Buyer Beware?

Global Fund Grants and Procurement of Harm Reduction Supplies in Eastern Europe and Central Asia

OPEN SOCIETY INSTITUTE
Public Health Program

Buyer Beware?

Global Fund Grants and Procurement of Harm Reduction Supplies in Eastern Europe and Central Asia

OPEN SOCIETY INSTITUTE
Public Health Program

Copyright © 2009 Open Society Institute. All rights reserved.

Published by:
Open Society Institute
400 West 59th Street
New York, NY 10019 USA
www.soros.org/health

Open Society Institute

The Open Society Institute (OSI) has supported harm reduction services and advocacy activities since 1995. Within OSI's Public Health Program, the International Harm Reduction Development (IHRD) Program works to reduce HIV and other harms related to the use of injection drugs, and to promote policies that reduce stigmatization of illicit drug users and protect their human rights. IHRD bases its activities on the evidence that people unable or unwilling to abstain from drug use can protect their health and that of their families and communities.

The Public Health Program also works to strengthen the engagement of civil society with the Global Fund to Fight AIDS, Tuberculosis and Malaria. The program supports the participation of marginalized groups and people living with HIV and AIDS in the development and implementation of the Global Fund projects, monitoring of the performance of grants and country coordinating mechanisms, and advocacy to ensure that the Global Fund's policies and procedures support and encourage meaningful civil society involvement, particularly of marginalized groups.

Design: Andiron Studio
Editing: Paul Silva
Cover photo: Isolde Osipaishvili for Open Society Institute, Georgia, 2007

ACKNOWLEDGMENTS

Buyer Beware? Global Fund Grants and Procurement of Harm Reduction Supplies in Eastern Europe and Central Asia was written by consultants and Public Health Program staff from research conducted by country analysts.

Authors

Shannon Kowalski	Public Health Program, Open Society Institute
Viorel Soltan	Public health specialist (team leader)
Andrei Mosneaga	Policy specialist
Liliana Caraulan	Procurement specialist
Daniel Wolfe	Director, International Harm Reduction Development Program, Open Society Institute

Country Analysts

Suren Saghatelyan	Armenia
Nino Lomia	Georgia
Elena Vovc	Russia
Tatiana Bozrikova	Tajikistan

We are grateful to many people who responded to the questionnaires and provided other assistance during the study, in particular representatives of the principal recipients: Kamilla Petrosyan (World Vision International, Armenia Branch), Akaki Lochoshvili (Georgia Health and Social Projects Implementation Center), Vitaly Djumagaliev (Russian Harm Reduction Network), Alexei Bobric and Natalia Vasilieva (Open Health Institute, Russia), Dmitriy Goliaev (Russian Health Care Foundation), and Saleban-Omar Saleban (UNDP Tajikistan). We also received important support from the Secretariat of the Global Fund to Fight AIDS, Tuberculosis and Malaria, OSI Assistance Foundation–Armenia, Open Society Georgia Foundation, and OSI Assistance Foundation–Tajikistan.

CONTENTS

Introduction 5

The Global Fund and Harm Reduction in Armenia, Georgia, Russia, and Tajikistan 9

Key Issues in Quality and Supply 11

Procurement Laws, Policies and Practices 17

Challenges in the Procurement Process 19

Conclusions and Recommendations 29

Introduction

Procurement of inferior quality products is not cost-effective, but, most importantly, it contradicts the concept of harm reduction itself.

Implementing NGO, Georgia

The Global Fund to Fight AIDS, Tuberculosis and Malaria, the world's largest donor for harm reduction services, has contributed, since its creation in 2002, more than US$1 billion in grants for programs that address the HIV prevention needs of injecting drug users.[1] In Eastern Europe and Central Asia, where the HIV epidemic is concentrated largely among injecting drug users, sex workers, and their sexual partners,[2] countries have used Global Fund resources to begin and scale up essential harm reduction services, including needle exchange programs that provide clean and sterile needles to injection drug users and buprenorphine and methadone programs that reduce cravings for illicit opiates.

In Armenia, Georgia, Russia, and Tajikistan, a significant share of the Global Fund's commitment of more than US$283 million for HIV and AIDS programs is focused on prevention and treatment for injection drug users. In this region, as elsewhere, needle and syringe programs have proven effective in reducing needle sharing and other risks of HIV transmission, and they help introduce drug users to other health care services, including voluntary counseling and testing, HIV treatment, and hepatitis C (HCV) and sexually transmitted infection (STI) diagnosis and treatment.[3] The cornerstone of effective harm reduction programs is trust between service providers and drug users. Providing high-quality services and the supplies that drug users need and want to inject more safely is critical for establishing this rapport. Providing syringes and needles that are of bad quality or inappropriate for use, on the other hand, undermines the ability of these services to engage drug users and reduces the effectiveness of HIV prevention programs. Likewise, since many drug users inject once, or multiple times, a day, ensuring their consistent access to clean needles is important, and shortages or interruptions in the availability of supplies can be damaging.

This report evaluates the procurement of supplies for needle and syringe programs with resources provided by the Global Fund in four countries of Eastern Europe and Central Asia: Armenia, Georgia, Russia, and Tajikistan. The Global Fund is the sole source of external funding for the procurement of supplies needed for harm reduction programs in these countries, yet the quality and range of supplies purchased with Global Fund resources has been mixed.

In all four countries, the supplies procured to increase the safety of injection and reduce HIV transmission is limited to syringes, needles, and possibly alcohol swabs and sterile water; other essential commodities, such as filters, cookers, and antibiotic ointment, are procured sporadically, or not at all. At various times, needles and syringes have been procured that drug users do not find usable because, for example, they may be the wrong size or type. In most of the countries surveyed, NGOs have experienced delays or interruptions in receiving supplies. There is a general lack of communication and consultation on procurement of supplies between the principal recipients that directly receive Global Fund grants and the subrecipient NGOs that implement the grants.

Similar concerns have been reported in other countries in the region. In Ukraine, for example, a meeting was recently convened of stakeholders concerned that the needles and syringes being distributed for harm reduction programs were inadequate. Principal recipients, the Global Fund secretariat, and the NGO subrecipients all need to do more to ensure that the procured supplies are of good quality and meet drug users' needs.

In this study, we assess the quality of harm reduction supplies being procured with Global Fund resources, examine the decision-making and procurement processes at the country level, highlight good procurement practices, and provide recommendations for improving the quality of supplies and, ultimately, harm reduction services.

Note: Procurement practices described in this report have changed since research was conducted in 2008. In Tajikistan, for example, the principal recipient—following review of a draft of this report—sent trucks to recover materials deemed inadequate from at least one Global Fund subrecipient, and delivered needles and syringes of the kind desired by program beneficiaries. In Russia, Global Fund support for a number of harm reduction programs supported in Round 3 ended. The Russian government reneged on a promise to provide support, causing staff layoffs and closure.

