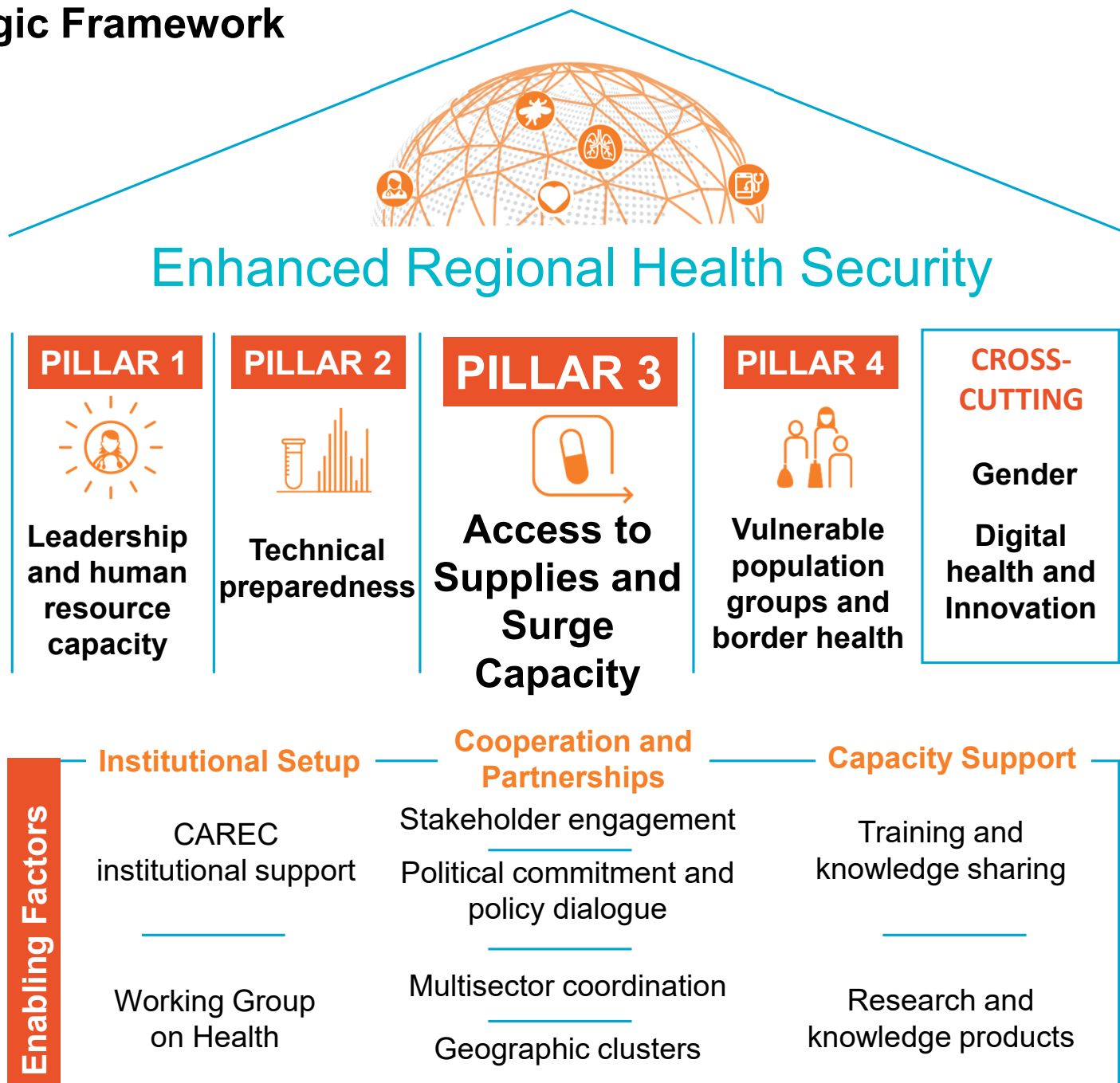


Strategic Framework





Issues in Public Health Supply Chain Management and Procurement

PILLAR 3



Supply Chain Management

- Objective: Developing a patient-centric pharmaceutical supply chain assuring uninterrupted supply
- Low capacity for supply chain staff (for demand planning, warehousing, distribution and stock management)
- Inadequate national storage and distribution network capacity
- Supply chain workforce and material shortages
- Weak systems for accurate forecasting and distribution planning supported by digital technology
- Unclear roles and responsibilities
- Port congestion
- Rising Freight Costs

