



**Organisation of Eastern Caribbean States (OECS)
Pharmaceutical Procurement Service (PPS)**

**Regional meeting on
Public Procurement System
In Latin America and the Caribbean**

15th – 16th July 2015, Ecuador

Francis Burnett : Head, OECS/PPS



Organisation of Eastern Caribbean States (OECS) Pharmaceutical Procurement Service (PPS)

Outline

- Mission Statement
- Background
- Essential features
- Pricing and supply
- OECS Medicine consumption
- Tendering/Contracting/Payment
- Benefits of pooled procurement
- Challenges
- Conclusion













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Regional pooled procurement of Pharmaceuticals

-  Anguilla
-  Antigua and Barbuda
-  British Virgin Islands
-  Dominica
-  Grenada
-  Martinique
-  Montserrat
-  St. Kitts and Nevis
-  St. Lucia
-  St. Vincent and the Grenadines

10 OECS COUNTRIES
1 million people



Inspiring quote

“Even if you stumble, you’re still moving forward”

Author : unknown



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OECS/PPS MISSION STATEMENT

**“Our mission is to maximize
healthcare services of the OECS
countries by pooled procurement
and management of
pharmaceuticals and related
medical supplies.”**



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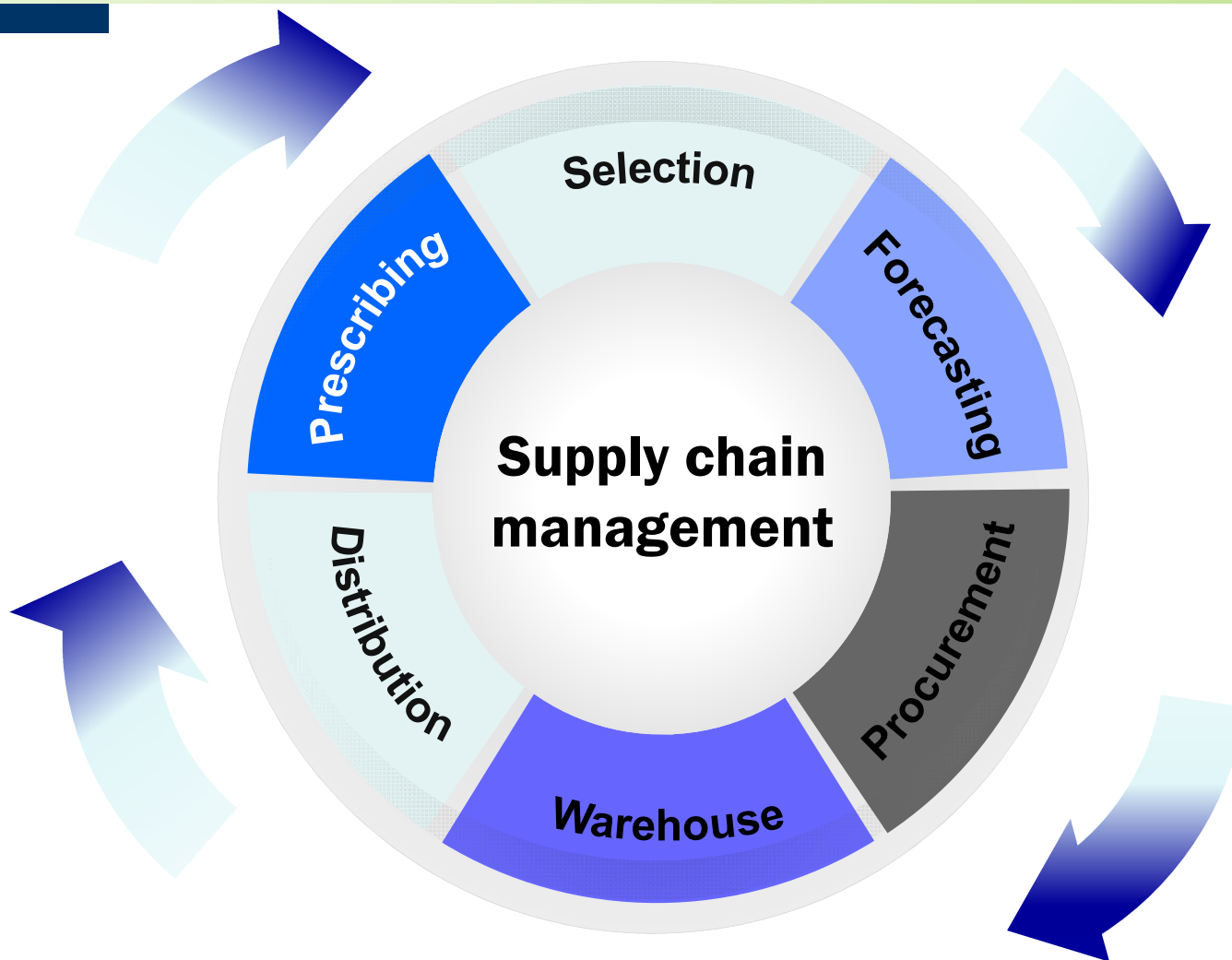