HIV and AIDS in Eastern Europe and Central Asia

The estimated number of people living with HIV in Eastern Europe and Central Asia rose to 1.5 million in 2007; almost 69 percent of those infected live in the Russian Federation.[4] Of the new HIV cases reported in the region in 2006 for which information is available on the mode of transmission, about 62 percent were attributed to injecting drug use. The overlap of sex work and injecting drug use features prominently in the region's epidemics: recent studies have found that between 30 percent and 40 percent of sex workers report that they have also injected drugs.[5]

Methodology

The research team was comprised of three experts (a public health specialist, a policy expert, and a procurement expert) and four country analysts. An initial desk review included publicly available information on HIV and AIDS epidemiology, Global Fund project implementation, and procurement practices in the four target countries. All six principal recipients of the current Global Fund HIV and AIDS grants participated in the assessment. In addition, the research team surveyed 29 NGO subrecipients:

- Four NGOs from Armenia (from two regions)
- Five NGOs from Georgia (from two regions)
- Five NGOs from Tajikistan (from four regions)
- Fifteen NGOs from Russia (from 13 regions)

Most NGOs were directly involved in distribution of harm reduction supplies to drug users, sex workers, and men who have sex with men; some NGOs were staffed by drug users, or former drug users. Data was collected from the NGOs through self-administered and interviewer-administered questionnaires from August to November, 2008. Additional information was collected during informal interviews with the representatives of NGOs that provide harm reduction services and during a round table meeting in Chisinau, Republic of Moldova, in April 2009.

Limitations

This study had a very limited scope and the data is mostly of a qualitative nature collected primarily from principal recipients and a subset of implementing NGOs. While the data provides a snapshot of common themes and challenges with procurement, it is neither random nor representative, and the findings cannot be directly extrapolated to other countries and projects. The research focused primarily on the quality of syringes and needles and does not address condoms or methadone (which is being procured with Global Fund resources in Georgia). Buprenorphine programs are not being implemented in any of the four countries. Despite the limitations, the concerns experienced by both NGOs and principal recipients and the recommendations for addressing these concerns provide useful lessons for other countries implementing harm reduction projects financed by the Global Fund.

Harm Reduction and Harm Reduction Supplies

Harm reduction is a public health approach that includes information and education, especially about reducing risk through outreach work; needle and syringe exchange programs; treatment of drug dependence, in particular opiate substitution therapy; voluntary confidential counseling and testing for HIV; provision of HIV and AIDS treatment, care, and support; prevention of sexual transmission of HIV, treatment of sexually transmitted infections, and condom distribution programs; and general health care interventions including diagnosis, treatment, and, where relevant, vaccination for hepatitis B and C, overdose management, and wound care.[6]

Essential harm reduction supplies include the following:

- **Injection equipment:** needles and syringes, such as insulin needles with syringes, "Groin" needles, "Blue Head" needles, tuberculin syringes, etc.
- **Safer shooting kits:** alcohol prep pads or swabs used before injection to clean away dirt and bacteria from the injection site; bandages used to cover open sores; 3-in-1 antibiotic ointment that helps healing wounds, abscesses, and open sores, usually applied after injection; cotton pellets used as filters when drawing liquefied drugs into syringes; cookers used as containers to dissolve drugs, usually in water; antiseptic tissues for general hygiene.
- **Bleach kits:** bleach used to clean needles during sharing or reuse; sterile water for cooking the drugs and for rinsing needles after bleaching.
- **Safer sex supplies:** male condoms, which are best known for their role in safer sex, but can also be used as a tie-off strap for finding and enlarging veins before injecting; female condoms; dental dams used as a protection against STIs (transmitted via oral, anal, or vaginal route); and lubricants (some injecting drug users also use lubricant to keep the rubber on the plunger of the syringe from degrading).

The Global Fund and Harm Reduction in Armenia, Georgia, Russia, and Tajikistan

The Global Fund to Fight AIDS, Tuberculosis and Malaria is an international financing mechanism dedicated to raising and disbursing additional resources to prevent and treat the three diseases. It funds only interventions that are based on evidence and good practice; funding is disbursed based on a program's performance; and the involvement of civil society (including groups of affected populations) in designing funding proposals and implementing programs is required.[7] Since its creation in 2002, the Global Fund has committed US$15.6 billion in 140 countries to support large-scale prevention, treatment, and care programs.[8] In Eastern Europe and Central Asia, the Global Fund has quickly become the most important donor for HIV and AIDS prevention, treatment, care, and support.

In Armenia, Georgia, Russia, and Tajikistan, the Global Fund has committed more than US$283 million in grants to fight HIV and AIDS. The grants ranged from US$2.4 million (Tajikistan Round 1) to US$119.9 million (Russia Round 4) for projects to be implemented over a five-year period. All grants include harm reduction interventions, which are important components of the programs.[9] Although there are a number of organizations active in harm reduction in the four countries, the Global Fund is currently the only source of external funding for the procurement of harm reduction supplies.

The amount of funding budgeted for harm reduction supplies varies from less than 1 percent of grant funds in Armenia to more than 50 percent for Tajikistan's US$2.5 million round 1 grant, which focused on high-risk groups. The median percentage of grant funds used for purchasing supplies in the four countries is 9.6 percent. While the overall proportion of spending on harm reduction supplies is relatively small—mostly because the supplies are inexpensive and the number of drug users accessing services is limited—the provision of harm reduction services and supplies plays a vital role in HIV prevention and treatment efforts.

During the six years of Global Fund support, substantial progress has been achieved in the four countries in increasing the scale of harm reduction interventions. In Armenia, for example, the number of drug users reached with harm reduction services has reportedly increased from almost 200 in 2005 to 1,246 at the end of 2008, according to the Global Fund's performance report.[10] In Georgia's round

Table 1. Total funding amounts per grant and planned funding for procurement of harm reduction supplies in HIV/AIDS Global Fund projects in Armenia, Georgia, Russia, and Tajikistan.

Country	Round	Total grant amount (5 years), US$	Funding for procurement of supplies	
			Absolute amount, US$	% of total grant amount
Armenia*	2	8,087,459	68,000	0.8
Georgia**	2	12,125,644	1,211,122	10.0
Georgia	6	11,385,859	434,454	3.8
Russia	3	88,742,354	10,321,442	11.6
Russia	4	119,873,915	666,126	0.6
Russia	5	16,020,000***	2,070,000****	12.9
Tajikistan	1*****	2,425,245	1,353,325	56.0
Tajikistan	4	8,076,667	605,711	7.5
Tajikistan	6	12,096,246	3,487,969	28.8
TOTAL		**$278,833,389*******	**$20,218,149**	**7.4% (average)**

Armenia has received two bridge funding grants of $1,703,712 and $866,144; the proportion of the budget dedicated to the procurement of harm reduction supplies was not available at the time of this research. Bridge funding is provided to countries eligible for rolling continuation channel funding to continue or scale up existing grants, so as to ensure the continuation of programs.

** *Georgia has received bridge funding in the amount of $2,252,034; the proportion of the budget dedicated to the procurement of harm reduction supplies was not available at the time of this research.*

** *Grant of 11,439,594 euros (approximately US$16.02 million)*

*** *1,477,000 euros (approximately US$2.07 million)*

**** *Project completed*

***** *With bridge funding, total grant commitments in the four countries total US$283,655,279.*

Sources: As budgeted in project proposals, reported by principal recipients and on file with the Global Fund Secretariat. These figures include actual and budgeted expenditures.

2 project, harm reduction services expanded from approximately 1,000 drug users in 2003 to more than 21,000 in February 2008.[11] The Global Fund rates the performance of the projects in all four countries as adequate, or meeting or exceeding expectations. However, NGOs working in these countries have repeatedly raised concerns that the quality of supplies provided to them with Global Fund resources is inadequate or inconsistent and that this problem with quality may be limiting the effectiveness of their programs.

