



STRENGTHENING PHARMACEUTICAL SUPPLY CHAIN MANAGEMENT

The MTA_{PS} Program is from the American people through USAID

Based on its decades of expertise in strengthening health systems to save lives and improve the health of people in low- and middle-income countries, USAID supports better governance and integrated, innovative, and sustainable strategies to strengthen pharmaceutical systems.

WHY ARE STRONG PHARMACEUTICAL SUPPLY CHAINS NECESSARY?

Pharmaceutical supply chain management is critical to achieving global health goals, such as universal access to medicines. Strong pharmaceutical supply chains ensure the uninterrupted availability of quality-assured medicines and health technologies from the manufacturer to end users. Many low- and middle-income countries (LMICs) have inadequate strategies for strengthening key components of the pharmaceutical supply chain. Weak systems cannot effectively manage local and global health program demands.

MTA_{PS}' APPROACH TO STRENGTHENING SUPPLY CHAINS

Implementing an effective and efficient supply chain management system involves putting good supply chain governance with a clear structure in place; strategically planning, designing, and implementing all functions and related processes; investing in human resources and institutional capacity to manage the supply chain systems effectively and efficiently; and developing and implementing comprehensive information systems.

MTA_{PS} uses a wide range of approaches to support countries to strengthen their pharmaceutical supply chain systems, including:

- Assessing supply chain system inefficiencies and providing alternative management practices
- Developing strategies to address root causes and implement risk mitigation measures
- Leveraging best-practice third-party and fourth-party logistics (3PL and 4PL) providers' capabilities to support the public health supply chain through evidence-based outsourcing

MTA_{PS} has deployed the following tools:

- Cost-benefit analysis to measure current supply chain spending and service levels
- Operational capability audit to identify gaps in the public sector supply chain and assess the private sector's capability to provide required services
- Rapid political economy analysis to understand the major political, economic, social, and cultural incentives, motivations, and constraints that impact outsourcing decision-making

MTA_{PS} has also developed a [decision framework](#) that links the three individual tools through an iterative process to guide country decision makers as they consider developing a strategy to outsource segments of their supply chain system.



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NIGERIA AND THE PHILIPPINES

MTaPS conducted a study using cost-benefit analysis, operational capability audit, and rapid political economy analysis. The study aimed to assess the potential for implementing best practice 3PL and 4PL service provider relationships in LMICs, such as Nigeria and the Philippines. It also aimed to assess the motivation, incentives, and constraints to outsourcing. Finally, it aimed to assess the capability of available logistic service providers and their cost and benefits with respect to delivering the services required by public sector health systems. Results from the study generated an evidence-based advocacy tool and a decision framework to guide countries in leveraging private-sector supply chain service providers' capabilities.

THE PHILIPPINES

MTaPS supported the Philippines Department of Health (DOH) to strengthen human resource and institutional capacity for a robust supply chain system. Subsequent to stakeholder consultations, MTAps conducted a workforce needs assessment for the procurement and supply chain management functions of the DOH, from which a workforce development plan was developed.

In response to the COVID-19 pandemic, which has been exacerbated by global shortages of essential products and a lack of timely, accurate data for planning, MTAps supported the Philippines' Inter-Agency Task Group on Resource Management and Logistics to reconfigure the national supply chain management system. Changes were necessary to increase commodity distribution from routine quarterly intervals to weekly intervals for emergency response needs. Support included the:

- Revision of inventory policy for more frequent stock requisition
- Upgrade of the Data Collect App to include a commodity module and dashboard
- Deployment of the commodities dashboard
- Deployment of e-learning to train health facility staff on new supply chain management policies

BANGLADESH

MTaPS supported Bangladesh's Directorate General of Family Planning (DGFP) to train 108 logistics officers on data usage for supply chain management with the aim of improving the availability of family planning commodities nationally. Training focused on utilizing data from the electronic logistics management information system for decision making on the distribution of commodities at different levels of the supply chain.

In response to the COVID-19 pandemic, MTAps supported the Directorate General of Health Services and other collaborators to develop an online reporting system that was designed to receive and issue emergency commodities and track daily stock status of individual items. The system is hosted by the government's existing web-based Supply Chain Management Portal.

Using the electronic Asset Management System will save money and promote patient access to the diagnoses and treatments that they need in a timely manner.

ADDITIONAL RESOURCES

USAID MTAps. *Strengthening pharmaceutical supply chain systems*. https://www.mtapsprogram.org/wp-content/uploads/2021/03/FactSheets_MTAps_Supply-Chain_051920.pdf

USAID MTAps. (2022). *Supply chain outsourcing decision framework*. <https://www.mtapsprogram.org/wp-content/uploads/2022/09/Supply-Chain-outsourcing-Decision-Framework-MTAps.pdf>

FOR MORE INFORMATION

Gashaw Shiferaw Mekonnen
Principal Technical Advisor – Supply Chain
gshiferaw@mtapsprogram.org



The USAID Medicines, Technologies, and Pharmaceutical Services (MTaPS) Program enables low- and middle-income countries to strengthen their pharmaceutical systems, which is pivotal to better health outcomes and higher-performing health systems. The program is implemented by a consortium of global and local partners, led by Management Sciences for Health (MSH), a global health nonprofit.

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