Private Distributors Integration into Public Health Supply Chains (PHSC)

Benchmarking Results

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Why did we do the benchmarking study?

With the deadline to achieving universal health coverage (UHC) quickly approaching there is a need for **increased collaboration between governments and local private pharmaceutical distributors** across Africa

There is currently **a lack of information** available on this topic and this is inhibiting **effective advocacy** as well as the targeting of health system strengthening efforts

This study was conducted to provide **facts** that can be used in advocacy to **grow private sector engagement** in this important area

What do we mean by “Distributors”?

Manufacturing	Wholesale Distribution	Retail Distribution

Per FDA definition, "distribution" means the sale, purchase, trade, delivery, handling, storage, or receipt of a product, and does not include the dispensing of a product. Distributors or Wholesalers buy products in bulk, typically from manufacturers, and then provide these products to pharmacies, hospitals and clinics. Their primary function is to ensure that a wide range of medicines is available at pharmacies, hospitals, and other healthcare institutions.

Study Approach and Limitations

APPROACH

- Developed on-line qualitative survey tool consisting of a 6-question questionnaire
- Validate the tool through tests
- Identified an expert respondent in each country and gathered the information
- Analyzed data and developed the report

LIMITATIONS

- Sample limited to countries where VillageReach operates and APDA member countries
- Qualitative data collected from identified focal points (expert informants) in each country, no additional data validation
- Data collected covers 10 of the 54 countries in Africa

This benchmark provides **a global situational analysis** of the integration of private distributors in Africa's public health supply chains and is **not** a detailed diagnostic

What is the scope of the benchmark?

Geographic scope

Africa

Product scope

Pharmaceuticals and other Health Products

Distributor scope

Commercial entities both for-profit and not-for-profit

Commercial entities are defined as companies that are self-funding from their sales revenues. They do not depend on donor funding to cover their costs.

Benchmark topics and questions

1. Legal Framework

Does the **country's legal framework allow** private commercial distributors to supply public health facilities?

2. Distributor Involvement

Are private commercial distributors **currently supplying** public health facilities on a **regular, recurring basis**?

If Yes to #2

3. Operating System

Are commercial distributor **warehouses located** at the first sub-national level (Province/State/District), or are goods delivered from a central location to the sub-national unit?

4. Funding

Who is **funding the purchases** for public health facilities from private commercial distributors?

5. Commodity Scope

Which **commodity groups** are supplied by private commercial distributors?

6. Geographic Scope

To **what extent** is the country's public health system supplied by private commercial distributors?

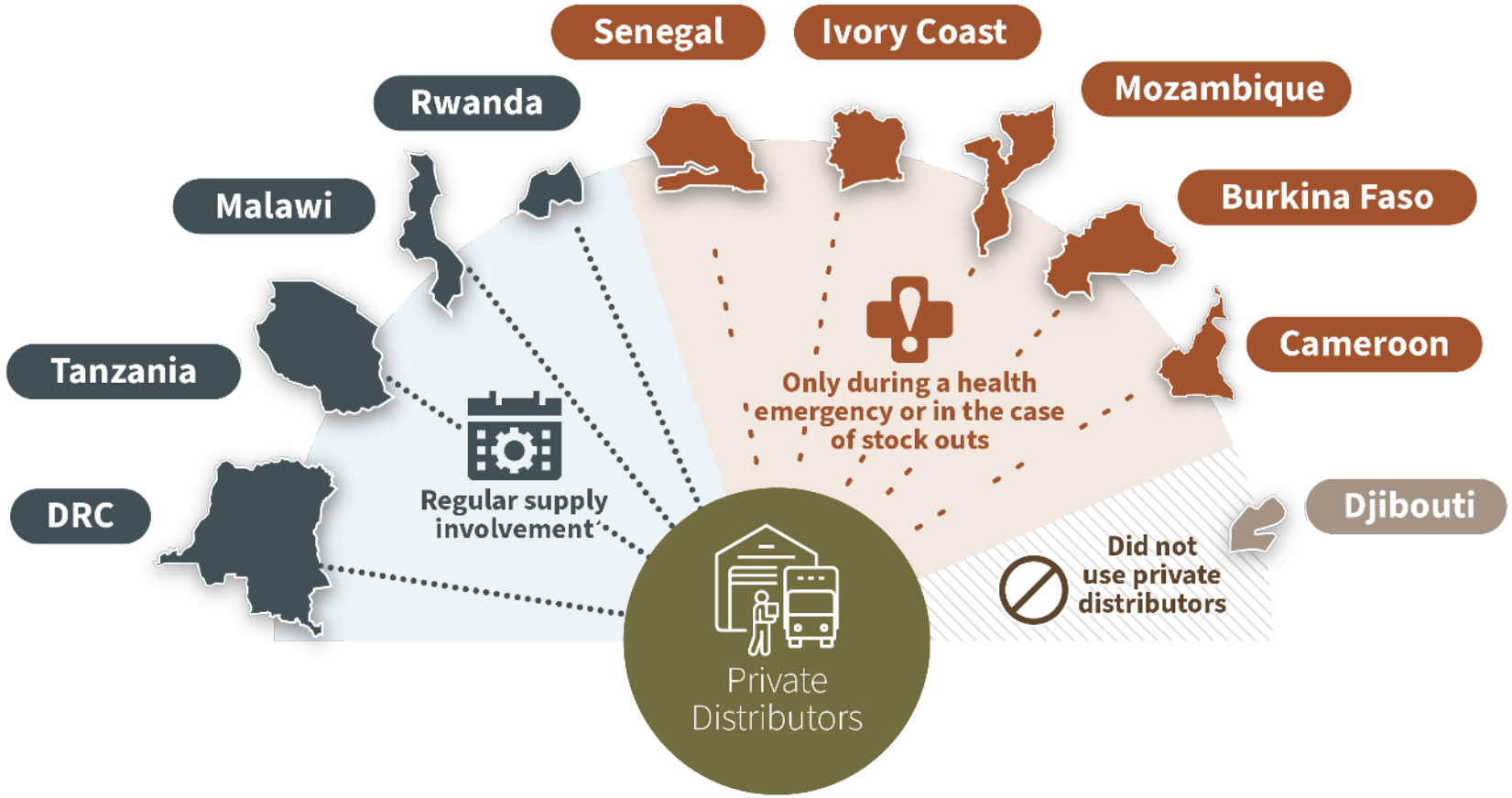
What is the overall state of Private Distributors Integration in Africa's PHSCs?

