

Sustainable Drug Seller Initiative

Partner Presentations



Assessment of the ADDO Supply Chain

MEDAL INVESTMENTS LIMITED
Stakeholders' Meeting, Tanga
17-19 September 2012



Objectives

Main objective

- To assess the ADDO supply chain for deficiencies, identify possible solutions, and provide recommendations for strengthening the ADDO supply chain system.

Specific Objectives

- Carry out overall assessment of the ADDO drug supply chain system
 - Interviews
 - Desk Reviews
- Generate an Assessment report
- Conduct options analysis on how to improve the supply system



Assessment coverage (1)

Number of ADDO assessed

Region	District	# of ADDOs Assessed
Mbeya	Mbeya City	20
	Chunya	20
Ruvuma	Tunduru	16
	Mbinga	23
Morogoro	Kilosa	21
<i>Total</i>		<i>100</i>



Assessment coverage (2)

Consumer goods Supply Chain organizations

- Said Salim Bakhresa and Company (SSB & CO LTD), popularly known as “AZAM”
- Coca-Cola Kwanza Limited (CCKL)

Policy Makers, Regulatory Authorities and FBOs on ADDO Supply Chain System

- The Pharmaceutical Services section - MOHSW
- The Pharmacy Council of Tanzania (PCT)
- Tanzania Foods and Drugs Authority (TFDA)
- Medical Stores Department (MSD)
- Christian Social Services Commission (CSSC)



Key Findings (1)

Business start-up

- 47% of ADDO owners obtain credit from financial institutions, while 44% did not
- The financial institutions offering credit facility to ADDOs:
 - ✓ National Microfinance Bank (NMB),
 - ✓ Community Bank, PRIDE and SACCOS.

Availability of Management Tools

- 48% of the ADDOs had the required management tools; 52% did not
- Management tools were in short supply in Kilosa and Chunya districts
 - ✓ The only available management tool in these districts was the drug register supplied by the District Pharmacist



Key Findings (2)

Frequently out of stock items

Product Ref. #	Name of Product
2	Aminophylline Injection
20	Diclofenac Sodium Tablets
31	Quinine Injection
32	ALu/ACT tablets



Key Findings (3)

