

Progress Report 11

Stop TB Partnership
Global Drug Facility

1 January 2007 – 31 December 2007



Stop TB Partnership Secretariat
Geneva, Switzerland

Contents

1.0 SUMMARY	3
2.0 STRATEGIC DEVELOPMENTS	5
3.0 GRANTS OF FREE ANTI-TB DRUGS TO COUNTRIES	7
4.0 DIRECT PROCUREMENT OF DRUGS AND SUPPLIES THROUGH GDF	13
5.0 GDF TECHNICAL SUPPORT FOR DRUG MANAGEMENT	17
6.0 GDF OPERATIONS	19
ANNEX I. GDF PERFORMANCE, PROCESS AND IMPACT INDICATORS	21
ANNEX II. STATEMENT OF INCOME AND EXPENDITURE	25

1.0 Summary

This report covers the activities of the Global TB Drug Facility (GDF) from 1 January to 31 December 2007, which are summarized below. Further details are given in sections 2–6 (and annexes 1 and 2).

Grants of free anti-TB drugs to countries

GDF continued to provide 3-year grants of free adult, *first-line* anti-TB drugs for use in DOTS programmes worldwide to countries. In addition, through support from UNITAID¹, GDF offered transitional grants of adult first-line anti-TB drugs to countries facing temporary shortfalls and also continued offering grants of paediatric anti-TB drugs.

Seventy-six (76) applications for grants of adult and paediatric anti-TB drugs were reviewed by the GDF Technical Review Committee (TRC), of which sixty-one (61) were recommended for a GDF grant of free anti-TB drugs. These grants represent treatments for 1.01 million patients, at an estimated total cost of 27.7 million US\$.

Furthermore, during this reporting period, GDF delivered 1 715 858 TB patient treatments to forty-five (45) grant recipients. Including these figures, sixty-six (66) grant recipients have received a cumulative total of 8 577 615 anti-TB patient treatments through GDF since 2001.

In 2007, GDF began providing grants of free second-line anti-TB drugs for use by programmes approved by the Green Light Committee (GLC) Initiative to treat patients with multidrug-resistant TB (MDR-TB). Through support from UNITAID, seventeen (17) countries were approved for grants totalling approximately 4,717 patient treatments.

Direct Procurement of anti-TB drugs through GDF

During this reporting period, thirty-eight (38) countries used the GDF Direct Procurement (DP) Service to place orders for first-line anti-TB drugs. These orders represented 608,131 anti-TB patient treatments, at an approximate total cost of 12.5 million US\$.

The Global Fund to fight AIDS, Tuberculosis and Malaria continued to be a primary funder for drug orders placed with GDF: of the thirty-eight (38) countries placing drug orders, nineteen (19) countries used grant monies from the Global Fund. The value of DP orders placed using Global Fund monies during 2007 was 8.2 million US\$ – or approximately 66% of the value of all DP orders placed.

GDF delivered 424,473 anti-TB patient treatments to 32 DP customers in 2007. This raises the number of countries that have received anti-TB drugs through the GDF DP Service to forty-three (43), and the cumulative number of patient treatments supplied via GDF Direct Procurement (2001 to 2007) to 2,574,464.

GDF added Diagnostic kits to its catalogue of anti-TB drugs and supplies. Many countries expressed interest in these kits and eight (8) countries placed firm orders for them. Demand is expected to continue and increase in 2008.

GDF continued its procurement support for programmes approved by the GLC. Thirty (30) countries received deliveries of second-line anti-TB drugs sufficient to begin or continue treatment of 18,303 patients with MDR-TB. These deliveries reflected a total value of 3.73 million US\$ worth of second-line drugs.

GDF technical support for drug management

GDF organized fifty-seven (57) missions to National TB Control Programmes in all six (6) of the WHO regions. Of the fifty-seven (57) missions, five (5) were pre-delivery country visits, thirty-five (35) were grant monitoring missions, and seventeen (17) were technical support missions. To

¹ UNITAID (www.unitaid.eu) is an international drug purchase facility, established to provide long-term, sustainable and predictable funding to increase access and reduce prices of quality drugs and diagnostics for the treatment of HIV/AIDS, malaria and tuberculosis in developing countries.

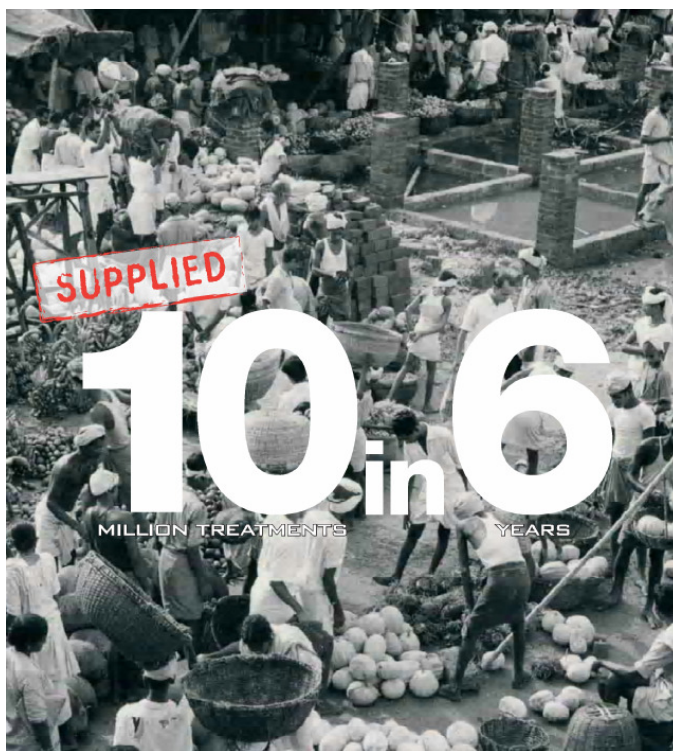
complement the technical assistance provided during missions, GDF was active in participating and hosting a range of drug management trainings and workshops. In 2007 GDF was involved in more than a dozen different capacity building activities, including training and assistance for national TB programme staff, workshops for anti-TB drug manufacturers and contributions of drug management expertise during national TB programme reviews.

GDF operations

GDF launched a comprehensive Achievements Report and press campaign in 2007 that described GDF's historic support to countries in the fight against TB. The possibility for GDF future success was buoyed by continued support from existing donors as well as by important contributions from new donors, particularly UNITAID, which signed significant agreements with GDF for the supply of paediatric anti-TB drugs and transitional grants of adult anti-TB drugs. UNITAID, the Global Fund and GDF also signed an agreement to help increase access to, and affordability of, quality assured second-line anti-TB drugs for use in GLC-approved programmes.

In addition to securing funds for supplies, GDF expanded its operational support for GLC-approved programmes by hiring additional procurement staff dedicated to monitoring and coordinating drug supply to these programmes, as well as by hosting a senior pharmacist seconded by Médecins Sans Frontières to advise on second-line procurement. A new procurement team manager was also hired to oversee all GDF procurement operations.

Furthermore, GDF ensured its ability to sustain support for GLC-approved programmes by signing a long-term agreement with its procurement agent for second-line drugs, the International Dispensary Association (IDA). GDF also signed long-term agreements with its first-line procurement agent and suppliers of first-line anti-TB drugs.



GDF continued its tradition of packaging essential, high quality products in ways that simplify the work of national programmes, by adding diagnostic kits to its catalogue of anti-TB drugs and supplies. Several countries placed orders for diagnostic kits in 2007.

Finally, GDF operations were audited in 2007 and re-certified as ISO 9001:2000 compliant for “provision of quality-assured anti-TB drugs and related services to eligible national TB control programmes”. GDF continued to rely on a lean, efficient team to operate the GDF mechanism, with less than 5% of its overall expenditure allocated to operational costs.

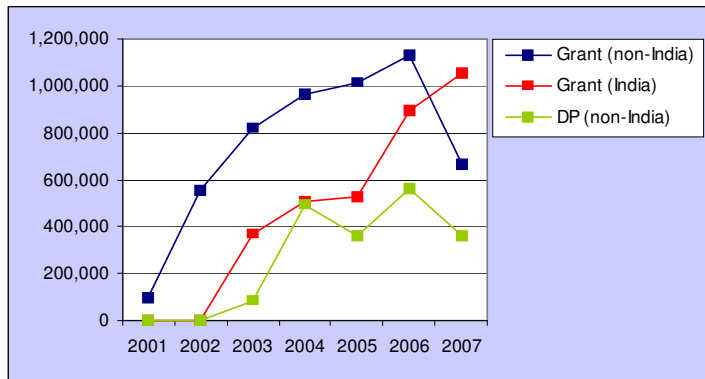
2.0 Strategic developments

In 2007, GDF supplied more than **two (2.136) million** patient treatments to **sixty seven (67)** countries worldwide. This increases the number of patient treatments supplied by GDF since 2001 to **eleven (11.148) million**, and the number of countries receiving GDF support to **over eighty (83)**.