Key Issues in Quality and Supply

Our NGO is a "self-organization" [of drug users], therefore, we better understand our beneficiaries' complaints and problems in terms of insufficient quality and quantity of particular harm reduction products such as syringes and needles. We are very much concerned not to lose their trust by permanently disappointing them.

Implementing NGO, Georgia

Poor quality syringes and needles

Of the NGOs surveyed, 45 percent, mostly in Georgia and Tajikistan, indicated that drug users had complained several or many times about the supplies while 55 percent received either no or few complaints. Sixty-four percent of the NGOs said that drug users complained about the poor quality of the supplies they received, while 41 percent said the supplies received were not appropriate for safer injection drug use. Of the NGOs that indicated that they had few or no problems with the supplies, in 9 out of 11 cases the principal recipients were nongovernmental organizations, mostly in Russia and Armenia.

> ***Clients from our project took new needles that they had gotten from the [principal recipient] and traded them at the pharmacy at two for one—two new, unusable needles for one of the quality they needed from the pharmacy.***
>
> **Implementing NGO, Tajikistan**

In Tajikistan, four out of the five NGOs that we surveyed indicated that they had experienced serious problems with the quality of the supplies that they had received from the Global Fund principal recipient. One NGO said, "Needles are blunt and often bend or break and rust; the pistons leak; the rubber of the piston decomposes if the drug is not injected immediately… the needle's diameter is too small and the drug gets stuck." Another NGO reported that because drug users couldn't use the supplies they had been given and their complaints about the poor quality resulted in no change, they refused to continue distributing the syringes provided by the Global Fund.

In Russia, where NGOs receive some centrally procured products and procure some directly, fewer drug users complain about the quality of supplies. However, one subrecipient indicated that, "in some cases and regions, centrally supplied goods are of lower quality than those available on the market. The goods are acceptable until the clients have a negative experience, for example, jammed piston, blunt tip, torn condom, etc." In Georgia, on the other hand, the majority of NGOs complained that they had received poor-quality "scalp-vein" needles and insulin syringes, which are in high demand by drug users who inject buprenorphine or heroin.

In Armenia, most of the problems with quality occurred during procurements in the first two years of the project. One Armenian NGO reported: "The syringes supplied at that time were without rubber padding and with needles that were too thick and had an insufficient angle at the point." In response to these complaints, the principal recipient established a procedure to pretest products with drug users and sex workers to make sure that they were appropriate and met their needs before procuring them in large quantities. By all accounts, this procedure has worked well, and NGOs, as well as their clients, report far fewer concerns.

> ***In the first two years, we had lots of problems. In the first year, we had syringes with very thick needles (that the users didn't want). The second year, the syringes had no rubber plungers, so we had to dismantle them and reassemble them. In the third year, we reached an understanding: before the contract is signed, the contractor supplies samples and the principal recipient distributes them to the outreach workers, who test them with the clients. It continues this way. They ask me how many supplies I need for the next year—they send samples, and they ask if we approve or disapprove of them. Do I need insulin syringes or bigger ones? We have a strong relationship.***
>
> **Implementing NGO, Armenia**

Principal recipients noted that, at times, the supplies that they received were not what they expected. In Russia, for example, suppliers did not have the requested supplies in stock when one principal recipient placed an order. The principal recipient agreed to substitutions based upon the suppliers' assurances that the products met the technical specifications in the tender documents, but it turned out that the substations were of poorer quality and did not meet drug users' needs.

> ***When we first proceeded to centralized procurement, at the moment the supplies had to go to the regions, the suppliers said they didn't have the syringes but they had something similar with 100 percent the same technical specifications. We had already had some delays, so we agreed. When the syringes arrived, they had black washers at the bottom, and the users couldn't see their blood as it was being drawn up. Now we have learned our lessons and check the supplies with people before we order or send them.***
>
> **Principal recipient, Russia**

Similarly, the principal recipient in Georgia has had experiences where apparently reliable suppliers submitted a full range of requested documentation including international certificates, laboratory certificates of analyses, and confirmation of products' parameters. However, when the products were delivered they were not of the stated quality or specifications and the supplies were refused by drug users.

> ***Frequent changes in the narcoscene [drug market], lately caused by law-enforcement measures, require rapid adjustments to [the supplies]. Unfortunately, current [procurement] methods do not allow us to meet urgent needs of our beneficiaries due the shortage of particular products.***
>
> **Implementing NGO, Georgia**

In each of the four countries, drug consumption patterns change frequently, based upon the availability and cost of various drugs. Insulin syringes (about 1 ml) are used for injecting heroin or subotex, for example, while 2 ml syringes are used for injecting amphetamines, and 5 ml or 10 ml syringes are used for other types of opiates. Yet, many of the Global Fund projects have not built in sufficient flexibility to respond to changes in drug trends so the supplies that NGOs receive do not always meet drug users' needs.

In Georgia, NGOs noted that they were experiencing shortages of 2 ml syringes at the time the research was conducted. In Russia, one NGO noted that "60,000 needles of only one size are delivered when clients need, for example, syringes of 1 ml instead of 2 ml." Likewise, an NGO in Tajikistan reported that "the principal recipient procures mostly 2 ml syringes because these are the most-used syringes for heroin. But sometimes clients require 1 ml syringes, if, for example, they are new heroin users or they are injecting pure heroin, or larger syringes if the drug market changes due to drought and some IDUs switch to opiates."

Drug user's practices and preferences are also not always taken into account in procurement decisions. In Tajikistan, for example, an NGO noted that "many users prefer to receive separate syringes and needles but these were not available."

In Russia, the Open Health Institute and the Russian Harm Reduction Network, have addressed this issue by procuring some supplies centrally, and giving subrecipients the flexibility to procure small quantities of supplies directly in order to respond to changing needs, while the Russian Health Care Foundation's subrecipients procure all supplies themselves.

Limited Range of Supplies

> ***NGOs have asked for injection water in plastic bottles (it's easy to carry it in the pocket), but have received glass bottles that beneficiaries are less willing to take.***
>
> **Implementing NGO, Tajikistan**

A full range of supplies is needed to increase the safety of injecting and reduce the risk of HIV and HCV transmission. These include sterile water, alcohol swabs, cookers, antibiotic ointment, and other products defined earlier in this report. However, in most countries Global Fund principal recipients do not procure such supplies, often because their Global Fund proposals did not include funding for them.

In Russia, the Open Health Institute and Russian Harm Reduction Network procure syringes and needles and condoms, and provide funding to NGOs to obtain additional supplies, such as alcohol swabs and bleaches. However, even there NGOs felt constrained by the range of products they were able to procure; some of the supplies they want, such as sterile cookers and lubricants in single-use packets, are not readily available in Russia.

Harm reduction NGOs in Tajikistan noted that initially only syringes, needles, and condoms were available. Starting in August 2008, NGOs also began receiving alcohol swabs, sterile water, and disposal containers for needles and other sharp objects. However, these supplies have not apparently reached all implementing NGOs:

> ***Today we have 2 ml and 5 ml syringes, two sizes. Regarding the alcohol pads, not everybody receives them for some reason. Clean water for injection also exists, but not everyone receives them. [Sharps] containers—not everyone receives them.***
>
> **Implementing NGO, Tajikistan**

Four out of the five Tajik NGOs surveyed recommended extending the package of services available to drug users even further to include utensils for processing drugs, spoons, tourniquets, and appropriate information and education materials.

