Global Fund – UNICEF – UNFPA
Uganda, 30 November – 4 December, 2015
Summary of mission findings and recommendations

Background
Memorandum of Understandings (MoUs) have recently been signed between Global Fund and UNICEF and between Global Fund and UNFPA with the aim of promoting increased co-ordination and collaboration on Reproductive Maternal New-born and Child Health (RMNCH) service delivery. To maximize impact, the three agencies have committed to strengthening co-ordination and aligning efforts at the global, regional and national levels.

Procurement and Supply Management (PSM) represents a key component in both MoUs where there is a focus on facilitating effective and co-ordinated management of RMNCH commodities, in particular for diarrhoea, pneumonia, maternal health and contraceptive commodities.

Uganda is a priority country for the MoU and has submitted concept notes that include both iCCM and HIV/maternal components.

In this context, a joint mission was made to Uganda from 30 November - 4 December. A key purpose of the Mission was to determine how mobilisation under the MoU could help accelerate, supplement and / or address any identified bottlenecks to moving the recently launched National Pharmaceutical Sector Strategic Plan III forward.

Supported by a representative of the Global integrated Community Case Management (iCCM) Financing Task Team, the Mission also gathered information in order to assess the status of iCCM roll out in Uganda – another key focus area of the MoU - and make recommendations for any support that may be required to scale up efforts in country.

During the four days, the Mission met with key stakeholders in the country including the Ministry of Health (MoH), National Medical Stores (NMS), Joint Medical Stores (JMS), Ministry of Finance (MoF), National Aids Control Programme, National Malaria Control Programme and key partners; DFID, CHAI, UHSC/ TMSH, PMI, TASO (GF PR), PWC, UHMG, Living Goods and iCCM Programme Managers (full programme attached). The mission team also visited the District Health Office in Mpigi and two health centers (Level IV and Level II) in the district to interact with the officials involved in supply chain management and gain a better understanding of iCCM/maternal health commodity availability at the lower levels of care.

The Uganda Health Supply Chain Context

Uganda’s health system is comprised of the public sector, private not-for-profit health providers (PNFP), private for-profit health providers, and traditional and complementary
medicine practitioners. Health service delivery points include village health teams (VHTs), health centres (HC) from levels II to IV, and district and referral hospitals. There are approximately 4500 health facilities countrywide: 66% public, 20% PNFP and 14% private for-profit¹.

National Medical Stores (NMS) is the government agency responsible for procuring, warehousing, and distributing pharmaceutical products to public health facilities. Joint Medical Store (JMS) which is a faith based organisation does the same for PNFP health facilities. Medical Access Uganda Limited (MAUL), and Uganda Health Marketing Group (UHMG) are also significant players and complement government’s efforts in pharmaceutical service delivery. All but UHMG provide "last mile" distribution to health facilities either directly or indirectly through third party logistics providers².

**Findings**

Observations from the Mission can be summarised as follows:

- From an output/service delivery perspective, there seem to be an **improving trend on supply chain performance indicators**. Stock out rates are systematically monitored (6 tracer medicines currently, to be increased to 41) and stock availability of tracer items has significantly increased over recent years (21% in 2008 to 64% in 2014³). Recent RMNCH landscape analysis⁴ confirms general improvement on availability of life saving commodities at national level, however notes significant stock out challenges at point of service (HC II) particularly for reproductive and maternal health commodities. This suggests that persistent challenges in stock supply remain at the HC II and community level and that the visions for the last mile needs to be re-enforced.

- There is clear evidence of **active PSM reforms and initiatives that are strengthening the system through centralization of key functions**: funding, procurement, storage and distribution for the public sector are increasingly managed centrally by the NMS, with the aim of establishing clear end to end ownership and accountability for the public health supply chain. A key component of this system is the ‘modified pull’ (informed push) model recently introduced by NMS which aims at ensuring HC specific adjustments in the standard kit. While pros and cons of centralized (informed) push systems are well known, it is noted that the reforming initiatives in the short term have contributed to recent system improvements and that measures are considered to mitigate over/under supply at the different HC levels.

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² UNICEF/UNFPA situation analysis shared prior to mission
³ UNICEF/UNFPA situation analysis shared prior to mission. Confirmed during mission.
⁴ RMNCH Landscape Synthesis, Summary Report 2015 (September 2015). Of the 10 LSCs with data available, 8 had no national stock out. None of 13 LSCs were available in more than 80% of facilities.
• While the NMS and JSM as the main PSM providers by and large are operating parallel supply chains with the same products (although based on different operational principles), it is considered positive that they can supplement and de facto compete with each other to the benefit of the overall system efficiency. In depth assessments were not made, however from the initial impression and from secondary information obtained, both institutions seems to be reasonably functioning.