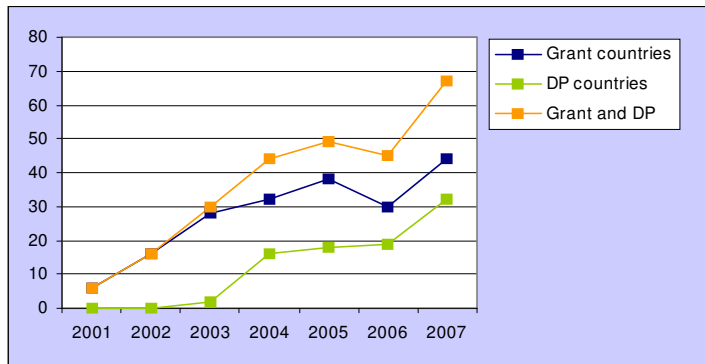
Business Trends

- GDF continues to decrease the volume of its Grant service and to pursue a strong, consistent Direct Procurement (DP) customer base. Total Grant business was approximately 15% less in 2007 than in 2006 (from 2.02 million patient treatments supplied in 2006 to 1.72 million in 2007).
- Excluding DFID-funded grant orders for India, however, the large decrease in GDF grants is more apparent (more than 41% less in 2007) (see graph 2.1).
- The number of patient treatments supplied through DP also declined slightly in 2007 from 2006: by approximately 26% (for all DP business) and by approximately 24% from its 3-year, non-India average (2004-2006).
- The decrease in DP business in 2007 is the result of two comparatively large orders delivered in 2006 (Indonesia and the Philippines) that were not required in 2007. Excluding these orders, DP business has been consistent (+/- 10%) since 2004.
- The number of customers that placed and received DP orders in 2007, however, increased by nearly 68% (from 19 countries in 2006 to 32 countries in 2007) (see graph 2.2). This increase was not limited to DP business: countries receiving free GDF drugs via Grants also increased by nearly 50% in 2007 (from 30 countries in 2006 to 44 in 2007).
- The disparity between the decrease in the number of patient treatments delivered through GDF and the increase in the number of countries receiving GDF support is explained by a decrease in the

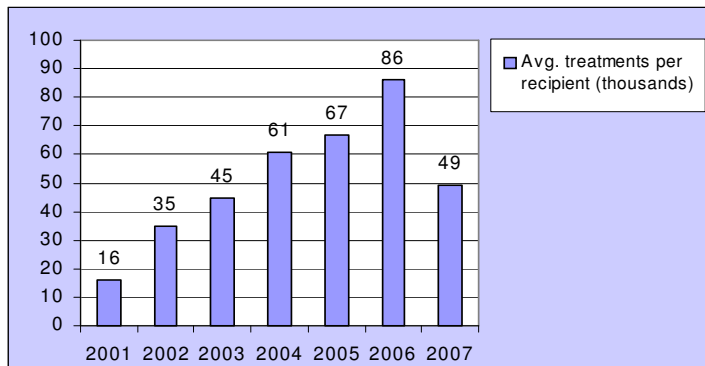
Graph 2.1: GDF patient treatments supplied by year (2001-2007)



Graph 2.2: Countries receiving GDF patient treatments by year (2001-2007)



Graph 2.3: Average size of deliveries (2001-2007)



average size of GDF deliveries (see graph 2.3). This decrease resulted from GDF introducing grants of smaller volume paediatric anti-TB drugs as well as a strategic decision to reduce the number of large volume adult grants to countries and promote additionality with other donors. In 2006, ten (10) countries received GDF grants of more than 50,000 patient treatments. In 2007, only four (4) countries received such support.

UNITAID Investment in GDF

- In July 2007, UNITAID committed US\$ 20.8 million to GDF to procure and supply second-line anti-TB drugs for an estimated 4,717 patient treatments in 17 countries, by the end of 2011. This contribution was intended to allow GDF and the GLC to scale-up the number of patients accessing and receiving second-line anti-TB treatment, decrease drug delivery lead times and prevent stock-outs, increase the number of quality manufacturers and products and achieve price reductions of up to 20% for second-line anti-TB drugs by 2010.
- In September 2007, UNITAID committed US\$ 26.8 million to GDF to procure and supply first-line anti-TB drugs for the treatment of approximately 635,000 patients with TB in 19 countries from 2007-2009 (as well as establish a Strategic Rotating Stockpile). This contribution allowed GDF to provide "transitional grants" to countries that faced a gap in drug supply between the end of a GDF grant and the beginning of a planned future source of funding for first-line anti-TB drugs, thus minimizing the risk of stock-outs and therefore drug resistance among countries. UNITAID's support also allowed GDF to create strategic rotating stockpiles of anti-TB drugs so as to reduce lead times and overall treatment costs for drug deliveries by reducing the ratio of expensive freight/emergency orders to non-expensive freight/urgent orders. Lastly, UNITAID support achieved cost containment of anti-TB drugs in the short-term by strengthening GDF purchasing power in its Q3/Q4 2007 tender for suppliers.
- GDF began delivering paediatric anti-TB drugs to countries through financial support from UNITAID. In 2007, thirty four (34) applications for GDF paediatric grants were approved and twelve (12) countries received deliveries of paediatric anti-TB drugs.

Tackling More Complex Environments

- During the Stop TB Partnership Coordinating Board meeting in Berlin in October 2007, it was acknowledged that the global shortage of quality assured second-line TB drugs for patients in GLC-approved programs is a crisis negatively affecting patients, programs, Global Fund funding and the future relevance of GLC. Shortages are also caused or amplified by registration restrictions and import barriers of governments, poor forecasting and order placement by programs, complicated, time-consuming financial transactions between partners and agents, and delays in disbursements from donors and financing mechanisms.
- Among other responses to this crisis, the MDR-TB Working Group established a sub-group on Drug Management to develop and implement a plan of action for addressing the threat posed by the shortage of quality assured second-line anti-TB drugs.

3.0 Grants of free anti-TB drugs to countries

During this reporting period, GDF provided 3-year grants of free adult, *first-line* anti-TB drugs for use in DOTS programmes worldwide to countries recommended by the GDF Technical Review Committee (TRC). In addition, through support from UNITAID, GDF provided transitional grants of adult anti-TB drugs to countries facing temporary shortfalls and also continued providing grants of paediatric anti-TB drugs.

In 2007, GDF completed its 15th, 16th and 17th rounds of grant applications. Grant applications were also reviewed during ad hoc technical reviews and as part of annual monitoring of grant recipients.

Seventy six (76) applications for grants of adult and paediatric anti-TB drugs were reviewed by the GDF TRC, of which forty-two (42) were new applications. In total, **sixty one (61)** applications were approved for GDF grants of free anti-TB drugs. These grants represent treatments for **1.01 million** patients being treated under DOTS worldwide, at an estimated total cost of **27.7 million US\$**.

This raises the cumulative number of new applications reviewed by GDF since 2001 to one hundred and ninety-one (191), with one hundred and forty-eight (148) approved for a GDF grant.

15th round of applications

The 15th TRC met on 27-29 March 2007 and reviewed twenty-nine (29) applications from programmes for grants of free first-line anti-TB drugs:

- three (3) applications for 2nd term grants of adult drugs;
- twenty-two (22) applications for grants of paediatric drugs;
- three (3) applications for continuation of support for the second or third year of an adult grant; and
- one (1) application for an emergency supply of adult drugs.

Table 3.1 Applications for grants of *adult* anti-TB drugs approved during the 15th Technical Review Committee meeting

Country approved	Grant type	Patients*	Estimated cost (US\$)
Bosnia and Herzegovina	Emergency	2 485	84 577
Congo	2 nd term	10 058	204 394
Haiti	2 nd term	15 778	281 952
Mozambique	1 st term, year 3	38 200	1 827 022
Sri Lanka	1 st term, year 2	9 740	265 000
Zambia	2 nd term	49 000	1 591 027
Total (6)		76 261	4 253 972

* In principle, GDF includes 100% buffer stock with its first-line grants for adults and 20% buffer stock with its grants for children. Patient numbers that appear in tables 3.1 - 3.10 of this document do not include patients potentially treated with buffer stock. The estimated cost (US\$) is the total anticipated cost of GDF grant support, including drugs, transportation and quality control for both regular supply and buffer stocks.

