

Working with an Integrated Supply Chain

Key Concept—Challenges and Opportunities of Integrated Supply Chains for Contraceptive Security

Countries are moving from vertical supply chains for different programs and different types of commodities to integrated systems that include most if not all of the essential medicines and other health commodities available through the public sector. This creates specific challenges and opportunities for contraceptive security – which is defined as existing when *every person is able to choose, obtain, and use quality contraceptives whenever they need them*. A strong integrated supply chain can both help ensure contraceptive security (CS) and, in all likelihood, do so more efficiently and with more sustainability than a vertical supply chain. However, stakeholders may have a bias against any approach that targets one group of commodities. The challenges are to respond to valid concerns about a piecemeal approach to strengthening systems, to ensure that strategies for CS help in overall system strengthening, to ensure that CS approaches are compatible with an integrated system and dovetail with overall commodity security efforts, and to ensure that contraceptives and other reproductive health commodities are not ignored in an integrated system. In a situation where supply chains are being integrated, attention should also be given to ensure that functional contraceptive supply chains are not compromised by integration.

The lessons presented in this abstract are still evolving as integration is a relatively new area for CS but one that is advancing rapidly, has important consequences, and needs the attention of CS champions.

Also note that integration means much more for CS than for supply chain integration. Strengthening integration at service delivery levels and with programs like HIV/AIDS and malaria, can also present important opportunities and challenges for CS. However, a significant amount of information has already been written in these areas, so they will not be discussed here (Dickinson 2006, Fleischmann 2006, Foreit 2002, WHO 2006, and WHO 2005).

What Can a Contraceptive Security Champion Do?

- Advocate for contraceptive security (CS) to have a role in integrated environments.
- Ensure that CS approaches and strategies are compatible with and supportive of the overall supply chain for health commodities.
- Encourage CS approaches that can be extended to all commodities, for example, forecasting and the use of software or procurement planning and for forecasting/quantification that can be used for most commodities including contraceptives.
- Encourage family health/reproductive health divisions in Ministries of Health to become champions and watchdogs for CS in integrated supply chains and service delivery.
- Ensure integrated planning and coordination between family health/reproductive health divisions and overall commodity management staff (Central Medical Stores and Pharmaceutical Division), for example, as members of CS committees.

- Adopt a strategy of advocating for *contraceptive security* as an entry point and foundation for *commodity security* for *essential medicines*.

Context

For efficiency and cost-effectiveness, and overall performance, countries are moving to integrated systems and, in particular, integrated supply chains for essential medicines. This involves a switch in management responsibility for contraceptive commodity management from vertical program staff (typically reproductive health or a family health staff), to central medical stores (CMS) and Pharmaceutical Divisions at the central level, and pharmacy staff at lower levels. Recently this trend has gained momentum with the expansion in HIV/AIDS service delivery, particularly antiretroviral therapy (ART), which has focused attention on the deficiencies in national drug supply chains. As part of overall system strengthening, new funding sources, particularly the Global Fund to Fight AIDS, TB and Malaria, are making significant resources available for the supply chain. Strengthening national CMS is one of the major ongoing supply chain reforms. While vertical supply chains for HIV commodities may still be common, the goal is to have these managed by the CMS, and eventually become part of an integrated system. Furthermore, efforts to scale up ART are recognized as being futile without an overall strong supply chain for all health commodities (drugs, condoms, laboratory supplies, diagnostics, etc.).

If the future includes integrated supply chains, what does this mean for CS and is there a need for CS? While contraceptives are essential medicines they are also different from other essential medicines and may lack attention in integrated systems. In some cases, they may not even be included in National Essential Medicines Lists and, even where they are, they are often mistakenly perceived as being optional items and as not helping to save lives; they may be among the first items cut when funding is limited. The nature of contraceptives—preventative health items and not curative—can lead to their being seen as less important. Growing demand, due to population growth, increasing popularity of family planning, and increased need for condoms for HIV prevention heightened this issue. In addition, strong donor leadership for family planning may have had the unintended consequence of creating a lack of ownership in some countries. While this is changing as countries continue to assume more responsibility for family planning, there are still perceptions that contraceptives are a donor concern. And, in many countries, stakeholders, particularly at lower levels, may be ambivalent or even opposed to family planning for cultural and social reasons. Therefore, a CS approach is still needed and the misperception of some stakeholders that CS is an attempt to move back to vertical systems changes the context greatly.

How can stakeholders be convinced that CS is an important component of integrated supply chains?

- Emphasize to stakeholders that CS does not mean creating *vertical* supply chains. This common misperception needs to be addressed promptly.
- Stress that integration is never an absolute, or an all or nothing proposition. Some elements of *integrated* supply chains will always retain some vertical aspects.

Integration can be considered as a continuum from totally integrated to totally vertical, with each element of the supply chain varying across that continuum. For instance, storage and transportation have relatively high fixed costs. Therefore, to encourage fuller integration, those costs should be allocated across as many items as possible. Forecasting, which requires both program staff with intimate knowledge of program plans and activities and trends in the field, and overall supply chain experts with technical knowledge of forecasting techniques, will fall somewhere in the middle of the continuum. Other components, for instance, product selection, will remain predominantly vertical—with program staff making the key recommendations as to which methods should be procured. The point to be made is that even in an integrated environment, different types of commodities exist and require different conditions and attention: this is where CS enters.

