Integrating the Private Sector into Last Mile Supply Chains: Lessons from Senegal

Reproductive health supplies: A question of availability, quality, and affordability

November 8, 2017
Brussels, Belgium
Partnership

MINISTÈRE DE LA SANTÉ ET DE L’ACTION SOCIALE

IntraHealth International

BILL & MELINDA GATES foundation

MSD for mothers
Committed to Saving Lives

Photo credit: IntraHealth International
Problem Statement

CONTRACEPTIVE USE IN SENEGAL
(2011)

Approx. 30% unmet need for contraceptives
12% modern contraceptive prevalence rate

ANNUAL RATE OF STOCK-OUTS
SAMPLE OF 33 HEALTH FACILITIES IN DAKAR REGION (2011)

43%
Contraceptive Method 1

83%
Contraceptive Method 2

Photo credit: IntraHealth International/Clément Tardif
Former Contraceptive Supply Chain

COMMODITY FLOWS

DATA FLOW (via Paper)

FINANCIAL FLOW (payment for commodities at time of pick-up)
Causes of Stock-Outs

Bottlenecks

Commodity Flow

Data Flow

Financial Flow

Contributing Factors

Reliance on Care Providers

Complex System
IPM-3PL is part of a larger supply chain system called Yeksi Naa ("I have arrived")
### IPM-3PL Benefits

<table>
<thead>
<tr>
<th>Before IPM-3PL</th>
<th>After IPM-3PL</th>
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<tbody>
<tr>
<td><strong>System Design</strong></td>
<td><strong>Pull Supply Chain</strong></td>
</tr>
<tr>
<td><strong>Commodity Flow</strong></td>
<td><strong>Informed Push Supply Chain</strong></td>
</tr>
<tr>
<td><strong>Government Health Workers Managed Logistics</strong></td>
<td><strong>3rd Party Logistics Providers Manage Logistics</strong></td>
</tr>
<tr>
<td><strong>Data Flow</strong></td>
<td><strong>Paper-Based Data Collection</strong></td>
</tr>
<tr>
<td><strong>Open, Tablet-Based eLMIS</strong></td>
<td><strong>Health Facilities Pay Upfront for Commodities</strong></td>
</tr>
<tr>
<td><strong>Financial Flow</strong></td>
<td><strong>Health Facilities Pay Post-Consumption</strong></td>
</tr>
</tbody>
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Scaling IPM-3PL Nationwide

- **98%** contraceptive availability nationwide
- **1,400+** health facilities reached by third party logistics providers
- **3.2M** women with more reliable access to contraception
- **~90** essential medicines now included in IPM-3PL

IPM-3PL has now expanded to include other essential commodities beyond contraception, as a part of *Yeski Naa*
**EXPANDING IPM-3PL TO INCLUDE ESSENTIAL COMMODITIES: A PHASED APPROACH**

<table>
<thead>
<tr>
<th>PILOT PHASES 2015-2016</th>
<th>33 PRODUCTS IN 2 REGIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTEGRATION FIRST WAVE 2016</td>
<td>~ 50 PRODUCTS NATIONWIDE</td>
</tr>
<tr>
<td>INTEGRATION SECOND WAVE 2017</td>
<td>~90 PRODUCTS NATIONWIDE</td>
</tr>
<tr>
<td>POTENTIAL VACCINE INTEGRATION 2018</td>
<td>PROJECTED</td>
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*MSD for mothers, Committed to Saving Lives*
Sustainability

Financial Sustainability

1. Margin redistribution (est. 70% of costs)

<table>
<thead>
<tr>
<th>TOTAL REVENUE PER UNIT SOLD</th>
<th>SDP</th>
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<tbody>
<tr>
<td>DISTRICT</td>
<td></td>
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<tr>
<td>15% MARGIN</td>
<td></td>
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<tr>
<td>PURCHASE PRICE FROM PRA</td>
<td></td>
</tr>
<tr>
<td>30% MARGIN</td>
<td></td>
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<tr>
<td>PURCHASE PRICE FROM DISTRICT</td>
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</table>

2. Fee increases for participating health programs

Institutional Sustainability

Transition Launch Ceremony
August 2016

Photo credits: IntraHealth International
Scale-Up Timeline

**INITIAL PILOT**
- 2011-2012
- IPM-3PL for contraceptives only
- Piloted in 1 region

**SCALE UP**
- 2013-2015
- IPM-3PL for contraceptives only
- Scaled to all 14 regions

**ADOPTION**
- 2015-2016
- Government-led pilots of Jegesi NAA plus:
  - 3PL delivery at the “last mile” (IPM-3PL)
  - Government-led delivery at the last mile
  - A parallel scenario, including both 3PL and government-led delivery at the last mile

**YEKSI NAA**
- 2016-2017
- Expanded to additional Commodities
- Government managed and financed
Success Factors

- Widespread Organizational Support & Commitment
- Logistics Led by Logisticians
- Willingness to Partner with the Private Sector
- Providing Products on Consignment
- Improved Data Visibility
- Product Integration & Sustainability
- Continuous Improvement Process
- Advocacy & Communication
Thank You