Table 3.2 Applications for grants of *paediatric* anti-TB drugs approved during the 15th Technical Review Committee meeting

Country approved	Grant type	Patients	Estimated cost (US\$)
Cameroon	1 st term	1 150	15 703
Cape Verde	1 st term	40	1 104
Congo	1 st term	332	3 943
Egypt	1 st term	140	6 000
Guinea	1 st term	183	2 111
Kenya	1 st term	16 500	189 737
Lebanon	1 st term	30	4 713
Madagascar	1 st term	1 914	26 913
Malawi	1 st term	4 400	66 414
Mali	1 st term	260	25 003
Mauritania	1 st term	132	1 845
Niger	1 st term	1 000	9 016
Yemen	1 st term	300	11 000
Zambia	1 st term	5 000	61 538
Total (14)		31 381	425 040

All three (3) of the applications for new 2nd term grants of adult anti-TB drugs were approved (see table 3.1), however, two (2) of the approvals were conditional (*Congo, Haiti*). One (1) of these applications (*Haiti*) had previously been placed "under consideration" by TRC 14 (2006).

Of the twenty-two (22) applications for paediatric grants (see table 3.2), fourteen (14) were approved and four (4) were placed under consideration (*Jordan, Kyrgyzstan, Philippines, Turkmenistan*). Four (4) were not approved.

The TRC also reviewed the dossiers from three (3) country programmes (*Angola, Mozambique and Sri Lanka*) for continuation of support (the second and third years of a 3-year grant). The applications from Mozambique and Sri Lanka were both given cautionary approval. The application from Angola was not approved.

The emergency application from Bosnia and Herzegovina was approved by TRC 15 to provide one (1) year of GDF support so as to avoid stock-outs while Global Fund monies were being disbursed.

16th round of applications

The 16th TRC met on 10-12 July 2007 and reviewed eighteen (18) applications from programmes for grants of free first-line anti-TB drugs:

- sixteen (16) applications for grants of paediatric drugs; and
- two (2) applications for continuation of support for the second or third year of an adult grant.

Thirteen (13) of the applications for grants of paediatric anti-TB drugs were approved (see table 3.4). Four (4) of these applications (*Jordan, Kyrgyzstan, Philippines, Turkmenistan*) had previously been placed "under consideration" by TRC 15 (2007). Three (3) applications for paediatric grants were placed under consideration (*Nigeria, Sudan, Tunisia*) by TRC 16.

Table 3.3 Applications for grants of *adult* anti-TB drugs approved during the 16th Technical Review Committee meeting

Country approved	Grant type	Patients	Estimated cost (US\$)
Burundi	2 nd term, year 2	6 200	116 515
Kenya	2 nd term, year 3	60 000	2 915 525
Total (2)		66 200	3 032 040

Table 3.4 Applications for grants of *paediatric* anti-TB drugs approved during the 16th Technical Review Committee meeting

Country approved	Grant type	Patients	Estimated cost (US\$)
Burundi	1 st term	700	5 402
Eritrea	1 st term	340	7 201
Guinea Bissau	1 st term	170	2 059
Jordan	1 st term	130	5 000
Kazakhstan	1 st term	4 706	150 358
Kyrgyzstan	1 st term	1 200	33 246
Lesotho	1 st term	1 000	1 569
Macedonia	1 st term	72	4 725
Myanmar	1 st term	24 348	254 810
Philippines	1 st term	9 260	106 483
Sierra Leone	1 st term	1 245	14 316
Sri Lanka	1 st term	362	10 000
Turkmenistan	1 st term	178	15 559
Total (13)		43 711	610 728

Table 3.5 Types of GDF grant decisions

TRC Decision	Means
Approved	Programme receives a GDF grant
Conditional approval	Programme receives a GDF grant after demonstrating it has met specified conditions
Cautionary approval	Programme receives a GDF grant but is advised to address TRC concerns to ensure future support
Under consideration	Programme must resubmit its application to GDF, clarifying questions raised by the TRC, before a decision can be made about its application
Not approved	Programme does not receive a GDF grant

Stop TB Global Drug Facility

The TRC also reviewed and approved the dossiers from two (2) country programmes (see table 3.3) for continuation of support (the second and third years of a 3-year adult grant).

17th round of applications

The 17th TRC met on 27-29 November 2007 and reviewed sixteen (16) applications from programmes for grants of free first-line anti-TB drugs:

- two (2) applications for 2nd term grants of adult anti-TB drugs;
- eight (8) applications for grants of paediatric anti-TB drugs;
- four (4) applications for support for the second or third years of an existing grant; and
- two (2) applications for an emergency supply of drugs.

Both (2) of the applications for new 2nd term grants of adult anti-TB drugs were approved (see table 3.6), however, one (1) of the approvals was cautionary (*Bangladesh*).

Of the eight (8) applications for paediatric grants (see table 3.7), six (6) were approved, one of which (*Sudan*) had previously been placed "under consideration" by TRC 16 (2007). Two (2) applications were not approved.

The TRC also reviewed the dossiers from four (4) country programmes (*Democratic People's Republic of Korea, Lesotho, Myanmar and Nigeria*) for continuation of support (the second and third years of a 3-year adult grant). The applications were approved with the exception of the Nigeria application, which was placed under consideration. Lesotho received conditional approval. Myanmar received cautionary approval.

The emergency applications from Nigeria and Pakistan were approved by TRC 17 for one (1) year of GDF support.

Ad hoc technical reviews

In response to urgent country needs for anti-TB drugs, additional ad hoc technical reviews were held in January and May 2007. Two (2) applications for grants of adult anti-TB drugs were reviewed and approved (see table 3.8):

- one (1) application for a 2nd term grant (Eritrea) was given cautionary approval; and
- one (1) application (Senegal) was approved for an emergency grant (one year of support with no buffer stock).

Table 3.6 Applications for grants of *adult* anti-TB drugs approved during the 17th Technical Review Committee meeting

Country approved	Grant type	Patients	Estimated cost (US\$)
Bangladesh	2 nd term	139 358	2 000 000
Cape Verde	2 nd term	330	8 000
Democratic People's Republic of Korea	2 nd term, year 2	57 071	2 000 000
Lesotho	1 st term, year 2	12 560	606 000
Myanmar	2 nd term, year 2	132 461	2 400 000
Nigeria	Emergency	109 900	2 700 000
Pakistan	Emergency	136 571	3 540 000
Total (7)		588 251	13 254 000

Table 3.7 Applications for grants of *paediatric* anti-TB drugs approved during the 17th Technical Review Committee meeting

Country approved	Grant type	Patients	Estimated cost (US\$)
Democratic People's Republic of Korea	1 st term	2 970	55 462
Ethiopia	1 st term	6 800	148 000
Morocco	1 st term	2 290	67 789
Papua New Guinea	1 st term	2 000	37 350
Sudan	1 st term	2 903	82 679
Sudan (South)	1 st term	750	21 350
Total (6)		17 713	412 630

Table 3.8 Applications for grants of anti-TB drugs approved during ad hoc technical reviews

Country approved	Grant type	Patients	Estimated cost (US\$)
Eritrea	2 nd term, year 1	3 544	194 605
Senegal	Emergency	12 100	318 227
Total (2)		15 644	512 832

Delegated TRC reviews

Outside of traditional technical reviews, eleven (11) applications were approved under delegated TRC assessments subsequent to an annual monitoring and evaluation assessment (see table 3.9). If a GDF monitoring mission gives a green light for continuation of a first-term grant, and the independent GDF-contracted desk auditor confirms this decision, then the TRC is not required to review the dossier. All second-term dossiers, on the other hand, are reviewed by the TRC before a grant can be continued.

Approximately six months after GDF grant drugs have arrived in country, a GDF monitoring mission (composed of TB and drug management experts) visits the recipient. The monitoring mission submits a report to the GDF Secretariat, together with information on GDF drug arrival, customs clearance, drug registration, quarterly reports on case findings and treatment outcomes and annual World Health Organization (WHO) TB data collection form. This information, known as a monitoring dossier, is then sent to external auditors.

The external auditor reviews the monitoring dossier for completeness, consistency and credibility. The auditor must also decide whether the information

in the monitoring dossier is sufficient to enable the TRC to assess whether GDF terms and conditions of support as well as other monitoring requirements have been met.

