819 million immunization syringes
10.5 million HIV rapid diagnostic tests
9.9 million malaria rapid diagnostic tests
91,853 medical kits
$40.6 million in cold chain equipment

Bed nets

$85
26.4 million long lasting insecticidal nets

Printing

$55
Locally contracted printing for teaching, learning, advocacy and awareness raising materials

Education supplies

$63
701.5 million water purification tablets which could clean 10.6 billion litres of water
1.7 million hygiene and dignity kits
86,147 water and sanitation kits
18,967 household protection kits (for Ebola-affected countries)

Construction

$66
21,653 classroom kits
84,548 country-specific educational kits
21,877 recreation kits
13,095 early childhood development kits
Guiding Principles of UNICEF’s procurement process

- Integrity
- Transparency
- Fair competition
- Equal Treatment
- Value for money
- Organizational Objectives
- Healthy market
“It is unacceptable that every day more than 1,500 children die needlessly. We must not cease our efforts to distribute insecticide-treated nets to those who need them and to ensure that febrile children are being tested and are administered appropriate medications.”, UNICEF’s Executive Director, Anthony Lake

The recent gains against malaria are threatened by a shortfall in funding.

It is critically important that we stay on course until the disease is stopped altogether.

Countries commit to control and eliminate malaria with new tools and approaches.

For the first time in history, defeating the disease altogether is within reach.
Use of Long Lasting Insecticidal Nets (LLINs) remains a key UNICEF-supported malaria prevention strategy.

UNICEF is one of the larger buyers of LLINs, purchasing over 170 million nets over the past 11 years.


UNICEF works with manufacturers to ensure availability of quality products.
UNICEF LLINs Procurement

- Annual forecasting exercise launched in 2008;
- UNITAID Project;
- 1st Meeting with LLIN Suppliers in 2008;
- Target bound LTAs since 2009;
- Setting PDI Guidelines;
- Introduction of regular forecast updates to industry;
- Price transparency;
- Innovative financing.
Global vs UNICEF Deliveries in Sub-Saharan Africa

Source: Net Mapping Project
Regular forecast updates are essential.
Status of Current LTAs

June 2014 – December 2015
6 LTA Implementation (as at 18.08.2015)

<table>
<thead>
<tr>
<th>Total Requirement</th>
<th>Utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addition/Pipeline</td>
<td>15,340,000</td>
</tr>
<tr>
<td>Original</td>
<td>22,000,000</td>
</tr>
</tbody>
</table>
UNICEF uses Country forecast and updated information sourced from countries and partners to establish high visibility procurement through its LTA (long-term agreement) holders;

The introduction of LTAs with target allocations was a major shift in strategy for 2009 procurement;

Quality Assurance strategy – Pre-delivery Inspection Guidelines shared with industry;

Annual pre-tender meetings with LLIN industry since 2008;

Price Transparency since January 2012
Procurement process is governed by UNICEF Financial Rules and Regulations and includes segregation of duties

Forecasting
Forecast and requirement

- Annual Country Forecast
- Review forecast with partners
- Clarify and verify forecasts with countries

Regular Follow-up with countries

Regular updates to LTA holders
LLINs Procurement Strategy

Objectives

1. Availability, accessibility and affordability of quality LLINs
2. Healthy LLIN Market/Market Stability
3. Value for Money / Supply Chain Considerations
4. Sustainable quality of supplied LLINs
5. Innovation and product improvement
6. Global partnerships for sustained access to LLINs
Tender Process Overview

• Purpose of tender;
• Tender evaluation criteria;
• Award of contracts and notifications;
• Expected changes from previous years’ tenders
Purpose of the tender