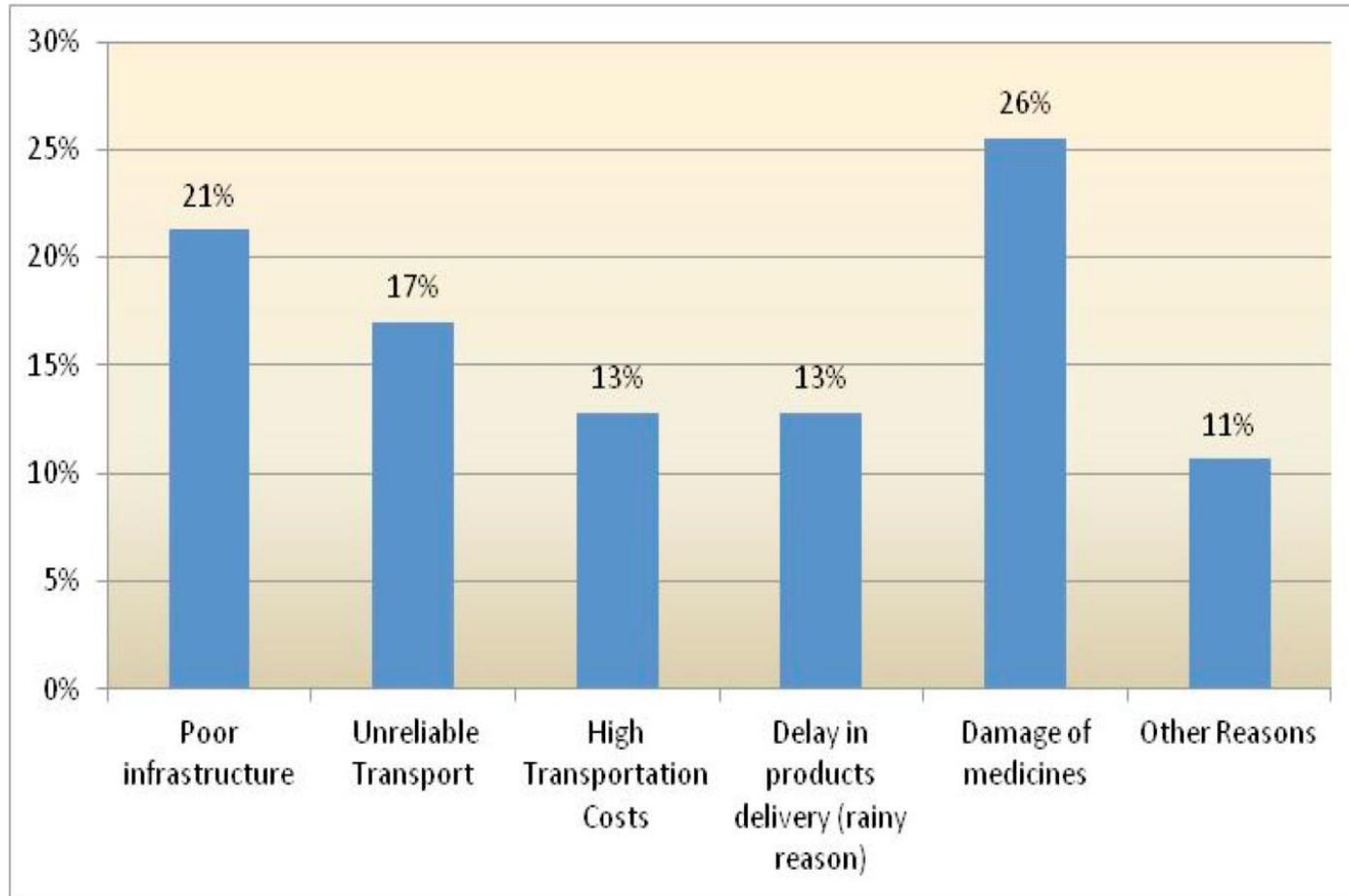
Pooled Procurement

- 43% ADDOs in Mbinga use pooled procurement mechanism to buy medicines, whereas 26% ordered individually from wholesalers and pharmacies
- For non-medical products, only 26% were using PP, whereas 37% ordered individually.



Key Findings (4)

Transportation challenges



Key Findings (5)

Accreditation with NHIF/CHF

- 10% of interviewed ADDOs were accredited by NHIF
- 8.8% of these ADDOs complained about experiencing delays in reimbursements for services rendered

Wholesalers services to ADDOs and ARWs

- Wholesalers' fulfilled 75%-95% of all medicines ordered by ADDOs/ARWs
- ADDO owner and dispenser supply system challenges experienced are:
 - (1) damage of medicines, (2) unreliable transportation,(3) high transportation costs, and (4) delay of product delivery



Key Findings (6)

Multiple Businesses

- 16% of ADDO owners own more than one ADDO, while 84% of owners had only one shop each
- About 90% are engaged in other businesses apart from ADDO shops

Inventory Management

- 89% of ADDOs indicated that they have been trained in inventory management
- 88% indicated that they would benefit in attending training in business, marketing and or inventory management



Key Findings (7)

ARWs and Wholesalers

- Few ADDO restricted wholesalers (ARWs) have been established and while 65% of respondents were aware of their existence, 33% were unaware

Order Management

- Most ADDOs procure their medical products from pharmacies only (75%) and from ARWs only (7%).
- About 44% ADDOs reported receiving supplies within one day, 9% received within two days, and 17% within three days



Options and Key Recommendations (1)

Strengthen ADDO Inventory Management

- Training on Business management
- Business management tools
- Supervision to ensure tools are available

Regulatory Improvements

- Provide and distribute updated list of allowed medicines for ADDOs
- Reduce the delays in obtaining ADDO permits

Financial Services to ADDOs

- Connect ADDO Associations with micro-financing opportunities, or credit loans.



Options and Key Recommendations (2)

Utilize ADDO Associations

- Pooled Procurement
- Business management training

Technological Innovations

- Mobile Technology for ordering and payments
- Technology to detect counterfeit medicines

Medicines Distribution

- Encourage new ARWs to open to increase access in rural areas
- Improve communication between ADDOs and Health Facilities to improve referrals during stock outs



Thank you

