

Supply Chain Integration

RHSC Systems Strengthening Working Group Meeting

8 October 2013, Delhi, India

Maya Jaffe



1. Facets of integrating supply chains
2. Country and regional examples of integration
3. Items for consideration / discussion

Facets of integrating supply chains

Supply chains can be integrated in a number of ways, including:

- **Across supply chain functions or processes** (Procurement, warehousing, distribution, forecasting, etc.)
- **Across product areas or vertical programmes** (RH / contraceptives, HIV/AIDS commodities, malaria products, essential medicines)
- **Harmonisation and alignment of development partner-supported supply chains** into one national supply chain

... all driven by a desire to improve data visibility, supply chain efficiencies and ultimately product availability at facility / user level



School health clinic in New Barrackpore, West Bengal

- **Strengthening central medical stores as mechanism for integration**
- Integrated stock from almost 30 discrete donor programmes into one integrated stock pool, with approval of donors
- Improved data visibility by sharing stock, demand and pipeline data with programme heads, MOH procurement officers, donors and customers on a regular basis
- Adoption of Logistics Management Unit (originally set up, staffed & trained by DELIVER / SCMS office) – integration with downstream customers by collecting demand data, using for resupply decisions
- Improved warehouse management and distribution – created confidence of donors in MSL capacity to start channelling ARVs



- **Strengthening procurement at Ministry of Health & Family Welfare to support improved reproductive and child health services**
- Institutional development of Empowered Procurement Wing, creation of Central Procurement Agency to increase government ownership and coordination of all health commodity procurement
- Developed supply chain management information system (ProMIS) to improve data collection, reduce wastage and ensure delivery of medical supplies
- Vertical health programmes remain separate – focus has been on functional integration and improved coordination, flow of information



- **Supporting further functional integration in a broadly integrated national supply chain**
- Support from SCMS to strengthen CMS management, improve commodity availability for clients and reduce wastage through expiry
- **Donor integration** – USAID is only major donor supporting health commodities and these have always gone through CMS
- **Functional integration** – CMS has always handled procurement, QA, warehousing and distribution
 - SCMS has helped to create stronger links between CMS and its customers by delivering training and designing ordering and inventory control systems
- **Product integration** – historically all products have been integrated through CMS channel (small population size)
 - Recently Government of Botswana has started a pilot to provide chronic medicines to patients outside of CMS channel (patients can get script filled for free at private pharmacy, all paid for by GoB via a local health insurer)

- **Improving country-level procurement and supply planning and coordination between development partners to support continuous availability of ARVs and other HIV/AIDS commodities**
- Established in 2006 by Global Fund, USG (OGAC) and World Bank. Steering Committee now also includes UNAIDS, UNITAID and WHO
- Originally piloted in 6 countries – now facilities coordination in over 20 countries
- Establishing web-based dashboard for sharing country-specific information on donor funding for ARVs
- Maintenance of Country-At-Risk Schedule, dissemination of country-specific stockout alerts
- Encourages governments and development partners to share key data, gain insight into stock & supply status, risks and challenges and strengthen national coordination of supply planning

Items for Discussion

- It is usually not feasible to integrate in all 3 ways (functional, product and partner) at the same time
- Country ownership is key to any integration
- **Is integration always the end-game?**
- Supply chain *evolution* – adaptation and differentiation according to need at the lowest levels
- Need to decide what is best channel for integration in a given context at a particular time to improve performance and availability of supplies
- Then need to ensure that whatever strategies are adopted, government itself is driving the strategy and has oversight and visibility

Thank you!