Intra- and inter-organizational collaboration in disaster planning and long term humanitarian aid Perspectives from the architecture for financing global health



Georgia Tech Humanitarian Conference Feb 19-20, 2009 Atlanta, GA

Background

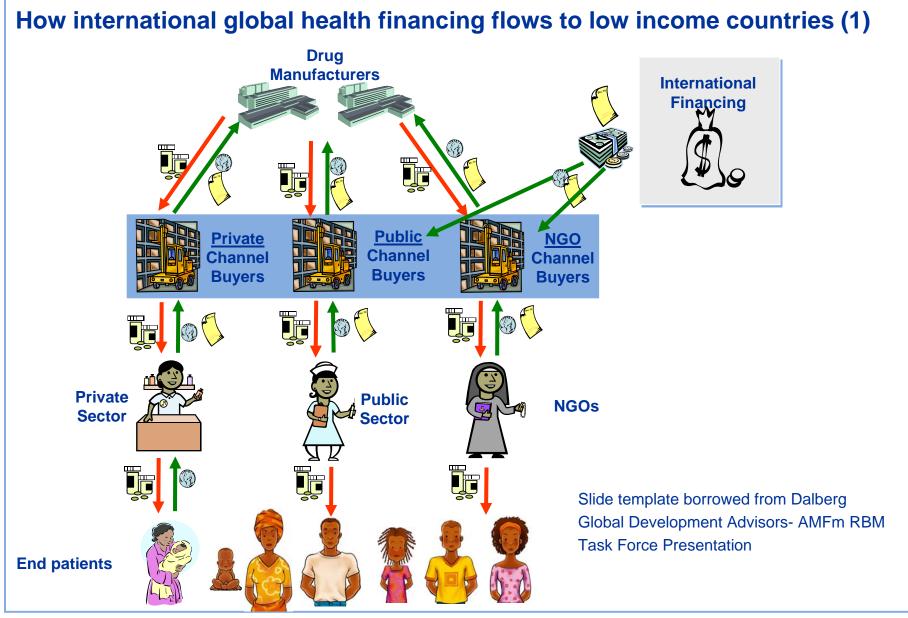
- Around 10 million children under the age of five die due to lack of access to simple and affordable interventions (WHO 2008).
- Over 40,000 people many of them children die every day in developing countries from infectious or parasitic diseases
- It is estimated (WHO 1998, WHO 2004) that almost one-third of the world's population does not have access to essential medicines.
- In addition to this, each year, personal expenditures on health push more than 100 million people below the poverty line (Xu 2007)
- Many could be saved by access to already developed drugs and vaccines
- Over \$10B is spent annually by international organizations on global health commodities and programs
- A large number of organizations and thus a very complex architecture is used to finance drugs, vaccines and health commodities for low income and lead developed countries



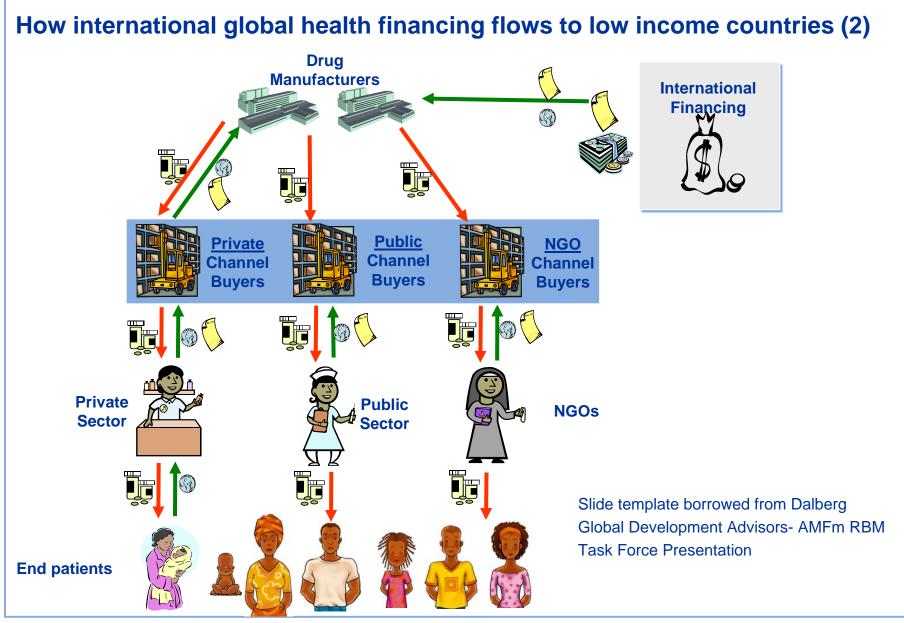
\$10B of annual global health commodities: procurement and financing envelopes