OECS/PPS VISION STATEMENT

**A pooled procurement agency
that provides excellent
pharmaceutical and medical
supplies management service to
the OECS.**



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**“Medicines are the most
cost-effective component of
healthcare services.”**

WHO



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Background

- Access to essential medicines is a basic human right.
- Medicines are a major requirement for foreign exchange.
- Financial constraints have rendered it difficult for OECS Governments to adequately finance medicines



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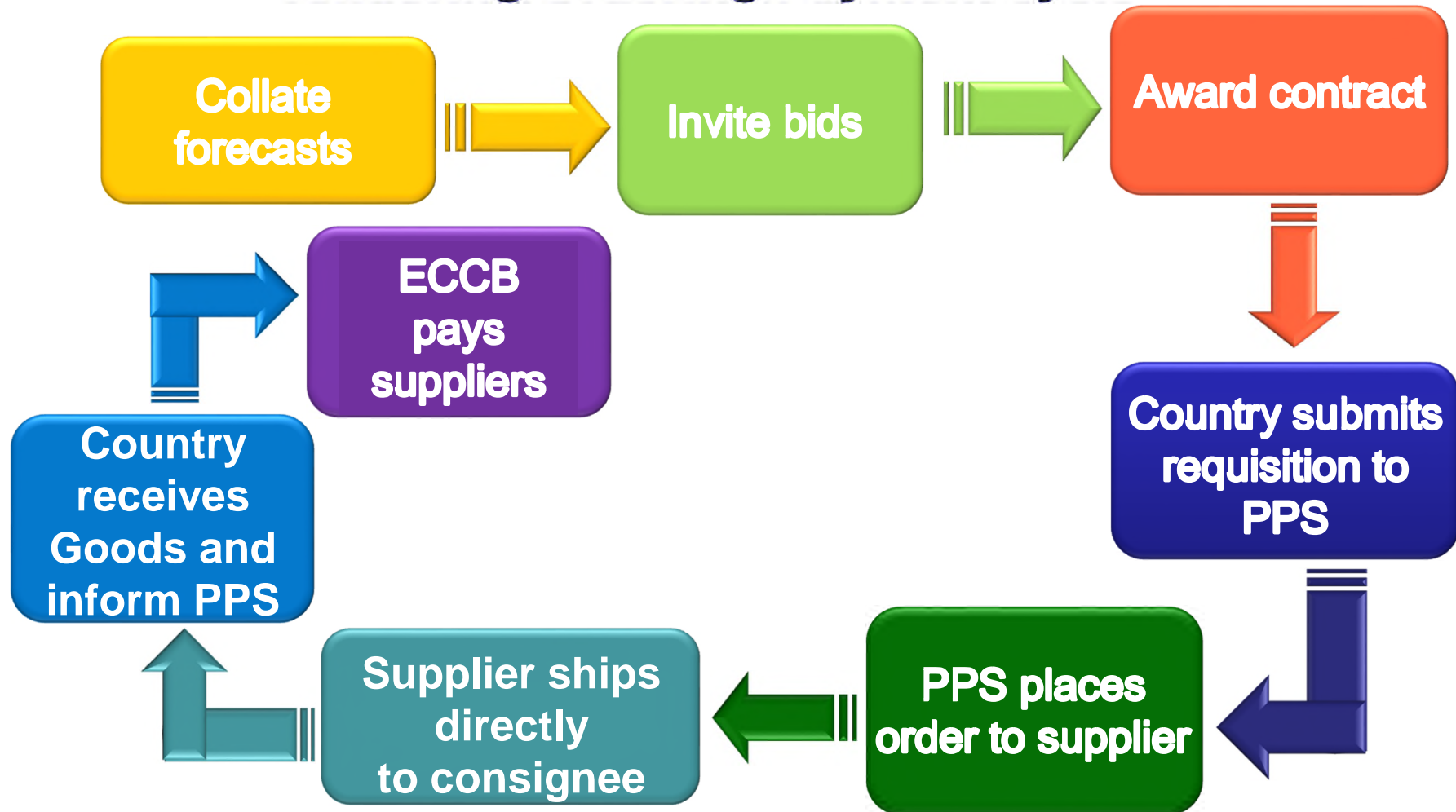
Features