Un-interrupted and sustainable supply of affordable LLINs of assured quality

Right Supplies
Right Place
Right Time
Right Quantity & Quality
Cost-Effective

Value for Money throughout the supply chain

Increasing access to LLINs through enabling a healthy market for suppliers and beneficiaries
Tender Evaluation Criteria

a) Review of Mandatory Requirements

✓ WHOPES full or interim recommendation held for product
✓ Registration level 1 with the UNGM
✓ UNICEF Supplier Evaluation Unit (SEU) recommendation for Contract award
✓ Supporting list of registration of LLINs
✓ Compliance with UNICEF General Terms and Conditions

b) Evaluation of Quantitative Information

Price (FCA containerized nearest port / suppliers premises), Global Production capacity, Monthly production capacity offered to UNICEF, Discounts, Gross weight & Volume, # of LLINs (standard per 40 ft Container) cost of accessories, Alternative delivery points, emergency stockpile.

c) Evaluation of Qualitative Information

Experience in supply and delivery, Numbers of years or production and delivery (quantity); Customer reference list; Account management resources (organizational charts with names) and customer service capabilities; Past performance record; Sharing of information regarding plans and availability; On time deliveries; Reliable and firm forecasted supply, Realistic quantity offered.
Award of Contracts

Long Term Arrangement(s) will be awarded to the Proposer(s) offering a combination of the lowest acceptable prices and shortest lead time. On the premises of:

✓ Products are commercially, technically and quality acceptable,
✓ Proposal is in compliance with: Instructions to Proposers; Terms and Conditions; Specific Terms and Notes; UNICEF General Terms and Conditions;
✓ Proposals are reasonable and aligned with the interest of UNICEF

Proposals will be adjudicated either on FCA containerised main sea/airport and/or FCA sellers premises, whichever is in the interest of UNICEF.

Awards for the full projected quantity defined in the RFP will be made to multiple manufacturers on the basis of “most responsive evaluated proposal” as per evaluation criteria.

Awards will be publically available on UNICEF web-site
Post-award Debriefings

- All manufacturers are advised of the outcome of their proposal
- Manufacturers receiving an award are invited to a formal debriefing
- Manufacturers not receiving an award may request a debriefing
- During a debriefing session, the strengths and weakness of the manufacturer’s proposal may be discussed. Details concerning the evaluation, results of a competitor will not be discussed, other than to indicate that which is publicly available on UNICEF web-site
By signing this LTA we certify that UNICEF, for transactions resulting from this LTA is not being charged more than other clients for similar equipment and similar quantities and within similar circumstances.
For late delivery of Goods or for items which do not meet UNICEF’s specifications and are therefore rejected by UNICEF, claim liquidated damages from the Contractor and deduct 0.5% of the value of the Goods pursuant to a Purchase Order per additional day of delay, up to a maximum of 10% of the value of the Purchase Order. The payment or deduction of such liquidated damages shall not relieve the Contractor from any of its other obligations or liabilities pursuant to this LTA or a Purchase Order.
Unit prices should be in either Euro or USD with payment terms of Net 30 days. Any offers of early payment discounts should be indicated in your Proposal / LTA

Proposers are requested to advise as to

- Quantity / volume discounts, in form of large quantity / volume discounts and staircase pricing (i.e. varying prices according to different quantities procured);

- Early payment discounts, i.e. payment within a specified period of time faster than UNICEF's standard payment term of 30 days net;
The Contractor shall submit invoices to the UNICEF Supply Division, Finance/Invoice Verification Unit, Oceanvej 10-12, DK 2150 Nordhavn, Denmark, (Tel: +45 45 33 55 29) for all Goods ordered and delivered to UNICEF, together with supporting documentation to the effect that UNICEF has received delivery of the Goods in the quantities invoiced, namely:

(a) Itemised invoice (original);
(b) Packing list;
(c) For FCA deliveries, proof of delivery to the freight forwarder (transport document or Forwarder’s Certificate of Receipt (FCR)).
• Evaluating and monitoring supplier performance against their contractual obligations
• KPIs per supplier are closely monitored by SD to minimize the risks of delivering to our customers’ poor quality products, of the wrong quantity and not in compliance with the agreed timeframe.
## PO Delivery dates