Table 3.9 Applications for grants of anti-TB drugs approved subsequent to annual monitoring and evaluation

Country approved	Grant type	Patients	Estimated cost (US\$)
Afghanistan	1 st term, year 2	28 900	831 252
Cameroon	1 st term, year 2	28 942	1 516 020
Cape Verde	1 st term, year 3	337	21 412
Kyrgyzstan	1 st term, year 2	8 243	153 681
Lao People's Democratic Republic	1 st term, year 2	4 632	154 842
Madagascar	1 st term, year 3	23 638	870 471
Maldives	1 st term, year 3	130	2 933
Niger	1 st term, year 3	9 046	289 354
Tanzania, United Republic of	1 st term, year 3	62 100	1 032 716
Timor-Leste	1 st term, year 3	4 259	61 202
Turkmenistan	1 st term, year 3	4 400	266 126
Total (11)		174 627	5 200 009

Summary of GDF first-line grants approved in 2007

Table 3.10 Summary of GDF grants approved in 2007

Source of Approval	Grants	Patients	Estimated cost (US\$)
15 th Round of Applications	20	107 642	4 679 012
16 th Round of Applications	15	109 911	3 642 768
17 th Round of Applications	13	605 964	13 666 630
Ad hoc technical reviews	2	15 644	512 832
Delegated TRC reviews	11	174 627	5 200 009
Total	61	1 013 788	27 701 251

Stop TB Global Drug Facility

Drug deliveries to GDF first-line grant recipients

In total, from 1 January 2007 to 31 December 2007, GDF delivered more than **one million and seven hundred thousand (1 715 858)** TB patient treatments to **forty-five (45)** grant recipients (see table 3.10).

These figures raise the number of countries that have received free GDF anti-TB drugs to **sixty-six (66)** and the cumulative number of patient treatments supplied via GDF grants (2001 to 2007) to over **eight and a half million (8 577 615)**.

Table 3.11 Deliveries of anti-TB drugs to GDF Grant Recipients in 2007 (continued on next page)

Country	Grant Type	Patient Treatments
Afghanistan	1st term, year 1 (paediatric)	3 720
Bangladesh	Second-term, year 1 (adult)	105 953
Benin	1st term, year 1 (paediatric)	120
Burkina Faso	1st term, year 3 (adult)	8 500
Burundi	Second-term, year 1 and 2 (adult)	15 055
Cambodia	1st term, year 1 (paediatric)	2 160
Cameroon	1st term, year 2 (adult)	51 806
Cape Verde	1st term, year 3 (adult)	350
Chad	1st term, year 1 (adult)	4 932
Congo (the Republic of)	Second-term, year 1 (adult)	12 210
Côte d'Ivoire	1st term, year 1 (paediatric); 1st term, year 1 (adult)	26 417
Djibouti	1st term, year 1 (paediatric); 2nd term, year 1 (adult)	4 413
Egypt	1st term, year 3 (adult)	4 633
Eritrea	Second-term, year 1 (adult)	7 159
Gambia (the)	Second-term, year 1 (adult)	3 524
Guinea	1st term, year 3 (adult)	9 420
Haiti	Second-term, year 1 (adult)	15 808
India	DFID/India	1 051 400
Indonesia	1st term, year 1 (paediatric)	12 000
Iraq	1st term, year 1 (paediatric); Emergency (adult)	5 864
Kyrgyzstan	1st term, year 1 (adult)	11 225
Lao People's Democratic Republic (the)	1st term, year 1 (adult)	5 984
Lesotho	1st term, year 1 (adult)	23 100
Madagascar	1st term, year 2 (adult)	19 713
Malawi	1st term, year 1 (adult)	41 607
Maldives	1st term, year 3 (adult)	34
Mali	1st term, year 3 (adult)	10 842
Myanmar	Second-term, year 2 (adult)	40 476
Nepal	1st term, year 1 (paediatric)	2 280
Niger (the)	1st term, year 3 (adult)	9 679
Nigeria	Second-term, year 1 (adult)	13 132

Annual Report 2007

Table 3.11 Deliveries of anti-TB drugs to GDF Grant Recipients in 2007 (continued from previous page)

Country	Grant Type	Patient Treatments
Pakistan	1st term, year 1 (paediatric)	26 303
Rwanda	1st term, year 1 (paediatric); 1st term, year 3 (adult)	10 744
Senegal	Emergency (adult)	12 100
Sierra Leone	Second-term, year 1 (adult)	12 483
Somalia	1st term, year 1 (paediatric)	1 560
Sudan	Emergency (adult)	n/a
Syrian Arab Republic (the)	1st term, year 3 (adult)	6 375
Tajikistan	Second-term, year 1 (adult)	16 202
Tajikistan	1st term, year 1 (paediatric)	465
Timor-Leste	1st term, year 2 (adult)	7 628
Togo	Second-term, year 2 (adult)	3 824
Turkmenistan	1st term, year 2 (adult)	714
Uganda	Second-term, year 1 (adult)	56 849
Ukraine	1st term, year 1 (adult)	22 716
Uzbekistan	1st term, year 3 (adult)	14 379
Total (45 countries)		1 715 858

Grants of free second-line anti-TB drugs

In 2007, GDF began providing grants of free second-line anti-TB drugs for use by programmes approved by the Green Light Committee (GLC) Initiative to treat patients with multidrug-resistant TB (MDR-TB).

Established in 2000, the GLC Initiative is the mechanism that enables access to affordable, high-quality, second-line anti-TB drugs for the treatment of MDR-TB.

Through support from UNITAID, and in cooperation with the Global Fund, seventeen (17) countries were approved for grants totalling approximately 4,717 treatments (see table 3.12).

Table 3.12 Grants approved for second-line anti-TB drugs in 2007

Country	Patient Treatments	Estimated cost (US\$)
Azerbaijan	1 171	4 763 628
Burkina Faso	60	74 700
Cambodia	200	744 600
Congo, Democratic Republic of	550	848 650
Dominican Republic	323	910 214
Guinea	50	112 400
Haiti	160	536 640
Kenya	309	1 254 540
Kyrgyzstan	160	649 600
Lesotho	100	364 600
Malawi	100	232 500
Moldova, Republic of	150	327 150
Mozambique	100	232 500
Myanmar	200	465 000
Nepal	450	514 350
Timor-Leste	20	46 500
Uzbekistan	614	2 187 682
Total (17 countries)	4 717	14 265 254

4.0 Direct Procurement of drugs and supplies through GDF

The GDF Direct Procurement (DP) Service is intended for governments, donors and non-governmental organizations that wish to purchase drugs and supplies for use in programmes in countries that have sufficient finances but lack adequate procurement capacity, including a robust quality assurance system. The DP Service, begun in 2003, is flexible enough to support a variety of country and donor needs, resulting in a solid base of regular users of this Service while appealing to new customers.

Drug orders placed by GDF Direct Procurement customers

During 2007, **forty-one (41)** orders for anti-TB drugs were placed by **thirty-eight (38)** countries through the DP Service (see table 4.1). These orders represented **608,131** anti-TB patient treatments, worth approximately **10.8 million US\$** for drugs and supplies. The total value of these orders (including agent fees, insurance, pre-shipment inspection, quality control and shipping costs) was approximately **12.5 million US\$**.

Of the orders placed in 2007:

- Fourteen (14) countries placed an order with GDF through the DP Service for the first time in 2007, bringing the total number of countries that have used this service to fifty-two (52).
- Twenty-four (24) countries that had previously used the DP service chose to use it again.
- Eight (8) countries ordered the newly introduced GDF Diagnostic Kits through DP.

As well as meeting country needs, the DP Service continued to serve a variety of donors:

- Twenty-one (21) orders were placed using grant monies from the Global Fund to Fight AIDS, Tuberculosis and Malaria. Nine (9) countries used Global Fund monies to order through GDF DP for the first time, bringing the total number of countries to have done so to twenty-six (26). The total value of orders placed using Global Fund monies during 2007 was 8.2 million US\$ – or approximately 66% of the value of all DP orders placed.
- Fourteen (14) orders were placed using monies from a variety of other donors, including KfW, USAID and WHO. One (1) country, the Philippines, placed multiple orders from different funding sources (Global Fund and WHO).
- Six (6) orders were placed using Government funds from national budget lines.