Product	International Procurement structure	Major Financing US-PEPFAR Global Fund UNITAID 		
• ARVs	SCMSCHAI			
Vaccines	 GAVI and UNICEF 	 GAVI, UNICEF, BMGF, IFFIm Others 		
• Malaria	 AMFm (under development) WHO M2S2 UNICEF 	 Global Fund WB Malaria Booster UNITAID US-PMI 		
TB drugs	• GDF • GLC	Global FundUNITAID		
Essential drugs	 MoH procurement 	 National Governments Health basket funding from 		
N.B: Representative b	funding from bilaterals			











Paris declaration and donor coordination

Recommends use of in-country procurement systems instead of purchasing on behalf of countries

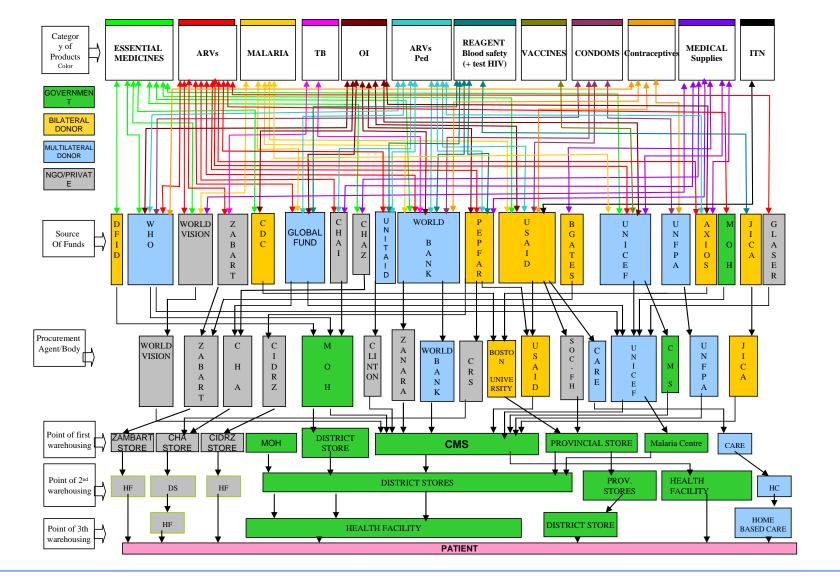
Example: Financing flow for drugs and health commodities in Zambia

	Aid disbursed	Public financial management			Procurement		
	by donors for government sector (USD m) a	Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	Baseline ratio (%) avg (b,c,d)/a	Procurement systems (USD m) e	Baseline ratio (%) e /a
African Dev. Bank	17	0	0	0	0%	0	0%
Canada	1	1	1	1	100%	1	100%
Denmark	42	0	18	17	28%	21	49%
European Commission	n 110	68	71	71	64%	71	65%
Finland	7	5	3	1	46%	6	90%
Germany	29	0	0	0	0%	13	43%
Global Fund	24	24	24	0	67%	24	100%
Ireland	18	14	14	10	73%	14	81%
Japan	27	0	0	0	0%	0	0%
Netherlands	34	12	12	26	50%	26	79%
Norway	38	25	25	25	64%	38	100%
Sweden	22	0	8	9	25%	12	53%
United Kingdom	59	51	51	51	88%	51	88%
United Nations	23	1	0	0	2%	6	25%
United States	150	6	6	0	3%	0	0%
World Bank	98	20	20	20	20%	20	20%
Total	696	228	254	231	34%	303	44%