**Purchase order no:** 45135811

<table>
<thead>
<tr>
<th>Issue date</th>
<th>18 September 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery date</td>
<td>13 October 2014</td>
</tr>
<tr>
<td>Delivery terms</td>
<td>INCOTERMS 2010</td>
</tr>
<tr>
<td></td>
<td>FCA Dublin Airport, Ireland</td>
</tr>
<tr>
<td>Payment currency</td>
<td>EUR</td>
</tr>
<tr>
<td>Payment terms</td>
<td>within 30 days Due net</td>
</tr>
</tbody>
</table>

This is the date when goods should be handed over to the UNICEF Freight forwarders.
PURCHASE ORDER CONFIRMATION

The Contractor shall acknowledge receipt of a Purchase Order by signing and returning the Purchase Order acknowledgement within five working days of its receipt.

UNICEF PURCHASE ORDER NOTIFICATION OF GOOD READINESS

The contractor is required to complete and sign one PO Notification of Goods' Readiness and send the form to UNICEF and the freight forwarder as designated in the PO. The Notifications shall be sent at least three working days before the confirmed date of Readiness of Goods.
**Pre-delivery inspection**

Detailed instruction regarding pre-delivery inspection shall be provided to the supplier as a part of Purchase Orders placed against LTAs awarded, on the basis of this PROPOSAL. Ordered quantities may be subject to a Pre-Delivery Inspection, by an independent Inspection Agency. UNICEF’s Quality Assurance Centre will advise the name of the nominated Inspection Agency to the Supplier. Inspections will be carried out using the sample sizes and applying the Acceptable Quality Limits (AQL) described in ISO 2859-1 Part 1 - Sampling procedures for inspection by attributes.
Looking ahead – Next Steps & Future Plans
### Tentative 2015 LLIN Tender Timelines

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Pre-Tender Meeting</td>
<td>8-9 September, 2015</td>
</tr>
<tr>
<td>Issuance of Request for Proposal</td>
<td>30 September, 2015</td>
</tr>
<tr>
<td>Closing of tender</td>
<td>15 October, 2015</td>
</tr>
<tr>
<td>Clarifications and evaluation</td>
<td>16 October – 15 Nov. 2015</td>
</tr>
<tr>
<td>Announcement of Awards</td>
<td>mid-Dec 2015</td>
</tr>
<tr>
<td>LTA commence</td>
<td>1 January, 2016</td>
</tr>
</tbody>
</table>
Future Plans

- Enhanced collaboration with partners in following demand and availability and global trends in meeting requirements;
- Value for money concept that considers overall supply chain of LLINs and product durability;
- Collaboration with partners and industry towards product and process innovations and product improvement;
- Regular updated of forecasts and funding availability
In Country Registration

- Product registration is the responsibility of the suppliers.
- Unicef advocates for registration of multiple LLINs in recipients countries
  - to provide choice to governments and end users,
  - to ensure a healthy local market, also potential spill over of high quality products in private sector market, and
  - to facilitate ensure rapid emergency response whenever required, among other.
Q&A
UNICEF’s Next tender

Thank you!
Introduction and Background

This document defines the proposed supplier engagement strategy for LLIN for 2016 & 2017;

It considers the experiences and lessons learned from the 2014-15 framework agreement; current market and potential future developments.

From these an engagement model is proposed that optimises the leverage and commercial position of the Global Fund while mitigating risks.
Our Original 2013 Objectives

Overall Objective: To maximise investments on LLINs within a dynamic and sustainable market environment

• To create value for the Global Fund in LLIN through improved sourcing and greater understanding of the market.

• To develop a new supply chain model incorporating direct supplier management, an updated approach to pooled procurement and improved delivery to recipients.

• To develop new processes including forecasting to improve net availability in line with country programmes

• To move towards standardisation of specifications to simplify procurement & production

• To reduce the risks associated with the LLIN supply chain

• To engage with other agencies and suppliers to drive innovation and collaboration

• Where appropriate to encourage local production to WHO standards without de-stabilising the market.
The Past 2 Years in Figures

Post Tender Oct 2013: 9 Panel Suppliers were selected with Allocations and Orders by Manufacturer. All Allocations and Commitments were met.

