

A smiling woman with dark hair and eyes is lying in a hospital bed, partially covered by a light-colored mosquito net. She is wearing a pink hospital gown. The background is a green and white striped fabric. The overall image has a semi-transparent white overlay on the right side where the text is located.

# STRATEGIC FUND

Access to quality medicines and health  
supplies in the Americas

**ANNUAL REPORT 2017**



# PAHO



Strategic Fund. Annual Report 2017  
Document Number: PAHO/HSS/18-035

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**Suggested citation.** Pan American Health Organization. *Strategic Fund. Annual Report 2017*. Washington, D.C.: PAHO; 2018.

**Cataloguing-in-Publication (CIP) data.** CIP data are available at <http://iris.paho.org>.

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## Preface



**Dr. Carissa F. Etienne**  
**Director**  
**Pan American Health Organization**

In 2000, at the request of the Member States, the Strategic Fund of the Pan American Health Organization (PAHO) was established to improve access to strategic public health supplies and contribute to the strengthening and sustainability of health systems in the Region.

Since the Fund's inception, Member States in the Region have used this mechanism to procure essential medicines and strategic health supplies to help to meet their targets with respect to health.

We are pleased to present the **2017 Annual Report of the Strategic Fund**, which summarizes activities carried out jointly with the countries of the Americas. In 2017, additional countries have joined the Strategic Fund and utilized its services bringing to 32 the number of countries of the Americas that have signed agreements with the Strategic Fund. Procurement through this mechanism has doubled over the past five years. As a result, the Strategic Fund has become an important mechanism of technical cooperation between PAHO and its Member States.

Due to its growth and increasing importance for the Member States, the Strategic Fund was designated as a Special Program within PAHO in December 2017, strengthening its capacity to respond to the needs of the countries.

Among the recent and noteworthy achievements highlighted in the report is the availability of innovative treatments for hepatitis C at affordable prices through the Fund. This will make it possible for thousands of people to achieve access to these medicines, allowing us to advance toward elimination of this epidemic.

We will continue to work with Member States to address new challenges in ensuring access and supply of medicines and health technologies in priority areas, including for non-communicable diseases. In doing so, we will continue building on the successes of the Strategic Fund in recent years and ensure an even greater level of efficiency, allowing us to consolidate the Fund's achievements and contribute to its sustainability as we advance towards universal health in the Region.



# The Strategic Fund:

## access to quality medicines and health supplies in the Americas

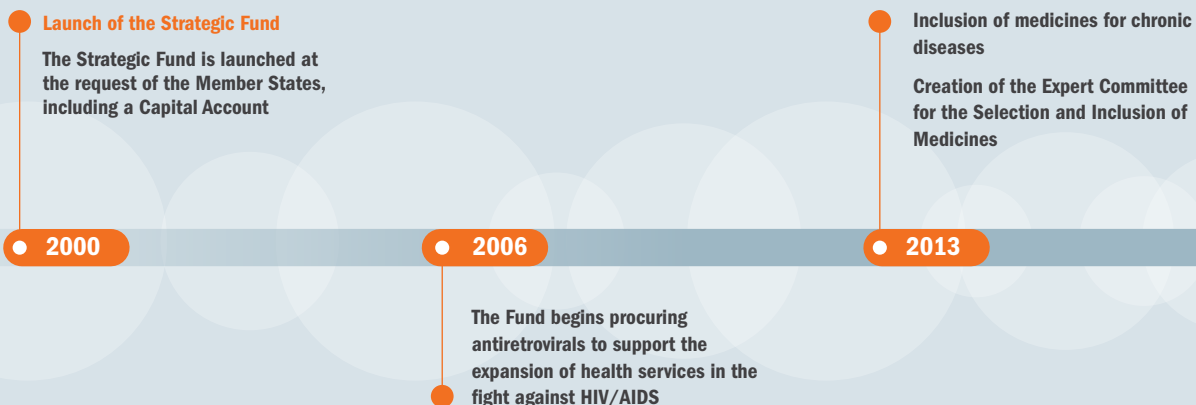
The Strategic Fund is a regional technical cooperation mechanism for pooled procurement of essential medicines and strategic public health supplies in the Americas.