Procurement challenges

Supplier-related issues

- Limited supplier base leading to high prices for drugs and supplies
- Lack of access to global markets, lack of interest from large manufacturers/ suppliers due to small market size and low govt. set prices
- Undeveloped supplier market and hard to find reliable suppliers offering quality products
- Poor supplier performance and participation of less trustful suppliers in state tenders

Data, quantification and budgeting challenges

- Poor information sharing among departments involved in procurement
- Inaccurate data leading to quantification and budgeting challenges
- Poor supply chain transparency; lack of control & visibility of procurement spending
- Lack of adequate technology and e-procurement systems

Other noted challenges

- Lengthy bureaucratic procurement process, lack of trained HR and need for better risk management



Opportunities for regional collaboration (potential interventions)

PILLAR 3



Examples of collaborative procurement permutations



Reduce Transaction Costs



Increase Market Information



Balance Supplier and Buyer Risks



Informed Buying: Countries share information about prices and suppliers



Coordinated informed buying: Joint market research, sharing supplier performance information and monitoring prices



Baltic Procurement Initiative

Nordic Pharmaceutical Forum

COVAX



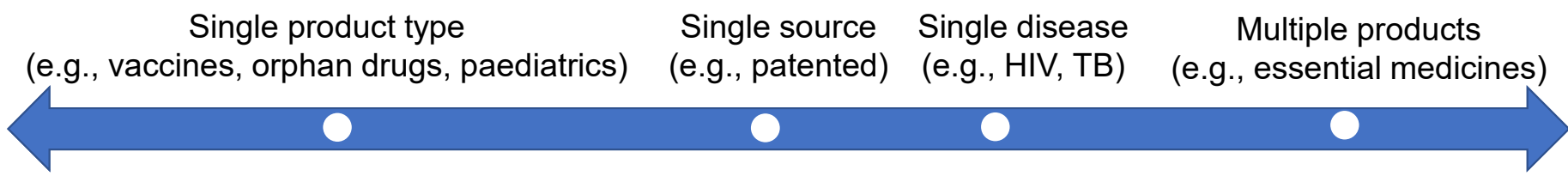
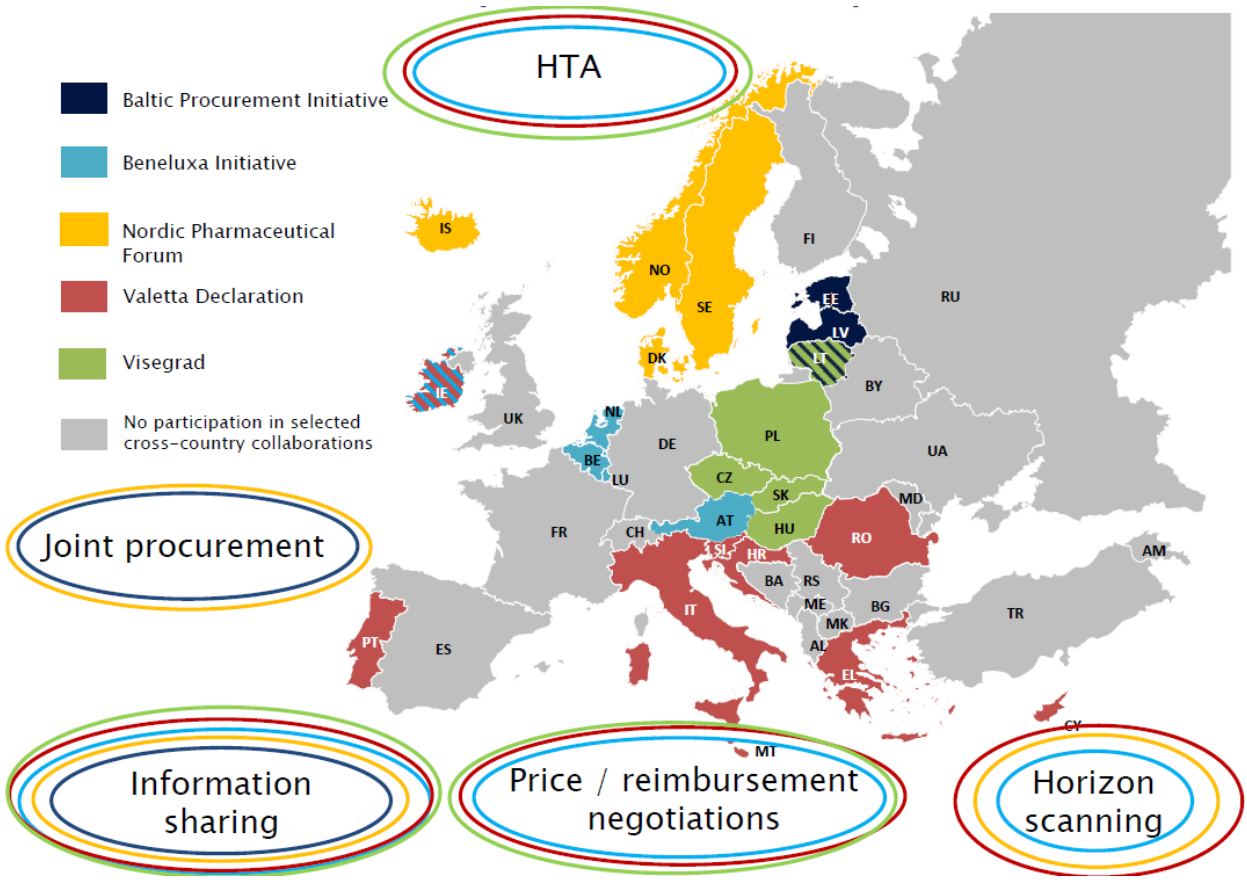
Group contracting: Joint prices negotiation and supplier selection. Countries agree to purchase from selected suppliers

