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# Evolving the wambo.org pilot for non-Global Fund-financed orders

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## 42<sup>nd</sup> Board Meeting

GF/B42/04 – Revision 1

14-15 November 2019, Geneva, Switzerland

### Board Decision

**Purpose of the paper:** This paper presents a recommendation to the Board to approve an evolution of the wambo.org pilot: for orders financed with non-Global Fund sources of funding, wambo.org would be available to governments and non-government development organizations in Global Fund-eligible countries and countries that have transitioned from Global Fund financing. All products, services and functionalities, as they become available on wambo.org (subject to agreement by the product catalogue owners), could be purchased on the platform. A cap of US \$50 million in total value would be placed on transactions within this scope from the date of the decision point, with delegated authority to the Strategy Committee to adjust the value or nature of the cap.

## Decision

**Decision Point: GF/B42/DP05: Evolving the wambo.org pilot for non-Global Fund-financed orders**

- 1. Based on the recommendation of the Strategy Committee as presented in GF/B42/04 – Revision 1, the Board:**
  - i. reaffirms the importance of wambo.org and supports evolving the wambo.org pilot approved by the Board pursuant to GF/B37/DP09, as the number of transactions was increased pursuant to GF/SC09/DP01, to further its development and advancement;**
  - ii. decides that, in connection with the evolution of the wambo.org pilot, wambo.org may be made available for non-Global Fund-financed orders by governments and non-government development organizations in Global Fund-eligible and transitioned countries, for all products, services and functionalities as they become available on wambo.org, subject, if applicable, to agreement by the product catalogue owners, as described in GF/B42/04 – Revision 1, up to a cap of USD 50 million of transactions within the above scope from the date of this Decision Point; and**
  - iii. instructs the Secretariat to undertake consultations early in 2020, an evaluation of the wambo.org pilot in 2022 and bi-annual reporting on progress of the wambo.org pilot to the Strategy Committee.**
- 2. The Board delegates to the Strategy Committee the authority to:**
  - i. approve a higher cap for transactions within the scope of Section 1(ii) above on a pilot basis prior to the consultations in 2020; and**
  - ii. establish the future parameters of the wambo.org pilot within the scope of Section 1(ii) above, based on the outcome of the 2020 consultations.**
- 3. The Board requests the Secretariat to include the results of the evaluation referred to in Section 1(iii) in the development of a strategy for future advancement of wambo.org to be presented for Board approval at the conclusion of the wambo.org pilot for non-Global Fund-financed orders no later than November 2022.**

**Budgetary implications (included in, or additional to, OpEx budget): none**

A summary of relevant past decisions providing context to the proposed decision point can be found in Annex 4.

# Executive Summary

## Context

- To meet the ambitious 2030 Sustainable Development Goal targets, **programs will need to scale up prevention, diagnostic and treatment activities**. This will require increased procurement of affordable and quality assured products, much of which will be funded by domestic and other non-Global Fund sources of funding.
- As procurement of HIV, TB and malaria commodities using non-grant funding increases, some buyers will face **risks**, including: reduced **access**, reduced **quality assurance**, higher **prices** and reduced **administrative efficiency** and longer lead times.<sup>1</sup> This could result in increased risks for sustainability and transition in some countries and limited uptake of domestic procurement in others.
- While not a full solution to all in-country procurement challenges, international pooled procurement mechanisms such as **wambo.org may reduce these risks** in some contexts. Making wambo.org available for non-grant orders (a joint recommendation from the Secretariat, TERG, TRP and the OIG<sup>2</sup>) is one concrete action that the Global Fund can easily and immediately implement to support strong, efficient, compliant, quality assured<sup>3</sup> non-grant procurement in Global Fund-eligible countries, as well as in countries that have transitioned from Global Fund financing.

## Questions this paper addresses

- A. What do we propose to do and why?
- B. What options were considered?
- C. What do we need to do next to progress?

## Conclusions

- A. In order to support and strengthen domestic procurement of quality-assured health products in both eligible and transitioned countries, the Strategy Committee and Secretariat are recommending that **access to the wambo.org pilot be evolved to allow:**
  - Governments and non-government development organizations in Global Fund-eligible and transitioned countries to place orders on wambo.org;
  - Eligible buyers to use any funding source available to them in the fight against the three diseases (including, but not limited to, domestic sources of funding); and
  - Eligible buyers to access all products, services and functionalities as they become available on wambo.org, subject, if applicable, to agreement by the product catalogue owner.

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<sup>1</sup> The time between initiating a procurement request and receiving delivery of the goods.

<sup>2</sup> In the Update on STC Policy Implementation (GF/B42/12), the joint recommendation of the Secretariat, TERG, TRP and OIG on Access to Health Products is to "continue efforts to support access to health products, including through pooled procurement mechanisms, such as wambo" (p.4). See also the TERG Market Shaping Strategy Mid-Term Review: "There is a risk of back-sliding on market-shaping achievements as domestic financing increases; the topic of sustainability of procurement could benefit from more comprehensive and systematic engagement by the Global Fund. In particular the Global Fund could strengthen its approach to addressing these topics by developing: [...] an expansion of the Wambo pilot to domestically-financed procurement by entities other than PRs, coupled with a rigorous evaluation and long-term strategy. Current restrictions on the Wambo pilot (e.g., which entities can procure on Wambo using domestic financing) limit its ability to comprehensively assess potential future scenarios for its use." (MSS Mid-Term Review, Executive Summary).

<sup>3</sup> Global Fund quality assurance standards apply to all products offered on wambo.org through PPM, while products offered on wambo.org through partner organizations comply with these organizations' quality standards.

- Additionally, transactions through the pilot are capped at US \$50 million in total value from the date of this decision point. The Strategy Committee shall have the authority to approve a higher cap and/or to establish future parameters of the wambo.org pilot following a consultation in early 2020.
- B. The Secretariat considered five options for the future strategy of wambo.org, which are described in the paper, and, following Strategy Committee discussions and decision, recommends the above option.
- C. With approximately two-thirds of the grant portfolio developing funding requests and undergoing grant-making in 2020 **for the 2020-2022 allocation cycle, clarity on future access to wambo.org with non-grant funding is urgently needed.** A decision on future access to wambo.org with non-grant funding will influence decision-making at the country level as funding requests are developed, as well as Secretariat engagement with country stakeholders to strengthen the efficiency of Global Fund investments, meet ambitious programmatic goals and increase domestic financing in the coming allocation cycle.

The Secretariat recognizes that challenges will remain around the pre-payment requirement and legislative barriers due to national procurement regulations. With respect to the latter, the Secretariat continues to closely monitor the issue and is working with partners to assess the situation in a number of countries. Regarding pre-payment, the Secretariat is considering options to address this challenge for non-grant orders. The Secretariat presented an update to the Audit and Finance Committee (AFC) in October 2019 and intends to bring a proposal for decision in 2020. These areas of work may run concurrently with the proposed evolution of the wambo.org pilot, to avoid restricting access for countries and implementers who do not face challenges with pre-payment or legislative barriers.

