Securing contraceptives for economic development

Key action points

- Policy makers should have a greater understanding of how a supply chain functions, where the blockages and delays occur in their national systems, and what needs to be done in relation to policy change and regulation to fix the problems.
- Invest in training and how to use data from logistical management information systems.
- Encourage national governments to select a contraceptive to be used as a tracer to help monitor supply chain effectiveness.

Urgent action is needed in many countries to resource the supply chain and resolve persistent problems. The success of family planning policies and programmes depends on it.
**Contraceptive security and the supply chain**

An effective supply chain ensures the continuous supply of sufficient quantities of high quality contraceptives. It encompasses all that is required – in human, financial and institutional terms – to bridge the gap between product manufacture and product delivery to the end user. Urgent action is needed in many countries to resource the supply chain and resolve persistent problems. The success of family planning policies and programmes depends on it.

The supply chain should ensure that the end user receives:

- the right product (this means a range of products necessary to meet the diverse needs of users)
- in the right quantities
- and in the right condition (products of good quality, intact and in-date)
- to the right place
- at the right time
- for the right cost (including the cost of the contraceptive, and indirect costs such as health care services, transportation, loss of income etc)

As each part of the process feeds back into the cycle of supply and demand that drives the supply chain, there is no starting or end point.

**Forecasting and procurement**

Governmental, private and non-governmental providers all have forecasting procedures to anticipate the needs of their clientele, along with procurement expertise so they can order and maintain appropriate quantities of supplies. Forecasts are based on assumptions: future contraceptive prevalence rates, numbers of contraceptive users, changes in awareness and acceptability of contraception, and trends in contraceptive method preferences. Accurate forecasting is critically important, affecting budget planning – specifically the allocation of funds for contraceptives – and all subsequent steps in the supply chain, from procurement through to transportation, storage and distribution.

Forecasting must be linked to procurement schedules to ensure that contraceptives are delivered to the storage facilities when they are needed. There should be space available to store them in the correct conditions. Transportation should be available to deliver them to clinics and other distribution points when they are needed, not just when they are available. Procurement is the process of obtaining products from suppliers, manufacturers, development partners or procurement agents. Procurement processes must take into account ‘pipeline leakage’: that is, the number or proportion of supplies that will be lost or damaged between despatch from the manufacturer and arrival at the distribution outlet. Pipeline leakage has a major impact on the effectiveness of the supply chain.

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**Figure 1: The supply chain**

![Figure 1: The supply chain](image-url)
Logistics management information systems

The effectiveness of any supply chain hinges on the visibility that programme managers can have into its constituent parts and processes. Computer-based logistical management information systems allow managers to track the flow of both information and goods up and down the supply chain – this lets them know how well the supply chain is functioning. Logistical management information systems can provide managers with timely data to make supply chain and programmatic decisions – but only if managers are able to operate the system. Training personnel within the health system to manage the information systems is an area frequently overlooked by donors and governments – until the system breaks down.

Distribution, transport and storage

The distribution of contraceptives relies on an effective transportation infrastructure – vehicles, roads and personnel – to carry contraceptives from manufacturers to storage facilities, and to distribution points. If fuel and vehicle prices increase, if distances get longer as a result of clinic or storage facility closures, if areas are remote with poor transport links, then the resources and time required to transport contraceptives increases. Distribution costs can add an additional 15–20 per cent to the cost of the contraceptive, and this is often used by ministries of health as a guide. In practice, however, distribution costs can cost more. Currently, there are significant logistical challenges in delivering contraceptives effectively to remote and rural locations, to areas with extreme climates and to areas with security problems. These supply chain problems need to be addressed urgently. IPPF’s community-based distribution network is an intervention that has made considerable progress in tackling this problem.

Moves towards system integration

In recent years, there has been a move to better integrate the management and implementation of family planning services with other health services, particularly reproductive health and maternal and child health programmes. In this new context, the emphasis is on strengthening the essential medicines supply chains and systems as a whole, while simultaneously supporting the ‘vertical’ or specialized attributes of reproductive health programmes. However, some commodities have unique characteristics that require special considerations and treatment. An integrated supply chain does not mean ‘one size fits all’. Savings in time and resources can be made in some areas: for example, procurement may still happen independently for different types of commodities, but the high cost elements of warehousing and distribution of commodities may happen across several sectors combined, making the programmes more cost-effective. However, this also makes the supply chain more complicated to manage, and the forecasting and procurement become more complicated as the number of commodities to be managed will increase, as will the number of commodities requiring specialized storage. Further training of supply chain managers may be required to ensure there is a balance between the integrated approach while still recognizing the uniqueness of some commodities, particularly contraceptives.

Each link in the supply chain comes with its own inherent risks and potential problems. Addressing these issues, and achieving contraceptive security, will require the commitment, resources and capacity of all stakeholders.
Glossary

Supply chain – an effective supply chain ensures the continuous supply of sufficient quantities of high quality contraceptives needed to achieve security.6

Storage and distribution – assesses storage capacity and conditions, standards for maintaining product quality, inventory control, stock-outs, how system losses are tracked, and distribution and transportation systems.

Integration – refers to the integration of family planning programmes and their management into other health programmes, particularly those relating to reproductive, maternal and child health. When applied to the supply chain, it can mean an integrated logistics system for all essential medicines.

Logistics management information system – assesses reporting systems, validation of data, information management and use in decision making.

Forecasting – assesses how forecasts of consumption are prepared, updated, validated, and incorporated into cost analysis and budgetary planning.

References