- **Established in 1986**
- **Permanent Secretariat**
- **OECS Economic Union**
- **Country-based committees**
- **Payments through Central Bank**
- **Self-financing in 1989 with 11% surcharge**
- **Shared culture, language, ethnicity, currency**
- **Restricted International bid for 840 items with 50 suppliers**



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Tendering/Ordering/Payment cycle





Benefits of pooled procurement

Economic

- **Economies of scale, ↓ prices, 20%**
- **Monopsony, ↑ bargaining power**
- **Fixed, common price for tender period**



Procurement

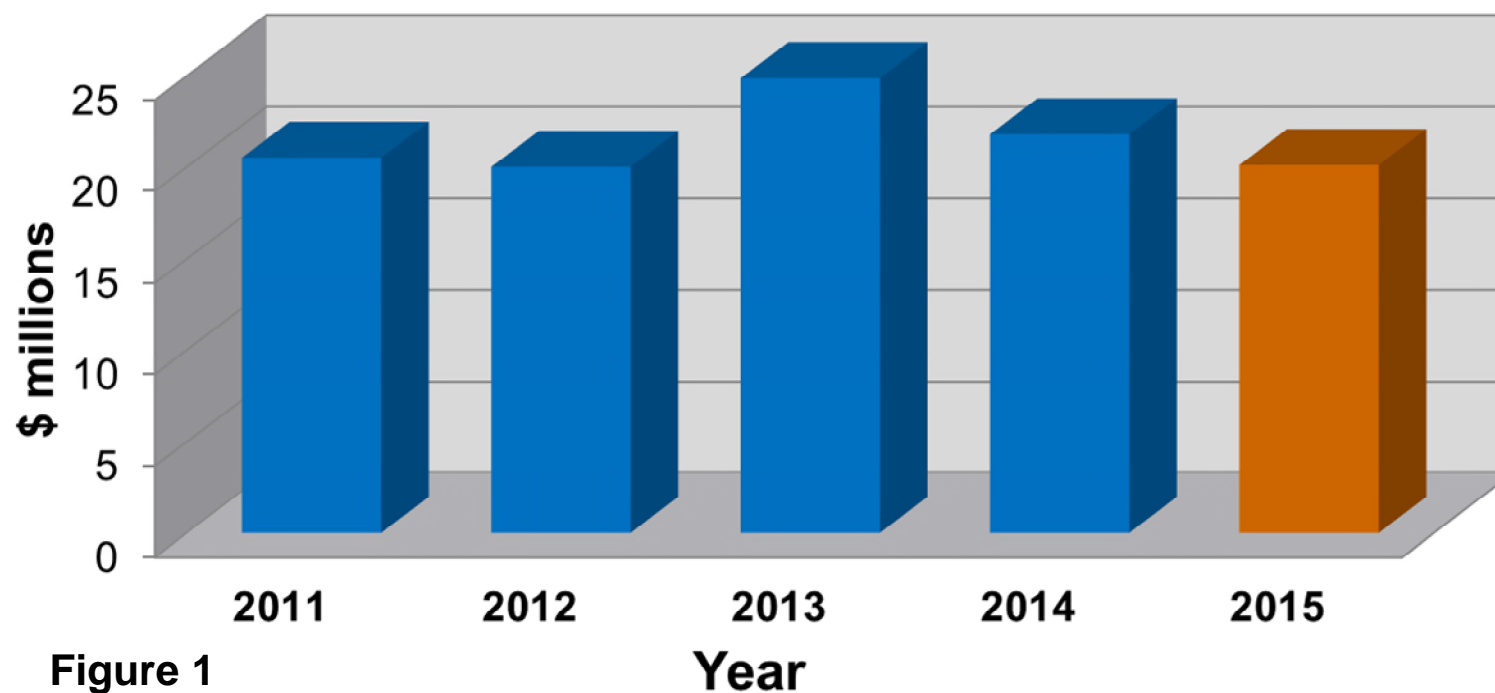


Figure 1

Value of annual purchases 2011 - 2015



Benefits of Pooled Procurement

Non- economic, value-added

- Enhanced quality assurance
- Coordinated training, research, M&E
- Regional cooperation and integration
- Harmonized formulary manual, STGs
