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# Institutionalizing and transitioning supply chain management structures in Tanzania through the Logistics Management Unit (LMU)

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# GHSC-TA-TZ Project Team

## Core Project Team



## Resource Partners





# Outline

1. Background
  - a) Genesis – How the LMU was established
  - b) LMU Overview - structure, governance and unique features
2. LMU Accomplishments – Select Highlights
3. Enhancing Government Ownership
  - a) Rationale
  - b) Approach to LMU transition
  - c) Roadmap and milestones
  - d) Progress
  - e) Enablers, risks and mitigation
4. Lessons Learnt



# Genesis – A Call for an Aligned Logistics Management System

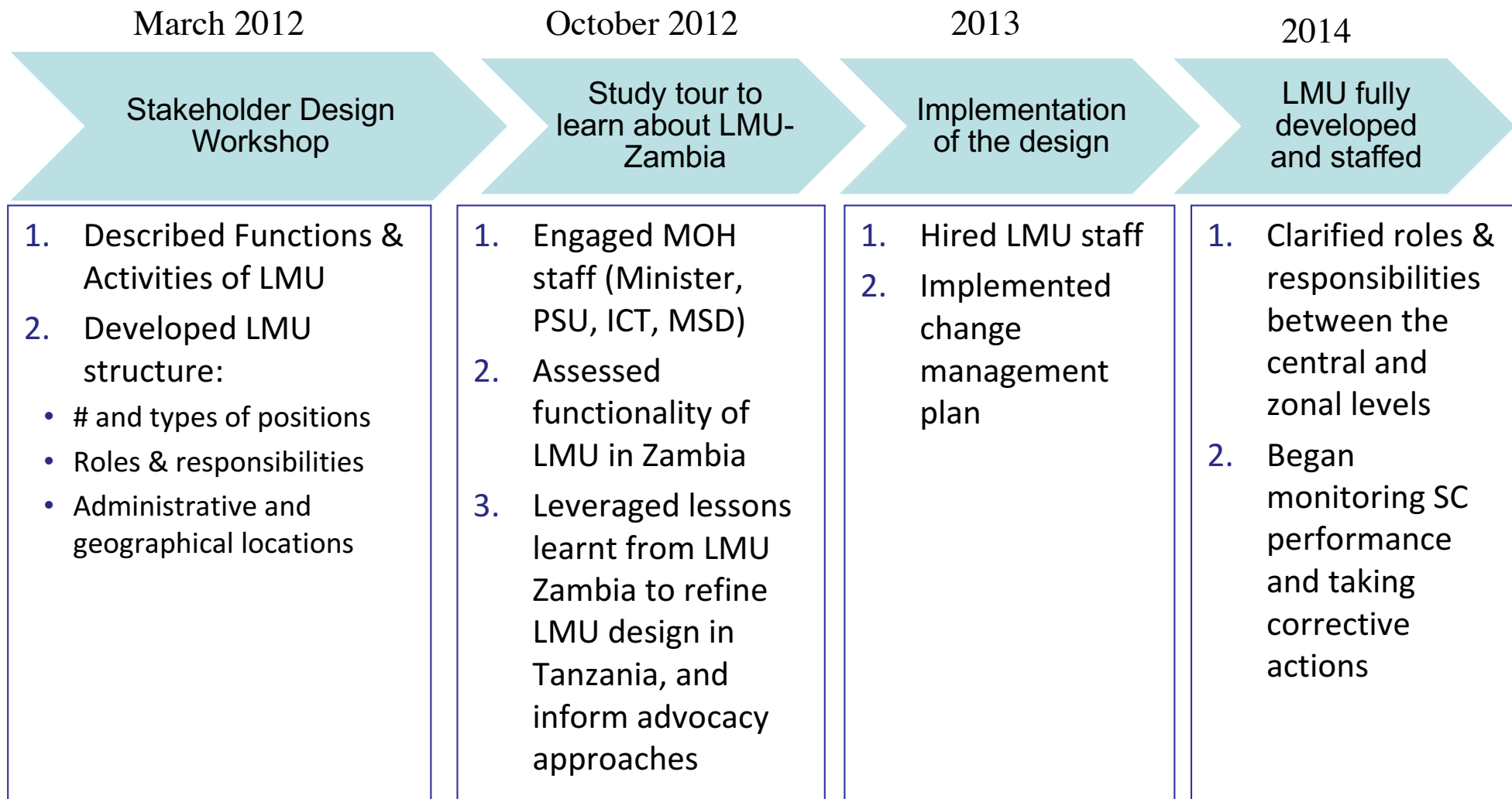
## Strategic Review performed in 2012; Gaps include:

- Lack of harmonization and coordination in SCM activities
- No single body/entity to coordinate and provide guidance on SC
- Absence of 'go-to' entity for HFs to request support on how to engage in supply system
- Lack of visibility of data to inform decision making
- Absence of a logistics cadre in the public health system in the country

