

# COMMODITY SECURITY AND LOGISTICS SUMMARY REPORT

#### About USAID MTaPS

The US Agency for International Development (USAID) Medicines, Technologies, and Pharmaceutical Services (MTaPS) Program (2018–2025) enables low- and middle-income countries to strengthen their pharmaceutical systems, which are essential to establishing higher-performing health systems and achieving better health outcomes. The program is implemented by a consortium of global and local partners, led by Management Sciences for Health (MSH), a global health nonprofit.

Learn more at <a href="https://www.mtapsprogram.org/">https://www.mtapsprogram.org/</a>

# INTRODUCTION

The USAID MTaPS program enables low- and middle-income countries to strengthen their pharmaceutical systems, which are critical for ensuring access to and appropriate use of safe, effective, quality-assured, affordable medicines, vaccines, health technologies and products, and related pharmaceutical services to improve health. MTaPS' objectives are to (1) strengthen pharmaceuticalsector governance; (2) increase institutional and human resource capacity for pharmaceutical management and services, including regulation of medical products; (3) increase availability and use of pharmaceutical information for decision making and advance the global learning agenda; (4) optimize pharmaceutical-sector financing, including resource allocation and use; and (5) improve pharmaceutical services, including product availability and patient-centered care, to achieve desired health outcomes. MTaPS employs a pharmaceutical systems strengthening (PSS) approach to identify and implement strategies and actions that achieve coordinated and sustainable improvements of a pharmaceutical system to make it more responsive and resilient for achieving better health outcomes.

In the Commodity Security and Logistics (CSL) portfolio, MTaPS focused on innovative approaches to address challenges of managing the supply chain for family planning (FP) and reproductive health (RH) commodities. These approaches included leveraging the capabilities of the private sector and testing the use of digital handheld devices at the community level for improved stock management.

# **CHALLENGE**

Enabling couples and individuals to determine whether, when, and how often to have children is vital to safe motherhood, healthy families, and prosperous communities. However, more than 218 million women worldwide still have an unmet need for FP. As part of efforts to meet this need, USAID advances



and supports voluntary FP and RH programs in 41 countries across the globe, with a focus on 29 high-need countries. Ensuring access to FP/RH commodities has the potential to prevent up to 30% of annual maternal deaths and save the lives of 1.4 million children under age five in these priority countries.<sup>1</sup> As a core partner in FP2030, USAID is working with the global community to support voluntary modern contraceptive use by everyone who wants it. This goal is achieved in part through the establishment of responsive and sustainable systems that provide a supportive policy environment<sup>2</sup> and logistics to assure commodity security, such that clients can choose, obtain, and use the needed health commodities at all times. USAID's CSL Division promotes the long-term availability of a range of high-quality contraceptives, condoms, and other essential RH supplies and strengthens global and country systems from manufacturer to service sites.

# STRATEGIC APPROACH

MTaPS, with CSL funds, contributed to the Division's goals of assuring commodity security and promoting the long-term availability of a range of essential FP/RH commodities by applying a pharmaceutical systems strengthening approach in the CSL Division's technical priority areas, such as strengthening the enabling environment; supporting the availability of and access to commodities at the last mile; and meeting the future needs of the supply chain workforce. MTaPS aimed to do this by analyzing the context and recommending approaches for increasing financing and strengthening supply and logistics services to improve the availability and accessibility of FP/RH commodities. The strategy is premised on the notion that implementing a systems strengthening approach in a country will lead to better commodity security. Through targeted advocacy and evidence-based technical assistance, MTaPS effectively engaged with various entities in countries, including public- and private-sector entities and health care providers as well as other stakeholders in the community, with the long-term aims of increasing government financing for FP/RH commodities; building capacity of local systems, institutions, and individuals to sustainably manage supply systems; and improving the efficiency of supply chains. This contributed to improved availability of and access to these commodities at service delivery points and in communities as a result of stronger supply and logistics services.



