The 7th Tokyo International Conference on African Development (TICAD7)
Official Side Meeting (S041)

- Digitalization for Universal Health Coverage (UHC) -

More Health for the Money
improving the efficiency of supply chains/procurement through digitalization to deliver UHC

(tentative, suggested title)

10:30-12:00 on the 29th August @ F201 of Annex in Pacifico Yokohama

Co-Hosted by
Chatham House, Center on Global Health Security
Mitsubishi UFJ Research and Consulting(MURC), Center on Global Health Architecture
Crown Agents Limited
Open Contracting Partnership
PATH
Ethiopian MOH (invited)
The World Bank Group (invited)
Gavi, the Vaccine Alliance
Japan International Cooperation Agency (JICA)

In recent years, an initiative on "Open Contracting" in low and middle income countries has attracted more attention. "Open Contracting" is the reform of public procurement mechanism to improve the transparency and accountability for sustainable development. Actually the reform of public procurement system has been conducted in Ukraine for the last 3 years. In addition, most of the countries in MERCOSUR and some countries in Africa are also joining the initiative proactively. Behind the discussion on "Open Contracting," there is a motivation to encourage local authorities to be more accountable, including clarifying their attitude of anti-corruption, and promote the e-procurement to achieve higher efficiency and effectiveness of their system. Getting more details on Ukrainian case, in 2013, the price for anticancer drugs in the public procurement in Ukraine was 40% higher than the market price. Only a few suppliers were operating. The Minister of Health made a fundamental reform by assigning UNDP, UNICEF, Crown Agents as the procurement agency for anti HIV drugs, anti TB drugs and anticancer drugs in 2016. Through challenging vested interest groups, 38% of the procurement cost in 2016 was saved compared to 2015. Looking into the number of suppliers, they increased from a few to 93. In 2017, due to the procurement savings achieved, Ukraine was able to procure coronary stents for all patients for the first time ever. Until then only 50% of the patients had received treatment. They improved the quality of goods, strict observance of delivery time, too. The Ukrainian Ministry of Health is discussing internally to set a new division to manage a new comprehensive system for public procurement to install it in 2020.

Editorial by the Lancet on Ukrainian Reform on Public Procurement[1]

- "The health-care reforms, led by US-born Uluana Suprun, profiled in this week's issue, include the introduction of an internal market structure, a shift of care from a hospital to a community-based service, and the elimination of corruption and bribery."
- "Patients currently make up the 45.6% shortfall of the 7.6% of GDP spent on health with out-of-pocket and informal payments."
- "Bed numbers and patients' average length of hospital stay will be reduced. Western-backed support for the reforms comes from the UN Development Programme, UNICEF, and the UK procurement agency, Crown Agents, now responsible for purchasing 5.9 billion Ukrainian hryvnia (about US$ 212 million) of medicines for the country."
- "The service— developed from the Soviet Semashko system—is seen by many as inefficient and inequitable; nevertheless some politicians and doctors remain opposed to the changes."
- "More generally, the World Bank has also endorsed Ukraine's efforts to achieve lasting economic recovery."

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1 The Lancet, "Measles, war, and health-care reforms in Ukraine", the Lancet Vol392(September 2018)

On the other hand, the World Bank Group (WB) introduced a new procurement framework and regulations called the "New Procurement Framework" in 2015[1]. Although implementation of the new scheme began in July 2016, a couple of years will be needed before it covers the whole range of procurement-related programs of the WB. The most significant change in the New Procurement Framework is the shift from seeking the "lowest evaluated compliant bid" to seeking the bid that "provides the best overall Value for the Money (VfM)," which allows the WB to balance quality, cost, and other factors as needed when selecting suppliers. By transitioning to the new framework, the WB is expected to play a more active role in contract management of procurements to pursue greater overall value, even though this strategy requires it to account for additional risk factors in order to ensure the best possible outcomes. Receiving greater value in procurements allow the WB to make a better contribution towards SDGs.

Now the countries proactively participating in this new trend are installing e-procurement systems as well to strengthen their new social system on procurement as conducted in Ethiopia. Our global society is going forward to change the situation drastically and starts to think about how we can create a greater health impact through procurement reform including digitalization of it.

