



# CIPS Health Procurement Africa

CIPS Health Procurement Africa (CIPS HPA) is an initiative of the Chartered Institute of Procurement and Supply (CIPS) to support public healthcare institutions in moving to financial and operational self-sufficiency in the availability and affordability of critical healthcare products and technologies to reduce preventable deaths.

CIPS HPA supports these institutions to strengthen their procurement strategies and operational practices. We support national, regional and continental pooled procurement and domestic manufacturing initiatives. CIPS HPA helps to professionalise healthcare procurement employees across the continent through an open-access knowledge hub tailored to their needs.

Health programs depend on a reliable supply of commodities in order to prevent illness and death.

**50%**  
of the African population lack access to essential medicines, particularly in Sub-Saharan Africa (SSA)

**70%**  
of maternal deaths occur in SSA

**22%**  
is how low the availability of essential medicines can be in some countries

Healthcare budgets generally do not meet forecast demand for essential medicines, yet at the same time, public healthcare organisations are unable to use available budget within the budget window.

A low evidence-base of requirements and procurement efficiency makes it hard for public healthcare to advocate successfully for budget increases.

Many countries in SSA rely on international development assistance to fund their healthcare systems, a status quo that has recently been disrupted. At the same time, African governments at national, regional and continental level are focusing on pooled procurement and domestic manufacturing strategies to ensure greater cost efficiencies, ensure supply, and generate economic opportunity.

Often misunderstood as a tactical, administrative function, procurement has a vital role to play in addressing these challenges. Good procurement practice helps buyers obtain good pricing and quality and helps to reduce costs in other supply chain functions such as warehousing and distribution. Strategic procurement is vital to reap the benefits of pooled procurement and domestic manufacturing strategies, and to plan an effective maturity pathway to these highly complex undertakings.

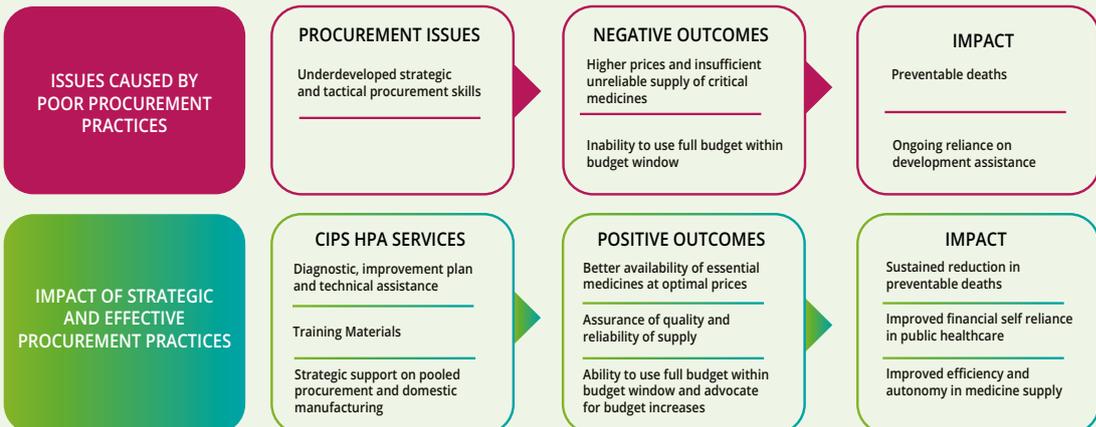
Done well, procurement is a strategic lever to ensure the availability of critical medicines, use available budget efficiently, support advocacy for future increases in funding allocation and underpin a calibrated move to financial self-sufficiency and supply autonomy in healthcare products.

Yet despite the importance of the procurement function, performance and maturity are low in many countries. Public sector procurement regulations don't always support the kind of high cadence purchasing activity that many critical health products need, leading to long and unresponsive procurement based on annual tendering.

Forecasts are often wrong because the feedback loops providing data to procurement teams are weak. Procurement teams have only a limited understanding of national and international supply markets, meaning that they miss out on opportunities for better pricing.

Supplier management, a critical part of ensuring reliable supply, is often neglected, leading to supplier performance problems. And skills levels are often low, leading to inconsistency and inefficiency in the way that procurement is handled.

## CIPS HPA Services, Outcomes and Impact



## About CIPS Health Procurement Africa (HPA)

**The Chartered Institute of Procurement and Supply (CIPS) is the world's leading professional body and global membership body for procurement. CIPS is the awarding body for the profession through its internationally recognised procurement excellence standard.**

CIPS HPA was established in 2018 and leverages CIPS' substantial experience in public health, supporting over 1000 public health institutions globally, of which over 145 are in Africa. CIPS HPA helps reduce preventable deaths by increasing the availability and affordability of critical medicines. We assess the procurement strategy and processes of public health procurement organisations at national, sub-national levels, make recommendations for improvement, provide technical assistance in implementing recommendations and professionalise public health procurement staff so that medicines are in stock when and where they are needed.