In Georgia, the principal recipient procures syringes, needles, and condoms. Alcohol swabs and sterile water are procured by NGOs. NGOs reported that they had advocated for expanding the range of supplies available, but had so far not met with success. In Armenia, the principal recipient also procures only syringes, needles, and condoms. One NGO explained: "The principal recipient procures syringes and needles and condoms. Alcohol pads for safer injections are procured by our organization. Why did it happen? To the best of my knowledge, these alcohol pads are not in the Global Fund application."

Delays and interruptions in receiving supplies

> ***The principal recipient should prevent unacceptable delays in almost all components of the harm reduction program. Otherwise, the implementing organizations may reconsider their participation in this program, as these interruptions substantially affect their prestige in general and particularly among the user community.***
>
> **Implementing NGO, Georgia**

In Georgia, all of the NGOs we surveyed had experienced delays in receiving supplies, hampering the ability of NGOs to implement programs effectively and according to schedule. In Armenia, a recent gap in Global Fund funding meant that NGOs experienced a shortage of supplies. Delays in procurement in Tajikistan also slowed down project implementation and caused NGOs to experience interruptions in supplies: "For four or five months we're waiting for supplies, writing letters back and forth."

Storage and Delivery of Supplies

In Tajikistan, NGOs noted that they experienced difficulty transporting and storing supplies, particularly since they did not receive funding to cover these expenses: "We get a delivery once in six months—which means that we need guards for supplies, storage, none of this is taken into account. This means additional costs and additional funds." NGOs providing harm reduction activities are only provided supplies by the principal recipient and do not receive any funds for handling, delivery, and storage. Lacking funds for appropriate storage and security, NGOs often store harm reduction goods in their offices at the risk of getting into trouble with law enforcement agencies since they are not authorized to store large quantities of syringes and needles.

Inflexibility, Despite Changing Needs

NGOs in all four countries have faced other challenges in providing needle exchange services. NGOs in Tajikistan reported that supplies were procured to cover one year of implementation, which meant that the poor quality of supplies could not be easily addressed during that period.

Several NGOs from all countries also pointed out that harm reduction activities in the region have changed over the last decade, in terms of composition of the target groups, substances consumed, nature of public drug markets, and risk behaviors. This requires that traditional approaches be modified and innovative approaches be employed to keep in contact with drug users and carry out prevention activities successfully. However, NGOs reported that Global Fund programs allowed little flexibility, thus restricting them from trying new approaches.

Good Practice: Moldova

The procurement of harm reduction supplies is centralized to ensure high quality and the best prices. The procurer uses a list of national prequalified suppliers. The procurement is done once a year and detailed specifications for every product are developed with the participation of beneficiaries.

If the harm reduction product is new or unknown on the market, the procurer pretests it by distributing a small quantity among project sites and collecting feedback over a three-month period to ensure quality and appropriateness.

The contract is based on continuous supply: it includes the total amount of the contract and price per unit, but does not stipulate the quantities to be purchased and delivered. The supplier distributes the goods to all harm reduction sites around the country at the request of the sub-recipients. This contract provides flexibility and allows the adjustment of quantities based on needs, permits quick reaction to requests, and avoids other additional costs, such as for supplemental transportation and storage.

Procurement Laws, Policies, and Practices

National procurement laws and policies

The public procurement laws and regulations in all four countries provide for the implementation of the key principles of good procurement, such as fostering economy and efficiency and curbing abuses through maximizing competition, according fair treatment to suppliers and contractors, and enhancing transparency and objectivity in procurement decisions.

In Armenia, Georgia, and Tajikistan, the public procurement laws provide a general framework for action, with regulations that provide greater guidance. The law in Russia presents a very detailed description of procedures that public procurers must follow, such as the mandatory use of ceiling prices and traditional reverse auctions as a preferred procurement method.

The laws and regulations in all countries set rules and procedures that are common for all sectors; at the same time, these common rules may not meet the specific needs of procurers of health products, such as the need to ensure the timely and uninterrupted supply of quality products to the people in need.

The procurement legislation and regulations in all countries have provisions for assuring quality of goods, works, or services purchased. However, price is the dominant criterion for awarding contracts in public procurement in all of the four countries. Except in a few cases related to emergency situations, the procurement laws and regulations do not permit the use of less competitive methods or allow deviations from standard procedures for procurement of pharmaceuticals and health products in any of the four countries.

The specification of brand names and trademarks in tender documents is forbidden in all four countries, which is a normal procurement practice.

Global Fund Procurement Requirements

In grant agreements with principal recipients, the Global Fund requires that principal recipients use competitive procurement methods and procure the lowest-priced commodities, with sufficient consideration given to quality, except in the case of small-scale or emergency orders. The Global Fund also encourages procurement of the largest possible quantities that are reasonable, according to the requirements of the project, in order to achieve economies of scale.[12]

For nonpharmaceutical health products, including syringes, needles, and condoms, the Global Fund recommends that principal recipients select from lists of prequalified suppliers, products approved by regulatory authorities, where they exist, or products that are in line with national standards.[13]

All principal recipients must submit a procurement and supply management plan to the Global Fund for approval before procurement can begin.

Principal Recipients' Procurement Rules and Practices

The legal status of the principal recipients differs in each of the four countries: in Armenia, the principal recipient is an international NGO, World Vision; in Georgia, it is the Project Implementation Unit under the Ministry of Health; in the Russian Federation, two principal recipients are national NGOs (the Open Health Institute and the Russian Harm Reduction Network) and one is a noncommercial partnership (the Russian Health Care Foundation); and in Tajikistan, the principal recipient is the United Nations Development Program. In the four countries, public procurement policies, laws, and regulations apply in full only to the Georgian Ministry of Health; however, governmental subrecipients of the Russian Health Care Foundation must also comply with public procurement laws and policies. The remaining principal recipients undertake procurement in line with their own regulations, which, to varying extents, need to comply with national policies, as well as the Global Fund's own procurement policies.

The principal recipients use different methods to procure harm reduction supplies, including international and national competitive bidding, national shopping, and direct contracting. The decisions regarding which method will be used are made based on the procurement guidelines used by each principal recipient. In Tajikistan, for example, the principal recipient procures either through international tender or through procurement agents with whom they have long term agreements, such as UNICEF and UNFPA.

All principal recipients except the Russian Harm Reduction Network publicly advertise the procurement notices for competitive bidding on their organizational websites and in local newspapers. The Russian Harm Reduction Network procures syringes, needles, and condoms from one supplier that was selected to supply products for the duration of the project, in accordance with the project's Procurement and Supply Management Plan.

None of the principal recipients in the four countries restrict the participation of foreign companies in bidding for contracts. However, access to tender documents by potential foreign suppliers (contractors) is limited as this information is available almost exclusively in local languages. In the case of health procurement, this may be an important barrier in obtaining high-quality products or services. The small quantities of supplies procured in these countries may also result in limited interest from foreign vendors.

Principal recipients use prequalification in varying ways as a basis for selecting suppliers who can submit bids; prequalification is used by default by the Georgian principal recipient. Systems that require all bidders to be prequalified could prevent new suppliers from engaging in the procurement process.