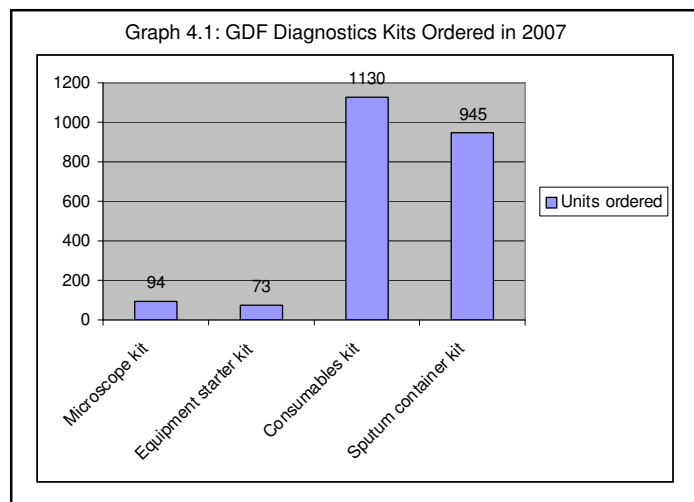


Table 4.1 Direct Procurement orders placed in 2007 (continued on next page)

Country (Funding Source)	Patient treatments	Product costs (US\$)
Albania (Government)	1 019	25 220
Angola (Global Fund)*	4FDC	104 072
Armenia (KfW)	3 290	114 766
Bangladesh (Global Fund)	90 000	1 113 058
Benin (Global Fund)*	8 274	161 475
Bulgaria (Government)*	Streptomycin	4 566

* Indicates a country that in 2007 used the GDF Direct Procurement Service for the first time.

Annual Report 2007

Table 4.1 Direct Procurement orders placed in 2007 (continued from previous page)

Country (Funding Source)	Patient treatments	Product costs (US\$)
Burundi (Global Fund)*	Prophylaxis	2 360
Cambodia (WHO)	Diagnostics	17 490
Djibouti (Global Fund)	Diagnostics	22 500
Ethiopia (Global Fund)	Streptomycin	45 015
Georgia (KfW)	9 492	188 595
Ghana (Global Fund)	18 031	394 405
India (USAID)	100 250	1 167 394
Indonesia (Global Fund)	122 008	1 689 811
Lebanon (WHO)	515	10 993
Macedonia, Former Yugoslav Republic of (Global Fund)*	628	12 661
Malawi (WHO)	Diagnostics	21 510
Micronesia, Federated States of (WHO)	225	4 617
Mongolia (Global Fund)	8 900	199 275
Namibia (Government)	3 851	86 711
Niger (Global Fund)*	Diagnostics	23 315
Nigeria (WHO)	Diagnostics	237 104
Oman (Government)*	100	1 763
Pakistan (KfW)*	44 000	1 350 857
Papua New Guinea (Global Fund)	6 285	166 808
Papua New Guinea (Global Fund)	Diagnostics	29 844
Philippines (Global Fund)	113 874	2 007 599
Philippines (WHO)	16 910	298 123
Republic of Moldova (the) (Global Fund)	8 029	191 880
Samoa (WHO)*	50	1 114
Serbia (and Kosovo) (Global Fund)	Ethambutol/Isoniazid	30 819
Serbia (and Kosovo) (Global Fund)	1 863	48 492
Solomon Islands (Government)*	840	15 615
Somalia (Global Fund)	14 570	247 739
Swaziland (Global Fund)*	10 472	260 534
Tajikistan (Global Fund)	8 962	123 499
Timor-Leste (WHO)	Diagnostics	6 230
Togo (Government)*	1 432	47 364
Turkmenistan (WHO)*	Diagnostics	3 124
Tuvalu (WHO)*	40	813
Uzbekistan (Global Fund)	14 221	326 518
Total orders (41)	608 131	10 805 650

Drug deliveries to GDF Direct Procurement customers

In total, from 1 January 2007 to 31 December 2007, GDF delivered **thirty-three (33)** orders of anti-TB drugs and supplies to **thirty-two (32)** countries (see table 4.2). These deliveries represented **424,473** patient treatments. The drugs and supplies delivered were worth

Stop TB Global Drug Facility

approximately **7 million US\$**. The total value of these deliveries (including agent fees, insurance, pre-shipment inspection, quality control and shipping costs) was **8.4 million US\$**.

Of the orders delivered in 2007:

- Sixteen (16) orders were paid for using monies from the Global Fund. The value of drugs and supplies delivered and paid for using Global Fund monies during 2007 was 4.7 million US\$ – or approximately 67% of the total value of all products delivered through the DP service.
- Twelve (12) orders were paid for using monies from a variety of other donors, including DFID, KfW, USAID and WHO.
- Five (5) orders were paid for using Government funds.
- Twelve (12) countries received a GDF DP delivery in 2007 for the first time.

These figures raise the number of countries that have received anti-TB drugs through the GDF DP Service to **forty-three (43)** and the cumulative number of patient treatments supplied via GDF Direct Procurement (2001 to 2007) to over **two and a half million (2 574 464)**.

Table 4.2 Direct Procurement orders delivered in 2007 (continued on next page)

Country (Funding Source)	Patient treatments	Product costs (US\$)
Afghanistan (WHO)	1 000	21 890
Albania (Government)	1 019	25 220
Angola (Global Fund)*	4FDC	104 072
Armenia (KfW)	3 290	114 766
Azerbaijan (KfW)	15 181	398 672
Bangladesh (Global Fund)	25 307	402 542
Benin (Global Fund)*	8 274	161 475
Bulgaria (Government)*	Streptomycin	4 566
Burundi (Global Fund)	Prophylaxis	2 359
Democratic Republic of the Congo (the) (Global Fund)*	67 828	1 018 320
Dominican Republic (the) (Government)	3 469	60 440
Ethiopia (Global Fund)	Streptomycin	45 015
Gabon (WHO)*	2 341	32 196
Georgia (KfW)	9 492	188 595
Ghana (Global Fund)*	25 400	495 484
Guyana (Global Fund)*	1 115	15 037
India (USAID)	59 480	654 808
Indonesia (Global Fund)	100 000	1 426 550
Lebanon (WHO)*	400	7 409
Micronesia (Federated States of) (WHO)	225	4 617
Mongolia (Global Fund)	4 450	86 621
Namibia (Government)	3 851	86 711
Nepal (DFID)	28 000	427 041
Oman (Government)*	100	1 763
Philippines (the) (WHO)	16 910	298 123
Republic of Moldova (the) (Global Fund)	8 029	191 880
Samoa (WHO)*	50	1 114

* Indicates a country that in 2007 received a GDF Direct Procurement Service delivery for the first time.

Table 4.2 Direct Procurement orders delivered in 2007 (continued from previous page)

Country (Funding Source)	Patient treatments	Product costs (US\$)
Serbia (and Kosovo) (Global Fund)	1 469	36 388
Serbia (and Kosovo) (Global Fund)	Ethambutol/Isoniazid	30 819
Somalia (Global Fund)	14 570	247 739
Tajikistan (Global Fund)	8 962	123 499
Tuvalu (WHO)*	40	813
Uzbekistan (Global Fund)*	14 221	326 518
Total orders delivered (33)	424 473	7 065 805

Procurement of anti-TB drugs for MDR-TB management programmes

During the reporting period, GDF continued its procurement support for programmes approved by the GLC. **Thirty (30)** countries received deliveries of second-line anti-TB drugs for use in forty-two (42) GLC-approved programmes.

These deliveries reflected a total value of **3.73 million US\$** worth of second-line drugs. In 2007, **18,303** patients were put on or continued treatment for MDR-TB with drugs delivered by GDF.

5.0 GDF technical support for drug management

Shortages of anti-TB drugs frequently result from an insufficient capacity within a country to plan, fund, procure or manage its drug supply. GDF has successfully used a holistic approach to address immediate gaps in drug supply while helping countries to overcome systemic problems in drug management and work to establish the long-term capacity needed by national TB control programmes in the management of their drug supplies.

Technical assistance in drug management to support National TB Programmes (NTPs) continues to be part of all GDF in-country missions. GDF experts provide on-the-spot support and recommendations to improve drug management practices. In addition to the direct technical assistance provided to individual country programmes, GDF builds capacity by conducting a variety of country- and regionally-based drug management trainings and continuing to support the WHO Prequalification Programme.

