



# **Applying Lessons from Economics to the Procurement of Global Health Commodities**

## Technical Workshop

April 26-27, 2018

Venue:

Toulouse School of Economics  
Room MS002 Building S  
21 Allée de Brienne  
Toulouse, France

Organized by Pierre Dubois (TSE) et Rachel Silverman(CGD)

Secretariat :

Maryline Fautrier / Marie-Hélène Dufour [cgd.workshop@tse-fr.eu](mailto:cgd.workshop@tse-fr.eu)

**Meeting Objectives:**

- Consider and discuss how lessons from specific subfields of economics—including industrial organization, auction design, public economics, and the theory of regulation—can inform procurement of global health commodities in low- and middle-income countries.
- Identify gaps in the literature and outline an agenda for future economic research in these areas.

## Meeting Participants:

<b>Name</b>	<b>Organization</b>
Archeeta Pujari	United Kingdom Department for International Development
Cassandra Nemzoff	Center for Global Development
Christina Aperjis	Power Auctions
Emma Dean	University of Pennsylvania
Emmanuelle Auriol	Toulouse School of Economics
Eugene Schneller	Arizona State University
Gregory Vistnes	Charles River Associates/Michigan William Davidson Institute
Hervé Ossard	Toulouse School of Economics, Director of IDEI (Institut d'Economie Industrielle )
Jean Tirole	Toulouse School of Economics
Kalipso Chalkidou	Center for Global Development
Klenio Barbosa	Inspere Institute of Education and Research
Lawrence Ausubel	University of Maryland
Lester Coutinho	Bill & Melinda Gates Foundation
Mead Over	Center for Global Development
Michael Borowitz	The Global Fund to Fight AIDS, Tuberculosis, and Malaria
Pierre Dubois	Toulouse School of Economics
Rachel Silverman	Center for Global Development
Stefano Bertozzi	University of California, Berkeley
Stephane Straub	Toulouse School of Economics
Susie Nazzaro	Bill & Melinda Gates Foundation
Vitalijs Jascisens	Toulouse School of Economics
William Jack	Georgetown University
Yassine Lefouili	Toulouse School of Economics

**Thursday, April 26**

9:00 am – 9:30 am	<b>Arrival and Coffee</b>
9:30 am – 10:00 am	<b>Welcome and Introductions</b> Welcome to the Toulouse School of Economics – <i>Jean Tirole</i> Welcome from the Center for Global Development – <i>Kalipso Chalkidou</i> Round of Introductions – <i>All Participants</i> Context and Objectives for this Workshop – <i>Rachel Silverman</i>
10:00 am – 11:00 am	<b>Setting the Scene</b> Preview: Key Topics and Concepts – <i>Mead Over</i> Stylized Facts on Global Health Procurement – <i>Rachel Silverman</i> <b>Questions and Discussion</b>
11:00 am – 11:15 am	<i>Coffee Break</i>
11:15 am - 12:30 pm	<b>Lessons from Theory and the Literature: “Procurement: some lessons from modern economics”</b> <i>Presentation by Jean Tirole</i> <b>Discussion</b>
12:30 pm – 1:30 pm	<b>Lunch</b>
1:30 pm – 2:45 pm	<b>Key Topics Session 1: Public Procurement and Economics</b> <b>Chair: Kalipso Chalkidou</b> <b>“Generic-Branded Drug Competition and the Price for Pharmaceuticals in Procurement Auctions”</b> <b>Klenio Barbosa</b> <i>Inspire Institute of Education and Research</i> <b>“Quality Signaling through Certification”</b> <b>Emmanuelle Auriol</b> <i>Toulouse School of Economics</i> <b>Discussion</b>

2:45 pm – 3:30 pm	<p><b>Key Topics Session 2: Incentive Compatible Contracting Under Asymmetric Information</b></p> <p><b>Chair: Stefano Bertozzi</b></p> <p><b>“Procurement for improved health : Quality, incentives, and selection”</b>  <b>William Jack</b>  <i>Georgetown University</i></p> <p><b>Discussion</b></p>
3:30 pm – 3:45 pm	<p><i>Coffee Break</i></p>
3:45 pm – 5:00 pm	<p><b>Key Topics Session 3: Auction Theory</b></p> <p><b>Chair: Stephane Straub</b></p> <p><b>“Auction Theory for Global Health Procurement”</b>  <b>Larry Ausubel</b>  <i>University of Maryland</i>  <b>Christina Aperjis</b>  <i>Power Auctions</i></p> <p><b>Discussion</b></p>
5:00 pm – 5:45 pm	<p><b>Key Topics Session 4: Detecting and Deterring Coordination and Collusion Among Bidders</b></p> <p><b>Chair: Yassine Lefouili</b></p> <p><b>“Coordination Concerns in Global Health Procurement”</b>  <b>Gregory Vistnes</b>  <i>William Davidson Institute</i></p> <p><b>Discussion</b></p>
5:45 pm	<p><b>Adjourn</b></p>
7:30 pm	<p><i>Dinner at the restaurant “Le Genty Magre”</i></p>

Friday, April 27

9:00 am – 9:30 am	<b>Arrival and Coffee</b>
9:30 am – 10:45 am	<b>Key Topics Session 5: Pooling, Market Concentration, and Price Setting among Buyers</b>  <b>Chair: Eugene Schneller</b>  <b>“Pooled Procurement of Drugs : Theoretical Insights and Empirics in some Low and Middle Income Countries”</b> <b>Pierre Dubois</b> <i>Toulouse School of Economics</i> <b>“Pharmaceutical Price Setting and Regulation”</b> <b>Emma Dean Boswell</b> <i>Wharton School of the University of Pennsylvania</i>  <b>Discussion</b>
10:45 am – 11:00 am	<i>Coffee Break</i>
11:00 am – 11:45 am	<b>Key Topics Session 6: Barriers to Entry and Effects Thereof</b>  <b>Chair: Rachel Silverman</b>  <b>“Can Entry Mitigate the Effect of Inflated Reserve Prices in Public Procurement?”</b> <b>Vitalijs Jascisens</b> <i>Toulouse School of Economics</i>  <b>Discussion</b>
11:45 am - 12:15 pm	<b>Open Discussion: Other Topics and Missing Links</b>

12:15 pm – 1:15 pm	<b><i>Lunch</i></b>
1:15 pm – 2:15 pm	<b>Summing Up Key Lessons</b>  <b><i>Mead Over</i></b>  <b>Discussion</b>
2:15 pm – 3:00 pm	<b>Setting the Future Research Agenda</b>
3:00 pm	<b>Adjourn</b>