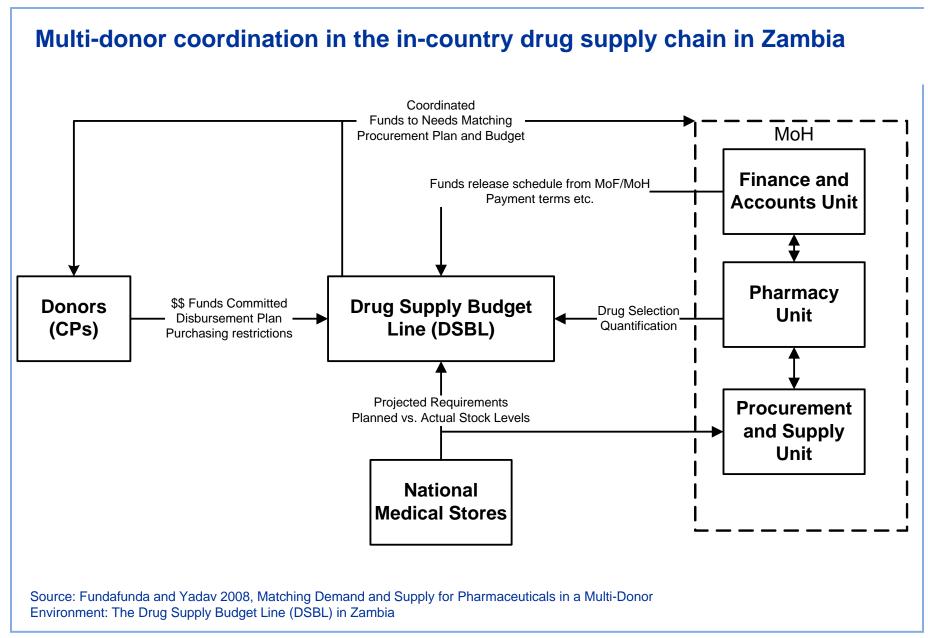
Source: OECD



Drugs flow supply chain in Zambia

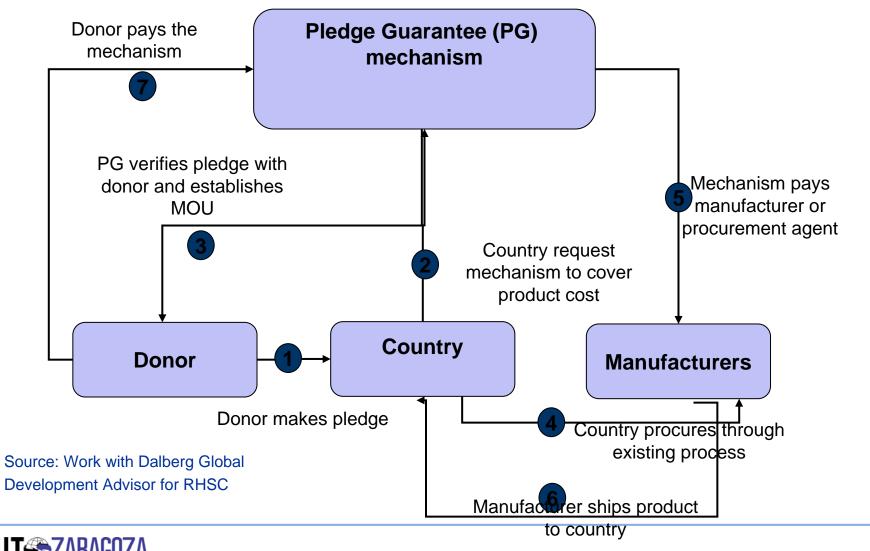


MIT ZARAGOZA



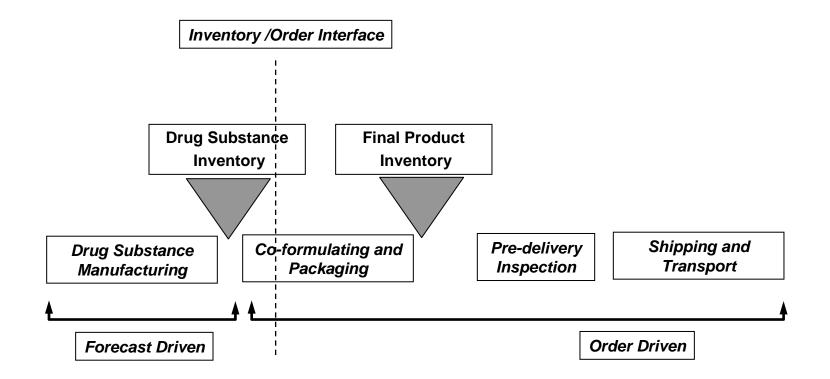


A donor coordinated pledge guarantee (PG) mechanism can provide bridge financing and decrease procurement delays (and hence stockouts)



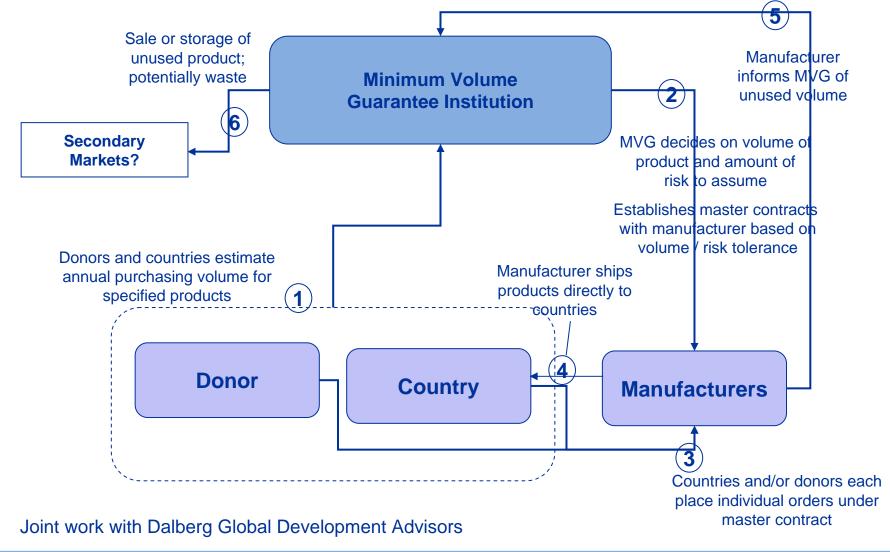