## Input Sought

The Board is requested to review and approve the following decision point:

- GF/B42/DP04: Evolving the wambo.org pilot for non-Global Fund-financed orders

## Input Received

- The Strategy Committee (SC) has recommended this decision to the Board based on the discussion of GF/SC11/07 at the October 2019 SC session.
- The AFC, SC and Board have reviewed the interim results of the domestic funding pilot<sup>4</sup> and lessons learned in previous meetings, notably in March 2019 (SC & AFC), May 2019 (Pre-Board) and July 2019 (AFC).
- External consultations have been conducted with buyers interested in the wambo.org pilot to better understand requirements, benefits and potential barriers. The Secretariat will further engage with Board constituencies through consultations in early 2020.

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<sup>4</sup> As set forth in [GF/SC09/11 Update on Implementation and Request for Additional Domestic Funding Transactions](#)

# Report

## What is the need or opportunity?

1. To achieve the ambitious 2030 Sustainable Development Goal targets, programs will need to scale up prevention, diagnosis and treatment activities, as well as procurement of commodities critical to delivering these results.<sup>5</sup> Given overall trends in domestic financing, much of this additional procurement will be achieved with non-grant funding.<sup>6</sup> Providing access to international pooled procurement may help mitigate risks concerning access, quality assurance, affordability and efficiency. While not a complete solution to all in-country procurement challenges, making wambo.org available to non-grant buyers using non-grant funding is an immediate and concrete action the Global Fund can take to support strong, efficient and compliant procurement in Global Fund-eligible and transitioned countries and help further the aims of the Sustainability, Transition and Co-financing (STC) policy. Evolving the current wambo.org pilot will provide countries with an additional option to support sustained or scaled impact even as grant-funded procurement of key commodities decreases and may help shift some procurement in highly commoditized grants to domestic sources, allowing Global Fund resources to be focused on other priority interventions, such as programs for key populations. Ultimately, extending access to wambo.org to non-grant buyers will contribute to collective efforts to end the epidemics.
2. GF/SC09/11<sup>7</sup> summarizes: 1) the development of wambo.org as a tool for effective and compliant procurement for grant-funded orders, 2) connections to the Global Fund Market Shaping Strategy and other Global Fund objectives and priorities, and 3) results, as of March 2019, of the domestic funding pilot (see Annex 1 for an updated summary of lessons learned).

## What do we propose to do and why?

### What is the proposal?

3. The Strategy Committee and the Secretariat recommend evolving the scope of the current wambo.org pilot as follows:

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<sup>5</sup> "Progress of Goal 3 in 2019", Sustainable Development Goals Knowledge Platform, <https://sustainabledevelopment.un.org/sdg3>, accessed 21 August 2019.

<sup>6</sup> Sixth Replenishment Investment Case, p. 4.

[https://www.theglobalfund.org/media/8279/publication\\_sixthreplenishmentinvestmentcase\\_report\\_en.pdf](https://www.theglobalfund.org/media/8279/publication_sixthreplenishmentinvestmentcase_report_en.pdf).

"Non-grant funding" is funding from domestic and other donor sources, beyond the Global Fund. Orders funded in this way are "non-grant orders." Orders funded with Global Fund grant funding are "grant-funded orders."

A 2018 Center for Global Development report suggests that the government share of the health commodity market (not restricted to HIV, TB and malaria) in 50 low- and middle-income countries represented USD 12.71b in 2015. "An initial estimation of the size of health commodity markets in low- and middle-income countries,"

<https://www.cgdev.org/publication/initial-estimation-size-health-commodity-markets-low-and-middle-income-countries>.

In addition, [the Global Fund's Sustainability, Transition and Co-Financing Policy](#) encourages uptake of key program costs, including health commodity procurement, by domestic sources of funding.

<sup>7</sup> [GF/SC09/11 Update on Implementation and Request for Additional Domestic Funding Transactions](#)

**A. Governments and non-government development organizations<sup>8</sup> in Global Fund-eligible<sup>9</sup> and transitioned<sup>10</sup> countries can place orders on wambo.org**

- i. Eligible buyers include both national and sub-national governments and non-government development organizations involved in the fight against the three diseases in Global Fund-eligible and transitioned countries, subject to mutual agreement by the Global Fund and the supplier.<sup>11</sup>
- Products would be for delivery to Global Fund-eligible or transitioned countries only. For non-government development organizations based in countries that are not Global Fund-eligible or transitioned, the place of delivery of the products would be the defining eligibility criterion,<sup>12</sup> rather than the location of the organization.
  - This is aligned with the Secretariat’s approach to adding governments and non-government development organizations as “additional buyers” to long-term agreements,<sup>13</sup> subject to mutual agreement of the Global Fund and the supplier – a condition that would continue to apply to orders placed through the wambo.org pilot. This proposed scope, therefore, does not change which buyers can access the Global Fund long-term agreements, but rather allows all such transactions to be placed through wambo.org. This will have the benefit of increasing visibility for the Global Fund, allowing the Global Fund to monitor supplier performance for risk mitigation and to leverage the additional volumes in negotiations, potentially mutually benefitting Global Fund grant orders, as well as non-grant orders.
  - Orders placed through wambo.org will be compliant with national laws and applicable international obligations in intellectual property provisions in each country. This means that buyers may not be eligible for the lowest pricing available in wambo.org.<sup>14</sup> However, they would still benefit from the visibility, transparency, efficiency and quality assured product that wambo.org offers for those products with intellectual property constraints.

**B. Eligible buyers can use any funding source available to them in the fight against the three diseases**

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<sup>8</sup> The term non-government development organizations is intended to cover those organizations working to end the three diseases that are not governments (and which may or may not be current Global Fund sub-recipients). It includes organizations such as local and international non-governmental organizations, civil society organizations, partners and donors. While to-date the inclusion of such organizations as buyers on the Global Fund’s long-term agreements has been decided on an ad hoc basis, considering the credibility and contribution of the organization to the fight against the diseases, as well as alignment with the Global Fund’s activities in a given country, a more detailed and formal onboarding process/eligibility evaluation will be developed in partnership with the Global Fund’s Ethics Office, after Board approval of the decision.

<sup>9</sup> The Global Fund Eligibility Policy (GF/B39/DP03) determines which country disease components are eligible and does not make an overall country eligible. However, for the purpose of accessing the wambo.org catalogue with non-grant funds, any country with one eligible component would be considered “Global Fund-eligible.”

<sup>10</sup> Transitioned countries are defined, for this purpose, as countries that have at some point had an eligible disease component, and received funding, but are no longer eligible for any disease component. Any country which previously had at least one eligible component and received funding could access the full wambo.org catalogue with non-grant funds.

<sup>11</sup> The Global Fund and its suppliers reserve the right to decline to extend access to buyers at their discretion. The Global Fund may conduct additional screening of interested buyers to ensure they are reputable and aligned with Global Fund values and/or there are no restrictions imposed on transacting or facilitating transactions with such buyers.

<sup>12</sup> The World Bank income group category of the country in which the products are to be delivered will not be an eligibility criterion for accessing wambo.org with non-grant funding.

<sup>13</sup> Long-term agreements are the outcome of competitive tenders with manufacturers of certain “core” product categories, i.e. ARVs, ACTs, LLINs.