Challenges in the Procurement Process

Principal recipients and representatives of implementing NGOs gave a number of reasons for the often inappropriate or poor quality of harm reduction supplies. These included insufficient attention to the beneficiaries' needs and expectations by the procurement entity; the lack of participation of drug users or harm reduction NGO representatives in developing Global Fund proposals and technical specifications and evaluating bids; the use of price as a sole or heavily predominant criterion when awarding supply contracts, to the detriment of quality criteria; rigid centralized procurement processes that do not allow for flexibility in choice or quantities of products when faced with changes in drug consumption patterns; and delays in contracting, deliveries, or other problems with contracts administration by the principal recipients. These issues are explored further below.

Global Fund Proposals: Range of Products and Target Group Size Estimations

> ***Sometimes I don't want to sign the Global Fund proposals, but the Minister of Health will say, "Who is this person?" He will say, "Who is this person and why is he a problem?" Here it is very hard—there is little time, you have no chance to review the proposal—you sign the proposal and that's it. Or you don't and that means there is no consensus and the proposal doesn't go.***
>
> **NGO representative on the country coordinating mechanism, Tajikistan**

In most cases, the proposals submitted to the Global Fund specify the types, quantities, and budget for products to be procured. After grant agreements are signed between principal recipients and the Global Fund, principal recipients have very little flexibility to make changes to work plans and budgets. For this reason, the process of developing proposals to the Global Fund is, perhaps, the most critical entry point for ensuring that a full range of quality products that meet the needs of drug users are supplied.

Proposals to the Global Fund must be developed by country coordinating mechanisms (CCMs), multistakeholder bodies that are also charged with overseeing grant implementation. The Global Fund requires the participation of NGOs and people living with or affected by the three diseases on CCMs, and strongly recommends that key affected communities are also members. The Global Fund also requires that the

processes for developing proposals are documented and transparent and allow for broad involvement of NGOs, key affected populations, and other interested groups.[14]

When CCMs are designing harm reduction programs, the involvement of NGOs that provide outreach and needle exchange services to drug users is essential for input on the types of products required based upon the local drug scene and seasonal variations, as well as quantity estimates based upon the frequency of injection. However, for the countries in this study, where civil society is relatively nascent and the history of partnership between governments and NGOs is short, working together to develop Global Fund proposals and implement projects has been challenging to both sectors. Striking the right balance between government leadership and control is a work in progress, as is ensuring that NGOs, particularly grassroots organizations led by or working with drug users, have the capacity and support necessary to engage effectively in these processes.

The criminalization and marginalization of drug users, along with the often unclear legal status of providing harm reduction services in many of the countries, is an added barrier. In Georgia, for example, one NGO described these challenges to expanding the range of materials procured through the Global Fund project:

> ***We wanted to expand the inventory of supplies for harm reduction to include tourniquets, cookers or spoons, and filters. However, the incompatibility of harm reduction services with the law and increased police enforcement made the CCM hesitate to include these products in the proposal. They did not want to appear to be encouraging drug use.***

Another challenge is estimating the size of the target groups, since these estimates form the basis for setting the scale of interventions, establishing coverage targets, as well as procurement planning. Several respondents expressed concerns that these initial estimates included in proposals were not reliable or were outdated and, therefore, led to inappropriate planning and implementation of activities. As a representative from an NGO in Tajikistan stated, "There are no uniform data on the estimated number of IDUs in the country and procurement is conducted on the basis of abstract assumptions, which do not correspond to the reality." These estimates were based on a population study conducted by the United Nations Office on Drugs and Crime in 2002; a new study was conducted in 2009, which will inform planning moving forward.

In Armenia, the principal recipient noted that "quantities estimated at the beginning of the project (i.e., those included in the proposal) were probably valid for [the first two years of project implementation] but in many instances do not match real needs at present." Implementing NGOs can help provide realistic assessments of target group sizes based on the number of clients they serve; however, even these estimates may prove unreliable due to their limited coverage areas. Size estimation studies are needed, on a regular basis, to collect more accurate data on which CCMs can make decisions.

At the point when countries should be considering how they can most effectively fight HIV and AIDS and meeting the needs of those most at risk, inadequate epidemiological data and information about drug users, political imperatives and constraints, tensions between government representatives and NGOs, and NGOs' own lack of capacity to effectively engage in these processes, often end up compromising the quality of the public health interventions that are being proposed and funded.

Global Fund Grants: Phases of Implementation

Grant agreements are signed for an initial two years, after which, depending on performance, new agreements can be signed for the next three years of project implementation. Countries with good-performing grants may be invited to submit applications for "rolling continuation channel" funding. This can extend the implementation of projects, with some changes in scale and scope, for up to another six additional years, implemented in two three-year phases. In order to minimize interruptions in funding for grants that are likely to be renewed through the rolling continuation channel process, the Global Fund may provide short-term "bridge funding." At each stage of grant renewal, country coordinating mechanisms have the opportunity to make changes to budgets and work plans to adjust for changing conditions on the ground. However, this requires that CCMs perform adequate oversight over grant implementation, are aware of the challenges and concerns, and have the political will to make changes.

The Procurement Process: Developing Technical Specifications and Evaluating Bids

Harm reduction supplies can be easily afforded by the beneficiaries (condoms and syringes are widely available compared to early- and mid-1990s and they are cheap compared to what the IDUs and sex workers pay for other things). The harm reduction programs in our countries should focus not on provision of full quantities required (it is impossible anyway), but rather on the quality of products. Procurement should focus on quality, and technical specifications need to be "advanced." However, the Global Fund still focuses on price.

Implementing NGO, Armenia

The specifications of harm reduction supplies to be purchased by all principal recipients are based on a combination of criteria: input from national AIDS centers, expert evaluation, the list of products already used by subrecipients, recommended product types, resources available, and the national essential drug list.

Quality requirements can be addressed most effectively by ensuring that appropriate standards and specifications are included in the tender solicitation documentation by, for example, setting requirements to correspond with recognized international standards. The principal recipients in Armenia and Georgia use WHO specifications for procuring health commodities. International standards are considered by the subrecipients of the Russian Health Care Foundation when developing local specifications. However, developing technical specifications in order to ensure that high quality supplies are procured is a skill, and jn many cases the procuring entities still need to develop capacity and expertise in this regard. The Georgian principal recipient noted, for example, that they have learned that there is a need to put forward additional requirements in tender documents, such as manufacturing similar goods for a minimum number of years or managing a minimum number of similar contracts, and performing additional on-site quality control.

In some cases, implementing NGOs are involved in the development of technical specifications for harm reduction supplies; however, the extent and frequency of their involvement varies. The principal recipient from Tajikistan reported that it collected information for technical specifications from the network of harm reduction outreach points. On the other hand, four out of five subrecipient NGOs from Tajikistan indicated they were not consulted by the principal recipient about technical specifications. Three of the NGOs surveyed from Georgia indicated that over the last two years, representatives of the principal recipients conducted consultations with the NGOs regarding the technical specifications of syringes and needles.

The majority of principal recipients consider the bid evaluation process as sufficiently reliable or very reliable. According to the principal recipients, identification and selection of products is carried out with the involvement of the principal recipients' program managers and procurement specialists, subrecipient program managers in some cases, and beneficiaries and representatives of AIDS centers. In Georgia, the evaluation committees only include staff of the principal recipient (program manager, procurement and supply specialist, or others).