2014 was impacted by the removal of approval by WHOPES for one supplier and sanctions impacting 2 suppliers.

Overall Supplier Delivery Performance has been good but there have been challenges in PR planning thus impacting order confirmations and deliveries.

Quality Performance: few episodes - being managed
What we have achieved

✓ Successfully managed the ongoing procurement and delivery of over 157m nets despite significant challenges in available capacity (Q1&2 2014) due to sanction imposition.

✓ Enabled more stable pricing.

✓ Improved delivery performance

✓ Wherever possible improved visibility and plant loading.

✓ Supported local manufacture

✓ Commenced the new way of doing business - Both successes and challenges experienced. Main focus on continuous improvement
Challenges we Faced

1. Revised offerings by suppliers complicated but did not change the contract management process.

2. Demand management still a challenge and additional customization requests from PRs added significantly to the overall product cost.

3. Darker colours are rarely used.

4. Contract negotiation with certain suppliers took too long and managing different contract terms with different suppliers added complexity.
1. Significant over-capacity also reflecting increasing expansion by suppliers

2. Over capacity will be increased by 3 potential new entrants in the 1-3 year time frame.

3. Two synergistic nets in the market and expected to scale up

4. A new generation insecticide net addressing resistance is now in approval process with WHOPES
Pricing Analysis

Steep drops in the oil price have been more closely reflected in polyester than HDPE where other market dynamics are also at play.

Since May there have been further falls in oil, polyester and HDPE.
# Regulatory and Developmental Environments

A number of initiatives are underway that may alter market dynamics during the course of a 2 year Framework agreement

<table>
<thead>
<tr>
<th>Element</th>
<th>Action</th>
<th>Potential Impact</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRE-QUALIFICATION</td>
<td>Development programme initiated for Pre-Qualification process</td>
<td>Potential for some net products to be excluded for failure to achieve PQ</td>
<td>2017</td>
</tr>
<tr>
<td>DURABILITY</td>
<td>Work ongoing but no recommendations will be made until completion of field studies.</td>
<td>If durability becomes a proven differentiator - will / may impact both procurement decisions and replacement strategies by WHO and/or PR.</td>
<td>2017</td>
</tr>
<tr>
<td>RESISTANCE</td>
<td>Research ongoing into second generation nets with improved resistance</td>
<td>May impact investment &amp; procurement decisions in countries; currently limited and geographic /locations based</td>
<td>2017</td>
</tr>
</tbody>
</table>
Forecast Demand is shown below: Note the 2017 figure is still very much work in progress

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm</td>
<td>In Progress</td>
<td>Potential</td>
</tr>
<tr>
<td>47.8m</td>
<td>18m</td>
<td>6.8m</td>
</tr>
<tr>
<td><strong>Current Provisional Total</strong></td>
<td><strong>72.6m</strong></td>
<td><strong>Current Provisional Total</strong></td>
</tr>
</tbody>
</table>
WHO Approved Suppliers

Long-lasting insecticidal nets approved by WHOPES

<table>
<thead>
<tr>
<th>N</th>
<th>Product</th>
<th>Originator</th>
<th>Equivalent</th>
<th>Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DawaPlus 2.0</td>
<td>X</td>
<td></td>
<td>Tana Netting</td>
</tr>
<tr>
<td>2</td>
<td>Duranet</td>
<td>X</td>
<td></td>
<td>Shobikaa</td>
</tr>
<tr>
<td>3</td>
<td>Interceptor</td>
<td>X</td>
<td></td>
<td>BASF</td>
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<tr>
<td>4</td>
<td>LifeNet</td>
<td>X</td>
<td></td>
<td>Bayer</td>
</tr>
<tr>
<td>5</td>
<td>MAGNet</td>
<td></td>
<td>X</td>
<td>VKA</td>
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<tr>
<td>9</td>
<td>PermaNet 3.0</td>
<td>X</td>
<td></td>
<td>VF</td>
</tr>
<tr>
<td>10</td>
<td>Royal Sentry</td>
<td></td>
<td>X</td>
<td>DCT</td>
</tr>
<tr>
<td>11</td>
<td>Yorkool LN</td>
<td></td>
<td>X</td>
<td>Yorkool</td>
</tr>
</tbody>
</table>