Current Push-Pull Boundary in Global Health Supply Chains



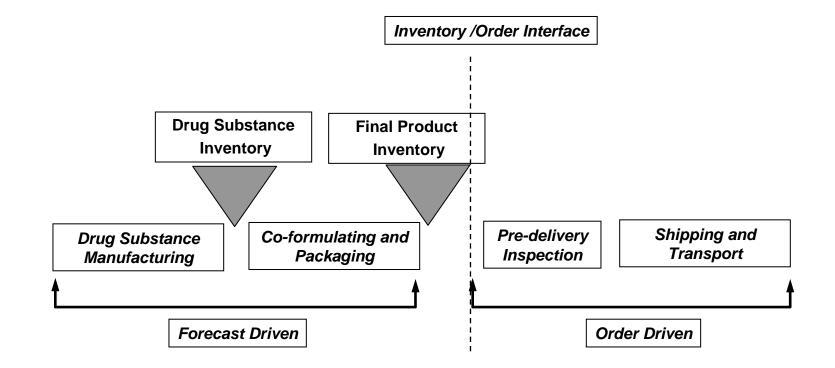
Source : Yadav, Sekhri and Curtis (2006)

Inter-organizational coordination and risk sharing can shift the push-pull boundary





Shifted Push Pull Boundary in Global Health Supply Chains



Source : Yadav, Sekhri and Curtis (2006)