<sup>14</sup> The funding source is not a factor in the pricing offered to a buyer; where intellectual property provisions exist, they apply equally to grant and non-grant orders.

- i. For government buyers (national or sub-national), the definition of non-grant funds includes government revenues, loans, debt relief, social health insurance and private sector contributions (the Global Fund's definition of domestic funding for the purposes of co-financing<sup>15</sup>), as well as other donor funds. For non-government development organization buyers, eligible funding sources include donations, grants, revenues and other funds mobilized by the organization. In all cases, the Secretariat would reserve the right to seek clarification on the source of funds used for non-grant orders and restrict the use of certain funds, where applicable, on a case-by-case basis.

**C. Eligible buyers can access all products, services and functionalities as they become available on wambo.org, subject, if applicable, to agreement by the product catalogue owner**

- i. wambo.org makes the Pooled Procurement Mechanism (PPM) offering available to grant buyers. This proposal would make the PPM offering available to governments and non-government development organizations in Global Fund-eligible and transitioned countries for non-grant orders.
- ii. In addition, wambo.org has grown beyond the PPM offering for grant-funded orders and includes additional product catalogues through a Memorandum of Understanding (MOU) negotiated by the Global Fund with UNOPS for products used in the fight against the three diseases.<sup>16</sup> This proposal would make these additional product catalogues available to eligible buyers for orders funded with non-grant funding, subject to agreement by UNOPS. This will promote transparency, efficiency and value-for-money for non-grant orders, just as it does for grant orders.
- iii. Similarly, the Secretariat may identify future partnership opportunities to make additional product catalogues available to wambo.org buyers. The Secretariat will evaluate these opportunities on a case-by-case basis, weighing buyer needs, level of effort and governance considerations.
  - These products would be made available to non-grant and/or grant buyers by agreement with the relevant sourcing partner, who would also manage transactions. There would therefore be little to no additional transaction cost for the Global Fund, but buyers would benefit from the visibility, transparency, efficiency and compliance aspects of wambo.org, as well as from having a single platform and process for a greater range of quality assured products.<sup>17</sup> Sourcing partners might benefit from additional volumes, in addition to leveraging the existing infrastructure of wambo.org for their transaction management.<sup>18</sup>

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<sup>15</sup> Operational Policy Note: Co-Financing, issued 31 March 2017, p.1

<sup>16</sup> For example, vehicles, energy equipment and IT equipment. Products are accessed on UN Web Buy, the UNOPS platform, via punchout from wambo.org, after which users can add the UNOPS items to their wambo.org cart and complete the order process.

<sup>17</sup> Additional product catalogues brought into wambo.org through such agreements would comply with the quality standards of the organization owning the product catalogue. The Secretariat would review the applicable quality assurance standards before agreeing to host additional catalogues on wambo.org.

<sup>18</sup> This could result in product catalogues for items not directly relevant to the fight against HIV, TB and malaria becoming available in wambo.org for transaction management by other partners. While this is not the focus of the wambo.org future strategy, the Secretariat would be willing to make the wambo.org infrastructure available to other sourcing partners for their transaction management beyond HIV, TB and malaria, if doing so would provide an overall better experience for the buyers



- iv. wambo.org is a living platform, and its functionalities will continue to evolve. For example, the Secretariat is considering developing an online tendering tool on wambo.org, which would allow Global Fund Principal Recipients (PRs) to launch tenders and/or manage orders through wambo.org in accordance with the PRs' own procurement rules. Should the functionalities of wambo.org allow such use for PRs for grant-funded orders, the Secretariat proposes to extend this functionality to non-grant buyers, subject to compliance with national legislation.

**D. Transactions are capped at US \$50 million in total, subject to Strategy Committee approval of an increase or change of pilot parameters**

- i. The Secretariat believes wambo.org should be as accessible as possible to non-grant buyers, in order to better support those governments and non-government development organizations that wish to leverage the platform to place non-grant orders.
- ii. The Secretariat recognizes that further consultations and a full evaluation are required before a decision is presented to the Strategy Committee and Board to move out of pilot phase. Therefore, the Secretariat and Strategy Committee propose to evolve the wambo.org pilot to make wambo.org available within the above scope (see A., B. and C.) with an initial cap of US \$50 million total transaction value. This cap will allow for an increased scope and, likely, greater impact of the pilot. It will also enable continuing Strategy Committee oversight and Secretariat scope to conduct consultations and an evaluation of the pilot, while maintaining the flexibility to return to the Strategy Committee to increase the cap or to change the parameters of the pilot (only after consultations) with justification.

**E. In addition, the Secretariat will conduct a multi-stakeholder consultation with Board constituencies in early 2020.**

- i. This consultation will include an update on the prepayment and legislative challenges not addressed by this decision, as well as a deep dive on topics of interest to the constituencies (such as impact on markets). In addition, the consultation will be used to develop a proposal for Strategy Committee decision on the metrics that the Secretariat will use for regular reporting to the Strategy Committee, the pilot evaluation criteria and methodology, and the recalibration of pilot parameters (i.e. the nature and size of the pilot parameters beyond the consultations).
  - Prior to the consultation, **the Strategy Committee may increase the initial cap beyond US \$50 million total transaction value.**
  - Following the consultation, **the Strategy Committee may decide to recalibrate the pilot parameters** (i.e. increase the transaction value limit or impose a different limitation on the pilot, such as timebound, etc.).

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and/or sourcing partners (as some of these partners may not have user-facing transaction management systems). This does not imply an increase in PPM scope or to the category management activities in which the Secretariat is involved beyond those for the Secretariat itself.



- F. The Secretariat will **report to the Strategy Committee** each Spring and Fall according to the metrics agreed by the Strategy Committee following the 2020 consultations.
- G. In 2022, an **independent evaluation of the pilot** will be done according to the criteria and methodology approved by the Strategy Committee following the 2020 consultations. The results of the evaluation will be presented and taken into consideration when developing the **future strategy** for wambo.org.