Following the strategic review, the USAID, GF and GoT agreed to form a multidisciplinary unit (LMU)

1. Logistics Data Management
2. Quantification
3. Monitoring & Evaluation
4. Coordination and Collaboration
5. Supply Chain Intervention Planning
6. Training & Capacity Building
7. Supportive Supervision

# The Process - Highlights





# LMU – Overview

## LMU Steering Committee

MOH

MOF

PO-RALG

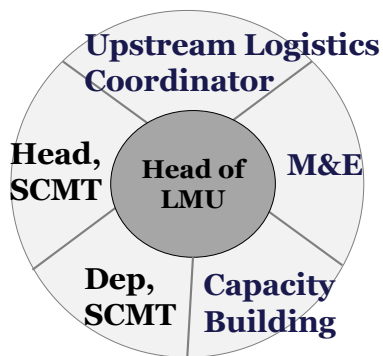
USAID

GF

### Roles and Responsibilities

- Provides oversight and advisory support
- Monitors LMU performance
- Represents interests of members

## Central Level LMU – Administratively Reports to PSU



- Provides administrative support
- Manages LMU
- Monitors LMU
- Builds SCM Capacity

## Zonal Level LMU – Physically Sits Within MSD

Dar

Mwanza

Tanga

Tabora

Mbeya

Moshi

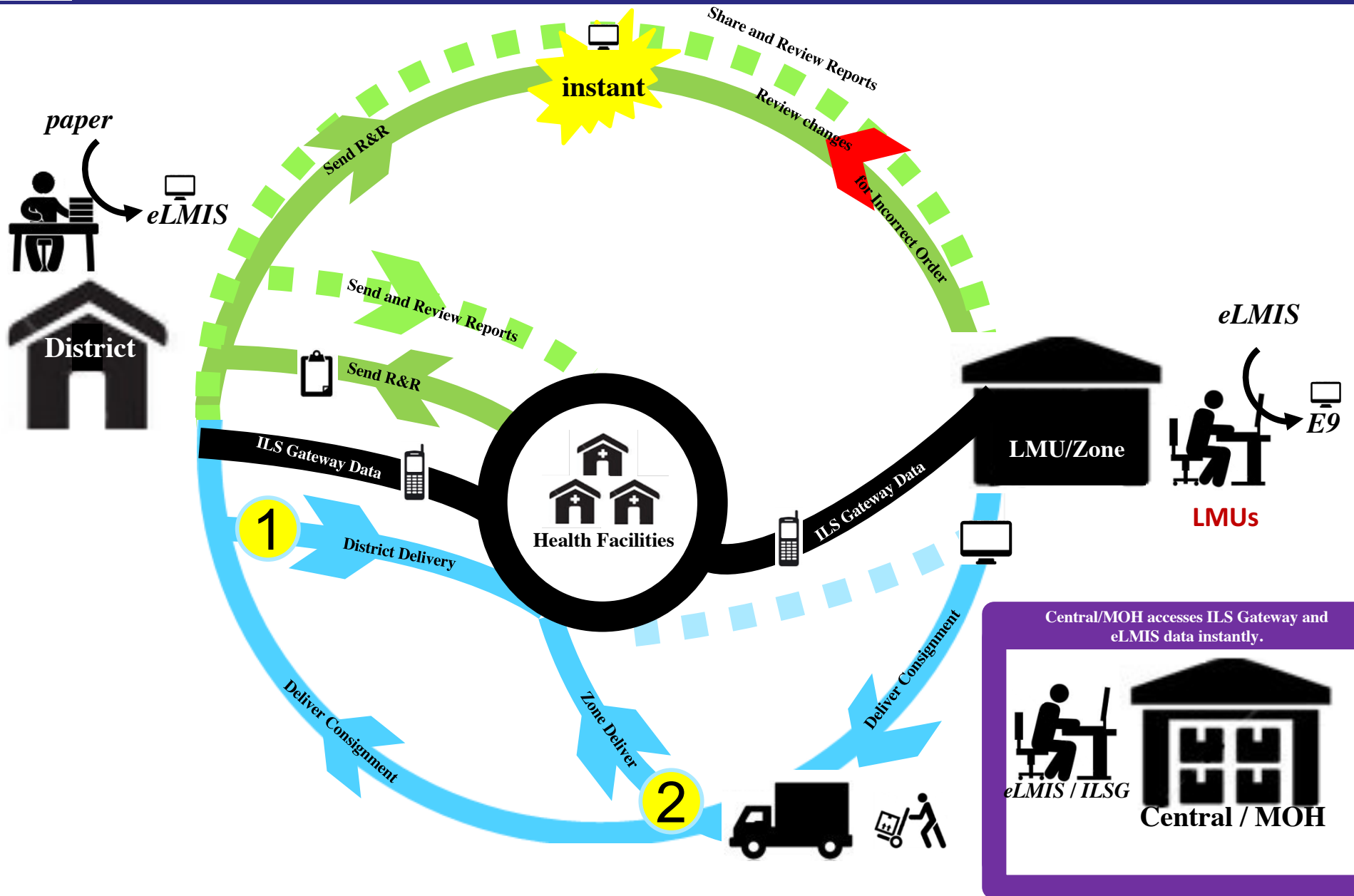
Mtwara

Dodoma

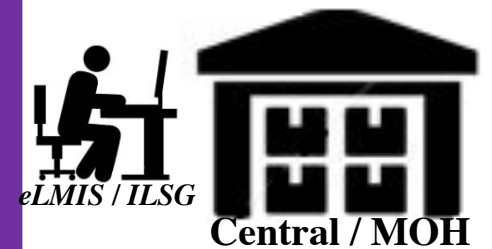
Iringa

- Act as early warning system to SC issues
- Logistics Data Management
- Supportive Supervision
- Capacity Building to the health facilities

# LMU Accomplishments – Order Management (R&Rs Flow and eLMIS)

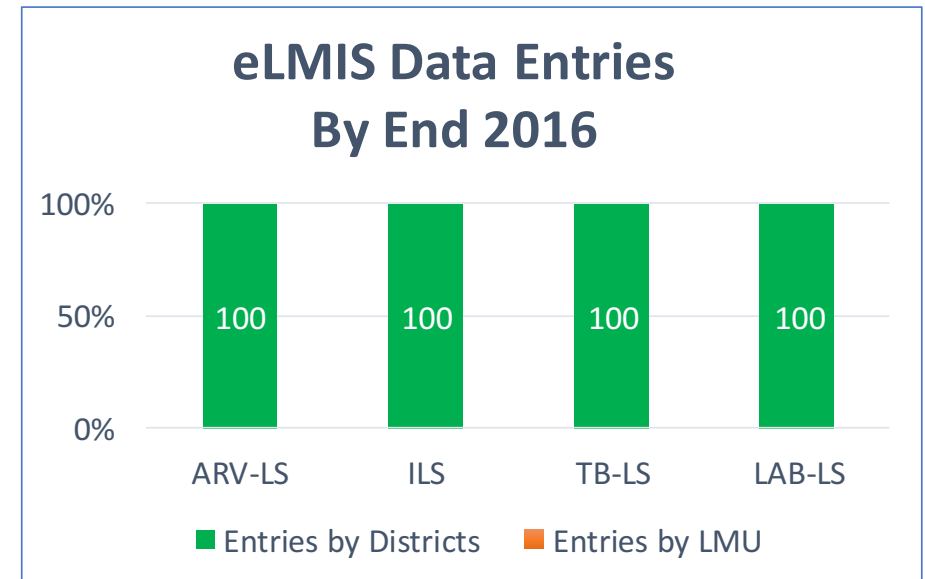
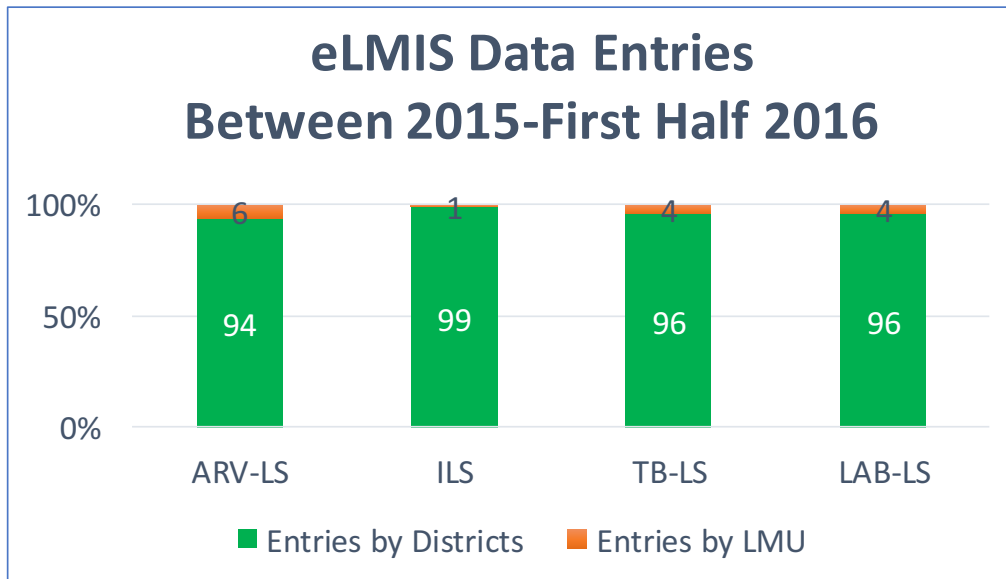


Central/MOH accesses ILS Gateway and eLMIS data instantly.