Following that, we also need to grasp the current situation and innovation in Supply Chain Management (SCM) to make the most of procurement reforms. Especially, it would be indispensable that we explore use of new technologies and products from private industries– such as artificial intelligence, machine learning, block-chain and drones – in the field of logistics on global health to ensure quality products/services throughout the supply chain. Digital health solutions are being employed to complement health supply chain reforms quickly. Crown Agents has been collaborating with innovative providers of Track & Trace systems and Digital Patient Records in African countries. The new digital technologies will allow emerging economies to make a "technology leap." "Last-mile" interventions should be prioritized to reach underserved populations to maximise efficiency and equity and facilitate sustainability. Gavi, the Vaccine Alliance launched an innovative accelerator program called "INFUSE" in 2016. The program allows to screen, select and scale innovative solutions stemming from startups to leapfrog current immunization systems. New solutions are sought particularly in the field of vaccine delivery, cold chain and data management. By connecting technology providers with funders and interested governments, Gavi intends to create a collaborative marketplace where new solutions are co-created with interested stakeholders. There are many potential startups and solutions in the world. However, we still lack the right social structure to create the right market condition to support their initial implementation of new ideas and scale-up for the growth stage.

With the understanding of the importance of procurement reform and SCM mentioned above, we then need to think about how digital technologies can help make the entire process more efficient. By ensuring that health data of all types (client, health worker, facility, procurement, epidemiological, etc.) can be gathered quickly and efficiently, analyzed easily, and put in the hands of consumers, workers, and managers at all levels of the health system, decisions and effective action can be taken rapidly based on sound evidence, increasing positive health outcomes. PATH has been working for years to facilitate this type of holistic digital integration of procurement and supply chain strengthening into overall health system strengthening efforts, particularly through programs such as the BID (Better Immunization Data) Initiative, the Tanzania Data Use Partnership, and Digital Square. The global flagship Digital Square initiative is particularly notable as it is attracting and aligning investment, coordinating support from more than 40 partners, and building country capacity for digital health global goods, including the OpenLMIS supply chain information software and OpenIMIS insurance management information systems software. Linking client medical record and payer data together with supply chain and procurement information will

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[1] "The World Bank: New Procurement Framework and Regulations for Projects After July 1, 2016", The World Bank, accessed March 19, 2018, http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework#framework

unlock tremendous efficiencies through rapidly revealing changes in demand and available supply, supporting the health system to meet resource needs in real-time and make strong progress on UHC goals.

How should/can we make Procurement/Supply Chain Management reforms to pursue both health/economic impacts? This could be one of the most challenging, but vital subjects to enhance the concept of UHC (Universal Health Coverage). And we will need to reflect on how the digitalization in those fields could drive its integrity to visualize and fill the gap between the ideal concept and the reality.

We would have high expectations that panelists will discuss how the reforms and innovations should be planned/implemented and how they would affect the future of global health in this session as well as its economic impact.

Program (tentative; topics and names are suggestions)

- Welcome @1-2min

  Michikazu Koshiba, Head of Center on Global Health Architecture/General Manager of Social Impact Partnership Business dept., Mitsubishi UFJ Research and Consulting (Confirmed)

- Brief opening remarks @10min

  Robert Yates, Head, Centre on Global Health Security, Chatham House (Video Message) (Confirmed)

- *Panel* @60min(intro by moderator @ 1-2min/short presentation from each panelist @ 7min/discussion @20 min for 2-3 subjects)

  > Moderator: Bryan Richmond, Regional Director for East & South Africa, Crown Agents Limited (Confirmed)

  > Panelist 1: Maraki Fikre Merid, Consultant for Private Sector in Health, the World Bank Group/MoH Ethiopia (Confirmed)

  > Panelist 2: Gavin Hayman, Executive Director, Open Contracting Partnership (Confirmed)

  > Panelist 3: Robert Jenkins, CHS Advisor (Confirmed)

  > Panelist 4: Anuradha Gupta, Deputy CEO, Gavi, the Vaccine Alliance (Confirmed)
  > (INFUSE program or one startup supported by the program)

  > Panelist 5: Dykki Settle, Chief Digital Officer, PATH (Confirmed)

- *Q&A* @15min

- Brief closing remarks @5min

  Tsunenori Aoki, Director of Human Develop Department, Japan International Cooperation Agency (Confirmed)

  Tom Jackson, Counsellor, Global Challenges, British Embassy Tokyo (Confirmed)