According to most of the NGOs surveyed, subrecipients do not take part in the tender evaluation process. In a good practice being implemented in Armenia, however, although the NGOs are not part of the tender commissions, the principal recipient asks them to give samples of the products to their clients, whose opinions are considered prior to awarding the supply contracts. An NGO from Georgia reported being involved a similar practice. In another case, an NGO representative in Georgia was invited for a bid evaluation, as an observer without right to vote, so that she could give her opinion on the samples of syringes presented by the bidders. Most NGOs were not aware of either the evaluation procedures by the principal recipients or of the composition of the tender commissions. This led one NGO in Georgia to

comment, "We do not know the members of these committees, but based on procurement results we can assume that they are not sufficiently qualified to evaluate bids in a proper way."

> ***The supplier selection process is usually made on the basis of the lowest price, while quality of goods is not recognized as a major factor for bid award. This approach, reportedly, is grounded in Georgia procurement and tender regulations. . . . Both quantification and quality specifications of harm reduction products should be based on appropriate research and our recommendations.***
>
> **Implementing NGO, Georgia**

Each principal recipient uses different criteria when awarding contracts to a supplier. However, price is the major consideration in all countries. The principal recipients use the "best value for money" principle in evaluating bids, mostly selecting the lowest price for a product deemed to be of acceptable quality. Technical characteristics and quality of products are given significantly less weight than price, creating the risk of inappropriate or poor quality products being given preference.

While prequalification of suppliers who can submit bids is used by some principal recipients, this alone may not ensure that high quality products will be supplied. When price is a leading factor during evaluation, even a highly qualified bidder may opt to offer lower quality products at a lower price, in order to remain competitive. Involving harm reduction NGOs in developing specifications or evaluating bids—particularly in pretesting products—can be extremely beneficial in ensuring that appropriate and high quality supplies are purchased.

In all countries, the quantities of supplies ordered are usually based on estimates included in the proposal initially, and then adjusted thereafter according to the consumption of the products. Most NGOs are asked to give feedback on quantities of supplies they require, either before orders are placed or after the orders have been received. The Russian Harm Reduction Network, for example, uses a website that allows NGOs to specify the type and quantity of supplies they need. In a good practice, the Tajik principal recipient provides NGOs with the quantities of supplies that they request, but also stores buffer stocks at the regional level to prevent stock-outs.

NGOs point out that when principal recipients place orders based on past consumption only, the orders may be inadequate to deal with changes in the drug scene, or to allow for the scale-up of services. According to an NGO in Georgia, shortages in supplies are experienced because "calculations are mainly based on the number of continuous clients, while the new users are not taken into consideration."

Procurement in Russia

In Russia, the Russian Health Care Foundation (principal recipient of the round 4 project) delegates procurement to the subrecipients. The subrecipients manage the entire procurement cycle, and their managers on sites are mostly involved in identification as well as estimations of necessary quantities of goods. Many subrecipients have health care specialists as program managers. The procurement and supply management specialist at the Russian Health Care Foundation intervenes in cases when clarifications are needed. When subrecipients announce open competitions and receive and examine proposals, Russian Health Care Foundation experts provide strategic recommendations on selecting products and identifying the quantities required for implementation of harm reduction projects.

Limited capacity of principal recipients and subrecipients

Another factor that potentially compromises quality during the procurement process and project implementation is a lack of capacity, both of principal recipients and subrecipients, to accurately forecast needs, monitor quality, and respond when there are challenges.

A principal recipient from Russia noted, for example:

> ***We have a form that lists all the different kinds of syringes and needles that a project might want, and they fill in the numbers of each required. But there are times when the NGOs say that they need 1,000 syringes of only one kind, say, 1 ml, and nothing for the rest, and we fill those orders as they are written. Our only problem is that we didn't go back and ask them why they said they needed only one kind of needle.***

The principal recipient in Tajikistan reported similar problems in communication with subrecipients about their needs. One NGO in Tajikistan expressed the need for support from the principal recipient to help them more accurately forecast needs: "We requested syringes for a six-month period but the quantity turned out to be sufficient for one year. The principal recipient should assist us in estimating our needs."

Many of the NGOs we surveyed, particularly from Georgia and Tajikistan, pointed to the need to strengthen the principal recipients' competence and management capacities for effective procurement of harm reduction supplies. In particular, many of their suggestions referred to contract administration practices, which often result in delays in procurement and deliveries.

Communication and Cooperation Between Implementers and Principal Recipients

> ***There is a need to improve and diversify the ways of getting feedback to and from the target groups. To collect information from the clients and establish good communication with them, different activities should be conducted: focus group discussions, opinion polls, training, distribution of various educational materials.***
>
> **Implementing NGO, Tajikistan**

There are established systems of reporting to principal recipients on the use of harm reduction supplies in all countries. All NGOs except one responded that they regularly report the quantities of supplies used to the principal recipients. However, just over half of implementing NGOs reported that they also report on the quality of products and timeliness of delivery.

The frequency and format of reporting varies across the projects. In Armenia, the subrecipients send quarterly reports to the principal recipient on quantity. Further, quality and timeliness are addressed in the annual reports to the principal recipient and on ad-hoc basis in case of problems. In Georgia and Tajikistan, the NGOs report on quantities used and, in the case of Georgia, provide feedback on quality on a monthly basis. In Russia, the frequency varies across the three projects (monthly or quarterly). Russian NGOs also pointed out that they tend to inform the principal recipients when problems with quality arise. In a good practice, the Open Health Institute and Russian Harm Reduction Network perform an annual quality-of-services survey to get the feedback of NGOs and drug users and make adjustments in their programs accordingly.

In many instances, the NGOs were not satisfied with the way their complaints were treated. NGOs from Georgia and Tajikistan stated that their suggestions, based on the users' complaints, were not taken seriously or considered by the principal recipients at all, or were considered only a few times. In some cases, the lack of responsiveness by principal recipients has resulted in less feedback being provided by NGOs. One NGO in Georgia stated, "We have stopped reporting on the quality of products as so far we have not received any feedback on our complaints."

On the other hand, principal recipients indicated that NGOs were not always responsive to their requests for feedback on quality or the quantities of supplies that were needed. As one principal recipient in Russia put it:

> ***[The NGOs] may take a long time. I send them an email asking them how many supplies they will need and telling them that I have to make the big order in two weeks. Some of them don't respond for four weeks. I don't have orders from two projects and 31 others are waiting.***

Good communication between principal recipients and implementers can ensure rapid response to quality concerns that might undermine the effectiveness of harm reduction projects.

Rigidity of Global Fund Policies and Processes

> ***The principal recipient should have more flexibility in decision making and autonomy, and this would improve the project implementation. At the same time, this probably depends not on the principal recipient itself, and has to involve the overall improvement of Global Fund processes.***
>
> **Implementing NGO, Armenia**

Many study participants considered that to a substantial extent the problems and challenges faced in the field are exacerbated by the Global Fund's rules and processes. Most frequently the respondents mentioned what they perceived as the lack of flexibility during implementation. One NGO from Russia commented: "We wish there was a way, during the implementation of the project, to change the supplied materials depending on the situation in the field. Currently, we put through the request for materials before the project starts, but during project implementation clients sometimes have varying needs and exchanging one type of material for another after the project starts is rather problematic."