Better procurement processes improve budget absorption, increase value for money, for example through better prices, and provide an evidence base for advocating for healthcare budget increases, improving the financial self-reliance of public healthcare organisations and reducing dependence on development assistance.

CIPS HPA also supports national, regional and continental institutions to improve efficiency and autonomy in the supply of medicines through strategic guidance and technical assistance on pooled procurement and domestic manufacturing initiatives.

CIPS HPA currently supports national and sub-national public health institutions in Kenya, Nigeria and Ethiopia and provides a continent- and sector- wide knowledge hub of free resources to procurement professionals in Africa.

CIPS HPA has additionally completed strategic and technical support in South Africa and has carried out healthcare market situation analyses in West Africa including Burkina Faso, Côte d'Ivoire, Guinea, Niger, Senegal and Togo.



COMPLETED country programmes

Knowledge Hub

ACTIVE country programmes

Situational analyses of healthcare procurement structures

To find out more please visit: [www.healthprocurementafrica.org/](http://www.healthprocurementafrica.org/)

# CIPS HPA Impact

**CIPS HPA improves financial self-reliance in public healthcare and provides a sustainable exit path from donor funding. We help increase availability of critical medicines to reduce the number of preventable deaths.**

01

**100%**  
return on donor investment

In Kenya, pricing analysis and improved tendering practices resulted in estimated annual savings of more than USD450K on just four MNCH products – a 50% return on donor investment. Meanwhile, a 10% improvement in budget absorption in an average Kenyan county budget for HPTs can deliver a 50% return on donor spend in CIPS HPA support.

Advocacy for increased allocation led to increases in the budget for healthcare products and technologies of 26-75 % across four Kenyan counties.

02

**75%**  
increase in healthcare budget

03

**Over 30%**  
increase in availability of critical medicines

In Nigeria, Drug Management agencies in HPA -supported states now fulfil 95% of needs compared to 64% before HPA interventions. Time to process orders has been reduced to 5 days from 15 in one state.

An independent review of CIPS HPA programmes showed an average procurement effectiveness score of 3.6, from a starting point of 1.8. The expectation is that a score of 4 (effective) will be achieved in the 2025/ 2026 review period.\*

04

**200%**  
improvement in organisational effectiveness

05

**Pooled procurement and domestic manufacturing**

CIPS has supported the Ministry of Health in Kenya on domestic manufacturing strategy and has provided strategic guidance on pooled procurement to a major initiative

\* The CIPS Procurement Excellence scale goes from 1-8. Level 4 is considered effective, while level 6 and above is recommended for strategic initiatives such as pooled procurement.

## CIPS HPA Services

### CIPS and CIPS HPA services include:

1. Supporting governments at national and state level to improve value for money through:
  - a. Improved availability and affordability of critical medicines
  - b. Better return on their healthcare budgets
  - c. Improved financial management, in particular management of working capital to improve security of supply
2. Partnering with multinational organisations that fund or organise the supply of medicines and other key commodities to improve efficiency
3. Supporting countries that are transitioning out of internationally funded support programmes to access and manage an affordable supply of critical healthcare products
4. Advising continental, regional and national pooled procurement initiatives
5. Supporting domestic drug manufacturing initiatives

can support in implementing. In combination, or separately, CIPS supports staff in public healthcare procurement organisations achieve CIPS Level 4 certification, the first level qualification in achieving full CIPS membership. CIPS can support healthcare procurement organizations in quantification – the process of accurately forecasting demand – supplier management and category management strategies.

Professionalising the procurement process not only leads to improved availability of critical medicines, it also delivers greater return on national and regional healthcare budgets in two ways: It leads to reduced prices, resulting in more medicines for the available budget and; it enables budgets to be used within the budget window, utilising the full available budget and therefore increasing medicine supply. Improving budget utilisation and more professional procurement practices provides an evidence base that enables departments of health to advocate for budget increases, further increasing supply of critical medicines through budgets that better meet forecast demand.

A contributing factor to lack of availability of critical medicines can be a lack of alignment between working capital availability and the procurement and supply cycle. CIPS HPA supports governments in managing working capital through better forecasting and planning of demand and supplier payment cycles.