- CS is not just about the supply chain; it is a holistic approach to contraceptives and family planning that involves finance, policy, service delivery, advocacy, coordination, etc. Even with integrated supply chains, CS has an important role: providing a focus on one group of commodities with particular needs. What will vary will be the approach and the emphasis placed on the different aspects of CS.

How should CS be done in an integrated environment?

- Ensure approaches are compatible with an integrated context; for example, try to avoid using software or tools that are only suitable for particular groups of commodities.
- Work closely with MOH pharmaceutical divisions and CMS (typically responsible for drug management), not just the family health/reproductive health division staff.
- Ensure participation of program (family or reproductive health) and pharmaceutical (CMS and Pharmaceutical Division) staff in coordinating bodies.
- Support efforts to ensure the particular needs and characteristics of contraceptives and other reproductive health commodities are taken into consideration when the integrated systems are designed. One particular issue is that ideally, contraceptives should be considered full-supply items—they should always be available in the quantity needed—whereas, for some other items (for example, antiretrovirals), supplies are limited by funding or service delivery constraints.
- Ensure that, where contraceptives are being integrated into an essential drug supply chain, that routine collection of essential logistics data (stock on hand at all levels, consumption, receipts and issues and losses and adjustments) is not lost in the transition.
- Provide training opportunities for technical staff and continually refer to how approaches would work for other commodities.
- Review national drug policies and strategies, as well as those for particular programs, e.g., HIV/AIDS and malaria, to ensure compatibility.
- Refer explicitly to these strategies and policies in any documents or plans that are produced.

All the strategies outlined above are equally applicable to all contexts; they should be good practices regardless of the situation.

Lessons from Tanzania: Maintaining contraceptive security in an integrated supply chain

In most of the public health systems in sub-Saharan Africa, logistics systems were established only for the vertical programs they supported. These have passed on an inheritance of multiple vertical logistics systems focused on a single or a narrow range of products, even as health service delivery became more and more integrated either in response to local needs or as required by the tenets of health sector reform initiatives. Historically, health logistics in Tanzania was no exception – with the public sector managing numerous vertical logistics systems including situations in which the same product or product category, such as antibiotics like cotrimoxazole, was managed through separate systems for delivery and use at the same health facility.

In Tanzania, country stakeholders identified the need for a logistics system capable of handling the multiple commodities needed to support service delivery as the sector moved away from vertically managed programs to a more integrated service delivery paradigm with an elevated level of awareness of the need for resource management efficiency.

In 2003, the MOHSW of Tanzania embarked on an ambitious plan to integrate the logistics systems of many of its vertical programs. The process of designing a new logistics system for the Tanzania Health Sector began with an examination of the tasks currently undertaken in the supply systems and the numerous programs currently implementing vertical systems. The Chief Medical Officer estimated that there were more than a dozen vertical programs whose drugs and related medical supplies should be considered part of the integrated system.

While the MOHSW has made great progress in committing to and designing and rolling out the ILS, it has been a slow process with implementation hampered largely by capacity and funding limitations. Between 2005 and 2007, the MOHSW has rolled out the ILS in 9 of the 21 regions in Tanzania with the remaining regions utilizing two parallel systems.

The rate of implementation and associated challenges is likely to delay national impact and benefits of the ILS to programs. Furthermore, the transition may initially compromise contraceptive availability as the MOHSW struggles to manage the parallel systems and as there is less intense focus on vertical family planning. For reproductive health and family planning supplies, the MOHSW is seeking to address this risk with the establishment of a Contraceptive Security Committee. The committee meets routinely and monitors contraceptive stock status at the central and zonal levels, actual contraceptive distribution rates versus projections, and the status of ongoing procurements and upcoming shipments of contraceptive supplies and equipment.

Furthermore, in the long run, the ILS is expected to ultimately improve contraceptive security through strengthened systems, maximized resources, improved availability of data for evidenced based decision making, and greater efficiencies – all critical factors in improved product availability of family planning products and supplies.

What about essential drug commodity security?

More than likely, the increased interest being shown in the supply chain by stakeholders will lead to broader commodity security type approaches to strengthen public-sector

supply chains in the near future (even if these are not called commodity security.) What can CS champions do for contraceptive security when the emphasis is on essential drug commodity security?

- Where appropriate, promote the adaptation of tried and tested CS tools and approaches for overall commodity security efforts rather than *reinventing the wheel*
- Ensure that contraceptives are classified when countries prioritize drug lists, for example through VEN¹ analysis.
- Ensure that one or more contraceptives are included on any list of tracer drugs. Many countries are adopting tracer lists for a relatively small number of essential drugs that can be used to monitor system performance. Condoms should be included as an STI or HIV/AIDS item and at least one or two other contraceptives can then be included as FP or RH items.
- Advocate for regular monitoring of stock levels in facilities using these tracer lists.
- CS can be presented as a portal for general commodity security interventions. CS approaches can and probably should be extended to all other commodities. CS type approaches are already being adapted for HIV/AIDS commodities; for example, Ghana has developed a commodity security strategy for HIV/AIDS commodities and Zambia plans to do so in 2007. Some of the key CS interventions—strategic planning, coordination, data for decision making, and multi-sectoral and multi-partner assessments—are good practices for all commodities. Countries can learn from CS and can adapt techniques for other commodities or indeed for all essential drugs.

¹ VEN analysis helps set up priorities for drug procurement by dividing medicines into vital, essential and nonessential categories.