The Strategic Fund was created in 2000 by the Pan American Health Organization (PAHO) at the request of the Member States. Since then, the Fund has worked with countries to improve access to medicines and other health technologies, by strengthening demand planning and the organization of national supply management systems, while facilitating access to affordable strategic public health supplies through a pooled procurement mechanism.

In accordance with 2016-2017 mandates of the PAHO Governing Bodies, the technical cooperation program of work in support of participation of Member States in the Fund has focused on:

a) increasing the response capacity and efficiency of operations of the Fund in countries; b) the development of national and regional market intelligence; and c) the strengthening of the key alliances and strategic partnerships.

As of December 2017, 32 countries in Latin America and the Caribbean have signed participation agreements with the PAHO Strategic Fund (Argentina, The Bahamas, Barbados, Belize, Bermuda, Bolivia, Brazil, the British Virgin Islands, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, Uruguay, and Venezuela).





[www.paho.org/strategicfund](http://www.paho.org/strategicfund)

● **2016**  
 Technical support with MERCOSUR countries in the negotiation of high-cost medicines

● **2017**  
 Inclusion of new pediatric formulations for tuberculosis and HIV/AIDS treatment  
 Inclusion of medicines for hepatitis C  
 Development of the Strategic Fund Product Catalog

● **2015**

● **2016**

● **2017**

● **2015**  
 Simplification of the procedures for use of the Capital Account in order to facilitate lines of credit to participating countries

# The Fund includes new medicines

In 2017, the Strategic Fund updated its Products List to include new medicines and pharmaceutical presentations for HIV/AIDS antiretrovirals, first- and second-line tuberculosis (TB) medicines, antivirals (hepatitis C), leishmaniasis medicines, antimicrobials, and medicines for non-communicable diseases.

18

pharmaceutical presentations and dosages for antiretrovirals used in adult or pediatric populations



14

pharmaceutical presentations and dosages for first- and second-line TB medicines used in adult or pediatric populations



7

antivirals for the treatment of hepatitis C used in adult populations



3

antivirals for the treatment of hepatitis B used in adult and pediatric populations



## Access to high-cost medicines: treatment for hepatitis C

In February 2017, the PAHO Strategic Fund added high-cost medicines for hepatitis C to its Products List, offering these medicines at more affordable prices to countries of the Americas. Through the Strategic Fund, countries can access the most effective therapeutic alternatives for the treatment of this pathology.

Treating **hepatitis C** can lower the risk of developing liver cancer by

**75%**

but only

**14%**

of infected people in Latin America and the Caribbean are diagnosed, and less than

**1%**

receive treatment due to its high cost

Throughout the Region, the vast majority of people living with hepatitis C do not have access to these highly effective medicines due to their high cost. Treatment with direct-acting antiviral medicines (DAAs) can cure hepatitis C in three months.

The PAHO Strategic Fund has allowed countries in the Region to procure DAAs for hepatitis C with more than 90% savings compared to the local price.

**OPS OMS**



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LOTE NO.:  
FECHA ELAB:  
FECHA VENC:  
PESO BRUTO: 13.7kg  
PESO NETO: 12.7kg  
Dimension: 44.5x30x23.2 (cm)