#### KEY RESULTS

#### CSL Technical Priority Area: Enabling Environment

#### **Examining Domestic Financing of FP Products in Uganda**

MTaPS conducted a political economy analysis (PEA) in Uganda using a streamlined approach to examine the factors that influence domestic financing of FP products and associated supply chain costs that may shape decisions around government financing within the country's decentralized health system. The PEA helped the Ministry of Health, USAID, and other stakeholders to better understand the factors that influence priority setting as well as financing and procurement allocations for FP commodities at different levels of the system. The results of the PEA were used in the development and implementation of Uganda's 10-year supply chain roadmap, which aims to support the government in achieving self-reliance in supply chain and essential medicines and supplies. The PEA also provides an entry point for examining factors that more broadly influence financing decisions on essential medicines and health products.



# **CSL Technical Priority Area: Last Mile**

#### Leveraging the Capabilities of Private-Sector Logistics Providers

MTaPS advocated for governments in the Philippines and Nigeria to shift from being mere supply chain operators to becoming stewards for commodity availability and security through leveraging private-sector logistics providers' capabilities to improve the accessibility and availability of essential health commodities, including those for FP and RH. There were several phases of this advocacy:

- MTaPS developed a streamlined and user-friendly supply chain outsourcing decision framework to provide a structured approach for governments to evaluate whether third-party logistics (3PL) and/ or fourth-party logistics (4PL) providers could be beneficial. This framework considers factors such as capabilities, cost, and political influences that impact the decision to outsource logistics functions to private-sector service providers to furnish governments and decision-makers with evidence-based insights, empowering them to make well-informed decisions.
- To explore these influencing factors, MTaPS conducted comprehensive studies encompassing aspects of political economy, operational capability, and cost-benefit analysis in Nigeria and the Philippines, using the supply chain outsourcing decision framework.
- The study results provided insights into the influences and considerations impacting outsourcing decisions. These findings helped to develop models and advocacy strategies that governments and donors can apply to leverage the capabilities of private logistics service providers to bolster public health supply chains in Nigeria, the Philippines, and similar countries.
  - o MTaPS produced a technical report on the assessment and advocacy briefs for both Nigeria and the Philippines to enable stakeholders to advocate for outsourcing.

Expanding upon these efforts, MTaPS supported the Nigerian government in developing a guidance document aimed at operationalizing the existing policies on outsourcing of logistics services to private 3PL/4PL providers. This comprehensive guidance document outlines the operational aspects of outsourcing supply chain functions to private 3PL/4PL providers in Nigeria and considers the legal landscape, international best practices, and specific factors unique to the country, including provider selection.

MTaPS also supported Kaduna State in developing a service specification document for outsourcing supply chain functions. This document includes evaluation and selection criteria and a detailed plan for contract oversight and performance management with key performance indicators. As a result of this support, showing their commitment to outsourcing as a strategy, the Nigerian National Product Supply Chain Management Program disseminated the package of resource documents and guidance for outsourcing to all states in the country to encourage them to consider the effective outsourcing of logistics functions.



# Leveraging Retail Pharmacies as a Source of FP Products and Other Essential Medicines for Public-Sector Clients

MTaPS developed a thought leadership paper to support governments and public-sector agencies in considering a transition from a pharmaceutical service provider role to a stewardship role for commodity availability: "Contracting retail pharmacies as a source of essential medicines for public sector clients in low- and middle-income countries: a scoping review of key considerations, challenges, and opportunities."

The paper highlights the key considerations, advantages, and disadvantages of engaging retail pharmacies as a source of essential medicines and FP products in low- and middle-income countries (LMICs) and lessons learned in operationalization, using examples from high-income countries and LMICs. The analytical framework also enabled MTaPS to gather evidence on how high-income countries mitigate



risks associated with the engagement of private-sector pharmacies. This thought leadership paper has been widely disseminated and published in a peer-reviewed journal and serves as a catalyst for discussions in countries on how to leverage private-sector providers for public health needs.



### Improving FP Service Delivery in Zambia

MTaPS used a randomized control trial design and qualitative methods to conduct an impact evaluation of a digital tool to improve FP service delivery at the last mile in Luapula Province, Zambia.