N | New Products | Originator | Equivalent | Supplier |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>MiraNet</td>
<td>X</td>
<td>A to Z</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>SafeNet</td>
<td></td>
<td>X</td>
<td>MAINPOL Gmg</td>
</tr>
<tr>
<td>14</td>
<td>Panda Net 2.0</td>
<td>X</td>
<td></td>
<td>Life Ideas</td>
</tr>
</tbody>
</table>

With three new entrances over capacity within the sector will become more pronounced.
The Balance of Supply and Demand

Market Capacity is growing faster than the global demand

Assumes 3 new entrants at 30m nets each
Objectives of LLIN strategy

The Global Fund’s objectives for this category are based on 4 key elements

**Maintain availability and affordability**
- Ensure sufficient capacity is maintained across the 3 year replacement cycle
- Optimize plant utilization where feasible
- Encourage manufacture close to the customer
- Support ROI on supplier-owned assets

**Support investment in innovation**
- Recognize the differences between origination and equivalence
- Support ROI on investment in new products
- Participate in and support initiatives on durability & resistance

**Strive for continuous improvement**
- Adopt a landed cost approach
- Improve data management

**Maintain flexibility and prepare for change**
- Prepare for product differentiation
- Develop mechanisms to support change
- Encourage QMS adoption prior to WHOPES PQ

These objectives are reflected in the tender structure
## Executing Objective 1: Maintain availability and affordability

To meet the objectives the following new requirements have been introduced to our tender approach and structure:

<table>
<thead>
<tr>
<th>What we have introduced</th>
<th>Why</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information requested of sources of raw material and price paid per kilo / metre</td>
<td>Investigation of leveraging global demand for raw material into a single volume based price</td>
</tr>
<tr>
<td>Encouragement for manufacture in LMIC</td>
<td>Custome proximity will be considered</td>
</tr>
<tr>
<td>New technical evaluation criteria based on investment in supplier-owned assets</td>
<td>Broader alignment to Global Fund strategic objectives</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>What we have kept</th>
<th>Perceived customer preferences are mainly anecdotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>No distinction in net material</td>
<td></td>
</tr>
</tbody>
</table>
## Executing Objective 2: Support investment in innovation

<table>
<thead>
<tr>
<th>What we have Introduced</th>
<th>Why</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changed weightings of evaluation criteria</td>
<td>Reflects the growing maturity of the market</td>
</tr>
<tr>
<td>Information requested on your development road map</td>
<td>Monitoring plans in the light of evolving market dynamics</td>
</tr>
<tr>
<td>New technical evaluation criteria based on innovation and originator status</td>
<td>Broader alignment to Global Fund strategic objectives</td>
</tr>
<tr>
<td>Addition of colour coding through sewing of hem to the lower edge of the net</td>
<td>Potential output-based analysis of net durability</td>
</tr>
</tbody>
</table>
Executing Objective 3: Strive for continuous improvement

<table>
<thead>
<tr>
<th>What we have Introduced</th>
<th>Why</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical evaluation includes quality performance</td>
<td>Mitigates supply chain risk</td>
</tr>
<tr>
<td>New indices for price protection</td>
<td>To more closely match the actual purchasing market</td>
</tr>
<tr>
<td>Requirements to support the Global Fund e-marketplace</td>
<td>Suppliers have specific roles in ensuring its success</td>
</tr>
<tr>
<td>Encouragement to implement QMS</td>
<td>Preparation for PQ requirements</td>
</tr>
<tr>
<td>Structured opportunity to re-price during contract term</td>
<td>Establish a more level playing field as the market develops</td>
</tr>
</tbody>
</table>
Executing Objective 4: Maintain flexibility and prepare for change