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### Partnering with multinational organisations that fund or organise the supply of medicines and other key commodities to improve efficiency

A number of international organisations support the pooled procurement and supply of medicines and other commodities directly to low-income countries. With funding stress and moves to nationalise procurement and production of key commodities, these organisations face a new and more fragmented landscape of supply and demand with implications for pricing and for supply security. For highly strategic commodities (those for which supply delays or outages have critical consequences), ensuring that increasing competition for resources does not lead to negative outcomes for stable supply is critical. These organisations may consider themselves taking a lead role in coordinating pooled procurement on behalf of independent procurement agents. CIPS can support these organisations in multiple ways, from conducting market analyses and recommending the most effective strategic procurement model to achieve core goals, to professionalising the internal procurement function and building skills in the management and assessment of outsourced or partner procurement agents.

## Services: Detail

### Supporting governments at national and state level to ensure faster supply of critical medicines, achieve a better return on healthcare budgets and manage finances

CIPS supports national and regional public health procurement organisations to increase the availability of critical medicines by improving strategic and tactical procurement processes and practices. Typically, these programmes begin with a situation analysis of the procurement process and market structure in country. This is followed by a diagnostic assessment of the healthcare procurement organisation based on CIPS' globally recognized procurement excellence standard, deployed in more than 900 organizations worldwide since 2010.

The assessment rates procurement practices in defined areas and provides an improvement plan which CIPS HPA

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## Supporting countries transitioning out of internationally funded support programmes to access and manage an affordable supply of critical healthcare products

As countries transition out of internationally funded programmes, governments may need to assess the economic benefits of remaining within pooled procurement schemes or moving to national procurement, which may be legally required or may be in support of domestic manufacturing initiatives. The cost of medicines and healthcare products is often higher than under pooled schemes due to a loss in the price efficiencies of such schemes. CIPS can support transitioning governments to professionalise national procurement for increased efficiency and reduced pricing, providing services including; market analysis to establish the supplier and pricing landscape for required medicines in order to determine procurement strategy (remaining within organised pooled schemes, participating in or developing alternative pooled procurement mechanisms and / or moving to national procurement); quantification to establish demand requirements; analysis of existing procurement processes and recommendations for improvement; staff professionalisation; train-the-trainer programmes either within the client institution, or at nationally recognised training institutes.

## Advising continental, regional and national pooled procurement initiatives

As the global funding landscape comes under increasing stress, and as lower-middle and middle-income countries move to increase domestic production of critical commodities, both to ensure supply and to increase domestic value addition and capture, pooled procurement is being considered at continental and regional level by many low-to-middle income countries. Pooled procurement mechanisms can take several forms, from entirely centralised, to hub and spoke - where demand is forecast and managed regionally but suppliers are managed centrally - to regional agents operating independently. These mechanisms require varying levels of procurement excellence, depending on the strategic and critical nature of the commodities in question. For highly strategic, critical products with complicated manufacturing and supply chains, such as vaccines, an advanced level of procurement (6+ in the CIPS level of procurement excellence) is ideal, but may take up to a decade to achieve. New pooled procurement entities may choose to build up these competencies over time, working in close strategic partnership with experienced agents through multiple procurement cycles of increasing complexity.

CIPS can support developing and existing pool procurement mechanisms with a range of services including; strategic review and assessment of the most appropriate organisational model (degree of centralisation and mitigation mechanisms for adverse competitive effects on strategic supply in the case of independent entities) for the

strategic purpose, legal and political frameworks and market landscape; advisory on regulatory and policy changes that would be required to enable effective pooled procurement within the geographic context; market analysis to determine sources of supply and demand for identified products; category management strategy to enable more strategic engagement with key commodity suppliers and; skills development for procurement staff including in assessing outsourced procurement agents.

## Supporting domestic drug manufacturing initiatives

Driven by the experience of procuring COVID vaccines and by national and continental imperatives for increasing value addition and capture, many governments in low-to-middle income countries are evaluating the potential to develop and expand their local manufacturing capability. In the case of healthcare products and technologies, manufacturing capabilities exist in many countries but very often operate well under capacity. As a result, many experience capital constraints that mean they are unable to invest in upgrading to the standards of technology which may be required by larger (and pooled) procurement organisations and mechanisms.

CIPS can support both buyers and manufacturers (as buyers of inputs) in domestic manufacturing scenarios. Examples of services include: Review and shaping of the regulatory and policy environment to assess suitability to procurement from domestic suppliers; Review of public procurement instruments including tendering documents and contracting frameworks and recommendations on optimal strategic relationships models between the public procurement entities and local manufacturers; Technical assistance to public procurement entities to align disaggregated demand for critical products with local manufacturers' capacity and mechanisms for pooled sourcing and shipping; Supporting domestic manufacturers with assessing demand and developing supply reliability, as well as assessing the supply market for critical inputs and professionalising procurement to enable lower prices and reliable supply.