MTaPS developed a digital tool on the open-source smart register platform, OpenSRP, for the integrated management of FP services and commodities. OpenSRP's offline capabilities make the tool suitable for use in remote areas. The tool also includes functionalities for client identification and registration, service provision, FP method selection and counseling, tracking of dispensing and unmet need, scheduling of follow-ups, client referrals, stock management, and reporting. The tool was deployed among 103 community health workers (CHWs) in the intervention arm of the study, sampled from 20 health facilities across three districts in Luapula Province, Zambia.

The impact evaluation showed that with respect to the primary outcome of FP resupply, the intervention had little effect on FP access to preferred methods that require a resupply from CHWs. At endline, clients in both the control and intervention arms found it easy to obtain the FP products from CHWs, and they reported high levels of satisfaction with the counseling they had received. Clients in the intervention arm reported significantly higher ease of use of FP and higher satisfaction than those in the control arm. Regarding the secondary outcome of stock management, there was a statistically significant improvement in stock level among CHWs in the intervention group. The findings suggest that OpenSRP supports CHWs in their supply management and enhances the quality of the client service delivery. While health facility and district staff emphasized the application's utility for quality of service delivery as well as better stock management and planning, CHWs emphasized the improvement in their record keeping and workflow efficiency.

Given that CHWs hold volunteer functions that are critical in the health system, digital applications like OpenSRP appear feasible and assistive and could be both motivating for community-based distributors (CBDs) and beneficial for the broader system. Furthermore, given that supply availability was higher in the intervention arm, digital applications may be a helpful strategy for strengthening the FP supply chain and clinical service delivery system in rural areas.

**103 CBDS** in 3 districts in Luapula Province, Zambia, were trained and equipped to use a service delivery and stock management tool for FP service delivery at the community level, resulting in no improved stock management and quality of client counseling as well as reduced interruptions in FP services.

Understanding
Disability
Inclusion in
the Health
Supply Chain
Workforce

MTaPS conducted a study to understand the status of disability inclusion in the health supply chain labor market in LMICs, with the aim of providing recommendations to USAID, its partners, and countries to improve inclusive employment practices in the health supply chain. The study included a global landscape analysis, a self-administered survey in English and French, and one country case study in Ethiopia, which found that it is now common for countries to have disability inclusion policies and strategies to guide employment. However, a gap exists between policy and implementation.

Key implementation challenges are linked to interrelated insufficiencies regarding enforcement and monitoring, definitional clarity and awareness, operational guidance, and financial resources. When asked what would make it more likely for persons with disabilities to seek or find a job in the health supply chain, survey respondents ranked the following as the top three factors: more positive attitudes toward persons with disabilities (67%); availability of special equipment and assistive devices (50%); and higher training/ qualification/training/skills (50%). The Ethiopian case reiterated the critical importance of a strong policy foundation for disability-inclusive employment.



# FEATURED RESOURCES

- Supply Chain Outsourcing Decision Framework
- Technical Reports and Advocacy
   Briefs on Leveraging Private-Sector
   4PL Providers in Supporting Public
   Health Supply Chains
- A Guidance Document for Operationalizing a 3PL or Lead Logistics Service Provider Supply Chain Model, Nigeria
- Service Specifications and Performance Management Plan for Outsourcing in Kaduna State
- Increasing Government Financing and Resource Allocation for Family Planning Commodities and Supply Chain Operations in Uganda: A Political Economy Analysis Policy Brief
- Streamlined Political Economy Analysis Methodology
- Use of Retail Pharmacies as a Source of Essential Medicines, including Family Planning Products, for Public Sector Clients in Lowand Middle-Income Countries: A. Thought Leadership Paper
- Webinar: Use of Retail Pharmacies for Public Sector Procurement in Low- and Middle-Income Countries

Use of Retail
Pharmacies as a
Source of Essential
Medicines, including
Family Planning
Products, for Public
Sector Clients



in Low- and Middle-Income Countries: A Thought Leadership Paper

# PATHWAY TO SUSTAINABILITY

As a result of MTaPS' technical assistance, mentoring, and capacity building:

- Government bodies (for example, the National Product Supply Chain Management Program in Nigeria and the Supply Chain Management Services team of the Department of Health in the Philippines) have the tools and resources needed to leverage private-sector capabilities and play an increased stewardship role effectively to ensure an efficient supply chain.
  - o Supply chain managers in the Philippines and Nigeria have resources available to support advocacy for contracting out logistics functions of the supply chain for improved efficiency.
- The government of Uganda was equipped with findings from a streamlined PEA, which they utilized for strategic planning and domestic resource mobilization for FP commodities and other essential medicines.
  - o The government of Uganda can apply the streamlined methodology to repeat the study as needed, and other LMICs can also apply the streamlined approach to PEA.
- Recommendations were generated to improve the implementation of disability inclusion
  policies and strategies in LMICs, which can be applied to support improved disabilityinclusive employment practices in the health supply chain.
- There is evidence in Zambia that scale-up and rollout of the digital tool on OpenSRP would help to improve FP services by reducing workflow disruptions and increasing efficiencies in FP stock management and dispensing. This could also be applied in other LMIC settings.

# **FUTURE CONSIDERATIONS**

- Investigate the potential for expanding the role of the private sector in supplying medicines to public-sector patients.
- Support the development of governance strategies and strengthen governments' stewardship roles in contracting out services for enhanced efficiency and effective oversight and monitoring of the supply chain, not only in Nigeria and the Philippines but also in other LMICs.
- Support the use of digital tools for improved stock management at the community level, which have the potential to improve supply chain performance and quality of care. However, digital interventions must be in concert with other interventions that address the major challenges (including a lack of remuneration and incentives, transport, and equipment to ease medical product storage) that CHWs face in rendering health services.
- Digital tools are not just limited to last mile but have been tried and tested and are applicable to other areas of the pharmaceutical system, such as streamlining the registration of medical products and monitoring patient safety. Partners and donors should support countries to establish interoperable digital platforms for various functions of pharmaceutical regulation to ensure the quality and safety of FP products and other essential medical products.
  - o Scale-up and rollout of the digital tool would help to improve FP services by reducing workflow disruptions and increasing efficiencies in FP stock management and dispensing. However, the effective use of OpenSRP depends on several other factors, so it will be important to take a system perspective and address other determinants of FP access in any such scale-up efforts.
- Improving disability inclusion in the health supply chain workforce requires the robust implementation and enforcement of disability-inclusive policies in both the education sector and the general labor market, coupled with increased awareness of the rights of persons with disabilities.
  - o To bring changes in attitudes and perceptions regarding persons with disabilities, it is essential to address enforcement gaps, establish strong follow-up and accountability mechanisms, and create awareness.



Kaplan WA, Cellini CM, Eghan K, et al. Contracting retail pharmacies as a source of essential medicines for public sector clients in low- and middle-income countries: a scoping review of key considerations, challenges, and opportunities. J Pharm Policy Pract. 2023 May;16, 60. Available from: <a href="https://doi.org/10.1186/s40545-023-00557-w">https://doi.org/10.1186/s40545-023-00557-w</a>

Challenges remain in the implementation of disability-inclusive policies, where low compliance is being driven by negative perceptions about the capabilities of persons with disabilities and the avoidance of potential costs associated with providing reasonable accommodations and making the workplace more accessible. The lack of incentives for employers to recruit and employ persons with disabilities is also a contributing factor.

# REFERENCES

- USAID Office of Population and Reproductive Health. 2024. Family planning and reproductive health program overview. Available from: <a href="https://www.usaid.gov/sites/default/files/2024-04/">https://www.usaid.gov/sites/default/files/2024-04/</a> USAID-Family-Planning-Reproductive-Health-Program-Overview April 2024.pdf
- 2. USAID Office of Population and Reproductive Health. 2021. Family planning and reproductive health program overview. Available from: <a href="https://www.usaid.gov/sites/default/files/2022-05/2021.11.04">https://www.usaid.gov/sites/default/files/2022-05/2021.11.04</a> PRH FP RH Program Overview.pdf

# RECOMMENDED CITATION

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