Insight:

Only **4 of the 10 countries** analyzed use private distributors to supply public hospitals and health facilities on **a regular basis**

Recommendation:

Results show that here is a **significant opportunity** to increase private sector participation in public health supply chains



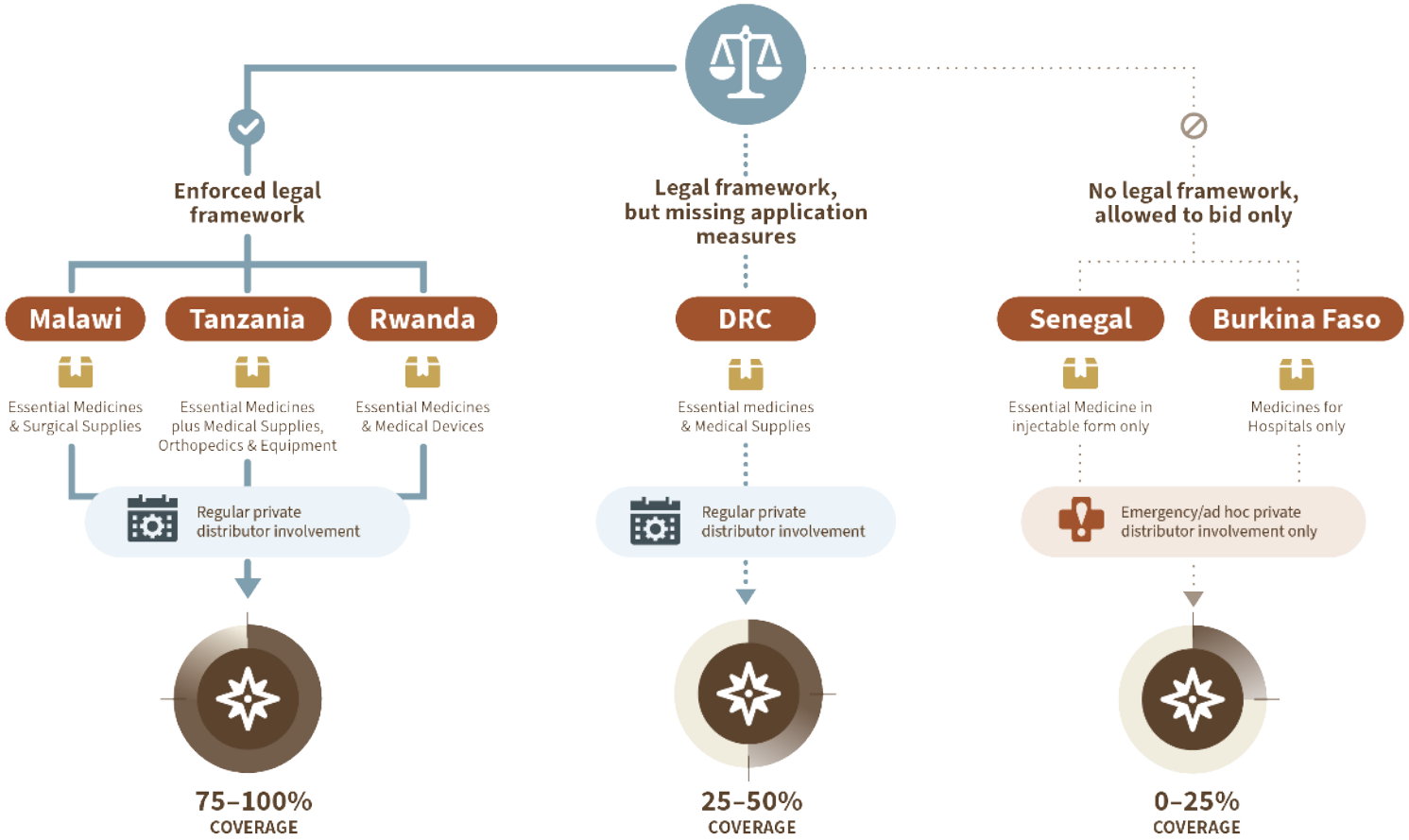
What is holding back Private Distributors Integration in Africa's PHSCs?

