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SUPPLY CHAIN SURVEY



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Alternative distribution mechanism reduces logistics cost and promotes FP uptake

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## Background to the project

- In 2012 the MOH approved an Alternative Distribution Strategy (ADS) to address weaknesses in distribution of contraceptives.
- Implementation of the strategy required an implementation manual (but was not developed)
- Previous strategy expired in 2015
- Access Global Ltd won the bid to provide professional services for strengthening ADS



# Project Objective

The purpose of the project was

- to generate evidence on the performance of the ADS for (2012-2015) with regard to achievement of planned results, accountability to stakeholders and lessons learned;
- to develop a new Alternative Distribution Strategy (2016 - 2020);
- and to develop an implementation manual in support of the new Alternative Distribution Strategy (2016 - 2020).



# Project conceptualization – Supply chain system design & TMA

- **Supply chain:** The full range of organisations involved in the storage and movement of FP & selected RH commodities from the warehouse of the national lead firm to end users
- **TMA:** Provision of free commodities; social marketing and commercially marketed products informed by appropriate market segmentation

# Project conceptualization – Supply chain system design

## Supply chain structure

### *Network design*

- Number of supply chain levels
- Number and location of storage points
- Transport devices and routing

### *Chanel Governance*

- Level of HR knowledge & skills
- Inventory policies
- Distribution policies
- Decision-making (process)

### *Common measurement system*

### *Information systems*

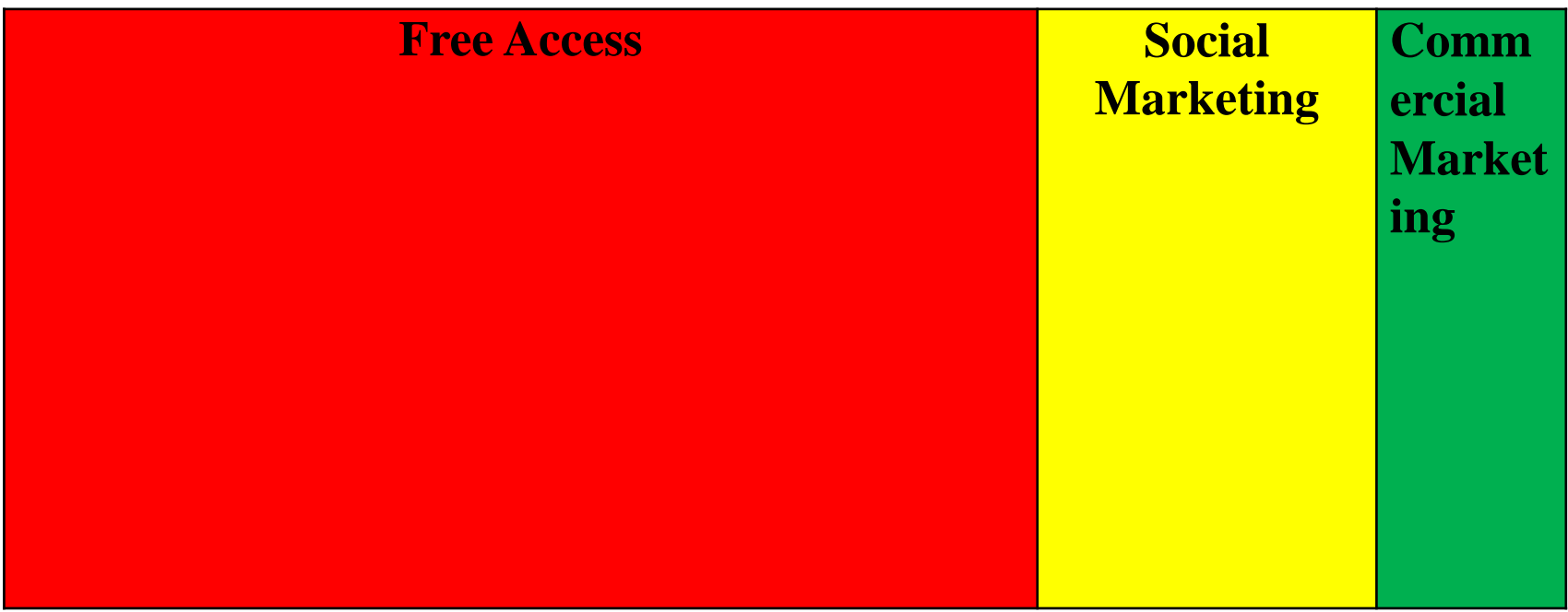


## Supply chain performance

- Uptake of commodities
- Stock-out rate of commodities
- Expiry rate of commodities
- Logistics cost
- Stakeholder satisfaction
- market share of different sources of FP commodities in Uganda (TMA)



