

## **EXECUTIVE SUMMARY**

### **PHASE 2 - Mission to Develop an Optimal Drugs & Commodities Supply and Distribution System for Kaduna State**

The mission focused on reaching Stakeholder consensus on solutions to Improve Distribution and crafting the preferred solutions Into appropriate detail, including implementation plans & timelines

The Kaduna State Medical Stores is out of stock on a growing number of frequently used essential drugs and replenishment stock has not been purchased in 18 months

- The SDSS scheme has N40m in the account, but the funds are not accessible to buy replenishment stocks due to bureaucratic issues and a lack of implementation of the autonomous Drug Management Agency (DMA)
- Quantities of the out-of-stock essential drugs are being stored at the SMS, but they are currently reserved for SDSS Capitalization Phase 3
- LGA Medical Stores, Primary Healthcare Centers and State Hospitals have not been able to procure drugs through the SMS, so they are turning to alternative commercial sources. This has resulted in funds leaving the SDSS system and the team witnessed as much as N1m/mo. being lost from the program at a single State Hospital
- The SDSS program has been focused on Capitalization Distribution, but the current problems being experienced exist around Replenishment Distribution, where the current scheme is resulting in low participation and compliance

To repair and improve the SDSS, several important steps needed to be considered, discussed and acted upon;

- Immediately replenish the SMS so that the LGA's, Secondary Healthcare facilities (SHC's) and ultimately the Primary Health care Facilities (PHC's) can be replenished quickly with essential drugs. This can take one of two paths;
  1. Get the N40m released to the SMS to procure replenishment stocks
  2. Release the drugs being held for Phase 3 Capitalization and use the stock for LGA, SHC and PHC replenishment, replacing the stock once the N40m is released
- Review the 10 Optimal Distribution System alternatives identified by the State and select a preferred optimal option that will ensure quality, availability and efficiency
- Move quickly to develop and implement a working Replenishment Distribution Scheme and Operating Model before Phase 3 Capitalization commences

The Phase 2 Mission drove the team to make several important decisions and commitments to ensure the success of the SDSS Program for Kaduna State;

- The Permanent Secretary committed to see to it that the N40m in procurement funds are released to replenish the SMS
- The team decided that the LGA's need to be an integral part of the Distribution Network for the SDSS Program
- The team decided that drugs and commodities should be ordered on a Quarterly Replenishment Order, which be regularly scheduled and monitored for compliance
- The team decided that the SDSS Program should feature delivery of drugs from the SMS to the LGA Stores
- The team decided that all participating LGA's would receive the Quarterly Deliveries
- The team decided that emergency orders would occasionally be required, but these would be the responsibility of the LGA Stores/SHC's to pick-up at the SMS
- The team decided, supported by the Permanent Secretary, that the pricing scheme would be changed to shift additional margin dollars to the SMS to cover the cost of the Delivery program
- The team decided that the improved would initially feature a Pull System with Delivery, but would evolve over time to a 3-tiered Distribution Network featuring Super LGA's or Regional Medical stores

Finally, the preferred solution has been designed and implementation plans have been developed. Phase 3 will focus on Implementation progress monitoring and support activities including analysis, redesign of the pricing scheme, development of delivery infrastructure and implementation of quarterly replenishment.