The Global Fund's commitment to performance-based funding means that they must be able to monitor progress in implementation, which they do through a series of targets and indicators that are established by CCMs and included in grant agreements. In all four countries, all of the coverage and process indicators for harm reduction services are focused on quantities (such as the number of syringes and needles supplied or the number of drug users reached) and do not measure the quality or appropriateness of services provided. There is only one exception: in Russia, where the Russian Harm Reduction Network is a principal recipient, one indicator measures the "percentage of IDUs reporting satisfaction with range and quality of services provided."

Principal recipients and subrecipients identified the Global Fund's emphasis on quantitative process indicators, rather than quality, as a common concern. As an NGO in Georgia said, "Often it looks like the Global Fund and principal recipient care only about process indicators and spending money, but not about the real impact of the project."

The focus on numbers suggests that the Global Fund should strengthen mechanisms to ensure the quality of services and products delivered to project beneficiaries. This is further illustrated by the reporting arrangements for subrecipients implementing harm reduction programs, as discussed previously. Reports on quantity are regularly provided to the principal recipients by all NGOs, but only just over half of them report on quality, and often only on an ad-hoc basis. Since quality and appropriateness do not influence the assessment of project performance by the Global Fund, it may also lead principal recipients to be less concerned with complaints about poor quality products.

Centralized Versus Decentralized Procurement

All of the principal recipients, with the exception of the Russian Health Care Foundation, procure harm reduction supplies centrally and provide them to the subrecipients of the grant for further distribution to drug users. The subrecipients of the Russian Health Care Foundation procure their own products, in compliance with Russian public procurement legislation, as well as the foundation's recommendations. The Open Health Institute and the Russian Harm Reduction Network also provide subrecipients with some funding to buy additional supplies, such as bleach and alcohol swabs that the principal recipients can not efficiently procure in bulk, and buy small quantities of other supplies to respond to changes in demand.

The NGOs and principal recipients surveyed had a wide range of views about whether centralized or decentralized procurement would be the most effective way of ensuring quality. While centralized procurement can result in economies of scale, it can also introduce inefficiencies into the system because of its rigidity. In Georgia, for example, the principal recipient is constrained by the countries' procurement policies, which allow them to conduct only one procurement process per year. This often results in delays in receiving supplies and also means that if they forecast inaccurately, or if changes occur in drug consumption, then they are unable to respond quickly.

Complete decentralization, on the other hand, has its own set of problems: it can substantially increase the cost of supplies; NGOs may not have the capacity to procure effectively; and it may not be sufficient, on its own, to ensure that higher

quality supplies are purchased. In general, respondents were more likely to favor decentralized procurement in Georgia and Tajikistan, where concerns about the quality of supplies were much greater overall.

Principal recipients often do not have the flexibility to allow a mix of centralized and decentralized procurement. In Tajikistan, for example, the grant agreement with the Global Fund holds the principal recipient solely responsible for procurement.

Conclusions and Recommendations

We are losing the credibility and trust from our clients, which was so difficult to gain.

Implementing NGO, Georgia

The HIV epidemic in Eastern Europe and Central Asia continues to grow but remains concentrated largely among injecting drug users, sex workers, and their sexual partners. Harm reduction among most-at-risk groups remains a key intervention to prevent new HIV infections, reduce HIV-related illness and death, and mitigate the epidemic's harmful effects on individuals, communities, and societies. Improving the quality, availability, and appropriateness of harm reduction supplies is an important step toward an effective and sustainable HIV response.

In all of the countries, the influx of Global Fund resources has resulted in a marked increase in the availability of harm reduction supplies. However, conventional harm reduction supplies (including syringes and condoms) are widely available over the counter in all of the countries studied, at low cost. As a result, many drug users are now less likely to accept poor quality products, but instead have become more selective and use products that best satisfy their preferences.

Many study participants emphasized that poor quality products had the potential to undermine their work. As one NGO in Georgia told us, "We lose our clients. They refuse to use the bad quality syringes."

> ***There are cases when IDUs refuse to take syringes (they say they would rather go to the drugstore because syringes are of better quality there).***
>
> **Implementing NGO, Tajikistan**

The point of harm reduction services in the region is not simply to distribute clean needles, but to develop relationships with drug users and understand the risks and challenges they face, inform and educate drug users to help minimize their risks, provide advice on changing behaviors, offer HIV testing, and refer them to other essential health services, including HIV treatment. This will continue to be possible only if NGOs have a consistent supply of appropriate and high quality products.

Problems with quality and appropriateness of harm reduction supplies occur often. Overall, complaints from the end-users were documented in 73 percent of subprojects, and in 45 percent of these they were frequent. The complaints were mostly about quality (64 percent); however, the drug users also found the supplies inappropriate for use (41 percent). At the same time, shortages or interruptions of supply were faced less frequently (14 percent). The study findings clearly show that the key challenge for harm reduction programs is to ensure appropriateness and high quality of harm reduction products supplied to drug users.

In all countries, national legislation and Global Fund policies ensure the implementation of the key principles of good procurement. At the same time, there are a variety of different arrangements across the countries for the implementation of these principles: there are some limitations, however, in terms of accessibility of the information to potential vendors and difficulties in applying these policies to the specific needs of procurement for the health sector.

In general, principal recipients that were nongovernmental organizations, including an international NGO in Armenia and two national NGOs and a noncommercial partnership in Russia, appear to do better in delivering high quality supplies to implementing NGOs and minimizing interruptions in supply. This may be due to the fact that they have a higher level of flexibility and are less constrained by national procurement laws and policies and UN procurement policies. They may also be more responsive to the concerns raised by drug users through implementing NGOs.

On the other hand, where the principal recipients were the United Nations Development Program (Tajikistan) and a governmental department (Georgia), implementing NGOs experienced greater problems with the quality of supplies. This may be due to problems identified by the NGOs in terms of their limited participation in the procurement process, insufficient responsiveness to the drug users' needs and expectations, the lack of flexibility they have in the procurement process, and, in the view of many NGO respondents, insufficient capacity in procurement, supply management, and contracting.

The lack of participation of NGOs in proposal development and procurement processes contributes to the problems with quality. The NGOs are better placed to understand drug users' needs and expectations, see changes in drug consumption patterns as they occur, and also see the negative consequences that poor quality supplies have on the effectiveness of their programs. Yet, particularly in Tajikistan and Georgia, their perspectives have not always been taken into account.

Overall, one of the biggest challenges appears to be to the focus in all countries in procuring the lowest-cost products. The possible savings involved in procuring the lowest-cost products, and only a narrow set of products, at the expense of quality and diversification, may be offset by the fact that drug users are less likely to take poor quality projects, and may be less likely to return to harm reduction services as a result. This may undermine the long-term effectiveness and impact of the interventions on reducing HIV infections.

The lack of flexibility to respond to changing needs and contexts experienced by principal recipients while they are implementing Global Fund projects may contribute to problems with quality or shortages in certain supplies. The overemphasis by the Global Fund on meeting quantitative targets rather than ensuring quality programming may also lead principal recipients to place less priority on quality themselves.