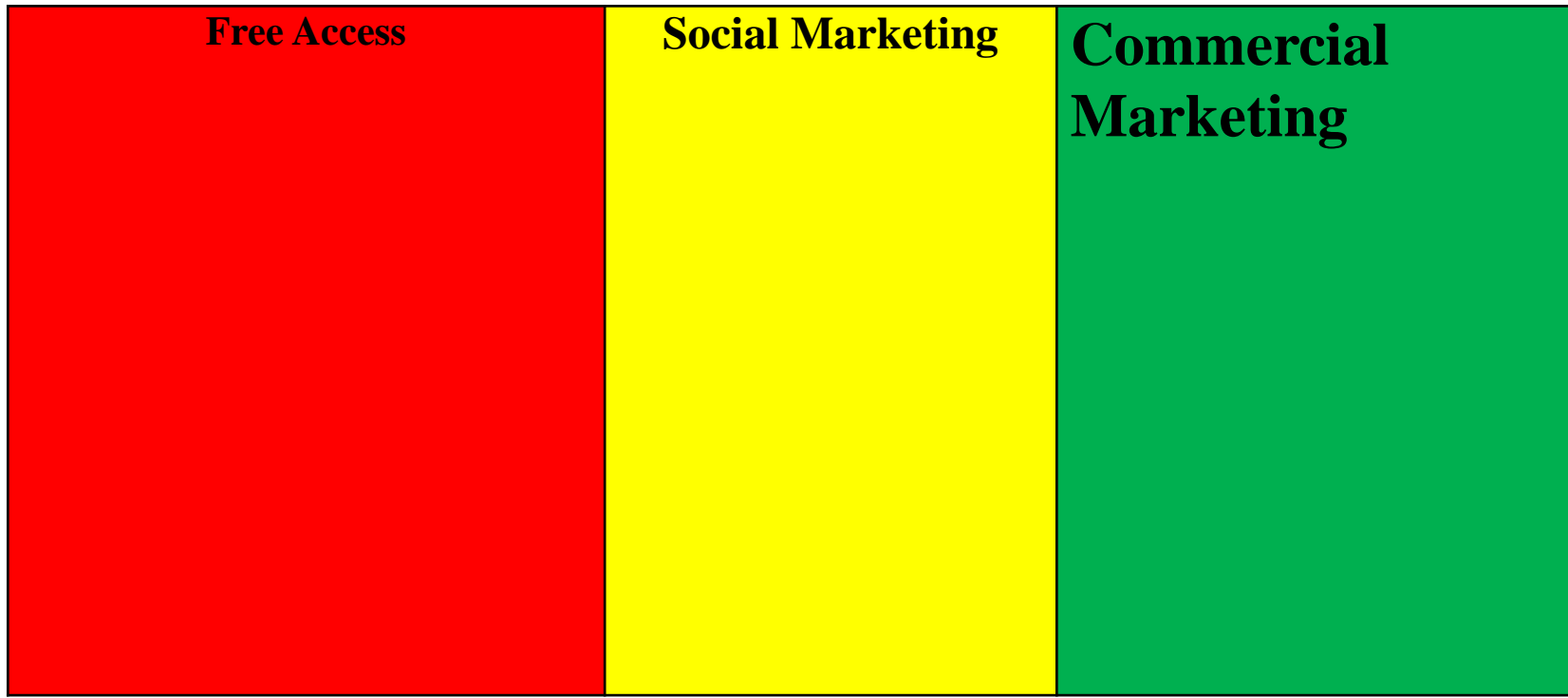
# Project conceptualization – TMA – current status