<table>
<thead>
<tr>
<th>What we have Introduced</th>
<th>Why</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modified contract model with formal periodic review</td>
<td>Supports changes to market dynamics and regulatory environment</td>
</tr>
<tr>
<td>Opportunity to re-submit against new regulatory requirements</td>
<td>Ensures nets procured comply with any new regulation</td>
</tr>
<tr>
<td>New technologies will be considered during contract term</td>
<td>Reduces the time to market for new products.</td>
</tr>
</tbody>
</table>
A Change in Specifications

We will be evaluating specified nets separately from additional extras and other net requirements: The details of the Specified Nets are as follows:

We will request the price of customisation separately

| Measurements | Colour
|--------------|----------------------------------|
| 180x190x180  | White
| 180x130x150  | Light Blue
| 210x190x180  | Light Green
| 195x160x200  | We require a single price for all
| 190x180x150  |                      |
| 190x180x180  |                      |
| 180x160x150  |                      |
| 190x180x160  |                      |
| 180x160x170  |                      |
| 190x180x170  |                      |
| 180x160x180  |                      |
| 180x190x160  |                      |
| 180x190x150  |                      |

With basic accessories

<table>
<thead>
<tr>
<th>Item</th>
<th>No</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hooks</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Strings</td>
<td>6</td>
<td>1.5m length</td>
</tr>
<tr>
<td>Insert</td>
<td>1</td>
<td>Standard Black and White Design</td>
</tr>
<tr>
<td>label</td>
<td>1</td>
<td>Standard format</td>
</tr>
<tr>
<td>Bag</td>
<td>1</td>
<td>Non-Biodegradeable</td>
</tr>
<tr>
<td>Baled</td>
<td></td>
<td>20 per</td>
</tr>
</tbody>
</table>

All nets (both specified and others) must have identifying thread sewn around the lower hem or close to it. The colour for January to June 2016 is **red** and for July to December is **yellow**.
Tender Structure

As for 2013 tender responses are required in formatted templates: The number of schedules has changed. A signed conformance document will also be required.

<table>
<thead>
<tr>
<th>Schedule A: Information</th>
<th>Schedule B: Commercial</th>
<th>Schedule C: Technical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Information</td>
<td>Price for specified nets (with price breakdown)</td>
<td>Customer Proximity</td>
</tr>
<tr>
<td>Overall Capacity 2016-2017</td>
<td>Price per m2 for unspecified nets (rectangular and conical)</td>
<td>Own Asset-Sub-Contractor Manufacture</td>
</tr>
<tr>
<td>Available Capacity 2016-2017</td>
<td>Cost of ‘additional accessories’</td>
<td>Origination v Equivalence</td>
</tr>
<tr>
<td>Plans to address more specific Quality Requirements</td>
<td></td>
<td>Current Development and Investment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quality Performance</td>
</tr>
</tbody>
</table>

Key

**Evaluated**

For information and/or input to the allocation process
Notes on Evaluation Criteria:

The Overall Weighting of Commercial and Technical Criteria will be:
55% Commercial and 45% Technical (In 2013 65% Commercial 35% Technical)

Further information on the background to selected evaluation criteria is as follows:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Further Information and Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price (Submitted FOB Port of Departure)</td>
<td>Provides a simple comparative basis. However allocations will take account of total cost of ownership including freight DTD.</td>
</tr>
<tr>
<td>Customer Proximity</td>
<td>Support to manufacturing in developing countries will be considered</td>
</tr>
<tr>
<td>Own Asset-Sub-Contractor Manufacture</td>
<td>Suppliers who invest in their own manufacturing capacity will be recognised</td>
</tr>
<tr>
<td>Origination v Equivalence</td>
<td>Originators will be rewarded reflecting the greater investment required</td>
</tr>
<tr>
<td>Current Development and Investment</td>
<td>Suppliers who have invested in product(s) which is/are currently under WHOPES evaluation will be scored according to the number of products</td>
</tr>
</tbody>
</table>
Other Technical and Ethical Considerations