# LMU Accomplishments – Utilization of eLMIS

## Capacity Building to Regional and Councils HMTs

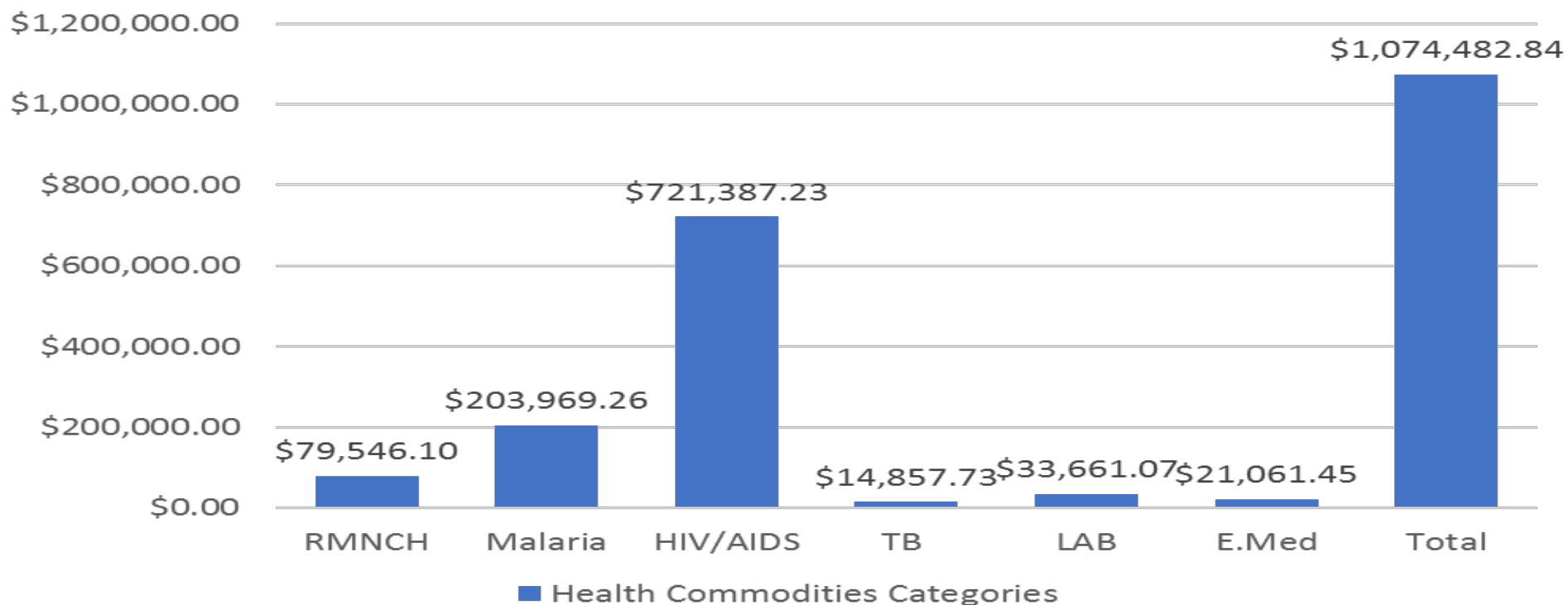


LMU has built capacity and mentored the regional and councils HMTs on utilizing eLMIS; Logistics data is now captured and analyzed at the council level