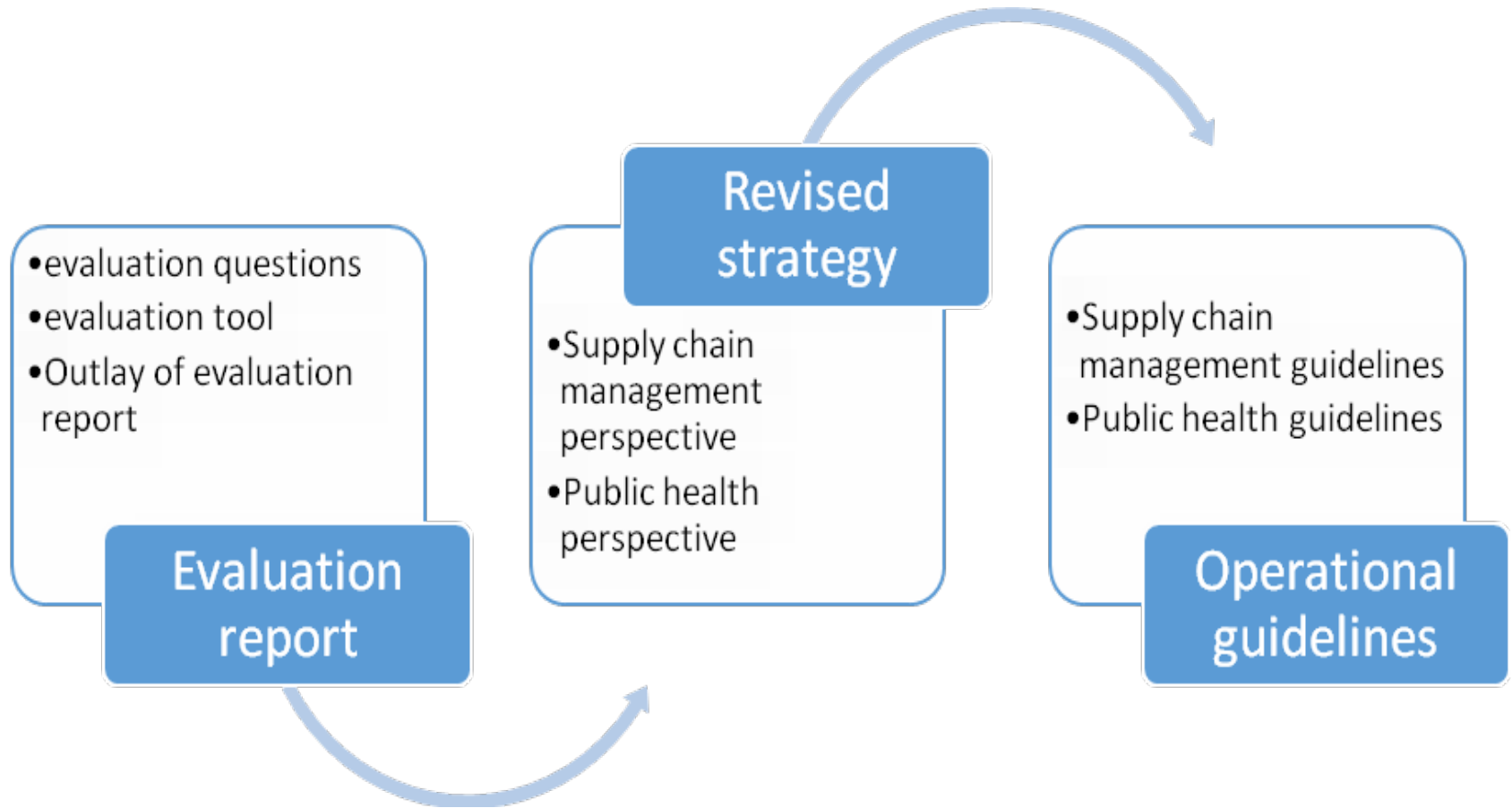




# Project conceptualization – TMA – future status



# Process & flow of work



# The Evaluation Report

**2012-2015**



# Objectives of the ADS

- Increase uptake of contraceptives and other RH commodities at the public service delivery points by 50% annually
- Reduce the number of service delivery points experiencing stock outs of contraceptives and other selected RH commodities in both the public and private sector to less than 30% in five year



# Evaluation questions

- Generate evidence on the performance of the ADS for 2012-2015 with regard to achievement of planned results, accountability to stakeholders and lessons learned
- Assess the relevancy, effectiveness, efficiency, sustainability and potential impact
- Assess the extent to which the implementation and coordination framework for the alternative distribution strategy enabled or hindered achievement of the results chain
- Make recommendations for the development of a new Alternative Distribution Strategy and implementation manual
  - Flow of commodity & information
  - Pricing
- Identify success stories, if any, and document the lessons learnt



# Method: Research Approach

## 1. Quantitative

Used secondary data: UDHS2011, AHSP Reports, Global program for RH commodities security (GPRHCS) of 2014 report, Evaluation of the Joint Program for Population (UNFPA), 2015, and Uganda National Housing and Census, 2014 report.