Technical Assistance through GDF Missions

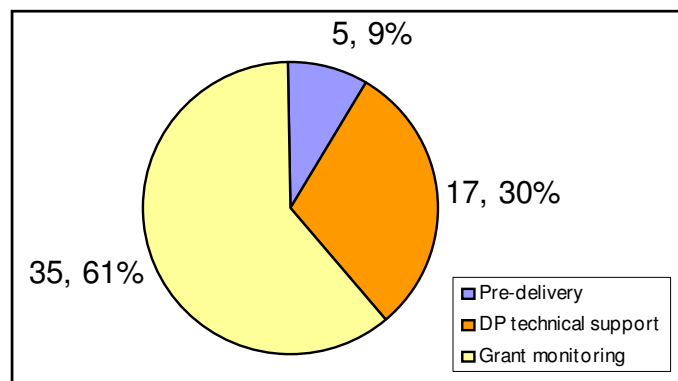
GDF missions are pillars in the provision of technical support to NTPs. Mission teams monitor the use of existing drug supplies while working with national programmes to address bottlenecks and weaknesses in their supply chain and help programmes plan for their future drug needs. Visits are organized in countries that are either receiving GDF grant support or using its Direct Procurement service, or both. Three types of GDF missions are conducted:

- *Pre-delivery* country visits for countries that are approved or placed "under consideration" for GDF support;
- *Grant monitoring* missions which are annual visits conducted to all grant supported countries;
- *DP technical support* missions for countries utilizing the GDF Direct Procurement (DP) Service.

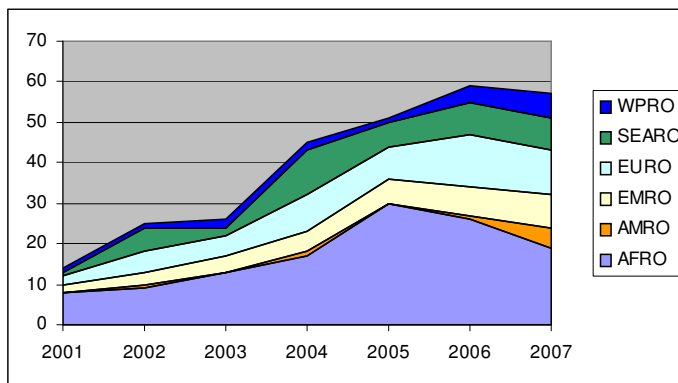
In 2007, GDF organized **fifty-seven (57)** missions to NTPs in all six (6) of the WHO regions. Of the fifty-seven (57) missions, five (5) were pre-delivery country visits, thirty-five (35) were grant monitoring missions, and seventeen (17) were technical support missions.

Since 2001, GDF has sent a total of **two hundred and seventy-seven (277)** teams of drug management and TB experts to GDF supported countries. Graph 5.2, "GDF Missions by Region and Year", shows the number of missions sent to each WHO region each year since GDF was launched.

Graph 5.1: GDF Missions in 2007



Graph 5.2: GDF Missions by Region and Year



Key:

WPRO = Western Pacific, SEARO = South-East Asia, EURO = Europe, EMRO = Eastern Mediterranean (Middle East), AMRO = the Americas and AFRO = Africa.

Technical Assistance through GDF Regional Support Officers

GDF Regional Support Officers (RSOs) provide dedicated assistance for drug management and supply within key regions of the world. Since 2006, GDF has stationed RSOs in the WHO Eastern Mediterranean and South-East Asian regions, enhancing GDF's capacity to provide and/or broker timely and relevant technical assistance.

So as to expand this base of support, in 2007 GDF recruited a RSO for the WHO Africa region – the region of the world that reported the most stock-outs of anti-TB drugs in 2005².

Training workshops

To complement the technical assistance provided during missions, GDF is very active in participating and hosting a range of drug management trainings and workshops. In 2007 GDF was involved in more than a dozen different capacity building activities.

In close collaboration with its key partner Management Sciences for Health (MSH), GDF co-hosted four (4) workshops. One (1) workshop, held in the Philippines, provided training in management of second-line anti-TB drugs and the use of patient kits to improve drug management. A second workshop, held in Senegal, targeted National TB Programme staff in Francophone Africa and aimed to respond to an urgent call from the Region to strengthen the TB drug management capacity in those countries. A third workshop, held in Costa Rica, provided training in drug management with an emphasis on planning the introduction of fixed-dose-combinations (FDC).

The fourth joint workshop entitled "Filling the Gaps in Managing TB Pharmaceuticals and Commodities" was held at the annual IUATLD³ conference in Cape town, South Africa in November 2007. Targeting National Programme staff and other partners, the seminar presented tools, operational research and experiences intended to help TB programmes address problems in TB prevention and care. The seminar drew nearly 50 participants and received positive feedback.

GDF and MSH also collaborated in Guyana in 2007 to provide technical support and drug management training to the national TB programme.

Furthermore, GDF participated in and provided assistance during national TB programme reviews in Bangladesh, Indonesia, and Thailand in 2007. In Myanmar and Bangladesh, GDF staff assisted NTPs to prepare standard operating procedures for drug procurement, distribution and management. In Poland, GDF supported the TB CAP Initiative by training Eastern European TB Programme Managers in drug management. In Timor-Leste and Sri Lanka, GDF provided training and drug management support.

² Source: WHO Global Tuberculosis Control report, 2007.

³ International Union Against TB and Lung Disease

6.0 GDF operations

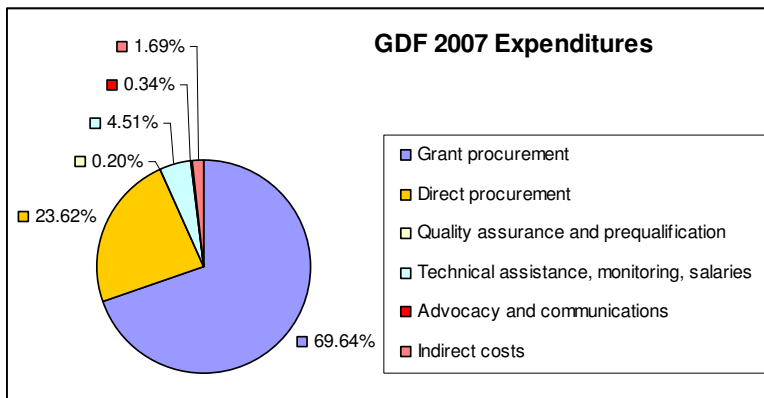
In 2007, the following key developments characterized GDF's functions at the management and operational levels:

- GDF launched a comprehensive Achievements Report and press campaign in 2007 that successfully described GDF's dramatic support to countries in the fight against TB. Since 2001, GDF has supplied more than 11 million patient treatments to 82 countries worldwide.
- GDF increased its support for programmes approved by the GLC to treat patients with multidrug-resistant TB (MDR-TB) by hiring new, additional procurement staff dedicated to monitoring and coordinating drug supply to these programmes.
- Médecins Sans Frontières, a member of the Stop TB Partnership, seconded a senior pharmacist to GDF to further enhance its services to GLC-approved MDR-TB programmes.
- Furthermore, GDF ensured its ability to sustain support for GLC-approved programmes by signing a long-term agreement with its procurement agent for second-line drugs, the International Dispensary Association (IDA). IDA was chosen by GDF as its procurement agent for second-line drugs after a lengthy competitive selection process.
- GDF also carried out a competitive selection process for its suppliers of first-line anti-TB drugs, and signed long-term agreements with the five (5) suppliers selected: Cadila Pharmaceuticals Ltd., Lupin Ltd., Macleods Pharmaceuticals Inc., Strides Arcolab Ltd. and Svizera.
- A new procurement team manager was hired by GDF and took office in October 2007.
- A Regional Support Officer was recruited for placement in the African region in Quarter 1 of 2008 to provide more direct support to countries receiving drugs from GDF and to identify needs for and broker technical support for drug management in that region. A procurement officer was also recruited to be placed in Delhi, India to coordinate activities related to the procurement of anti-tuberculosis medicines for the Revised National Tuberculosis Programme, India funded by DFID.
- GDF continued its tradition of packaging essential, high quality products in ways that simplify the work of national programmes, by adding diagnostic kits to its catalogue of anti-TB drugs and supplies. Several countries placed orders for diagnostic kits in 2007 and this interest is expected to increase in 2008.
- GDF successfully concluded the second year of its five-year MOU with DFID to provide TB drugs and technical support (via WHO and other partners) to India's TB Control Programme. Approximately US\$ 12 million worth of TB drugs were delivered to the TB Programme.
- GDF operations were audited in 2007 and re-certified as ISO 9001:2000 compliant for "provision of quality-assured anti-TB drugs and related services to eligible national TB control programmes". A few corrective actions were recommended particularly with regards to the routine collection and analysis of customer feedback, which will be addressed in Q2 2008.
- GDF continued to rely on a lean, efficient team to operate the GDF mechanism, with less than 5% of its overall expenditure allocated to operational costs.
- The Canadian International Development Agency (CIDA), the governments of the Netherlands and Norway, the Novartis Foundation for Sustainable Development,⁴ UNITAID, and the United States Agency for International Development (USAID) all

⁴ Contribution in the form of WHO/GDF-approved first anti-TB drugs and the quality control, freight and insurance of the same to mutually agreed Grantees, rather than a cash contribution.

provided funding for GDF support to countries. GDF anticipates additional funding from these donors in 2008.