Recommendations

To Country Coordinating Mechanisms:

- **Ensure that drug users and other key affected populations and the NGOs that work with them participate** in designing Global Fund proposals and provide feedback on the types and quantities of supplies needed, as well as assist in target size estimations.
- **Exercise active oversight of the implementation of grants,** seek feedback from principal recipients, subrecipients, and beneficiaries on the quality of programs and harm reduction supplies and on changing drug injection trends, and modify programs accordingly during phase two and rolling continuation channel requests.

To Principal Recipients:

- **Pretest needles, syringes, and other harm reduction supplies** with drug users through NGO subrecipients before awarding contracts. As is the case in Armenia, taking into account the feedback from pretesting when making procurement decisions will help to avoid or substantially reduce potential problems with the quality of procured products.
- **Include beneficiaries in the tender process** to help determine appropriate quantity and quality. Drug users' needs and expectations need to be taken into consideration when planning procurement of harm reduction supplies; they should in fact "drive" the procurement process.
- **Allocate funds for partial decentralization of procurement** to the project subrecipients. A certain percentage of the overall budget should be available for low-cost products that are available locally and for which organization of a centralized procurement procedure is not expedient. Partial decentralization will also allow projects to respond more effectively to injection drug users' changing needs and safeguard against possible interruptions in commodity supply. In such cases, the project should establish reliable procedures to hold subrecipients accountable and promote transparency.
- **Plan biannual or more frequent procurement of needles and syringes,** to ensure that changes in drug use patterns or user preferences can be accommodated and minimize costs for storage and security.

- **Allocate funding to subrecipients to cover delivery, storage, and security** when shipping large numbers of needles and syringes or procuring infrequently.
- **Ensure that client satisfaction surveys** are a routine component of the project work-plans.

To Subrecipients:

- **Submit formal, written accounts of procurement issues,** with a request for written follow-up.
- **Be aware of procurement schedules and requirements** for timely completion of forms to avoid creating regional or countrywide delays.

To the Global Fund Secretariat:

- **Ensure that indicators on quality of harm reduction services,** as well as the quantity of services provided, are included in grant agreements and taken into account when evaluating quarterly reports.
- **Ensure that client satisfaction surveys** are a routine component of the project work-plans.
- **Ensure that principal recipients have a system for proper evaluation** and follow-up of the beneficiaries' complaints regarding harm reduction services and supplies.
- **Revise the procurement guidelines to emphasize the importance of procuring quality supplies.**
- **Compile a brief guide/checklist on good procurement practices** for recipients of harm reduction grants.
- **Meet with drug users and harm reduction NGOs** during country visits, as well as principal recipients, to discuss the quality of services that are being provided and make recommendations accordingly.
- **Require that Local Fund Agents perform quality checks** of products that are procured with Global Fund resources, as well as verify financial and programmatic data.

To the Global Fund Board:

- **Consider developing a quality assurance strategy** for health commodities, including needles and syringes and other supplies.

Notes

1. Michel Kazatchkine, Keynote Address delivered during the opening ceremony of the 20th International Harm Reduction Conference, Bangkok, April 2009, available at http://www.theglobalfund.org/documents/ed/speech_ihra_090420.pdf (accessed April 28, 2009).

2. UNAIDS, Report on the Global HIV/AIDS Epidemic, 2008 (UNAIDS: Geneva, 2008).

3. World Health Organization, United Nations Office on Drugs and Crime, Joint UN Programme on HIV/AIDS, Policy Brief: Provision of Sterile Injecting Equipment to Reduce HIV Transmission, WHO/HIV/2004.3 (WHO: Geneva, 2004); SF Hurley, DJ Jolley, and JM Kaldor, "Effectiveness of needle-exchange programmes for prevention of HIV infection" *Lancet* 349(9068) (1997), 1797-800.

4. UNAIDS, 2008.

5. Benotsch EG et al, "Drug use and sexual risk behaviors among female Russian IDUs who exchange sex for money or drugs," *International Journal of STD & AIDS,* 15(5) 2004:343–347; Rhodes T et al, "HIV transmission and HIV prevention associated with injecting drug use in the Russian Federation," *International Journal of Drug Policy*, 15(1) 2004:1–16.

6. UNAIDS, *Joint UN Statement on HIV Prevention and Care Strategies for Drug Users* (UNAIDS: Geneva, 2005), available at http://data.unaids.org/UNA-docs/CCO_IDUPolicy_en.pdf (accessed April 30, 2009).

7. The Global Fund to Fight AIDS, Tuberculosis and Malaria, *The Framework Document for the Global Fund to Fight AIDS, Tuberculosis and Malaria* (GFATM, Geneva: 2002).

8. The Global Fund to Fight AIDS, Tuberculosis and Malaria, *About the Global Fund*, available at http://www.theglobalfund.org/en/about/?lang=en (accessed April 28, 2009).

9. The Global Fund to Fight AIDS, Tuberculosis and Malaria, *Armenia and the Global Fund*, available at http://www.theglobalfund.org/programs/country/?countryid=ARM&lang=en (accessed April 28, 2009); Georgia and the Global Fund, available at http://www.theglobalfund.org/programs/country/?countryid=GEO&lang=en (accessed April 28, 2009); *Russian Federation and the Global Fund*, available at http://www.theglobalfund.org/programs/country/?countryid=RUS&lang=en (accessed April 28, 2009); *Tajikistan and the Global Fund*, available at http://www.theglobalfund.org/programs/country/?countryid=TAJ&lang=en (accessed April 28, 2009). Emails from Sandra Irbe, Fund Portfolio Manager, The Global Fund (April 23, 2009) and Philippe Creache, Fund Portfolio Manager, The Global Fund (April 24, 2009), on file with the author.

10. The Global Fund to Fight AIDS, Tuberculosis and Malaria, *Armenia Grant Performance Report*, ARM-202-G01-H-00 (GFATM: Geneva, April 29, 2009) available at: http://www.theglobalfund.org/grantdocuments/2ARMH_77_162_gpr.pdf (accessed April 30, 2009).

11. The Global Fund to Fight AIDS, Tuberculosis and Malaria, *Georgia Grant Performance Report*, GEO-202-G01-H-00 (GFATM: Geneva, April 29, 2009) available at: http://www.theglobalfund.org/grantdocuments/2GEOH_86_163_gpr.pdf (Accessed April 30, 2009).

12. The Global Fund to Fight AIDS, Tuberculosis and Malaria, *Guide to the Global Fund's Policies on Procurement and Supply Management* (GFATM, Geneva: 2006), 10, 15.

13. Ibid.

14. The Global Fund, *Guidelines on the Purpose, Structure, Composition and Funding of Country Coordinating Mechanisms and Guidelines for Eligibility* (GFATM: Geneva, 2008), available at http://www.theglobalfund.org/documents/ccm/Guidelines_CCMPurposeStructureComposition_en.pdf (accessed April 30, 2009).

In Eastern Europe and Central Asia, where the HIV epidemic is concentrated largely among injection drug users, harm reduction programs are crucial to prevent new HIV infections and reduce illness and death. Support from the Global Fund to Fight AIDS, Tuberculosis and Malaria has been instrumental in increasing the availability of harm reduction services and supplies, such as clean needles and syringes. However, harm reduction organizations in the region are confronting an influx of poor-quality supplies that threatens the success of their programs. Improving the quality of supplies is an important step toward an effective and sustainable HIV response.

OPEN SOCIETY INSTITUTE