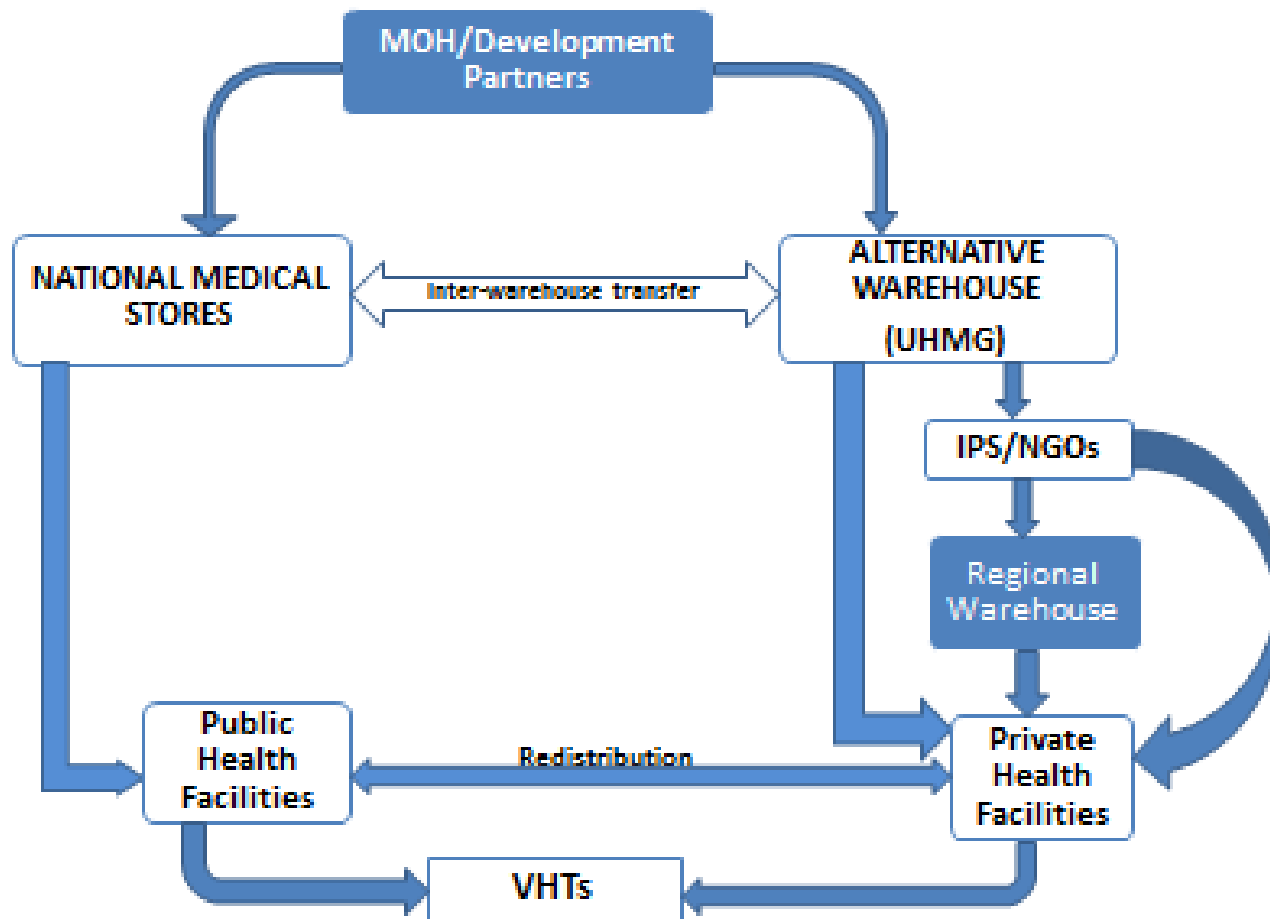
## 2. Qualitative

- i. Document review
- ii. 3-day stakeholder kick off consultation in Dec 2015
- iii. 59 KIIs were conducted with central level stakeholders (10), DHOs (19) and Health Facility (HF) in-charges (30).
- iv. 20 FGDs were conducted with women and men of reproductive age (15-49 for women; 15-54 for men) from 19 selected districts (2 from each of the 9 UBOS regions of Uganda plus Kampala)
- v. 2-day stakeholder meeting to review findings & recommendations



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# Findings: ADS 2012-2015 system





