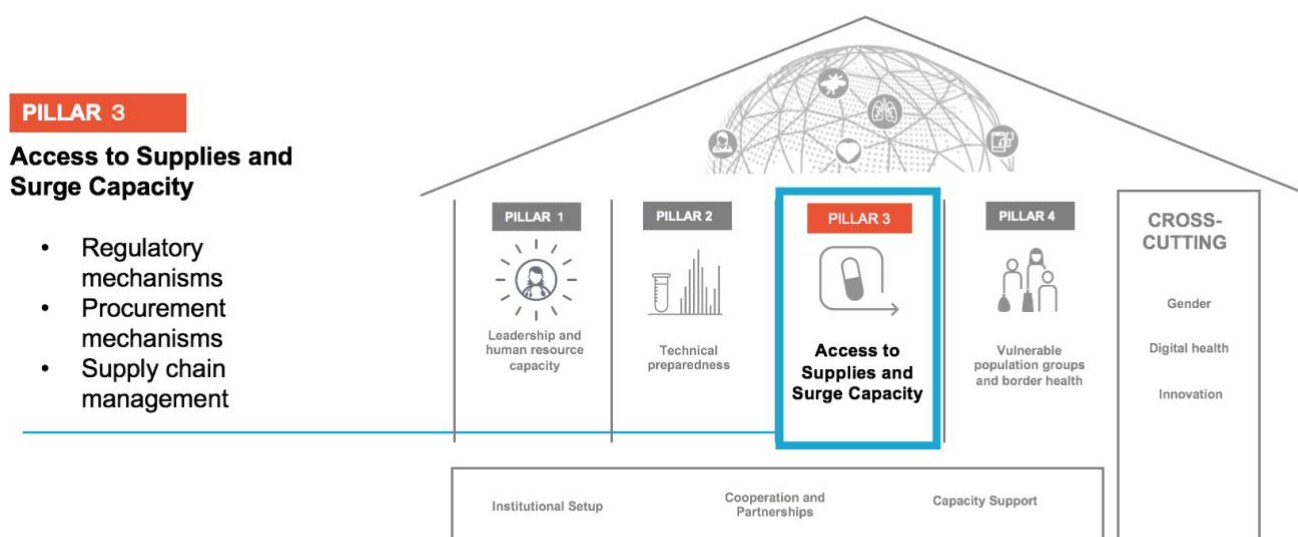


## Pillar 3: Access to Supplies and Surge Capacity



**Key challenges.** An efficient end-to-end supply chain is critical to delivering quality affordable lifesaving medicines when and where they are needed. Supply chain management encompasses all activities required to acquire and move health products from manufacture to point of use, including forecasting and procurement to storage and transportation with consideration for the financial and information flows required to move the products through the supply chain. Reducing inefficiencies across the supply chain increases the quality and timing of service delivery while freeing up much needed resources. In the CAREC region, such inefficiencies include limited competition in the market leading to constrained supplies and higher prices. Many of these inefficiencies were amplified during COVID-19 pandemic bringing the long-standing vulnerability of medical supplies into sharp focus. Additionally, global shortages of medicines and supplies were experienced and when they were available, the prices were very high, and quality not always assured.

Inadequate regulatory mechanisms and enforcement results in delayed registration and importation of products, while leaving the markets open to the entrance of poor quality and falsified medicines. Poor data quality and use, and lack of appropriate human resource capacity contributes to poor forecasting, and supply and demand planning resulting in imbalances in supply to meet the needs. Several gaps were revealed through the national assessments including too centralized, very complex and time-consuming procurement, limited supplier base, severe lack of medical oxygen at health facilities, insufficient electronic information systems to report stock-outs at health facilities in a timely manner, lack of knowledge and capacity to respond to the pandemic in terms of prioritizing purchase of supplies and equipment.

As COVID-19 spread across the globe, the demand outstripped the supply for medical supplies such as PPE, diagnostic tests, ventilators etc. and supply became even more constrained with nationalist behaviors locking in manufacturing capacity and restricting the exportation of key raw materials.<sup>1</sup> Supply chains are failing at all levels. Centralized storage for emergency products is absent in the CAREC region and many countries lack sufficient and appropriate cold chain equipment (ultra-cold

1 Miller FA, Young SB, Dobrow M, et al. 2021. Vulnerability of the medical product supply chain: the wake-up call of COVID-19. *BMJ Quality & Safety*. 30(4). pp. 331-335.

chain freezers and temperature monitors) to store and transport temperature-sensitive vaccines. Coordination, best practice sharing, and re-search could be better adopted across the CAREC countries providing visibility across the end-to-end supply chain to enable more informed supply and demand planning ensuring product availability when and where they are needed.

**Proposed actions.** Pillar 3 will focus on *enhancing access to supplies and increasing capacity to meet surge demands* in the region.<sup>2</sup> Areas of intervention may include the following:

- (i) Improve regulatory mechanisms, standards and procedures for medicines, laboratory equipment and supplies, e. g. through harmonizing policies and regulations for authorization, registration and importation of products, and development of and investment in regional cooperation mechanisms to strengthen regulatory capacity.
- (ii) Improve procurement activities e.g., procurement policies and procedures, standardization of supplier base, contracting and supplier performance management.
- (iii) Create more competitive and efficient market mechanisms to increase supply and re-duce prices for medicines and supplies.
- (iv) Improve visibility and management of end-to-end procurement and supply chain from manufacturer through consumption i.e., regional coordination of procurement and supply chain management activities, alignment and harmonization of data standards and sharing of information and insights.
- (v) Streamline movement of medical goods in the region, especially during emergencies, through further research on movement of goods and exploring harmonization of importation and exportation of medicines and supplies, standardization and sharing of product master data, supply base and contracting processes.
- (vi) Develop procurement and supply management capacity among health policy makers and personnel in the health sector and align approach, training, and tools across the region.
- (vii) Develop Supply Chain Risk Management Plan.
- (viii) Improve supply and stocks for emergency situations, including use of Virtual Control Rooms (e.g., situation rooms), joint opt-in procurement mechanisms; and
- (ix) Further develop options for regional manufacturing and stockpiles.

A full document of draft CAREC 2030 Health Strategy is available at <https://www.carecprogram.org/uploads/MC-2021-CAREC-Health-Strategy-2030-20211711-EN.pdf>

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<sup>2</sup> While surge capacity may also refer to human resource needs and facility capacity, the pillar focuses on medicines, supplies and equipment.