

PNG Medical Association voices concerns about medical supply procurement

by Ashlee Betteridge
28 November 2013

Members of PNG's Medical Association have [written on PNG Exposed](#) about their concerns that a contract for medical supply kits may be awarded to a company that cannot guarantee quality drugs, putting Australian aid funding at risk.

The Central Supply and Tenders Board (CSTB) has reportedly recommended that the tender be awarded to Borneo Pacific Pharmaceuticals Ltd, which does not have International Standards Organisation quality management system accreditation. The PNG Medical Association alleges that the requirement for tenderers to hold this accreditation was removed following a deadline extension earlier this year.

The CSTB's recommendation on the tender has reportedly not been signed off by the PM. Confusingly though, a photograph of Borneo Pacific company representatives toasting the new contract with the Governor General and Health Secretary appeared in the Post Courier last week, stating in the caption that the K71 million (approx AU\$ 28.3 million) contract had already been signed at Government House. According to the government's own [procurement manual](#) [pdf] from the CSTB, for tenders over K10 million, the National Executive Council must award the contract before the Governor General can execute it.

Nakapi Tefuarani and Glen Mola of the PNG Medical Association [wrote](#) that if the contract for medical supplies was awarded to Borneo Pacific, Australian aid would not be made available to support the distribution of the supplies.

“AusAID has supported the Department of Health with hundreds of millions of kina over the past several years and last year sponsored the distribution of health centre kits to every health facility in the country. This resulted in remote health facilities receiving adequate supplies of medicines for the first time in many years. AusAID have agreed to distribute medical supplies again in 2014 as long as the tendering process for procurement is transparent and leads to the procurement of quality certified medicines. However, if the successful bidder procures medicines from non-GMP (International Good Manufacturing Process) certified products AusAID will withdraw its support. Then we will be left with local ‘wantok’ distribution companies sending out low quality and possibly counterfeit

medicines to our hospitals and health centres. This will lead to the deaths of many Papua New Guineans and also much disability.”

Health procurement in PNG has long been an area of concern. IRIN flagged some of the problems with kickbacks in the system in a [2011 report](#).

The [communique](#) from the 21st Papua New Guinea-Australia Ministerial Forum “welcomed PNG’s transition to an Independent Health Procurement Authority by January 2015 with support from Australia through delegated procurement arrangement in the interim”. It is unclear whether any Australian support was provided in this case.

Author/s:

Ashlee Betteridge

Ashlee Betteridge was the Manager of the Development Policy Centre until April 2021. She was previously a Research Officer at the centre from 2013-2017. A former journalist, she holds a Master of Public Policy (Development Policy) from ANU and has development experience in Indonesia and Timor-Leste. She now has her own consultancy, Better Things Consulting, and works across several large projects with managing contractors.

Link:

<https://devpolicy.org/png-medical-association-voices-concerns-about-medical-supply-procurement-20131128/>