#### Why is this the recommended option?

4. The original wambo.org pilot was launched to help strengthen the ability of buyers using domestic funding to access international pooled procurement through the Global Fund's long-term agreements (LTAs) and the wambo.org platform, while generating learnings and allowing the Secretariat to conduct consultations with the view to develop a comprehensive wambo.org strategy on non-grant access. The pilot was intended to address the fact – as clearly highlighted in the Global Fund's 2017-2022 strategy, the Sustainability, Transition and Co-Financing Policy, and the Sixth Replenishment Investment Case – that non-Global Fund sources of financing increasingly play a larger and more significant role in the overall financing of national disease responses. Meeting ambitious national targets and decreasing coverage gaps will require greater domestic uptake of all interventions, including the procurement of quality assured health products and other commodities, which currently represent a major share of Global Fund financing (approximately 50%). As countries seek to strengthen sustainability, increase domestic financing, maximize efficiency and/or transition from Global Fund financing, ensuring they are able to access quality assured and affordable health products will be essential.
5. The Strategy Committee and the Secretariat are recommending that the current wambo.org pilot be evolved to be made available to a larger population of buyers using a variety of funding sources to procure a wider range of products. This represents an evolution of the scope of the wambo.org pilot previously approved by the Board, to continue meeting the goals outlined above. This recommendation is based on the first of three major strategic lessons from the pilot (see Annex 1):
  - a. The **scope** of the pilot was too **restrictive**,
  - b. **Access** and **timelines** were negatively affected by the **pre-payment requirement**,
  - c. **National procurement legislation** created **barriers** to accessing international pooled procurement.
6. The Strategy Committee and the Secretariat recommend this approach because it will provide more buyers with an option for strong, efficient, compliant, quality assured non-grant procurement, which will, in turn, support the continued scale up of the disease programs (much of which will be achieved through domestic financing) and the fight against the three diseases. Both the Strategy Committee and the Secretariat note that this is not a full solution to the strategic issues identified in the pilot, however, by evolving the scope of the pilot now, countries will have greater clarity as they enter the country dialogue (including negotiation of co-financing commitments) and grant-making for the 2020-2022 allocation period. Work on additional issues identified may run concurrently with the proposed evolution of the wambo.org pilot, to avoid restricting access for countries and implementers who do not face challenges with pre-payment or legislative barriers.
7. The evolution of the wambo.org pilot is summarized below:

- a. Buyers: the pilot previously approved by the Board is available to current PRs. Under the recommended option, wambo.org would be made available to governments in Global Fund-eligible countries, whether they are PRs or not, governments in transitioned countries, and non-government development organizations in Global Fund-eligible and transitioned countries, whether they are PRs or not.<sup>19</sup> This may include PRs, sub-recipients, donors, partners and other non-government development organizations working to end the three diseases.
  - b. Funding sources: while the term “domestic funding” as used in the pilot previously approved by the Board refers to resources mobilized by a country, the recommended option clarifies that non-government development organizations would also be able to place orders on wambo.org with their own funds.
  - c. Products and functionalities: the pilot previously approved by the Board allows non-grant buyers to procure health commodities. The proposed scope is enlarged to include the full wambo.org catalogue, including non-health products used by HIV, TB and malaria programs, which are currently available for Global Fund PRs using grant funds. It will also enable the Secretariat to consider future MOUs with strategic sourcing partners, if it judges that such partnerships will add value to grant and/or non-grant buyers, while keeping transaction costs for the Secretariat at a minimum.<sup>20</sup>
  - d. Number of transactions: the pilot previously approved by the Board (with the number of transactions increased by the Strategy Committee pursuant to delegated authority from the Board) is currently limited to 60 transactions. Instead of limiting the pilot based on the number of transactions, the proposed decision limits transactions to a total value of US \$50 million, from the date of the decision point, subject to approval of a higher limit or, after the consultations to be held in 2020, of different pilot parameters (i.e. the value of the cap or the nature of the cap) by the Strategy Committee.
8. While the Secretariat is not recommending a specific option on how to address the challenges related to pre-payment for non-grant orders at this time, the Secretariat acknowledges that this is a significant issue for many buyers. The Secretariat updated the AFC at its 11<sup>th</sup> Meetings on the current options that are under consideration and will continue to explore possibilities with a view to presenting a recommendation for decision in 2020. In addition, the Secretariat recognizes that some buyers will continue to experience legislative barriers that prevent the use of wambo.org. While it believes many buyers will be able to find solutions to allow access (particularly once access moves out of pilot phase and becomes permanently available), and this factor is outside of the Secretariat’s direct control, the Secretariat will continue to monitor it, including through the completion of a study of legal barriers in 15 countries currently being conducted. These areas of work may run concurrently with the proposed evolution of the wambo.org pilot, to avoid restricting access for countries and implementers who do not face challenges with pre-payment or legislative barriers.
9. In terms of implications on Secretariat operations, the Secretariat believes that an increased number of non-grant orders can be handled by existing Global Fund staff, covered under existing OPEX (the cap on transaction value proposed in the decision point represents about 5% of current annual throughput). The Secretariat has recently carried out adjustments to increase the efficiency

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<sup>19</sup> Subject to screening by the Secretariat, as described above and in the risk section. Evaluation criteria will be developed internally, including with the support of the Ethics Office.

<sup>20</sup> See above. This does not imply an expansion of PPM, as category management would remain with the sourcing partner. However, it could result in some incremental additions to the products offered on wambo.org which are not directly used in the fight against HIV, TB and malaria.

and quality of sourcing support. Several projects are in progress to improve underlying tools, which should enable the existing team to maintain or improve the quality of service even as the number of transactions increases. Any future increases in the value or nature of the proposed cap will be considered in light of potential impact on OPEX.

10. As the Secretariat already has experience with non-grant orders through the domestic funding pilot, moving into the evolved pilot scope is expected to be smooth. Some process and platform improvements have been instituted since the pilot was launched, while others, including necessary modifications to the legal framework for registration and onboarding, will be implemented during a transition phase to the evolved pilot. This exercise will take a few months, during which the existing pilot processes will be maintained for new orders. As such, there will be a period where the increased scope might not be fully available on wambo.org.

What are the risks and proposed mitigations?

11. The following risks and mitigating actions have been identified. Certain of these risks and proposed mitigating actions will be further explored during the multi-stakeholder consultations in early 2020, including the first strategic risk in the table concerning the potential impact of larger volumes on market dynamics.

Area	Risk	Mitigation
Strategic Risk	Increased volumes (resulting from higher uptake of the wambo.org platform for non-grant orders) may impact the markets for certain product categories.	Transactions will be capped at US \$50 million, roughly 5% of current annual PPM throughput. Considering the potential for a larger volume of transactions in the future, the Secretariat will conduct an analysis, per product category, of the impact of various degrees of additional volume within the global public health market. If any potential negative impacts on product markets are identified, mitigating actions relevant to that market will be established, such as ensuring an adequate supplier base and maintaining capacity through healthy competition with a focus on long-term sustainable prices; encouraging the entry of new suppliers to maintain healthy market structure; leveraging volumes to encourage innovation; and/or limiting procurement of such categories through wambo.org using non-grant funding. Please note that our current analysis suggests this risk is rather low, and it is expected most categories will benefit from the additional volumes, helping the Global Fund achieve its volume

		commitments or even increasing volumes to critical mass for price negotiations (i.e. for new strategic product categories).
Strategic Risk	PSAs may resist moving to the evolved pilot scope at the current service fee structure if the number of transactions greatly increases, as non-grant orders are not generally part of their scope.	Transactions will be capped at US \$50 million, roughly 5% of current annual PPM throughput. Inform PSAs of the projected increase in number of orders, on a regular basis and as estimates are refined based on new information. Negotiate as needed to ensure the incentives of the PSAs are aligned with the objectives of the Global Fund and the evolved pilot scope, without unduly affecting the value proposition for potential buyers. There is a mechanism in the PSA contracts to address significant volume increases. The PSAs are expected to run their own due diligence to address any associated financial risks. The Global Fund will support PSAs to address any remaining concerns, if needed.
Compliance Risk	Global Fund staff will be responsible for ensuring compliance with the onboarding process and for providing transaction and category management services as described in the Standard Operating Procedures for use of wambo.org with non-grant funding. If these processes are not followed correctly, wambo.org and the Global Fund may suffer reputational damage.	A process flow for the entire end-to-end process has been developed in connection with the current pilot and will be refined and further strengthened for the evolved pilot after Board approval.
Compliance Risk	If orders are received from buyers in transitioned countries, the Global Fund may lack the country-specific knowledge to ensure full compliance of the transaction with applicable legislation.	Procurement Services Agents have been competitively selected to manage transactions, and the PSA is obligated by the procurement contract between it and the buyer, as well as by the PSA framework agreement between it and the Global Fund, to perform due diligence on key aspects of the transaction and to ensure compliance with all applicable laws. In addition, the Global Fund has transaction managers grouped by region, so these focal points will

