

## Briefing note on the GFATM and the GDF, October 10, 2003

The Chiang Mai meeting of the GFATM Board is an opportunity to call for the adoption of GDF as its channel for first line drugs, using the GLC model, for grantees with limited procurement capacity. These notes provide background and make the case for GDF.

1. In general there is a very good working relationship between the GFATM and the Stop TB Partnership, which is to be applauded. Highlights include DEWG technical assistance to grantees and the adoption by the GFATM of the Green Light Committee as the sole channel for second line TB drugs for GFATM grantees. However, of the 55 grantees that have received GFATM funds for TB control, none have specified that first line TB drugs should come through the GDF channel.

2. The GDF, recently the subject of favourable review and a key achievement of the Stop TB Partnership, is underused by the GFATM:

- Countries are confused by the existence of two global mechanisms for grants of TB drugs.
- Negotiation with the GFATM Secretariat has not resulted in acknowledgement that GDF offers value added above that of purchasing agents. Therefore GFATM only promotes GDF as one of several potential purchasing agents.

3. **The message for the GFATM Board in Chiang Mai:** The GFATM could and should adopt GDF, as it has the GLC, as its preferred channel for first line TB drugs where grantees have limited procurement capacity. GDF is not a procurement agent; it links drug grants to DOTS expansion policy and bundles financing, technical assistance for drug management, quality assurance, procurement and monitoring functions. GDF has the following advantages which could be reaped by GFATM and its grantees:

- it will catalyse DOTS<sup>1</sup> expansion by linking drug supply with DOTS policy;
- it will simplify decision making and application processes at country level by providing grantees with a "one stop shop" for TB drug grants;
- it will build drug management capacity through GDF technical assistance;
- it ensures that grantees receive high quality drugs, through GDF's system of quality assurance and quality control;
- it will promote competition among purchasing agents through the transparent tender process used to select the GDF purchasing agent;
- it will promote competition among suppliers through the tender process of the GDF purchasing agent;
- it will save money through lower prices due to competition and bulk procurement;
- it will provide an incentive for higher quality local drug production capacity as they strive to meet the standards of the WHO "white list" of prequalified first line TB drug suppliers; (Further, future GDF supply awards are to be split between two suppliers, to encourage diversification of the supplier base.)
- it will prevent the development of drug resistant TB through promotion of DOTS, combination formulations and appropriate packaging, linked with technical assistance and monitoring of drug use; and
- it will save more lives per dollar by curing more people with TB and by stopping the spread of this deadly disease.

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<sup>1</sup> DOTS is the internationally accepted control strategy for TB.