- Sharing of information and experience
- Transparent and rational procurement , ICB
- Confidence-building with clients and suppliers

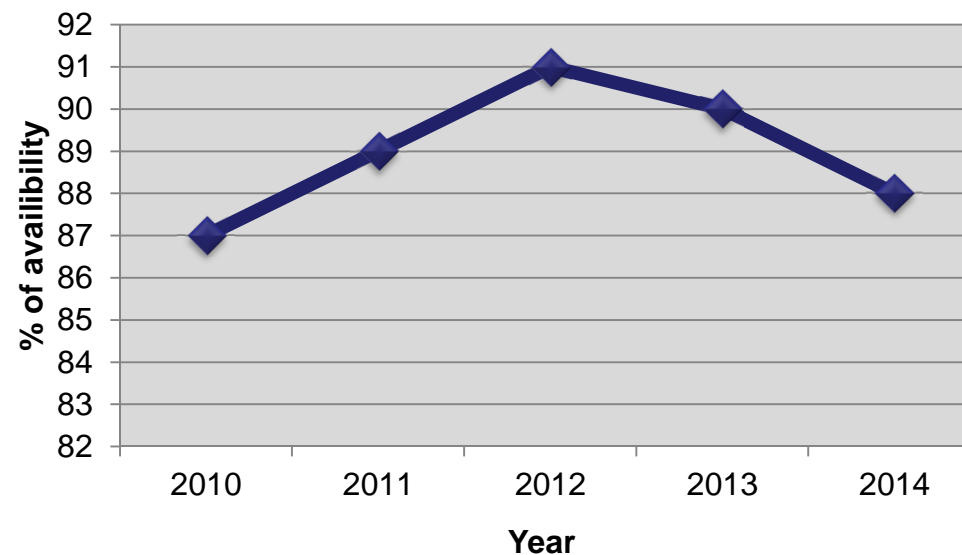


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Access to medicines

Percentage of prescribed medicines that were dispensed =

$$\frac{\text{number of medicines dispensed} \times 100\%}{\text{number of medicines prescribed}}$$



Average percentage of drugs for 2010 - 2014



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OECS/PPS challenges

- Late payments
- Poor forecasting
- Managing donations
- Purchasing outside the cartel
- Small countries and purchase orders
- Opposition and influence by suppliers



Conclusion

OECS/PPS pooled procurement has produced significant benefits for the Organization of Eastern Caribbean States (OECS) Member States.



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