		already have significant knowledge of regional trends and issues. The Global Fund will strengthen country-specific knowledge by working with partners and others.
Operational Risk	If uptake greatly exceeds projections, current levels of FTE may not be sufficient to manage onboarding, transaction management, and other supporting activities.	Projected uptake will be readjusted at least annually, but with a cap on the value of transactions at US \$50 million total (5% of current annual throughput), the risk of insufficient FTE is minimal. The Secretariat has recently undergone a reorganization that aims to improve the efficiency of existing sourcing support. Any future increase in the value or nature of the proposed cap will be considered in light of the potential impact on OPEX.
Operational Risk	Buyers or financers of non-grant orders may have individual requirements that they would want to incorporate into the wambo.org legal framework. However, because developing bilateral agreements negates the benefits of a standardized legal framework available to a wide audience by increasing transaction costs and rendering monitoring by the Global Fund difficult, the Secretariat will not consider individual amendments to the wambo.org legal framework for non-grant orders, which may reduce uptake of wambo.org by certain buyers.	As such requirements are identified, the Secretariat will determine whether the requirement could be acceptable as a global update to the legal framework. If so, it will try to negotiate with the PSAs or other stakeholders to have them included, in general terms, as part of the legal framework that will apply to all non-grant orders, and these requirements will be subject to acceptance by the PSAs or such other stakeholders. Any additional requirements not accepted by the PSAs or such stakeholders will need to be waived by the buyer or the financer if the transaction is to be supported by wambo.org.
Reputational Risk	When buyers register to wambo.org to place orders using non-grant sources of funding, they make representations to the effect that use of the wambo.org platform is compliant with applicable procurement legislation. The Secretariat is not equipped to verify these representations. Should a buyer make inaccurate representations, any	The legal framework for non-grant orders will clearly outline the conditions for participation, including the requirement that the buyer confirm its ability to use wambo.org in compliance with applicable legislation. A study of potential barriers to use wambo.org, including legal barriers, in 15 countries is currently being undertaken. This study may provide additional information that will help

	<p>procurements through wambo.org might be deemed non-compliant, and the Global Fund could suffer reputational damage because of its role as a facilitator.</p>	<p>the Secretariat shape its approach to this risk.</p>
Reputational Risk	<p>If the PSA or manufacturer does not perform on its commitments, the Global Fund may suffer reputational damage for facilitating the transaction through wambo.org.</p>	<p>Just as for grant orders and the currently approved scope of the domestic funding pilot, the Global Fund will continue to monitor supplier performance closely, following established processes and escalation pathways, to ensure compliance with the SOPs and terms and conditions for non-grant orders. All reasonable efforts will be made to ensure the successful execution of non-grant orders through wambo.org.</p>
Reputational Risk	<p>If the Secretariat extends access to a buyer that is not reputable, it could experience reputational damage.</p>	<p>As with any decision to extend access to non-government development organizations today via an “offline” approach of adding them as buyers to the long-term agreements, the Secretariat will conduct due diligence on any unknown organizations with an aim to screen out any potential buyers that may not be reputable, may not align with Global Fund values, or may be the subject of restrictions on whether one can transact or facilitate transactions with such organizations. As part of this screening, the Secretariat will rely on its country-specific knowledge of which organizations are positively contributing to the fight against the three diseases. The Secretariat reserves the right to decline to extend access to any government or non-government development organization at its discretion. A set of evaluation criteria for potential buyers will be developed in collaboration with the Ethics Office.</p>
Legal Risk	<p>If the supplier does not perform on its commitments, the Global Fund may be subject to legal claims for facilitating the</p>	<p>As for the scope of the pilot currently approved by the Board, the Secretariat will structure all elements of the wambo.org legal framework for</p>

	transaction through wambo.org.	the evolved pilot to clarify that the Global Fund is not legally or financially liable for transactions placed through the platform.
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## What options did we consider?

### What assessment criteria were applied?

12. With respect to evolving the pilot scope as described in this paper for non-grant orders through wambo.org, the Secretariat evaluated options against impact on Secretariat workload and services provided to Global Fund grants; potential impact against the three diseases; current level of maturity; and alignment with buyer needs.

### What are the options?

13. The Strategy Committee considered four options presented by the Secretariat, ranging from the possibility to discontinue non-grant access to the possibility to expand its product offering beyond those needed by health programs, in order to address other procurement needs related to the Sustainable Development Goals.
14. Option 1 (Recommended by the Secretariat and the Strategy Committee in this paper): As an evolution of the wambo.org pilot, allowing governments and non-government development organizations in Global Fund eligible and transitioned countries to have access to wambo.org using non-grant funds, for all products, services and functionalities available on wambo.org, subject, if applicable, to agreement by the product catalogue owner. The evolved pilot will be limited to a maximum transaction value of US \$50 million from the date of the decision point, subject to approval of any increase of such cap/recalibration of the pilot parameters by the Strategy Committee.
15. Option 2 (Initially recommended by the Secretariat to the Strategy Committee in GF/SC11/07): Allowing governments and non-government development organizations in Global Fund eligible and transitioned countries to have access to wambo.org using non-grant funds, for all products, services and functionalities available on wambo.org, subject, if applicable, to agreement by the product catalogue owner. Access to wambo.org with non-grant funds exits the pilot mode and becomes business as usual, with regular reporting to the Strategy Committee. This was initially the Secretariat's recommended option in GF/SC11/07, and option 1 was developed as a result of discussions with the Strategy Committee during its October 2019 session.
16. For an analysis of the pros and cons of each option, please see Annex 2.

## What do we need to do next to progress?

### What is required to progress the proposal?

17. The Board is requested to approve the decision point on page 2 at its 42<sup>nd</sup> Meeting.



### What would be the impact of delaying or rejecting the decision to progress?

18. A Board decision to delay or reject the decision point will likely result in missed opportunities to leverage wambo.org for non-grant orders for the 2020-2022 allocation cycle, as the majority of the portfolio (~two-thirds) will be undertaking grant-making in 2020. It would be helpful for Global Fund-eligible countries to understand if the Global Fund will make wambo.org available for non-grant orders (and the parameters of such availability), including in post-transition or transitioning contexts, as this may impact their decision-making at country level as they develop their funding requests for the 2020-2022 allocation period. In addition, evolving the wambo.org pilot will further the aims of the Market Shaping Strategy, the Sustainability, Transition and Co-Financing Policy and the Sixth Replenishment Investment Case, while not doing so removes one tool that can be made available to countries to support domestic investments in the three diseases achieving value-for-money.