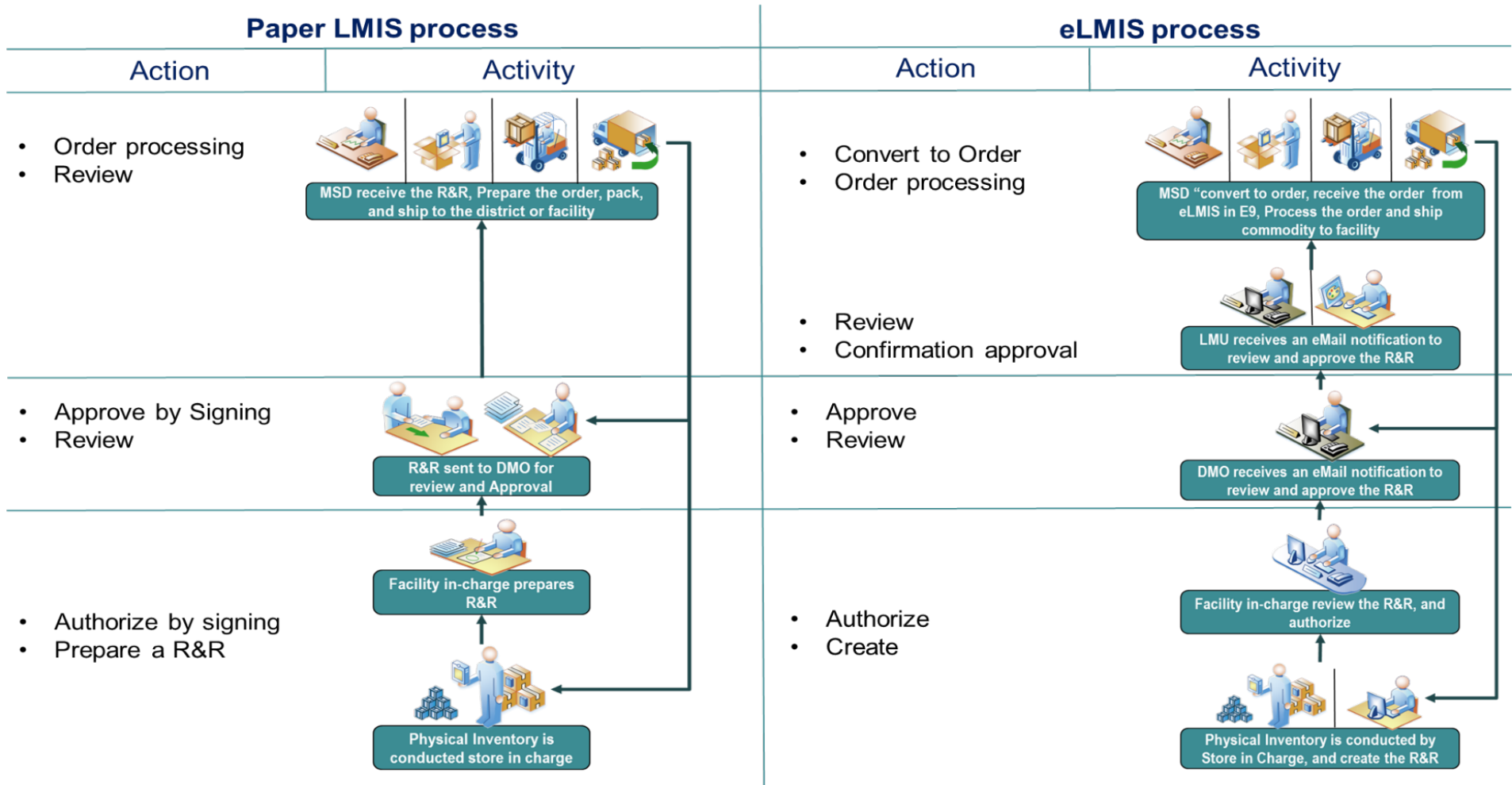
# LMU Accomplishments – Saving life and money through redistribution

## Values of health commodities redistributed in USD (Jul 2015-July 2017)



- In case of changes in disease pattern, errors in ordering and or weak commodities management, the LMU has identified and facilitated redistribution
- To facilitate sustainability, LMU is supporting councils to transition roles related to redistribution

