

Strategic purchasing in times of public health emergency: lessons from COVID-19

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INTRODUCTION

The outbreak of the COVID-19 pandemic presented an unprecedented global health crisis that put immense pressure on healthcare systems worldwide.¹ Low/middle-income countries, in particular, faced unique challenges in responding effectively to the crisis due to limited resources, fragile healthcare infrastructure and socioeconomic vulnerabilities. One crucial aspect that emerged as a critical factor in managing the pandemic was the concept of strategic purchasing within the healthcare sector.² Strategic purchasing refers to the systematic approach of acquiring goods and services in a way that aligns with an organisation's broader goals and objectives.³ In the context of healthcare, strategic purchasing involves procuring medical supplies, equipment, pharmaceuticals and other resources in a way that optimises value, quality and efficiency. It can also involve negotiations with suppliers to achieve favourable terms and prices. Strategic purchasing aims to ensure that the resources acquired are well-suited to meet the healthcare needs of a population while also considering cost-effectiveness.³ This paper explores the lessons learned from COVID-19 regarding strategic purchasing in public health emergencies, drawing insights from various global experiences.

SUMMARY BOX

- ⇒ Strategic purchasing during healthcare emergencies plays a critical role in enhancing healthcare system resilience and response.
- ⇒ The approach involves deliberate planning, coordination and allocation of resources to optimise the delivery of healthcare services during crises.
- ⇒ The COVID-19 pandemic has brought to light several important lessons in the realm of strategic purchasing, especially in the context of healthcare and supply chain management.
- ⇒ Lessons learned from the crisis emphasise the need for flexibility and diversification of suppliers, collaborative procurement efforts, data-driven decision-making, and long-term planning and investment.
- ⇒ Implementing these lessons can help healthcare systems better prepare for and respond to future healthcare crises while ensuring the efficient allocation of resources and equitable access to care.
- ⇒ Strategic purchasing is likely to play a key role in the WHO's proposed pandemic treaty.

flexible supplier base. Early in the pandemic, many countries faced disruptions in the supply chain for critical medical equipment, such as personal protective equipment (PPE), ventilators and testing kits. Countries that had diversified their sources of procurement were better equipped to manage these disruptions and ensure a steady supply of essential items.² For instance, Taiwan's early investments in domestic manufacturing capabilities for masks and PPE allowed the country to meet its own needs and even donate supplies to other countries.⁴ This underscores the importance of strategic purchasing strategies that consider supplier diversity and local production capacity.

Lesson 2: collaborative procurement and global cooperation

The COVID-19 crisis highlighted the value of collaborative procurement efforts and international cooperation. As countries scrambled

STRATEGIC PURCHASING LESSONS FROM THE COVID-19 PANDEMIC

The COVID-19 pandemic has brought to light several important lessons in the realm of strategic purchasing, especially in the context of healthcare and supply chain management. Here are some key lessons from the COVID-19 pandemic for future healthcare emergencies.

Lesson 1: flexibility and diversification of suppliers

One key lesson from the COVID-19 crisis is the necessity of diversifying and maintaining a



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to secure limited supplies, competition often led to price hikes and resource scarcity. Collaborative purchasing mechanisms, such as joint procurement agreements and regional alliances, proved effective in pooling resources and negotiating better terms with suppliers. The European Union's joint procurement initiative for vaccines exemplified successful international collaboration, enabling member states to access vaccines at more equitable prices.⁵ This experience underscores the significance of establishing and strengthening international partnerships for strategic purchasing during emergencies.

Lesson 3: data-driven decision-making

Accurate and timely data are crucial for informed decision-making in strategic purchasing. The COVID-19 pandemic highlighted the need for real-time data on supply chain dynamics, demand projections and resource availability. Countries that leveraged data analytics and digital technologies were better equipped to anticipate shortages, allocate resources efficiently and avoid overstocking.⁶ For instance, South Korea's use of data analytics and a centralised platform for PPE distribution facilitated rapid response and effective allocation during the crisis.⁷ This emphasises the importance of investing in data infrastructure and analytics capabilities for responsive and agile strategic purchasing.

Lesson 4: long-term planning and investment

The pandemic underscored the need for long-term planning and investment in healthcare infrastructure and supplies. Strategic purchasing should not be confined to short-term emergency response but should align with broader health system goals. Countries that had invested in resilient healthcare systems, domestic manufacturing capabilities and robust supply chains were better prepared to handle sudden surges in demand. For instance, Germany's strong domestic manufacturing base and stockpiling of medical supplies contributed to its ability to respond effectively to the crisis.⁸

POTENTIAL ROLE OF STRATEGIC PURCHASING IN THE PROPOSED PANDEMIC TREATY

In light of the impact of the COVID-19 pandemic, the WHO has proposed a new convention, known as the pandemic treaty, on pandemic preparedness and response.⁹ The proposed treaty aims to establish a framework for cooperation and coordination among countries to ensure timely and effective responses to health emergencies. It would involve commitments related to sharing information, coordinating research, enhancing surveillance systems and ensuring equitable access to medical supplies and technologies.¹⁰

When established, the pandemic treaty is likely to contain provisions related to strategic purchasing. For instance, the treaty might emphasise the importance of strategic purchasing to ensure equitable access to medical supplies, vaccines and other resources during a

pandemic. It could encourage countries to collaborate and pool their purchasing power to negotiate better terms with suppliers, ensuring that critical resources are distributed fairly across the global population. The treaty might also address price gouging and unfair pricing practices during health emergencies. Strategic purchasing could play a role in negotiating reasonable prices for essential medical supplies, medicines and vaccines, in line with the treaty's provisions. Furthermore, strategic purchasing could be aligned with the treaty's goals of transparency and accountability. Countries could be encouraged to share information about their purchasing decisions, supplier contracts and pricing arrangements to ensure that the procurement process is fair and free from corruption. Moreover, strategic purchasing practices could enable countries to quickly secure necessary resources in response to a pandemic. The treaty might encourage countries to maintain preparedness plans that include strategies for swift procurement of critical supplies during emergencies. Finally, the treaty might promote international collaboration in terms of information sharing, best practices and joint procurement efforts. Strategic purchasing could support these collaborative efforts by facilitating the pooling of resources and expertise.

CONCLUSION

The COVID-19 pandemic has underscored the critical role of strategic purchasing in healthcare emergencies. Lessons learned from the crisis emphasise the need for flexibility and diversification of suppliers, collaborative procurement efforts, data-driven decision-making, and long-term planning and investment. These lessons provide valuable insights for strengthening healthcare systems' preparedness and resilience in the face of future emergencies, guiding policymakers and stakeholders toward more effective strategic purchasing strategies. As strategic purchasing is a key component of an effective pandemic response, it is likely to play a key role in the WHO's proposed pandemic treaty.

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