### **Recommendation**

The Strategy Committee recommends the Decision Point presented on page 2 to the Board.

## **Annexes**

The following items can be found in Annex:

- Annex 1: Domestic funding pilot lessons learned
- Annex 2: Additional options considered
- Annex 3: Summary of previous Committee input
- Annex 4: Relevant past Committee and Board Decisions
- Annex 5: Links to relevant past documents & reference materials

## Annex 1 – Domestic funding pilot lessons learned

1. In May 2017 (GF/B37/DP09), the Board authorized a pilot to allow up to ten transactions by current Principal Recipients (PRs) to purchase health products on wambo.org using domestic funds. In March 2019, the pilot reached the cap of ten transactions, and the Strategy Committee approved an additional 50 transactions within the same scope (GF/SC09/DP1) to allow the processing of orders within the scope of the pilot to continue uninterrupted until a strategy on the future of wambo.org could be presented for decision.
2. As of 25 October 2019, the pilot has facilitated 21 transactions<sup>21</sup> by 9 buyers in 6 countries,<sup>22</sup> valued at a total of USD 7.4 million.<sup>23</sup> 78% (7/9) buyers have placed repeat orders, and 100% have confirmed that they intend to continue leveraging this procurement channel.<sup>24</sup> Based on the current pipeline, the Secretariat expects 15+ buyers in additional countries to register and place orders by end of 2019.
3. The Secretariat has identified three major strategic lessons from the pilot:
  1. The **scope** of the pilot was too **restrictive**
  2. **Access** and **timelines** were negatively affected by the **pre-payment requirement**,
  3. **National procurement legislation** created **barriers** to accessing international pooled procurement.
4. Scope: The pilot allows current Principal Recipients (PRs) to access health products on wambo.org with domestic funds. This excluded governments in countries where the Global Fund PR is an NGO, governments in transitioned countries, and all non-PR development organizations, including sub-recipients and partners.
  - a. The Secretariat offered these entities the option to be added as buyers to the Global Fund long-term agreements for core product categories (ARVs, ACTs, LLINs). While this enabled them to access quality assured products at affordable prices, and several are pursuing this option, they were unable to benefit from the transparency and efficiency of the wambo.org platform and transaction management, and the Global Fund lacked visibility into and oversight (vis-à-vis the suppliers and manufacturers) over orders placed through this offline approach. Such visibility allows the Global Fund to benefit from non-grant volumes, which can help achieve price reductions for all buyers, importantly, including for buyers of grant-funded orders, and allows the Global Fund to intervene in case of issues, protecting it from potential reputational risk.

<sup>21</sup> A total of 26 transactions were submitted. Three transactions by the Papua New Guinea National Department of Health (valued at approximately USD 8.83 million) are on hold as the country is identifying available funding and seeking an exception to national legislation in order to use pooled procurement. Two transactions by the Togo Ministère de la Santé et de la Protection Sociale were withdrawn prior to final confirmation due to changes in procurement planning.

<sup>22</sup> Mongolia: National Center for Communicable Diseases, Ministry of Health; Guyana: Ministry of Public Health; Togo: Ministère de la Santé et de l'Hygiène Publique; Papua New Guinea: Rotarians Against Malaria; Bénin: Programme National de Lutte contre le Paludisme, Conseil National de Lutte contre le VIH/SIDA, la Tuberculose, le Paludisme, les Hépatites, les IST et les Epidémies, and Ministère de la Santé; Cambodia: National Center for Tuberculosis and Leprosy Control

<sup>23</sup> Of the 21 orders, three orders are freeform requests where prices have not yet been provided by the PSA. They have, therefore, been excluded from the total value calculations, which are based on the remaining 18 transactions.

<sup>24</sup> Overall satisfaction is at 70% (7 out of 10 respondents).

- b. In alignment with the TERG finding,<sup>25</sup> the proposed decision point, if approved by the Board, will make available wambo.org to more buyers with non-grant funding and contribute to the elimination of the three diseases as epidemics.
5. Pre-payment requirement: The pilot requires 100% upfront payment to eliminate financial risk for the PSAs and the Global Fund and to provide working capital for the PSAs to process orders. However, it has had the unfortunate effect of reducing access for some buyers (whose national legislation does not allow 100% upfront payment) and increasing order lead time for all buyers. In turn, this created challenges for Global Fund category managers aiming to optimize production planning and reduce lead times.
- i. To maximize access to quality assured health products at affordable prices, the Secretariat is exploring options for the establishment of a pre-financing mechanism for non-grant orders through wambo.org. The Secretariat believes that this would increase the number of buyers that are able to access the wambo.org platform in compliance with applicable regulations, improve production planning, decrease payment delays (accelerating order processing), and lead to earlier release of savings. An update on options the Secretariat is considering was presented at the 11<sup>th</sup> AFC meeting. The Secretariat plans to bring a proposal for decision in 2020.
6. National procurement regulations: National procurement legislation determines the procurement methods to be followed for the purchase of goods and services by government entities, often without offering the option for access to international pooled procurement mechanisms. In many countries, waivers or exception processes exist, but they represent a one-off or temporary solution. Noting that access to wambo.org is only offered on a pilot basis, due to uncertainties, some PRs have chosen not to pursue using it at this time (this may continue to be the case under the current decision point, given the introduction of a cap on value). However, uptake of other international pooled mechanisms such as GDF, PAHO and Unicef, which are subject to the same regulatory conditions, suggests many countries can find ways to benefit from wambo.org for non-grant orders if they wish, once they are assured they will be able to continue to access wambo.org beyond a pilot phase.
- i. The Secretariat will continue to identify and monitor barriers to accessing international pooled procurement platforms,<sup>26</sup> which will contribute to conversations at the country level, raising awareness of the benefits and advocating for specific, country-owned options as a solution, including potential updates to national legislation to enable countries to have access to international pooled procurement platforms.<sup>27</sup>

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<sup>25</sup> "There is a risk of back-sliding on market-shaping achievements as domestic financing increases; the topic of sustainability of procurement could benefit from more comprehensive and systematic engagement by the Global Fund. In particular the Global Fund could strengthen its approach to addressing these topics by developing: [...] an expansion of the Wambo pilot to domestically-financed procurement by entities other than PRs, coupled with a rigorous evaluation and long-term strategy. Current restrictions on the Wambo pilot (e.g., which entities can procure on Wambo using domestic financing) limit its ability to comprehensively assess potential future scenarios for its use." (MSS Mid-Term Review, Executive Summary)

<sup>26</sup> For example, a study to examine legislative and other barriers to use of wambo.org is currently being undertaken in 15 countries.

<sup>27</sup> Transition activities funded by the Global Fund may include technical assistance related to country-specific procurement challenges.