• Setting the strategic vision for the enabling environment, it is positively noted that the National Pharmaceutical Sector Strategic Plan (NPSSPIII) 2015 – 2020, has just been released (November 2015). The NPSSPIII, which operates within the framework of the Health Sector Development Plan and has been officially launched by the Minister of Health, clearly demonstrates the high priority and positioning of the health supply chain. Although still rather high level, it sets the foundation and direction for PSM planning and alignment of supply chain interventions and investments. It is considered of critical importance that the plan is operationalized and costed as soon as possible.

• Heavy donor dependency and significant funding gaps for commodities (caused by a number of factors including the fluctuating exchange rate (UGX to USD), donor exit, changes to WHO guidelines on Antiretroviral Therapy, etc.) represent serious sustainability risks for the whole system. Beside commodities, this will most likely affect implementation of the NPSSPIII and further SC improvement initiatives may be delayed. In this context, it appears paradoxical that the disbursement is picking up slowly and absorption capacity on existing grants is challenged and need strengthening on all level of the supply chain particularly related to procurement.

• The mission noted strong partner engagement and skills as demonstrated by the many ongoing supply chain initiatives. The dedication and commitment to supply chain system strengthening and improving the pharmaceutical supply was evident in the conversation and on the ground. Whilst there are numerous SC initiatives ongoing, partner contributions appeared to be somewhat fragmented and it was not clear how or if partners were coordinating activities and interventions. The most marked example of this was in the area of LMIS where there appeared to be significant inconsistency in approach. Likewise, while there is a strong push from government and an active willingness by most partners to mainstream commodities into the national supply chain and concentrate efforts on strengthening the National Medical Stores, the Mission also observed that not all partners were aligned to and actively implementing toward this approach.

• In terms of human resources – skills, competencies and motivation at the HC II, III and VI levels was repeatedly cited as an issue (e.g. skills in procurement/quantification/stores management for the health care worker). It was positively noted that the NPSSPIII speaks to the development of a Pharmaceutical Human Resources Development Plan which should incorporate specific activities to address this.
The observations above are consistent with and are further elaborated in a detailed RMNCH landscape analysis\(^5\) and have been jointly reviewed and validated with the participants of the Global Fund mission that took place during the weeks preceding this mission.

**Moving Forward / Recommendations**

Based on the findings recommendations can be summarized as follows:

1. The NPSSPIII represents the overall strategic vision for the sector and the related PSM system. As such, a **consultative process, led by the Ministry of Health, should be initiated as soon as possible to develop a detailed and costed activity plan beneath the NPSSPIII** understood and endorsed by all key stakeholders. While limit sections of the strategy have moved forward to this stage, it is important that this is done in a consolidated fashion. Further, noting that funding is likely to become an issue, it would be important that activities are priorities and gradual phase in measures are considered.

2. The implementation plan when developed would probably include a number of complex and inter related activities which would eventually require careful project management. As such, **strengthening of the capacity of the government to direct and lead supply chain systems strengthening priorities and interventions** should be a priority e.g. through strengthening of the MoH Pharmacy Division to project manage the strategic plan. As part of this capacity increase it is important that the overall communication is strengthened so that all stakeholders have a full understanding of the entire change process. This to avoid gaps and overlaps and to ensure overall transparency.

3. **Identify a Champion organisation for high level advocacy on SC strengthening as a key component of Health Systems Strengthening.** This would ideally be an organization with sufficient resources and which is respected by all main stakeholders. The Champion would support the implementation process including through elevation of bottlenecks and resolutions of conceptual ambiguities.

4. **Strengthen partner co-ordination to ensure optimal support to government for SC implementation plans.** Review the modus operandi and constitution of the current SC co-ordination committees and make use of the NPSSPIII as the basis for planning and alignment on supply chain interventions and investments applying a systems approach. Develop a joint LMIS strategy that will ultimately enable end to end SC visibility for all concerned stakeholders would be a critical first step.

\(^5\) RMNCH Landscape Synthesis Summary Report 2015 (October 2015)
5. **Operationalization of the NPSSPIII and alignment of donor and IP activities, would ideally lead to rationalization of implementation priorities.** At the same time it would be expected that operational entities (including NMS and JMS) would be able to increase efficiencies as a product of the alignment. Still, **leveraging of existing and future funding opportunities to advance the priorities articulated in the NPSSPIII need to be considered.** Beside Global Fund, it is noted that a number of funding institutions (GAVI, GFF, Power of Nutrition, etc.) have increasing focus on crosscutting PSM and HSS priorities which can be explored and tapped into.

The Mission would like to thank the MoH, MoF, NMS, JMS and all the implementing partners for the constructive input during our stay. Also a big thanks to the Uganda UNICEF and UNFPA Country Offices for hosting and for the strong guidance and support before and during the mission. The Mission stays committed to support any continued catalytic input as required to move the important PSM related RMNCH agenda and iCCM programme forward in Uganda.

23 December 2015