# Findings: %age increase in uptake of FP commodities & services

Year	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
CYPs	845,404	591,206	803,139	1,780,578	3,275,403	4,059,810	3,308,142
% Increase in uptake		-30%	36%	122%	84%	24%	-19%





# Findings: Rate of stock out of Family Planning commodities (source survey by HEPS & ABH, 2015)

Commodities	% of facilities not stocked out in 6 months			Average stock out days per month		
	Public (N=37)	Private (N=41)	Mission (N=36)	Public	Private	Mission
Female condoms	24	12	28	17	23	25
Levonorgestrel 0.75mg/rod*2 implant	22	15	30	11	9	17
Etonogestrel 68mg/ rod*1 implant	27	7	25	8	12	17
Misoprostol 200 µg Tablet	38	15	12	11	4	11

ABH = Advocacy for Better Health



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# Implementation and coordination

## Achievements

- Meetings of the FPWG/RHCS committee were held regularly and information on stock position was shared
- MOH Quantification & Procurement Planning Unit (QPPU) supported quantification while Development Partners (DPs) directly procured required commodities
- MOH internal audit verified payments and other transactions under the ADS

## Gaps

- Coordination between IPs, districts, and Health facilities and the feedback mechanism from down to the central level is still weak
- No implementation manual
- No baseline and mid term evaluations
- Accreditation by MOH was not successful

## Health workers knowledgeable about logistic terms

Logistic term	No. of respondents found knowledgeable	Percent of Health workers knowledgeable
Stock on Hand	27	100 %
Average Monthly Consumption	27	50 %
Months of Stock	27	7 %



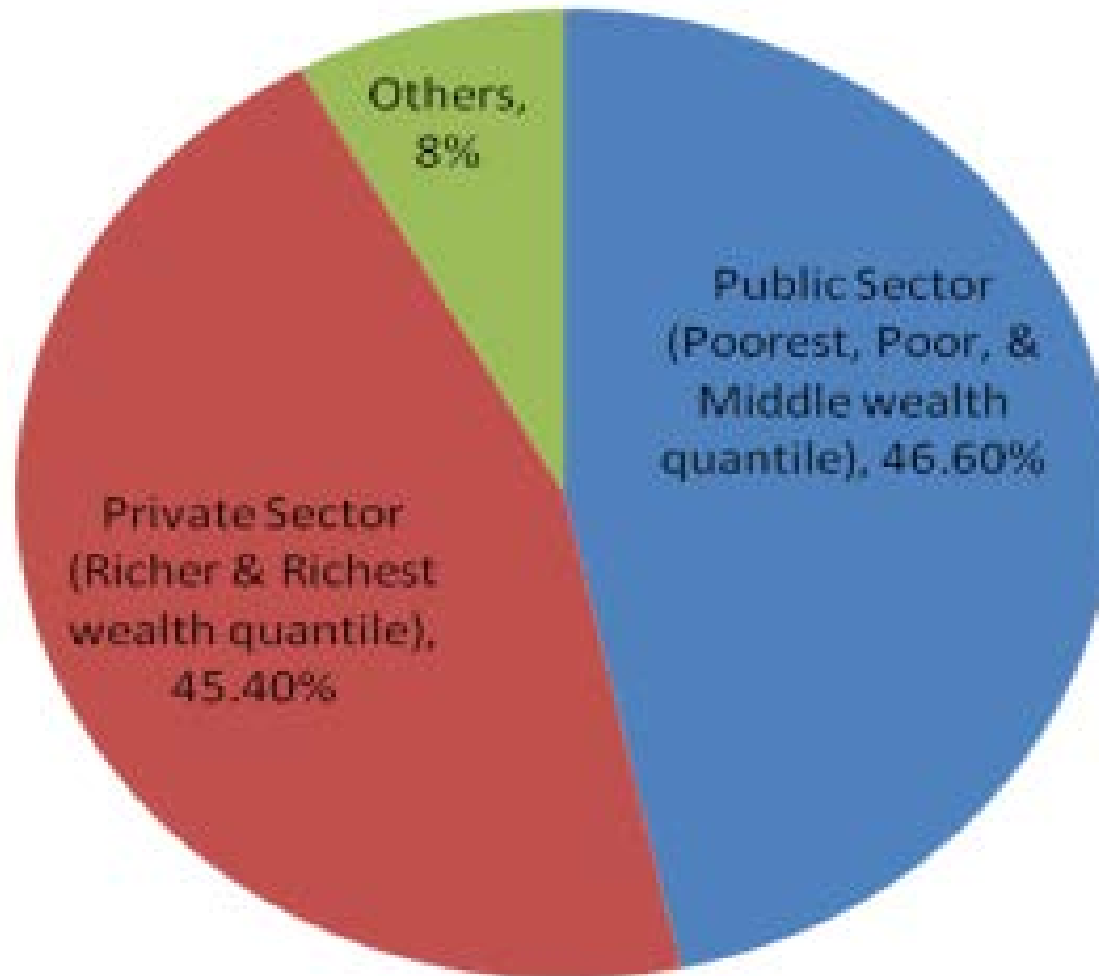
# TMA: Wealth Quintile of the population in Uganda (Source UDHS 2011)