## Annex 2 – Additional options considered

### What assessment criteria did we apply?

1. With respect to the future wambo.org strategy, the Secretariat evaluated options against the following criteria:
  - i. Impact on Secretariat workload; additional transactions should be manageable with existing resources or the business model for extending access must account for the cost of additional support;
  - ii. Impact on services provided to Global Fund grants; extending access to wambo.org for a wider range of buyers should have a neutral or positive impact on the quality of support and services provided for grant-funded orders placed on wambo.org;
  - iii. Ability to impact the fight against the three diseases and for the Global Fund to provide a tool to enable countries, and others, to sustain and increase impact even as grant funds decrease or a country is fully transitioned; the scope should be as open as feasible to promote greater progress towards global targets and the end of the epidemics;
  - iv. Current level of maturity; the Secretariat should conduct the appropriate level of consultation, evaluation and risk mitigation to support the recommended option; and
  - v. Ability to meet the needs of potential buyers; the scope of products, services and functionalities should be targeted, as much as possible, to the full needs of HIV, TB and malaria programs.

### What are the options?

2. Option 1 (Recommended option in this paper): As an evolution of the pilot, allowing governments and non-government development organizations in Global Fund eligible and transitioned countries to have access, for orders financed with non-grant funds, to all products, services and functionalities as they become available on wambo.org, subject, if applicable, to agreement by the product catalogue owner, up to a limit of US \$50 million in transaction value (this parameter is subject to revision by the Strategy Committee). The Secretariat commits to conducting a multi-stakeholder consultation with Board constituencies in early 2020 and an evaluation of the pilot in 2022, along with regular reporting on agreed metrics to the Strategy Committee.
  - i. Pros: This evolved scope allows a greater range of buyers to access quality assured, affordably priced products through wambo.org, and provides visibility to the Global Fund regarding volumes achieved under its long-term agreements with suppliers. This option represents an increase in scope versus the original pilot, but in terms of process and platform configuration, it aligns closely, allowing learnings to be fully leveraged. In particular, it allows the Secretariat to benefit from continued learnings (with a more diverse set of buyers, funding sources and products) and consultation with Board constituencies, prior to conducting an evaluation of the availability of wambo.org for non-grant orders in 2022.
  - ii. Cons: The Secretariat will need to mitigate the risks from non-grant orders, as described above. At the same time, the cap on the value of transactions and the fact that the availability of

wambo.org for non-grant orders remains on a pilot basis may not alleviate the concerns of some potential buyers. This may discourage some of them from adopting it as their preferred procurement mechanism, particularly in cases where exceptions to legislative barriers can be obtained but might not be considered worth pursuing while the availability of wambo.org for non-grant orders remains on a pilot basis.

3. Option 2 (Option originally presented by the Secretariat in GF/SC11/07): Allowing governments and non-government development organizations in Global Fund eligible and transitioned countries to have access, for orders financed with non-grant funds, to all products, services and functionalities as they become available on wambo.org, subject, if applicable, to agreement by the product catalogue owner, with no limit on the number of transactions.
  - i. Pros: This extended scope allows a greater range of buyers to access quality assured, affordably priced products through wambo.org, and provides visibility to the Global Fund regarding volumes achieved under its long-term agreements with suppliers. This option represents an increase in scope versus the pilot, but in terms of process and platform configuration, it aligns closely, allowing learnings to be fully leveraged. It sends a clear message to countries and the Secretariat's Grant Management teams that wambo.org will be available for non-grant orders during the upcoming funding cycle, allowing it to be factored into conversations about the use of grant allocations and the uptake of co-financing commitments, including procurement of quality assured commodities.
  - ii. Cons: This wider scope may result in a larger number of transactions. The Secretariat would need to ensure that its ability to maintain expected levels of service for grant orders is not compromised. It would also need to mitigate the risks from non-grant orders, as described above. In contrast to option 1, this option does not include a formal, independent evaluation, which will benefit the Secretariat in developing its future strategy.
4. Option 3: Extending the scope of potential product catalogues in wambo.org beyond those needed by health programs in Global Fund-eligible and transitioned countries, i.e. to address other procurement needs related to the Sustainable Development Goals
  - i. Pros: The wambo.org platform is highly scalable, and additional product categories required to achieve other development goals could be made available with little technical difficulty.
  - ii. Cons: This option is complex from a governance point-of-view given the Global Fund's mandate and would likely require "spin-off". The Secretariat does not believe wambo.org has yet achieved sufficient maturity to support this, and there would be OPEX impacts to remaining within the Global Fund with a vastly increased product scope. In addition, expanding the catalogue beyond products used by HIV, tuberculosis and malaria programs would require identifying and negotiating with best-in-class sourcing partners. This would be a highly strategic exercise and, given priorities and the current opportunity to make a bigger impact against the three diseases, the Secretariat does not believe it represents the best investment of effort at this time.
5. Option 4: Removing the cap on the number of transactions while maintaining the same scope as the pilot, that is, access only to current PRs to procure health products using domestic funding
  - i. Pros: This option would be simpler for the Secretariat to implement as it aligns exactly with current scope and experience.

- ii. Cons: The Secretariat believes this scope would exclude many governments and non-governmental organizations in Global Fund-eligible and transitioned countries that would benefit from access to a mechanism like wambo.org to purchase with non-grant funding. If we are to achieve the 2030 SDG targets and end the epidemics, we must support as many buyers as possible, when appropriate, purchasing with their own funding, in achieving value-for-money in procurement. Not doing so represents a strategic risk that some countries will be less able to increase contributions toward procurement using domestic financing or that such procurements will be less efficient, more expensive, and/or lack quality assurance.
6. Option 5: Discontinuing the option of using wambo.org with non-grant sources of funds
- i. Pros: No investment of effort by the Secretariat.
  - ii. Cons: For the same reasons the Secretariat does not recommend option 4, the Secretariat believes discontinuing access to wambo.org with non-grant funds would represent a missed opportunity to leverage the Global Fund's expertise to support progress in the fight against the three diseases. Not doing so represents a strategic risk that some countries will be less able to increase contributions toward procurement using domestic financing or that such procurements will be less efficient, more expensive, and/or lack quality assurance.



## Annex 3 – Summary of Previous Committee Input

- a) October 2019: Strategy Committee Chair’s Summary Notes (to be finalized)
  - a. See also [GF/SC11/07: Extending access to wambo.org for non-Global Fund-financed orders](#)
- b) March 2019: [Strategy Committee Chair’s Summary Notes](#), section 7
  - a. See also [GF/SC09/11 Update on Implementation and Request for Additional Domestic Funding Transactions](#)
- c) June 2017: [Strategy Committee Chair and Vice-Chair’s Summary Notes](#), section 9
  - a. See also [wambo.org Domestic Funding Pilot: Update on development of indicators to evaluate the success of the pilot, GF/SC04/11 Revision 1](#)
- d) March 2017: [Strategy Committee Chair and Vice-Chair’s Summary Notes](#), section 6
- e) October 2016: [Strategy Committee Chair and Vice-Chair’s Summary Notes](#), section 4
  - a. See also [wambo.org Progress Update and Steps for Advancement, GF/SC02/06b](#)