# LMU Accomplishments – Improving Data Availability

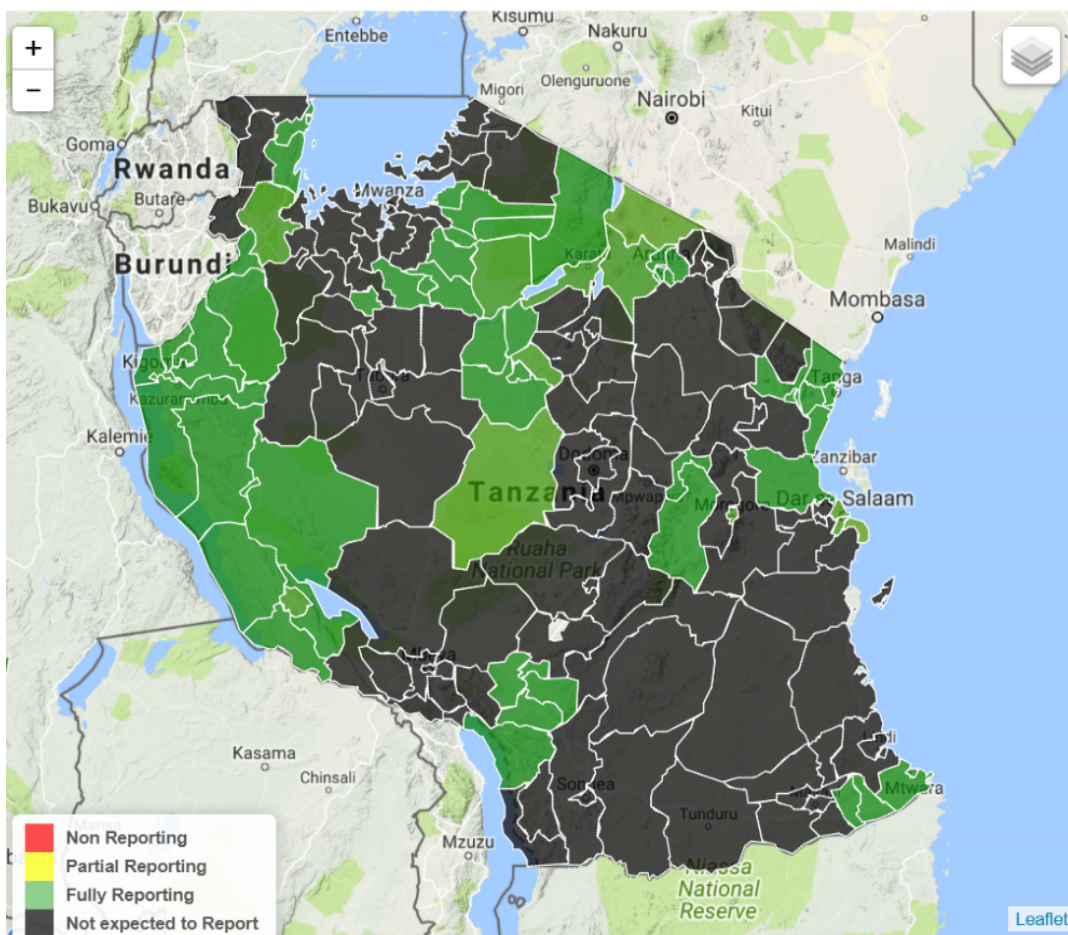


- Hospitals = 257
- Health centers = 513
- Dispensaries = 4,574



# LMU Accomplishments – Improving Reporting Rates of all Public HF's

Program \* 
 Schedule \* 
 Year \* 
 Period \* 
 Indicator



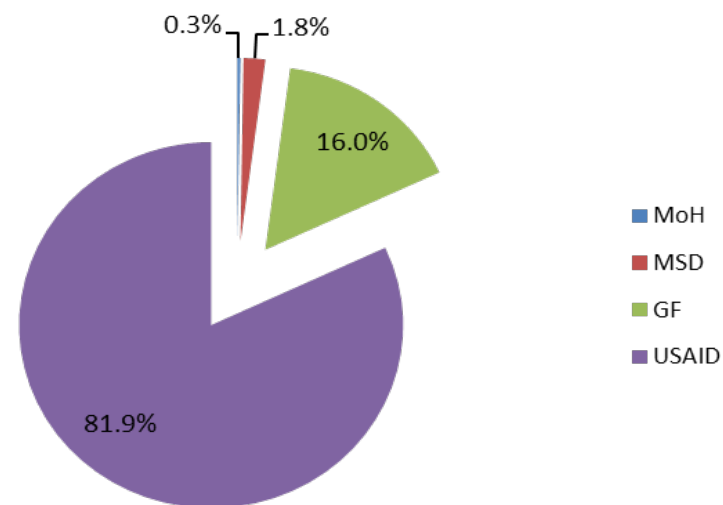
You can click on the chart to see list of facilities

District	Expect	Report	% Reported
Arusha DC	37	37	100 %
Arusha MC	19	19	100 %
Bagamoyo	20	20	100 %
Bariadi DC	28	28	100 %
Bariadi TC	13	13	100 %
Biharamulo	26	25	96 %
Buhigwe	25	25	100 %
Bukoba DC	38	38	100 %
Bukoba MC	12	12	100 %
Busega	22	22	100 %
Chalinze	47	47	100 %
Gairo	18	18	100 %
Ikungi	34	34	100 %
Ilala	41	39	95 %

# Enhancing Government Ownership – Preparing for LMU Transition

Despite over 3 years of operations:

- Limited GoT investment in LMU; More than 2/3 of budget is USAID-funded
- LMU structure hasn't been fully mainstreamed into existing GoT structures and services, making it difficult to hold some lines of accountability
- The business model in practice is a mix of formal GoT employment structures and donor funded employees



Funding source	Amount - USD	%
MoH	6,119.42	0.3%
MSD	42,642.87	1.8%
GF	8375,217.62	16.0%
USAID	1,924,770.28	81.9%
<b>Total</b>	<b>2,348,750.18</b>	<b>100.0%</b>