Wealth Quintile	Proportion
Poorest	17.50%
Poor	18.20%
Middle	18.50%
Richer	19.90%
Richest	25.80%
	100%

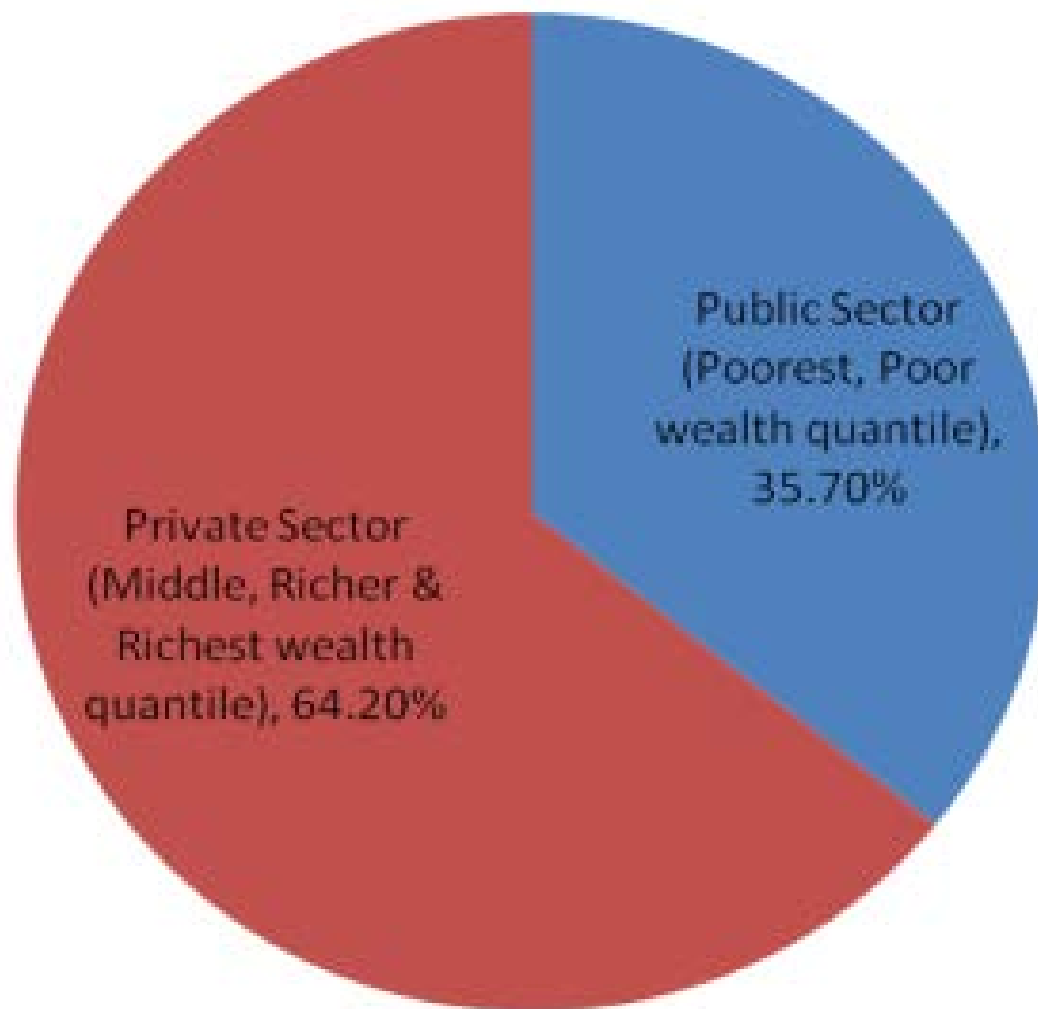


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# Current Source of RH commodities