## Annex 4 – Relevant Past Committee and Board Decisions

Relevant past Decision Point	Summary and Impact
<p><a href="#"><u>GF/SC11/07: Extending access to wambo.org for non-Global Fund-financed orders</u></a></p>	<p>The Strategy Committee discussed the proposal by the Secretariat to make wambo.org available for non-grant orders outside of pilot mode. The Strategy Committee requested additional consultations and a formal evaluation of wambo.org prior to exiting the wambo.org pilot.</p> <p>The Strategy Committee unanimously agreed to recommend to the Board for approval making wambo.org available for orders financed with non-grant funds on an evolved pilot basis, whereby governments and non-government development organizations in Global Fund eligible and transitioned countries may have access to wambo.org, to all products, services and functionalities as they become available on wambo.org, subject, if applicable, to agreement by the product catalogue owner, up to a limit of US \$50 million in transaction value. The Strategy Committee would have delegated authority to adjust the value or the nature of the cap.</p>
<p><a href="#"><u>GF/SC09/DP1: wambo.org: Update on Implementation and Request for Additional Domestic Funding Transactions (March 2019)</u></a></p>	<p>The Strategy Committee discussed the implementation of wambo.org for Principal Recipients using wambo.org to procure with grant funds, as well as with domestic funds as part of the pilot approved by the Board under GF/B37/DP09. In accordance with delegated authority under GF/B37/DP09, it decided to approve 50 additional transactions to be conducted on wambo.org with domestic funding, on a pilot basis, within the same scope as approved by the Board under GF/B37/DP09.</p> <p>The Strategy Committee further requested the Secretariat to report back to the Strategy Committee with a final evaluation of the pilot and a strategy for future advancement of wambo.org.</p>
<p><a href="#"><u>GF/B37/DP09: wambo.org: Progress Update and Steps for Advancement (May 2017)</u></a></p>	<p>Based on the recommendation of the Strategy Committee, the Board approved the piloting of a limited number of transactions (no more than ten) by current Principal Recipients using domestic funding via wambo.org.</p> <p>The Board also requested the Secretariat to provide draft indicators of success of the pilot, and to report regularly on the operationalization of the pilot, to the Strategy Committee.</p> <p>Lastly, the Board delegated to the Strategy Committee the authority to approve further domestic funding transactions via wambo.org on a pilot basis.</p>

<b><u><a href="#">GF/SCo3/DPo2: wambo.org: Progress Update and Steps for Advancement (March 2017)</a></u></b>	The Strategy Committee discussed and provided input into the progress of wambo.org to date and the supplemental information addressing questions and concerns raised during the voting process and subsequent consultations after the Board did not adopt the same pilot that is presented in GF/SCo3/16. The Strategy Committee recommended the Decision Point presented in GF/SCo3/16 to the Board for approval with 9 votes in favor, and 1 abstention.
<b><u><a href="#">GF/AFCo2/DPo1 and GF/SCo2/DPo1: wambo.org: Progress Update and Steps for Advancement (October 2016)</a></u></b>	<p>The Audit and Finance Committee and the Strategy Committee jointly discussed and provided input into the progress of wambo.org to date and the steps for advancement as described in GF/AFCo2/23a and GF/SCo2/o6a. The Audit and Finance Committee and the Strategy Committee unanimously recommended the decision point therein to the Board for approval.</p> <p>Following the Audit and Finance Committee and the Strategy Committee discussions, the proposed pilot was submitted to the Board in November 2016 as an electronic decision point. The recommendation received the two-thirds majority required for the decision point to pass in the implementer group. However, it did not receive the same required two-thirds majority in the donor group, where two constituencies voted against the decision point and two abstained. As such, the decision point did not pass at that time.</p>
<b><u><a href="#">GF/B35/DPo8: Sustainability, Transition and Co-financing Policy (April 2016)</a></u></b>	Based on the recommendation of the Strategy, Investment and Impact Committee, the Board approves the Sustainability, Transition and Co-Financing Policy, as set forth in Annex 1 to GF/B35/04 - Revision 1.
<b><u><a href="#">GF/B34/DPo8: Approval of the Amended and Restated Market Shaping Strategy (November 2015)</a></u></b>	Based on the recommendation of the Strategy, Investment and Impact Committee, the Board approved the Amended and Restated Market Shaping Strategy, as set forth in Annex 1 to GF/B34/17 - Revision 1 (the “Amended and Restated Market Shaping Strategy”). This decision point and the Amended and Restated Market Shaping Strategy supersede Board decision point GF/B23/DP21 and the previous Market Shaping Strategy set forth in Annex 1 to GF/B23/09 – Revision 1. wambo.org was recognized in the Market Shaping Strategy as one way to channel the Market Shaping Strategy while contributing to its objectives.
<b><u><a href="#">GF/B23/DP21: Global Fund Market Shaping Strategy and Market Shaping Interventions for ARVs (May 2011)</a></u></b>	The Board acknowledged the Global Fund’s critical role in shaping markets to maximize global access to health products and further emphasized its desire for the Global Fund to more actively shape markets for health products to optimize price, quality, design and sustainable supply. The Board approved the market-shaping strategy recommended by the Market Dynamics Committee, including a set of specific

	<p>interventions for anti-retroviral medicines (ARVs). This strategy superseded the Market Shaping Strategy approved in 2007 (GF/B15/DP15).</p>
<p><b><u>GF/B23/DP09: Plan for Comprehensive Reform: Value for Money (May 2011)</u></b></p>	<p>The Board recognized that the Global Fund is well positioned to drive value for money and leverage its role as the primary financier of essential health products to improve quality, price, design, and sustainable supply. The Board asked the Market Dynamics Committee to propose expanded uses of the Global Fund’s market dynamics “toolkit”. Among other directives, it also requested the Secretariat to take all necessary and appropriate measures to fully implement voluntary pooled procurement and aggressively execute the Market Dynamics Committee recommendations.</p>
<p><b><u>GF/B15/DP15: Market Dynamics and Voluntary Pooled Procurement (April 2007)</u></b></p>	<p>The Board adopted the objective and guiding principles for market shaping set out at the 14th Board meeting and amended at this meeting. In addition, the Board decided to pursue voluntary pooled procurement as the first element of its market dynamics strategy. As such, the Board required that the pooled service shall be operated by one or more global or regional procurement agent(s), and that the Secretariat “shall direct the Procurement Agent to seek to award contracts for a given product to several suppliers, where possible and appropriate in view of consideration of market dynamics.” Finally, participants in the pooled service must agree to direct payment to the procurement agent for purchases. It also determined to strengthen the “Price Reporting Mechanism” (now the Price Quality Reporting Mechanism) and enter into contracts to provide procurement capacity-building services to Principal Recipients.</p>

## Annex 5 – Relevant Past Documents & Reference Materials

- a) [Extending access to wambo.org for non-Global Fund-financed orders](#), GF/SC11/07 (October 2019)
- b) [wambo.org: Update on Implementation and Request for Additional Domestic Funding Transactions](#), GF/SC09/11 (March 2019)
- c) [wambo.org: Progress Update and Steps for Advancement](#), GF/B37/07 – Revision 2 (May 2017)
- d) [wambo.org: Progress Update and Steps for Advancement](#), GF/B35/ER17 (November 2016)