

# Improving the procurement of pharmaceutical products and increasing domestic production of essential drugs in Tanzania

Towards a systemic governance reform of the pharmaceuticals' procurement chain and smart incentives for domestic producers of drugs

## Research Questions

What are the governance and corruption vulnerabilities and resource leakages in the procurement of pharmaceuticals and how could these be reduced for better access to medicines in Tanzania?

## Key Findings

Despite the recent introduction of the 'vendor model', further improvements are required to realign incentives along the procurement chain and increase domestic production of essential drugs.

## Implications

Reforms must target vulnerabilities and corruption at each stage of the procurement chain, to avoid shifting rents capture opportunities along the chain.

## Project Summary

Local and affordable pharmaceuticals production is key to sufficient availability of essential drugs. This project asks where do resources leakages occur in the procurement of pharmaceuticals and how could these be reduced? In doing so, it looks into the most vulnerable stages of the procurement chain to corruption – from tendering conditions, bidding process and registered companies' selection, to labelling, stocking, distribution and prescription of essential drugs. We also consider the systemic and non-

systemic factors along the pharmaceutical procurement chain that allow rents capture opportunities and obstruct the delivery of effective health care. Pharmaceutical production in Tanzania has declined in recent years and this project will identify the systemic and non-systemic barriers which led to this decline, including the role of existing procurement processes, in particular the design of the essential drug list. How could firms be incentivised to produce pharmaceuticals locally through procurement reforms?

## Approach

- Review of existing evidence (literature and policies) and mapping of the pharmaceutical procurement chain and processes; identification of governance vulnerabilities and potential resource leakages.
- Inception workshop in March 2019 with researchers, civil society, pharmaceutical manufacturers, distributors, development partners and public and private health providers to introduce the project, validate hypotheses and identify feasible strategies and policy interventions to improve procurement of pharmaceuticals.
- Fieldwork and analysis: in-depth interviews with various stakeholders in the procurement chain, including government officials, drug companies and distributors, to identify governance vulnerabilities, resource leakages and incentives in the procurement of pharmaceuticals.
- Tracking of a selection of essential drugs along the procurement chain.
- Strategies formulation and dissemination workshop: to share findings with key stakeholders and policy engagement.

## Policy and programming implications

- We will identify feasible ways to reduce resource leakages along the procurement chain and avoid situations in which reforms simply shift resource capture opportunities from one stage to another of the chain. Alongside the introduction of the 'vendor model', we expect to find other systems addressing vulnerabilities in areas of quality assurance and a coordinated system of medicine supply, including using powerful players to encourage local procurement and eventually local production of medicines.
- We will engage and forge partnerships with government, the public and private sector entities and their associations, development partners, local research institutions and other civil society organizations. The project will contribute to the current Tanzanian Second Five Years Development Plan (2ndFYDP) where pharmaceuticals is one of the priority sectors.

## Team members

Dr. Antonio Andreoni (SOAS University of London), Prof. Fortunata Songora Makene (ESRF), Prof. Eliangiringa Kaale (Head of Research, School of Pharmacy-MUHAS, ESRF Research Associate), Prof. Ammon Mbelle (Department of Economics-UDSM, ESRF Research Associate) and Mr. Richard Ngilangwa (Research Assistant, ESRF)

## Contact information

Antonio Andreoni ([aa155@soas.ac.uk](mailto:aa155@soas.ac.uk)) and Fortunata Songora Makene ([fmakene@esrf.or.tz](mailto:fmakene@esrf.or.tz))