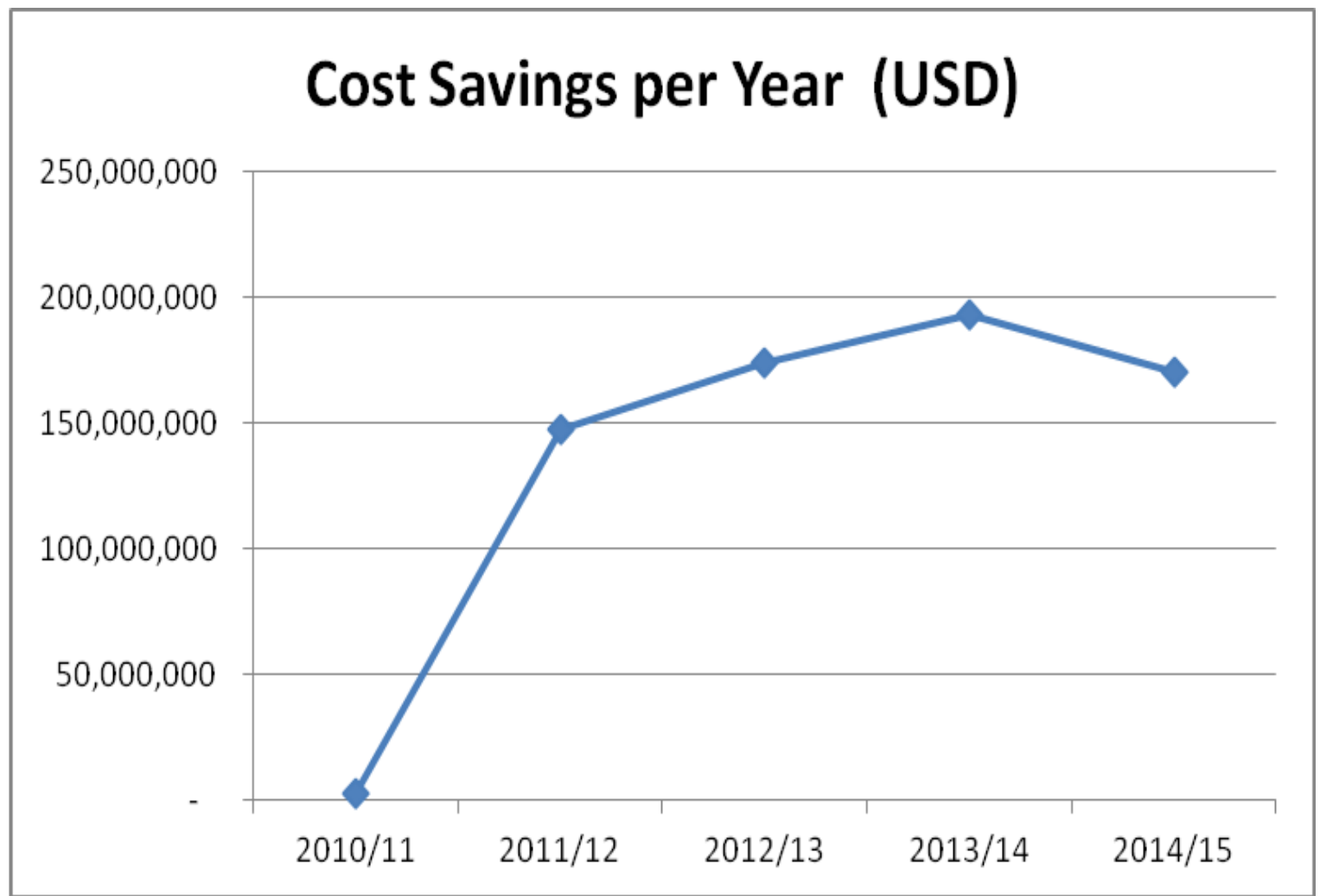
# Future Source of RH commodities





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# Economic impact of increased uptake of FP commodities





# Success Stories

1. Transfer of RH commodities between the private sector and public sector
2. The strategy helped to avert expiry of RH products
3. Reducing RH commodity handling fees through Public Private Partnerships (PPP)
4. Batch tracking for efficient post shipment testing of condoms





## *Lessons Learnt*

- Provision of public commodities through the private sector increases uptake of family planning
- Provision of free commodities subsidizes private sector prices thereby encouraging users to switch to the private sector, which could be more sustainable and contribute to TMA.