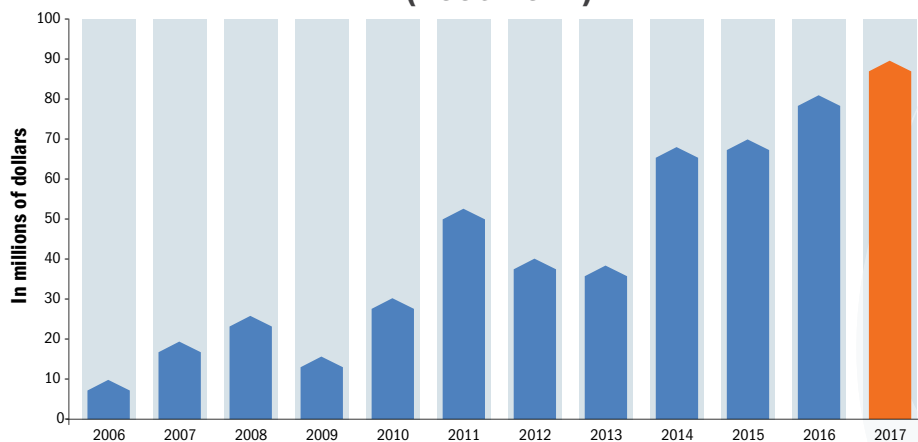


# Procurement

Ensuring availability of essential medicines and other supplies that present specific challenges in procurement (e.g., those with limited sources of supply) is one of the priority areas of support through the Strategic Fund. In 2017, 254 strategic health products were procured from more than 50 quality-assured suppliers. Member States made more than 437 purchases in excess of US\$ 90 million through the Strategic Fund.

The Fund continues to strengthen strategic partnerships with United Nations agencies and international organizations, establishing cooperation agreements that facilitate joint tendering, market research and analysis. These partnerships have enabled the Strategic Fund to maximize resources and improve service to the Member States.