Central contracting & purchasing: Joint tenders & contract award through centralize body on behalf of countries

Group purchasing & distribution: Centralized distribution organization combining group purchasing & supply chain



Opportunities for regional collaboration (potential interventions)



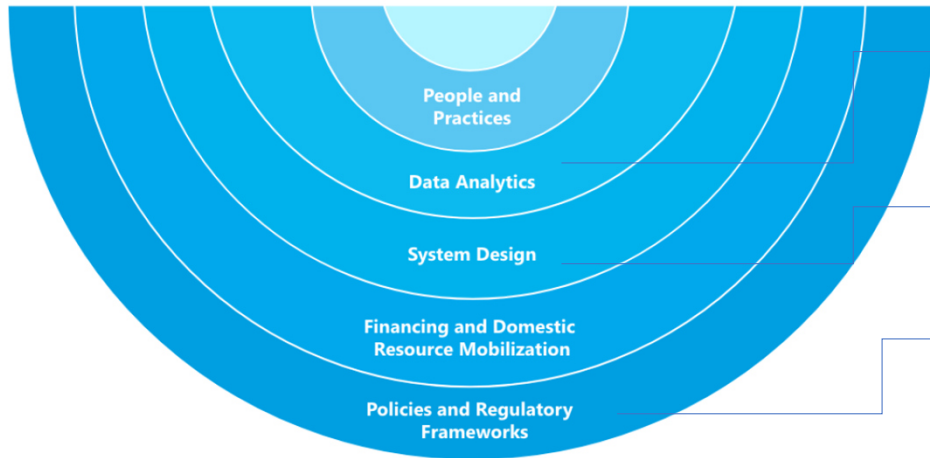


Opportunities for regional collaboration (potential interventions)

PILLAR 3



Opportunities for Supply Chain optimization and innovation



Interoperable national Control Towers / Visibility & Analytics Networks (VAN) that feed into a joint situation room

Regional Distribution Centers (RDC) and stockpiles

Strengthening drug regulation

Article

Countries strengthen health supply chains with support from UNICEF and WHO

WHO and UNICEF have extended their support to Azerbaijan, Georgia, Kazakhstan, Moldova and Uzbekistan in optimizing the performance of their supply chains.