# Enhancing Government Ownership - Approach

## Approach to LMU transition

**01** Consultations/ Conceptualization  
(how to carry out the process)

Re-establishing the  
LMU Steering  
Committee

**02**

**03** Develop a roadmap

Implement the roadmap

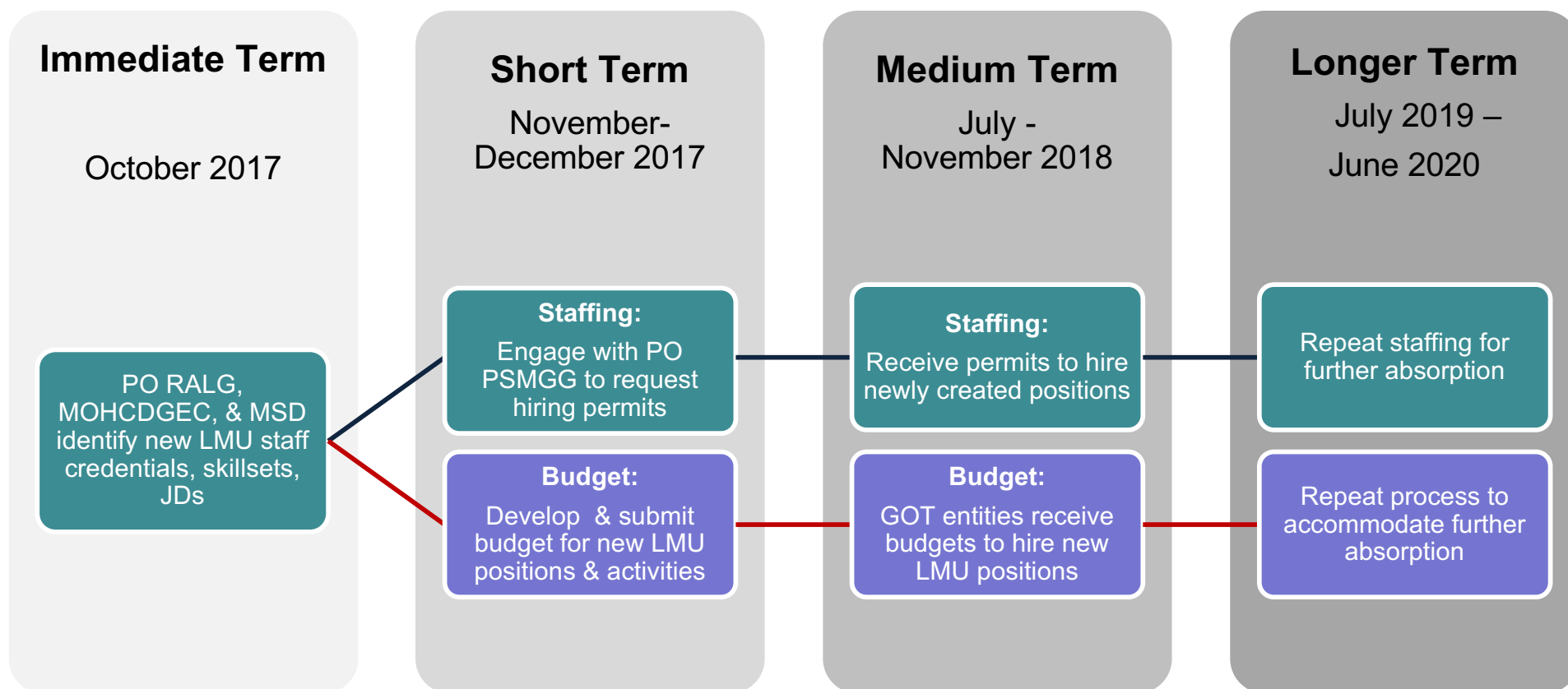
**04**

Implementation includes:

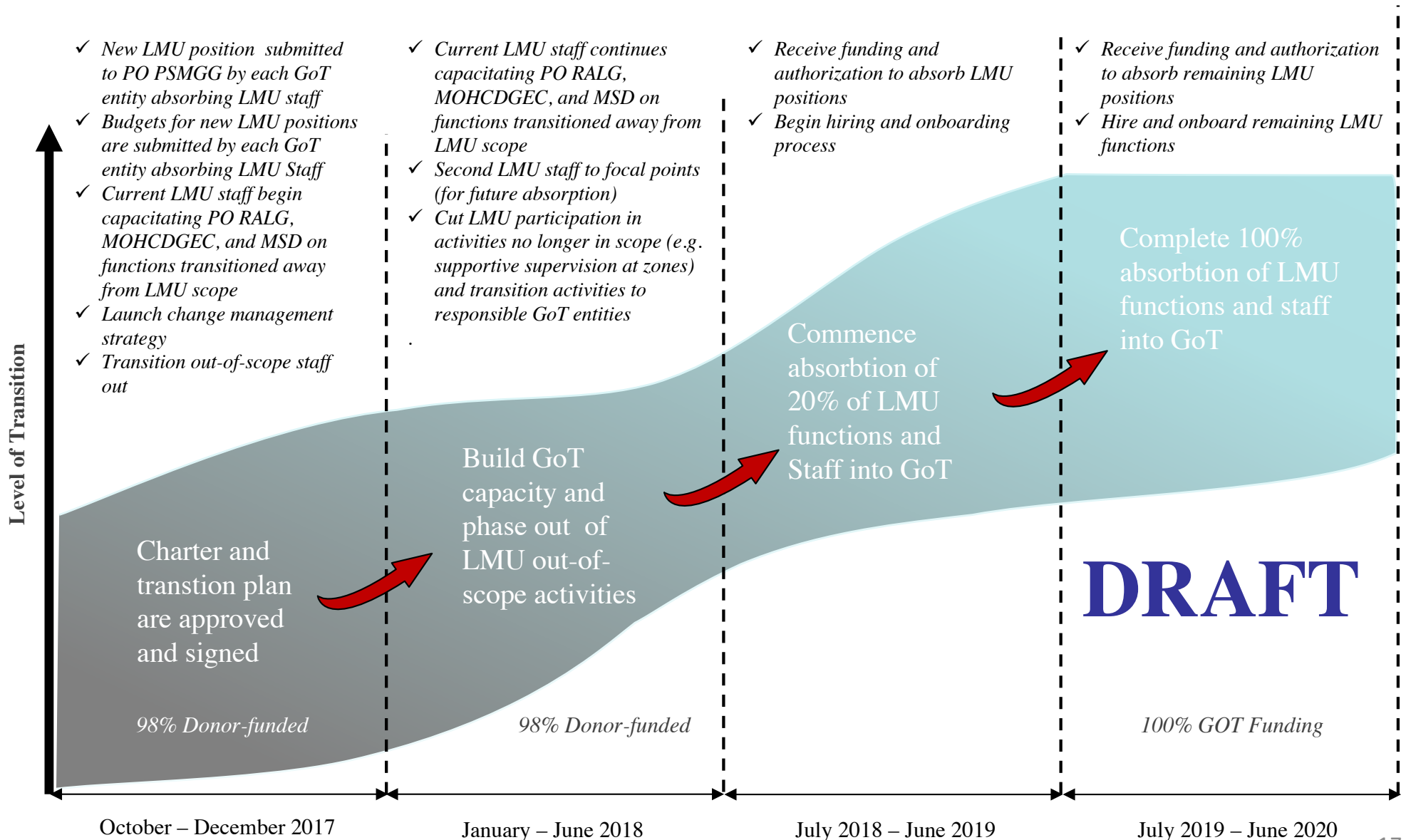
- Procure senior consultants with experience in supply chain, organizations development and HSS
- Review of the current LMU structure, practices, scope and performance
- Solicit feedback from LMU clients and partners on performance, scope, efficiency and the future of LMU

# Implementing Transition Plan – Focusing on Scope, Workforce, Cost, Government Ownership and TA

## Progress (Roadmap and milestones)



# Draft High-level Transition Plan





# Risks & Mitigation Strategies

Risks	Mitigation Strategies
Insufficient funding for LMU activities	<ul style="list-style-type: none"> <li>● Explore expansion of GF funding</li> <li>● Cut supportive supervision at Zones to extend the life of USAID funding</li> </ul>
Loss of key LMU staff during transition	<ul style="list-style-type: none"> <li>● Change management strategy should quickly and clearly communicate which staff will remain and want to remain</li> </ul>
No matter where LMU staff sit, they may become involved in activities outside their scope	<ul style="list-style-type: none"> <li>● LMU Charter should clearly identify LMU tasks and bind GoT entities to enforcing the mandate</li> </ul>
Timing to changes in standard operation procedures (reporting and ordering frequency) could have an effect LMU transition	<ul style="list-style-type: none"> <li>● Coordinate LMU transition carefully with the transition in supply chain system design so that neither are adversely affected</li> </ul>
Initial drop in quality of data and facility delivery	<ul style="list-style-type: none"> <li>● PO RALG-led initiative promoting supply chain efforts as a priority among facilities</li> <li>● Develop and institute a simple scorecard to track facility data quality passing rates to encourage competition for improved quality</li> </ul>
Limitations within R/CHMTs to conduct supportive supervision to facilities	<ul style="list-style-type: none"> <li>● PO RALG performance contracts should include KPIs on supply chain support and improvement</li> <li>● Incorporate supply chain into R/CHMT checklists</li> <li>● 16 vehicles transitioned to support supportive supervision</li> </ul>



## Lessons Learnt

- LMU is important entity in improving supply chain performance for public systems
- Establishment of LMU required advocacy, careful and strategic investment and recognition of existing systems
- Transition LMU can be as challenging as the process of establishing
- When transition – the focus should be on continuous performance and quality improvement
- Stronger LMU governance is critical for LMU sustainability
- Utilize existing structures to leverage resources and reduce redundancies



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