## Recommendations (1)

- Government should allocate a budget in support of the ADS
- Maintain a single national storage point
- Establish regional distribution points (partnerships between IPs and UHMG)
- Enroll more HFs under the strategy
- Include equipment in support of RH and FP services that were found to be very unaffordable



## Recommendations (2)

- Min-max inventory holding points should be established and enforced throughout the supply chain
- Institute integrated information systems that facilitate information sharing and access across the supply chain
- Adopt the TMA
- Service fee for commodities distributed under the ADS should be determined and published

# The Alternative Distribution Strategy

**2016-2020**



## ADS -2016-2021: Overall goal

- Premised on the Evaluation of ADS 2012-2015
- Success stories, challenges and recommendations taken into consideration

**Goal:** To increase access to Reproductive Health Commodities across the country.



## Strategic Objectives 2016- 2020

1. Increase uptake of FP and selected RH commodities in both public & private SDPs by 50% annually
2. Reduce the no. of SDPs experiencing stock outs of FP and other selected RH commodities in both public and private to less than 10%
3. Reduce the no. of SDPS experiencing expiry of FP and other selected RH commodities in both public and private sector to less than 5%



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# Priority areas for the period 2016-2020

- Improving the relevancy, effectiveness, efficiency, sustainability and potential impact of the ADS in contributing to RH commodity security outputs, outcomes and national targets
- Streamlining the flow of products and information across the ADS supply chain
- Strengthening Implementation and coordination framework
- Promoting a Total Market Approach to RH Commodity Security



# Strategic interventions (2016-2020)

1	Public sector distribution	7	Expand natural FP
2	VHT	8	Integrate FP into non health sectors
3	Private sector distribution	9	Provision of information, services & commodities through places of worship and cultural activities
4	Building capacity for logistics management	10	Provision of information, services & commodities at public places e.g Hotels, etc
5	FP in OPD, YCC, ART clinics	11	Institutionalizing FP outreach, days & camps
6	Expand/strengthen capacity for post-shipment testing	12	Voucher system and social franchising
		13	Social marketing & mobilization





# Streamlining flow of products and information

- **Level, Number and location of storage points**
  - regional level storage and distribution services to ensure all regions are well covered.
  - Increase no. of storage points at health facility level
- **Inventory policy**- Min-max inventory holding points shall be established, disseminated and enforced
- **Distribution policy** -A distribution schedule to deliver to all SDPs **Transport devices and routing**
- **Common measurement systems**
- **Integrated Information systems**



## Pricing

- MOH to pay UHMG 9 % of CIF value
- UHMG to provide commodities to IPs and eligible service providers at no additional cost.
- Mutually agreed fee from UHMG to IP with regional storage
- IPs to pass on commodities to clients and service providers at no additional cost.
- A recommended service fee shall be published by the MOH for private providers



# Total Market Approach

Remove barriers to provision of free commodities and socially marketed commodities to the private sector.

Result - subsidized cost of access thereby switching those who can pay to the private sector

Efforts at sustainability



# Implementation and Coordination framework

- Lead firm (UHMG) to lead supply chain coordination meeting
- UFPC to lead coordination meetings of consumer organizations
- MOH accreditation and Quality Assurance
- ACHS (Pharmacy) & ACHS (RH) supported by RHCS Coordinator to strengthen supervision, M&E
- Independent supply chain management verifications and audits



# Immediate Logistics cost

	mUSD						(UGX) bn
	2016	2017	2018	2019	2020	Total	
<b>Commodity costs</b>	14.8	17.4	20.5	23.4	26.5	102.6	<b>359,100</b>
<b>Handling fees (9% of commodity costs)</b>	1.33	1.57	1.85	2.11	2.39	9.2	<b>32,319</b>



# Commodities

- Oral pills
- Injectables
- IUDs
- Condoms ( Male & female)
- Implants
- Emergency Contraceptive Pills
- Misoprostol
- Others - consider adding Delivery Kits, IUD insertion kits, MVA kits, Vasectomy kits, Minilap kits, mama kits



# Conclusions

- The Alternative Distribution Mechanism for FP & selected RH commodities in Uganda is a supply chain system design intervention.
- The system design intervention has increased uptake of FP and reduced the logistics cost (from 10% to 8% of CIP value)
- Key additional structural interventions necessary to sustain the benefits of system design are – common performance measurement system and strengthening of information systems.