**Procurement through the Strategic Fund  
(2006-2017)**



**254**

strategic products



**50**

quality-assured suppliers



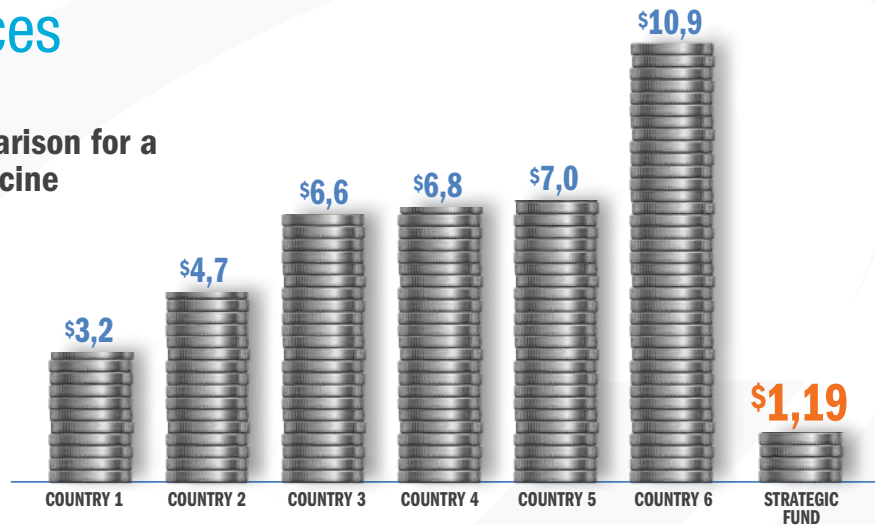
**US\$ 90 millions**

in procurements



## Competitive Prices

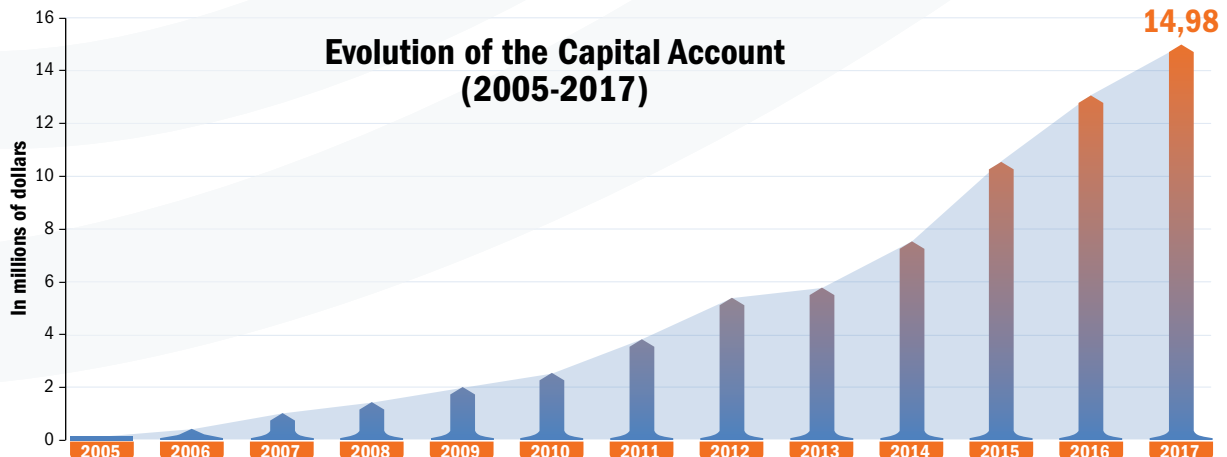
**Per-tablet price comparison for a  
HIV/AIDS medicine  
(Darunavir)**



## Capital Account

Through the Capital Account, the Strategic Fund provides lines of credit to countries when needed. The Capital Account provides advanced financing that is used to ensure continuity of supplies, preventing stock-outs in countries.

In 2017, the Strategic Fund granted 12 lines of credit for more than US\$ 7 million to 11 countries in the Region. As of December 2017, the balance in the Capital Account, derived from the 3% surcharge on each purchase, was close to US\$ 15 million.



# Technical Cooperation

In 2017, the Strategic Fund supported the strengthening of national priority public health programs in communicable diseases, non-communicable diseases, and vector control, in coordination with PAHO technical programs and country offices.

Technical cooperation through the Strategic Fund is focused on addressing issues of timely access to safe, efficient, and quality supplies.

In 2017, the Fund negotiated the donation of small amounts of essential medicines for both neglected and communicable diseases in six countries of the Region, ensuring continued availability of these essential products for priority programs.

Products offered by the Fund are prequalified by the World Health Organization (WHO), registered in National Regulatory Authorities of Regional Reference for Medicines, and evaluated through PAHO quality assurance internal processes.

## Neglected Diseases

### Chagas, Leishmaniasis, and Vector Control

- In 2017, the Fund supported regional efforts in the control and elimination of neglected diseases, such as Chagas and leishmaniasis, ensuring the supply of more than US\$ 813,000 of medicines not available on local markets; and
- issued purchase orders for vector-control products for more than US\$ 11 million.

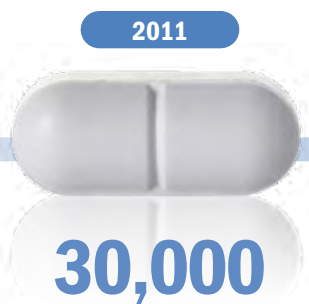


# Communicable Diseases

## HIV/AIDS, Tuberculosis, Malaria, and Zika

- More than 312,822 people living with HIV/AIDS received treatment through the Strategic Fund.
- The Fund signed more than 74 long-term agreements (LTAs) with suppliers, guaranteeing lower prices for medicines used in the treatment of HIV/AIDS, tuberculosis, malaria, and Zika (Guillain-Barré syndrome), and more than 54 LTAs for diagnostic kits.
- The Fund procured more than 112 million tablets for the preferred first line HIV/AIDS antiretroviral regimen in fixed dose combination, recommended by the WHO.
- The Fund supported six countries in strengthening national capacity in planning and programming of HIV medicines needs, including the development and validation of tools to facilitate monitoring of demand for these medicines.
- The Strategic Fund supported the monitoring of availability of antimalarials in 11 countries of the Region, issuing alerts when necessary, and supporting the management of supply between countries of these medicines.
- In an interagency effort with the Global Drug Facility, the Fund supported training and monitoring of the use of QuantTB to estimate and manage TB medicine supplies in 10 countries of the Region.

### Tablets for the preferred first-line antiretroviral treatment procured through the Strategic Fund







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2017

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