No Product? No Program!

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Clients should never leave a clinic empty-handed because the product they need is out of stock. Health and family planning programs can succeed only if the clients they serve have access to medicines, vaccines, contraceptives, and other essential health products whenever they are needed. Many international programs focus on improving service delivery, promoting demand, and donating drugs and other health commodities, which fill up port warehouses and central medical stores. But most programs overlook the need to improve the logistics supply chain to ensure that products move from central warehouses to the health facilities where they are needed. Worse, well intentioned changes in health delivery—including health reforms such as decentralization or integration of services—can exacerbate storage and distribution problems and in some cases wreak havoc on once smooth-functioning logistics systems.

Furthermore, donor support for commodities is diminishing relative to needs, especially for contraceptives and vaccines. Countries are adapting to this situation by accessing a variety of multilateral funding mechanisms to finance commodity procurements. In addition to traditional World Bank loans, these mechanisms include the Global Drug Facility of the Stop TB initiative, the Children's Vaccine Fund, and the Global Fund to Fight AIDS, Tuberculosis, and Malaria.

But these new sources of financing for commodities do little to strengthen the logistics systems—storage facilities, distribution procedures, transport, and management information systems—through which health products move. Logistics is an unrelentingly routine function, requiring sustained attention and commitment from the highest levels within a service delivery organization. Far from mundane, however, the supply chain offers the perfect framework for attaining long-term commodity security whenever health products are being donated or financed.

Commodity security in health and family planning programs requires that four essential capacities exist, are recognized and supported at the policy level within key agencies, and are performed in a coordinated fashion. These include the ability of country health and family planning programs to (*1*) forecast needs accurately; (*2*) obtain adequate financing; (*3*) procure products on

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a timely basis; and (*4*) deliver them reliably to clients. These functions are often carried out by different agencies. If there is policy-level commitment to carrying them out in a coordinated manner, the likelihood of maintaining the availability of essential supplies is much greater. The commercial retail sector knows the value of using the supply chain to break down the "functional silos" of their strategic planning, sales, marketing, and distribution divisions. The public health sector can employ this proven business tactic as well.

For certain health interventions, the presence or absence of a single given commodity is the difference between success and failure. A coordinated "commodity security" approach is crucial, as no single donor, lender, or program stakeholder can make it happen in every country.

For instance, years of donor support have helped make several Asian countries success stories in family planning. In one major Asian country in 1998, the government implemented a health sector reform program under the terms of a World Bank loan. With the new World Bank financing available to fund essential health products that bilateral donors had previously provided, donors began withdrawing support. But the ministry of health did not have the experienced procurement staff needed to make timely use of the funds. As contraceptive stocks dwindled, a crisis was averted only when a number of donors stepped in to augment supplies and to provide training and technical assistance in the procurement process. In the end, the country was able to successfully procure a multi-year supply of contraceptives, but only after it adopted a more coordinated approach to procurement, engaging significant input from multiple donors and a wider array of local policymakers and program managers under a contraceptive security strategy.

With the advent of the Global Fund, coordination among donors, policymakers, and program managers to ensure commodity security takes on even greater importance, as more and more countries launch antiretroviral therapy (ART) programs to treat AIDS patients. In addition to the need for early policy-level decisions addressing standard treatment protocols, eligibility for antiretroviral treatment, and models of care for facilities, policymakers and donors must tackle logistics issues not just for antiretroviral drugs but for a host of other related services and commodities as well. These include medicines to treat opportunistic and sexually transmitted infections, contraceptives for HIV-positive women and men, laboratory supplies, test kits, and other important commodities for comprehensive AIDS prevention and treatment programs.

In fact, HIV/AIDS programs present their own unique challenges. The consequence of supply interruptions for HIV products—for ARTs, as for drugs that treat tuberculosis—is not just the risk that individual patients might lack lifesaving medicines, but that interrupted drug therapy can result in the emergence of new, resistant strains of both diseases.

Coordination is essential at the program level for the supply chain to function smoothly. Information about product use must flow up the supply chain for the right amounts of the right products to be distributed to the right places at the right time. Consumption data—like point of sale data in retail—must be available in order to forecast needs accurately, and these forecasts must be incorporated into rational procurement plans that maximize what are often very limited financial resources. Therefore, service delivery staff, pharmacists, program managers, and policymakers must coordinate closely with logistics and procurement managers to ensure products are available when and where they are needed. This is especially true when new programs or products are being introduced and historical consumption data are not available, making forecasting difficult, as in the case of ART.

Whether the goal is providing treatment for HIV/AIDS or fulfilling the continuously increasing demand for quality contraceptives, public health agencies in developing countries and the donor community must act together to make sure that programs can rationally forecast, finance, procure, and distribute the products they need—now, and into the future.

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