UN Relief and Works Agency for Palestine Refugees in the Near East’s medicine procurement processes and prices: a comparative performance assessment

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Background UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which is the main primary health-care provider for 4.9 million Palestinian refugees, including 2 million from the Gaza Strip and West Bank, occupied Palestinian territory, spent US$18.3 million on essential medicines dispensed free of charge through clinics in five areas of operation (fields) – Gaza Strip, Jordan, Lebanon, Syria, and West Bank in 2010. Because of budget constraints and increasing demand for medicines to treat chronic illnesses, we assessed UNRWA’s medicine procurement processes and prices of medicines.

Methods In July 2011, we undertook 11 in-depth interviews with staff at UNRWA headquarters and selected facilities, and gathered data for procurement prices and amounts. WHO’s operational principles for good pharmaceutical procurement were used as our framework for the assessment of processes. The prices of the top 80 medicines accounting for 93% of UNRWA expenditure on medicines were analysed and compared with international, regional, and national references. Headquarter and field prices were compared for the few medicines procured centrally and locally.

Findings Analysis of the data indicated that UNRWA’s procurement responsibilities are well defined, procedures are followed, and central procurement adheres strictly to UNRWA’s formulary. However, only 101 suppliers were quality assured (prequalified) with UNRWA, of which 66 (65%) were from Europe or Jordan and only two (2%) were from East Asia. Criteria and processes for prequalifying suppliers were not clearly defined and there were few requirements for testing product quality. Despite open tenders, awarded prices were not reported or shared with bidders. Quantification of needs was according to previous allocations, and budgets were set at a field level without the possibility of interfield transfer. The lack of integrated information-technology systems hindered inventory management and information sharing. Prices obtained through central procurement did not differ from reference prices: median ratios of UNRWA’s prices to the Management Sciences for Health, Jordan’s Joint Procurement Department, and the Gulf Cooperation Council reference prices were 0.99 (IQR 0.66-1.49), 1.00 (0.73-1.47), and 0.98 (0.59-1.39) respectively. Antidiabetic medicines and antibiotics accounted for 30% and 14% of medicine expenditures, respectively. Application of the lowest comparator prices for the five products (one insulin, one oral antidiabetic and three β
lactams) that accounted for about 20% of the total expenditure on medicines would save $1.4 million. Local procurement was generally less cost effective than was central procurement, with notable differences across fields and products.

**Interpretation**  Our results indicate that UNRWA’s procurement of medicines is competitive. However, to improve the process, the following are needed: establishment of regulatory standards for supplier prequalification and product quality assurance to obtain better prices by prequalifying more suppliers whole focusing on product quality; reporting of prices of awarded tenders to increase competition and transparency; building of an integrated information-technology system to improve information sharing, quantification of needs, and monitoring of procurement; recentralization of medicine budgets to increase equitable allocation of resources. The findings also show the burden of antibiotics and antidiabetic medicines on UNRWA’s expenditures and the need for public health policies to target antibiotic overuse and preventable risk factors for diabetes.

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**Contributors**
ME designed the study, gathered, analysed, and interpreted the data, and drafted the Abstract. MAS gathered, analysed, and interpreted the data, and reviewed the Abstract. RS facilitated data gathering, analysed and interpreted the data, and reviewed the Abstract. C V-V reviewed the compilation of results, provided input to the analysis, and co-drafted the Abstract. AS identified the need for the study, facilitated its operationalisation, and reviewed the Abstract.

**Conflicts of interest**
We declare that we have no conflicts of interest

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