- UNITAID and GDF announced a collaboration in 2007 (worth approximately 26.8 million US\$) to address life-threatening shortages of first-line anti-TB drugs in 19 countries that had confirmed future support from the Global Fund or another donor but were not able to cover their immediate needs.



- GDF, UNITAID and the Global Fund also signed an agreement in 2007 to help increase access to, and affordability of, quality assured second-line anti-TB drugs for use in multidrug-resistant TB (MDR-TB) control. UNITAID funding (worth approximately 20.8 million US\$) will make it possible for GDF to procure and supply an estimated 4,717 patient treatments to MDR Programmes approved by the GLC in 17 countries by the end of 2011.

Challenges for 2008

While 2007 has seen impressive successes and milestones met by GDF, 2008 will present a new set of challenges:

- GDF must continue scaling down its Grant Service so as to best complement the Global Fund and the GDF's Direct Procurement service, while at the same time ensuring that GDF grants remain available for core beneficiaries (e.g. emergency grantees and programmes for which GDF Grant leverage can accelerate adoption of better technical standards, such as fixed dose combinations or paediatric formulations).
- GDF must further diversify its funding base to ensure that GDF services to Grant recipients and Direct Procurement customers are sustainable.
- GDF, with its partners, must ensure that patients being treated for MDR-TB within and outside of GLC-approved projects have access to quality assured second-line drugs.
- The availability of WHO prequalified anti-TB drugs, especially second-line (2 prequalified products) and paediatric (no prequalified products), remains a challenge. While the unprecedented multi-million dollar funding received by the WHO Prequalification Programme in 2007 provides vast opportunity for acceleration of the prequalification effort GDF will need to work proactively to ensure that TB remains a priority among other competing disease areas (HIV, Malaria, Reproductive Health and soon Chronic diseases). Moreover, GDF will need to work to ensure that the funds are spent on priority TB products and according to a schedule that meets Stop TB and programme priorities.
- As GDF's customer base grows and the scope of GDF's work increases to include diagnostics, paediatrics, second-line drugs and new TB tools, GDF must remain operationally efficient and lean without spreading its human resources too thinly, or else risk a decrease in the quality of its performance and in customer satisfaction with GDF services.
- GDF must develop a process for tapping into existing resources for technical assistance to address bottlenecks and other flaws in drug management that are identified during GDF monitoring and evaluation of Grant recipients and DP customers.

Annex I. GDF performance, process and impact indicators

GDF core functions	Activity	Results		
		Current reporting period (2007)	Previous year (2006)	Cumulative (2001-2007)
Funding	Funds raised for GDF operations, in US\$ '000	74 007 (2007)		211 597
	Total funds raised for first-line GDF grants, in US\$ '000 ⁵	56 795 (2007)		163 614
First-line Grants	Value of GDF grants approved, in US\$ '000	27 701	30 383	132 710
	No. of patient treatments supplied via grants ⁶	1 715 858	2 026 647	8 577 615
Second-line Grants	Value of GDF grants approved, in US\$ '000	14 265	N/A	14 265
	No. of patient treatments approved for grants	4 717	N/A	4 717
First-line Direct Procurement	No. of new countries placing Direct Procurement orders ⁷	14	8	52
	Value of Direct Procurement orders placed, in US\$ '000 ⁸	10 806	6 165	41 882
	No. of patient treatments supplied via Direct Procurement ⁹	424 473	565 166	2 574 464
First-line Grants and Direct Procurement	No. of patient treatments supplied via GDF Grants and the Direct Procurement Service	2 140 331	2 591 813	11 152 079
	No. of countries that received first-line drug deliveries	67	46	83
First-line Grant applications and review	No. of High Burden Countries ¹⁰ receiving GDF drugs through a GDF Grant or GDF Direct Procurement	13	13	15
	No. of rounds of grant application and review	3	2	17
	No. of new applications for a grant ¹¹	42	39	191
	No. of new applications approved for a 1 st term adult grant ¹²	0	9	82
	No. of new applications approved for a 2 nd term adult grant	6	9	19
	No. of new applications approved for a paediatrics grant	33	14	47
	No. of countries approved for a GDF grant	44	25	75
	No. of applications for new or continued support not approved or placed "under consideration"	15	13	74
First-line monitoring and evaluation	No. of applications approved that were previously not approved or placed "under consideration"	7	1	27
	No. of pre-delivery country visits to GDF countries	5	5	67
	No. of monitoring missions to GDF Grant countries	35	40	162
	No. of technical assistance missions to countries using the Direct Procurement Service	17	13	38
Anti-TB Drug Prequalification & GMP Compliance¹³	No. of countries that completed their 1 st term 3-year grant	10	13	38
	No. of first-line manufacturers that are WHO GMP compliant	6	6	6
	No. of first-line prequalified products from those listed in the GDF catalogue (out of 32 products in the GDF catalogue)	10	7	10
	No. of first-line prequalified products from those listed in the GDF catalogue (out of 32) that have 2 or more suppliers	5	2	5

⁵ Includes both cash contributions and drugs donated in-kind.

⁶ The number of patient treatments delivered to grant recipients during the reporting period (table 2.7).

⁷ Countries that are already Direct Procurement clients who place new orders are not counted again.

⁸ Based on Purchase Orders.

⁹ The number of patient treatments delivered to countries via the Direct Procurement Service during the reporting period (table 3.2).

¹⁰ The Stop TB Partnership defines as "High Burden" those countries accounting for 80% of global infective cases of tuberculosis.

¹¹ Includes only new applications for a 3-year first-term or second-term GDF grant of adult or paediatric medicines. Annual renewal of GDF support for years 2 and 3 of a Grant is not considered a new application. An "under consideration" country that re-applies is not considered a new application. Applications for emergency deliveries of drugs to avoid humanitarian crises are not included.

¹² Includes new applications for a grant as well as "under consideration" applicants that were approved during the reporting period.

¹³ As assessed under the Procurement, Quality and Sourcing Project: Access to Anti-Tuberculosis Drugs of Acceptable Quality, which is coordinated and implemented by the WHO Department Medicines Policy and Standards/Quality Assurance and Safety of Medicines and for which GDF is a principal contributor of funds and political support.

Annual Report 2007

GDF core functions	Activity	Results		
		Current reporting period (2007)	Previous year (2006)	Cumulative (2001-2007)
	No. of second-line manufacturers that are WHO GMP ¹⁴ compliant	8	N/A	8
	No. of second-line prequalified products from those listed in the GDF catalogue (out of 10)	2	N/A	2
	No. of second-line prequalified products from those listed in the GDF catalogue (out of 10) that have 2 of more suppliers	0	N/A	0
Area	Indicator	GDF price per tablet / vial	Lowest other price per tablet / vial	
Direct Procurement (Affordability)	GDF drug price (US\$) compared to the lowest price offered by a competitive selection of international suppliers ¹⁵			
	Capreomycin	3.2100 (lowest price available)	13.7000	
	Cycloserine	0.5096 (lowest price available)	1.0959	
	Kanamycin (powder)	0.3716 (lowest price available)	0.5365	
	RHZE 150/75/400/275	0.0548 (lowest price available)	No other sources listed ¹⁶	
	EH 400/150	0.0259 (lowest price available)	0.0293	
	H300	0.0077	0.0056 (lowest price available)	
	RH 150/75	0.0232 (lowest price available)	0.0246	
		Current reporting period (2007)	Previous year (2006)	
Cure Rates	Estimated number of TB patients that will be cured with drugs supplied via GDF Grants ¹⁷	1 458 479	1 723 269	
	Estimated number of TB patients that will be cured with drugs supplied via GDF Direct Procurement ¹⁸	357 870	448 780	
	Total estimated number of TB patients that will be cured (Grants and Direct Procurement)	1 816 349	2 172 048	
	Average cost per additional cure in US dollars (including product costs, insurance and delivery fees) ¹⁹	25.70 US\$		

Service Indicators: Direct Procurement

Service	Indicator	Results		
		Current reporting period (2007)	Previous year (2006)	Cumulative (2007-onwards)
First-line Direct Procurement	Number of purchase requests made	49	n/a	49
	Number of requests delivered	40	n/a	40
	Number of patient treatments ordered	608 131	n/a	608 131
	Number of patient treatments delivered	424 473	n/a	424 473
	No. of countries that received drug deliveries	32	19	43
	% of requests dispatched from manufacturers on schedule ²⁰	74.29%	N/A	74.29%

¹⁴ Or carry an equivalent compliancy, such as through a recognized stringent regulatory authority.