Insight:

The absence of a **legal framework** encouraging participation of private distributors is a major factor holding back integration

Recommendation:

Strengthen legal frameworks; ensure private and public sectors collaboration to define **specific application measures** for existing laws and regulations



For what health products are governments involving private distributors?

Insight:

Governments mostly use private distributors as a source of supply for **essential medicines**

Recommendation:

Medicines and suppliers for some health areas are still being managed by **dedicated vertical supply chains**; funding challenges may make those **unsustainable** and drive greater interest in working with local private distributors

Commodity Scope

The types of health products that are supplied by private distributors.

Tanzania	Essential medicines plus supplies & equipment
Rwanda	Essential medicines and medical devices
Malawi	Essential medicines & surgical supplies
DRC	Essential medicines

What did we learn about distributors ability to deliver to the PHSCs?

Insight:

Private Distributors have the capability to set up operations to supply both at the national and sub-national levels in multiple regions of a given country

Recommendation:

Encourage African states to contract with distributors on a large enough scale to develop operations across the country and thereby enable lower logistics costs through local distribution

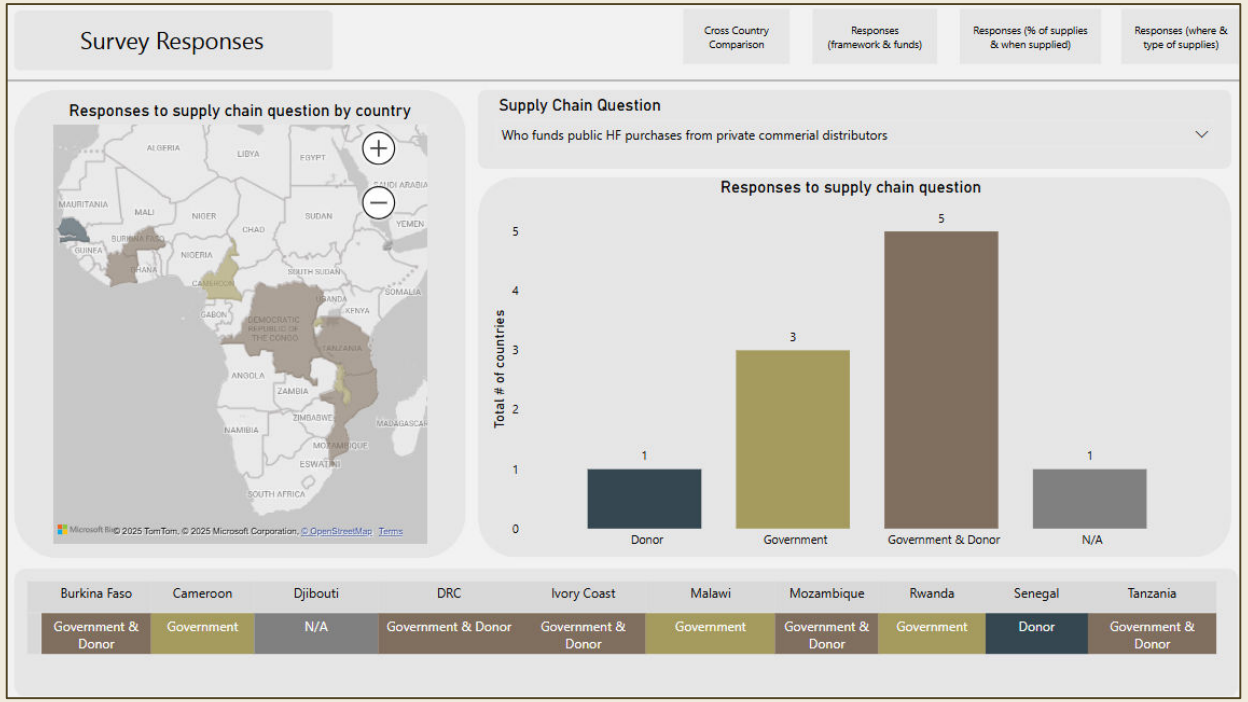
Engage with the Benchmark study !

The results are sufficiently representative to serve as a basis for **advocating greater participation** by private distributors in filling gaps in public supply chains

In collaboration with APDA, we will **extend the study** to other countries to have an even more powerful data set

To support on-going collaboration and advocacy, we will make the benchmark data available via a consultable **on-line dashboard**

Private Distributor Benchmarking Dashboard



To participate in the benchmark or access the Benchmarking Dashboard, please contact:

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Thank you!