Integrity Pact for Global LLIN Procurement

In November 2014, the Global Fund collaborated with LLIN manufacturers to formulate an Integrity Pact to strengthen the partnership between the Global Fund, partner donors and the LLIN industry in combatting the risk of abusive procurement practices. LLIN Suppliers committed to certain fundamental principles that should guide LLIN procurement, including:

- Greater transparency will reduce the risk of fraud and corruption;
- Cross-industry vigilance is a powerful tool to address these risks; and
- Greater alignment in compliance practices will lead to greater fairness/efficiencies.

Signatories to the Pact included all LLIN manufacturers then participating in Global Fund LLIN tenders and all LLIN suppliers to the Global Fund are expected to be signatories to the Pact and in compliance with terms of the Pact.

Currently, the selection of the Integrity Monitor created under the Pact is in process and the Participating Manufacturers will be consulted prior to the final selection.
As part of the Global Fund’s strategy to drive continuous improvement in business standards, social and environmental assessments have been carried out with the majority of suppliers. More will follow. In total 137 issues have been found. These results will not be evaluated as part of the tender. But progress against individual action plans will be monitored as part of contract reviews.
The Evaluation Process

The Evaluation will comprise a 4 stage process and allocation will be managed separately.

1. **Certificate of Conformance**
2. **Technical Evaluation**
   - Specified Nets
   - Customisation
   - Non-Specified m²
3. **Commercial Evaluation**
   - Specified Nets + basic accessories
   - Specified Nets + additional accessories
   - Other nets per m²
4. **Final Evaluation**
5. **Panel Supplier Selection**
   - Specified Nets
   - Customisation
   - Non-Specified m²

**Requirements cover:**
- Accreditation
- Compliance to Supplier Guidelines
- Financial Security
- Legal obligations

**Commercial and Technical Evaluation will be conducted separately. Within commercial 3 evaluations will be undertaken. Specified Nets + basic accessories, Specified nets + additional accessories and other nets per m².**

**Commercial and Technical Evaluation will be conducted separately. Within commercial 3 evaluations will be undertaken.**

**There will be three lists of panel suppliers. Successful bidders may be placed on more than one list.**
Allocation and Framework Agreements

Selection and Allocation are separate activities. Allocation and Commitments will be based on a range of factors including: Country Registration, Capacity, Landed Cost, Risk and Overall Scoring.

Framework Agreement Key Elements:

1. Duration 2 years

2. Commitments and Allocations undertaken Annually

1. Quarterly Reviews to monitor progress

2. Provision for allocation changes based on new market dynamics (regulatory changes) and quarterly reviews

3. The Price Adjustment mechanism will use independently verified sources of information.

New Draft Framework Agreements will be included in the Tender Documentation. These will include most of the changes requested during the last tender round.
The Proposed Model for Framework Agreements

The results of the tender will inform the initial allocation process and key criteria will be re-evaluated at the annual contract review.

The Global fund also reserves the right to undertake a special contract review and another allocation process at six monthly intervals or in the event of a change in the market dynamics (Changes to WHO accreditation, new guidance etc).
UNICEF and Global Fund Tender Timelines

**UNICEF**
- **Sep 8** Supplier Conference
- **Sep 30** Tender Issued
- **Oct 15** Proposals Submitted
- **Nov 13** Supplier Notification
- **Sep 7 - Sep 30** Finalise Tender Documents
- **Sep 30 - Oct 15** Supplier Tender Preparation
- **Oct 16 – Mid Dec** Tender Evaluation

**Global Fund**
- **Sep 7 - Oct 5** Finalise Tender Documents
- **Sep 7 - Oct 19** Finalise Framework Agreements
- **Oct 19 - Nov 13** Supplier Tender Preparation
- **Nov 2 – Mid Dec** Tender Evaluation

*Long Term Agreements effective from January 1st 2016*