¹⁵ Source: International Drug Price Indicator Guide 2007, <http://erc.msh.org/>.

¹⁶ No other sources of RHZE 150/74/400/275 were listed in the International Drug Price Indicator Guide for 2007

¹⁷ 85% of patient treatments delivered via GDF grants during this reporting period. Patients may be treated outside of reporting period. Does not account for product expiry, damage or loss.

¹⁸ 85% of patient treatments delivered via the Direct Procurement Service during this reporting period

¹⁹ Cost per estimated patient cured. Figure comes from the Secretariat estimation of \$22.35 per patient (includes average drug cost, insurance and freight) and based on an 85% cure rate.

Stop TB Global Drug Facility

Service	Indicator	Results		
		Current reporting period (2007)	Previous year (2006)	Cumulative (2007-onwards)
	% of requests arriving in countries on schedule	55.56%	N/A	55.56%
	Average number of days from purchase request to advance payment by customer (where applicable)	54 days	n/a	54 days
	<i>Average number of days from purchase request to advance payment by customer (Global Fund orders)</i>	42 days	n/a	42 days
	Average number of days for manufacturing	34 days	n/a	34 days
	<i>Average number of days for manufacturing (Global Fund orders)</i>	34 days	n/a	34 days
	Average number of days from order finalization to first delivery (all orders)	84 days	n/a	84 days
	<i>Average number of days from order finalization to first delivery (Global Fund orders)</i>	85 days	n/a	85 days
	Spending on products as percent of total order costs (all orders)	84.38%	n/a	84.38%
	<i>Spending on products as percent of total order costs (Global Fund orders)</i>	86.29%	n/a	86.29%
	Spending on shipping, insurance and quality control as percent of total order costs (all orders)	13.46%	n/a	13.46%
	<i>Spending on shipping, insurance and quality control as percent of total order costs (Global Fund orders)</i>	11.93%	n/a	11.93%
	Spending on procurement fees as percent of total order costs (all orders)	2.15%	n/a	2.15%
Second-line Direct Procurement	Number of purchase requests made	62	n/a	62
	Countries making purchase requests	30	n/a	30
	Total value of requests placed (US\$)	9 750 306	n/a	9 750 306
	Number of requests delivered (all orders)	54	n/a	54
	<i>Number of requests delivered (Global Fund orders)</i>	30	n/a	30
	Countries receiving deliveries (all orders)	30	n/a	30
	Patients able to start or continue treatment for MDR-TB with drugs delivered (all orders)	18 303	n/a	18 303
	<i>Patients able to start or continue treatment for MDR-TB with drugs delivered (Global Fund orders)</i>	16 894	n/a	16 894
	Average number of days from order finalization to first delivery (all orders)	107 days	n/a	107 days
	Total value of requests delivered (all orders, US\$)	4 283 525	n/a	4 283 525
	<i>Total value of requests delivered (Global Fund orders, US\$)</i>	2 716 693	n/a	2 716 693
	Spending on products as percent of total order costs (all orders)	87.17%	n/a	87.17%
	<i>Spending on products as percent of total order costs (Global Fund orders)</i>	85.22%	n/a	85.22%
	Spending on shipping and insurance as percent of total order costs (all orders)	8.84%	n/a	8.84%
	<i>Spending on shipping and insurance as percent of total order costs (Global Fund orders)</i>	9.96%	n/a	9.96%
	Spending on procurement fees as percent of total order costs (all orders)	7%	n/a	7%
	<i>Spending on procurement fees as percent of total order costs (Global Fund orders)</i>	7%	n/a	7%

²⁰ A Direct Procurement order is considered "on schedule" if milestones (such as successful pre-shipment inspection and delivery of products) occur within the lead time specified on the accepted pro forma invoice for the order.

Annual Report 2007

Service Indicators: Grants

Service	Indicator	Results		
		Current reporting period (2007)	Previous year (2006)	Cumulative (2007-onwards)
First-line: All grants	Number of purchase requests made	109	N/A	109
	Number of requests delivered	82	N/A	82
	No. of grant recipients that received drug deliveries	45	31	66
	Number of patient treatments delivered	1 715 858	N/A	1 715 858
	% of requests dispatched from manufacturers on schedule ²¹	98%	N/A	98%
	% of requests arriving in countries on schedule	59.8%	N/A	59.8%
	Average number of days for manufacturing	45	N/A	45
	Average number of days from order finalization to arrival in country (all orders)	107	N/A	107
	Average total cost of a delivered request (all orders, US\$)	335 579	N/A	335 579
	Spending on products as percent of total order costs (all orders)	89.77%	N/A	89.77%
	Spending on shipping, insurance and quality control as percent of total order costs (all orders)	7.37%	N/A	7.37%
	Spending on procurement fees as percent of total order costs (all orders) ²²	2.86%	N/A	2.86%
First-line: Transitional grants	Number of purchase requests made	26	N/A	26
	Number of requests delivered	20	N/A	20
	Number of patient treatments delivered	332 314	N/A	332 314
	% of requests dispatched from manufacturers on schedule	95%	N/A	95%
	% of requests arriving in countries on schedule	70%	N/A	70%
	Average number of days for manufacturing	38	N/A	38
	Average number of days from order finalization to arrival in country (all orders)	95	N/A	95
	Average total cost of a delivered request (all orders, US\$)	196 999	N/A	196 999
	Spending on products as percent of total order costs (all orders)	81.52%	N/A	81.52%
	Spending on shipping, insurance and quality control as percent of total order costs (all orders)	15.63%	N/A	15.63%
	Spending on procurement fees as percent of total order costs (all orders)	2.86%	N/A	2.86%
	First-line: Paediatric grants	Number of purchase requests made	47	N/A
Number of requests delivered		12	N/A	12
Number of patient treatments delivered		52 217	N/A	52 217
% of requests dispatched from manufacturers on schedule		100%	N/A	100%
% of requests arriving in countries on schedule		83.3%	N/A	83.3%
Average number of days for manufacturing		57	N/A	65
Average number of days from order finalization to arrival in country (all orders)		111	N/A	111
Average total cost of a delivered request (all orders, US\$)		26 737	N/A	26 737
Spending on products as percent of total order costs (all orders)		76.35%	N/A	76.35%
Spending on shipping, insurance and quality control as percent of total order costs (all orders)		20.80%	N/A	20.80%
Spending on procurement fees as percent of total order costs (all orders)	2.85%	N/A	2.85%	

²¹ A Grant order is considered "on schedule" if the manufacturer takes less than 120 days from when receiving an order to the order's satisfactory inspection for shipment (PSI).

²² Determined by dividing the total procurement agent fees for all deliveries by the total order costs (including drugs, quality control, shipping, insurance and procurement agent fees) for all deliveries.

Annex II. Statement of income and expenditure

Statement of GDF Income and Expenditures including Direct Procurement for the year ending 31 December 2007 (All figures in US\$'000)		
	Notes	2007
Income		
Governments and their Agencies – Specified	1	59 167
In-kind Contribution for Anti-TB Drugs from Novartis Foundation	2	2 340
Contributions for Direct Procurement	3	12 500
Other Income	4	0
Total Income		74 007
Expenditures		
Grant Procurement of Anti-TB Drugs		36 847
Direct Procurement		12 500
Quality Assurance and Prequalification		106
Technical Assistance, Monitoring and Salaries		2 384
Advocacy and Communications		182
Indirect Costs	5	893
Total Expenditures		52 912
Surplus/(Deficit) of Income over Expenditures		21 095²³

Notes		
1. Contributions from Governments and their Agencies		
	CIDA	7 139
	DFID	13 601
	Netherlands	750
	Norway	991
	UNITAID	31 436
	USAID	5 250
	Sub-total	59 167
2. Novartis Foundation contribution to procure anti-TB drugs for the United Republic of Tanzania		2 340
3. Contributions for GDF Direct Procurement		
	For list of countries from which funds for direct procurement orders were received in 2007 see table 4.1, pp.13-14 of this report.	12 500
	Total Income	74 007
5. Indirect costs		
	WHO Program Support and General Administration Costs	893

²³ 2007 surplus income has already been committed for supply of first- and second-line adult and paediatric anti-TB drugs to existing grantees in 2008.