UNICEF, WHO

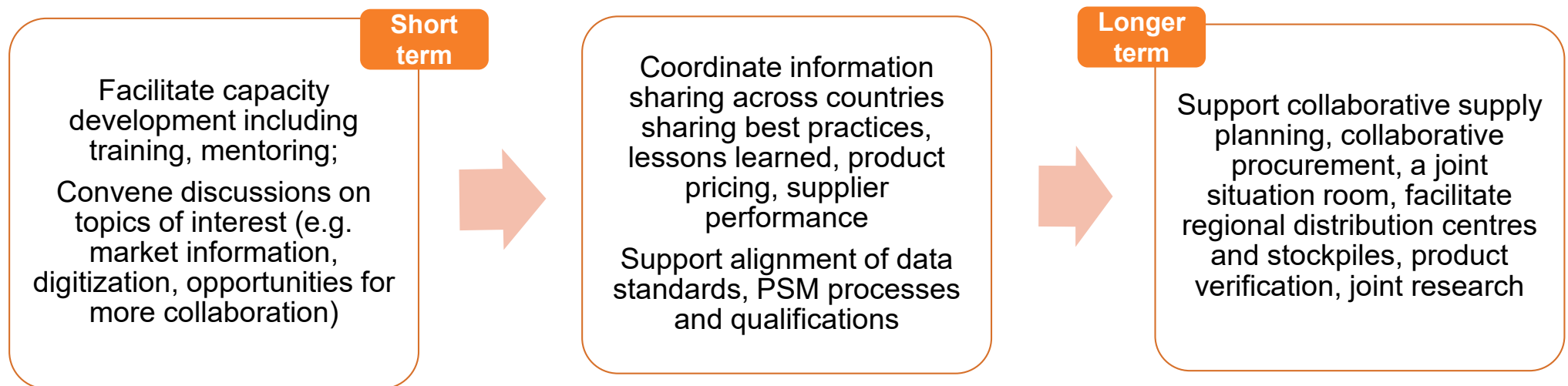


Opportunities for regional collaboration (potential interventions)



A Regional Centre for Procurement and Supply Chain Management (PSM)

- Platform to facilitate and manage a community of practice facilitating knowledge sharing, harmonizing workforce development and capacities, convening resources and securing regional alignment in standards and policies
- **Benefits of Regional PSM collaboration :**
 - Increased transparency on market information, better access to markets, more equitable access to medicines & supplies → improved security of supply and pricing
 - Alignment of standards and processes, improving flexibility and agility such as improved movement of goods in and across region





Drug regulation and regional reliance policies



Challenges

Regulation often done by underfunded NRAs working in isolation

- Duplicative and redundant work by authorities with different capacity, resources and skills e.g. to assess manufacturing sites
- Laboratory testing often not risk-based therefore not cost effective
- People face unnecessary hurdles accessing the medical products
- Contradictory outcomes with no obvious benefit for public health
- Business and trade hindered by inefficient regulatory systems
- Substandard or falsified products may more easily reach the market
- Procurement agencies decisions hindered by inadequate information

Strengthening Drug Regulation



National level

- Strengthen risk-based approach and optimize use of laboratory testing resources
- Develop capacity to implement good reliance practice as recommended by WHO
- Streamlining desk evaluation of document streamlining desk evaluation of documentation e.g. GMP certification



Regional cooperation

- Develop administrative tools and agreements to permit information exchange
- Develop joint activities such as joint assessment of jointly identified priority product
- Gradually developing mechanisms of regular collaboration with well-resourced regulatory authorities
- Developing and implementing a dedicated IT platform to support joint assessments and facilitate information interchange with minimal manual intervention



Proposed Regional Investment Framework



Activity	Proposed Modalities	Possible Countries/Clusters
<ul style="list-style-type: none">Establish Regional Hub for strengthening procurement and supply chain management	<ul style="list-style-type: none">TA or other modalities	<ul style="list-style-type: none">Regional (tbd)
<ul style="list-style-type: none">Enhancing access to medical supplies	<ul style="list-style-type: none">Project or project component	<ul style="list-style-type: none">Azerbaijan, Georgia, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, Uzbekistan, (PRC)
<ul style="list-style-type: none">Enhancing capacities of NRAs and advancing regional reliance	<ul style="list-style-type: none">TA (some support under ADB TA); Project component	<ul style="list-style-type: none">Azerbaijan, Georgia, Kyrgyz Republic, Mongolia, Tajikistan, Uzbekistan