



The Africa Resource Centre (ARC) aims to improve the availability of medicines and health products in Africa by building more efficient and effective supply chain systems.

## SOUTH AFRICA



### ARC ROLE

Africa Resource Centre (ARC) was invited by the NDoH to review and extend its national Strategy for Improved Availability of health products. ARC partnered with the NDoH to investigate root causes for stock-outs and to develop an operating model vision that would improve the ability to predict, avoid and respond to stock shortages. A holistic vision was an important factor in increasing the return on investment for funders supporting the large-scale transformation of the NDoH supply system. This vision helped to identify priorities, complementary initiatives and avoid duplication between projects by developing the future state operating model called the Visibility and Analytics Network (VAN). ARC supported the NDoH through:



**COMPLEMENTING** transformation initiatives by bringing new ideas and lessons learned and integrating existing investments in the NDoH supply chain;



**CONNECTING** multiple stakeholders investing in the health supply system and creating a governance approach to maximise cooperation;



**COLLABORATING** on supply chain initiatives by initiating engagement with experts from the private sector and academia on two high-priority projects, namely the transition to a new antiretroviral (ART) regimen and a supply chain capacity building programme.

### CONTEXT

In 2014, South Africa experienced severe stock-outs of medicines and healthcare supplies, negatively affecting patients' access to medicines. The National Department of Health (NDoH), which has been working towards implementing National Health Insurance (NHI), recognised the need to build a stronger supply system. In spite of multiple funding streams, a major challenge for the NDoH was aligning the many investments into different components of the system to create a comprehensive strategy and transformation roadmap.



### IMPACT:

The NDoH publicly announced to Parliament, and in the press, that the stock-out 'crisis' has ended for South Africa, as a result of major investments in supply chain visibility and analytics.

### COMPLEMENTING: VISIBILITY AND ANALYTICS NETWORK

The NDoH initially embarked on a programme to improve health product visibility through a mobile phone-based tool for nurses in facilities to count the number of products on shelf. Whilst the NDoH was successful at implementing this system at scale, visibility in itself was a necessary but insufficient component of the supply chain transformation. ARC has been instrumental in implementation of the full VAN operating model through:

- + Development of the high-level operating model that uses visibility data to improve demand forecasting, budgeting, inventory management and procurement planning;
- + Creating a realistic and comprehensive transformation roadmap for approximately 20 different supply chain projects run by various consultancies and NGOs and funded by multiple donors;
- + Setting up governance processes to oversee and align the efforts of these projects, and helping NDoH advocate with donors for their priorities and sustainable investments;
- + Injecting specific skills to plug identified gaps, for example identifying industry experts on product lifecycle management to help plan for the transition to a new ART regimen.

This case has been noted as an "exemplar" of the ARC model, as it brings to NDoH all of the service areas of ARC over a multi-year, multi-donor supported transformation of the highest strategic importance.





## IMPACT:

ARC assisted the NDoH to secure funding to appoint a supply chain change management specialist to lead the implementation of the change management strategy.

## CONNECTING: CHANGE MANAGEMENT STAKEHOLDERS AND COMMUNICATING THE TRANSFORMATION ROADMAP

Coordinating the multiple projects under the umbrella of the new strategy required a comprehensive change management approach. It was observed that interventions developed by partners at national level were sometimes only partially adopted by provinces because it was difficult to understand how the various projects worked together.

ARC identified and articulated the need for a change management strategy to donors, and emphasized that there was a requirement to apply resources more consistently. ARC also advocated for a more comprehensive communications strategy. Once funding was secured through the governance process, ARC sourced a change management expert. There is now an established network of change agents in all provinces and an agreed approach to engaging the intended audience for interventions early in their development. Additional interventions include setting up a change tracking routine to monitor adoption of new systems and processes. Targeted training investments were also introduced to aid in change management capacity development within the provinces.

At the same time ARC formulated an approach to communicate and drive the adoption of a supply chain transformation roadmap at national, provincial and public health facility levels. The long-term purpose of change management is to develop this capacity and skills in the NDoH.



## IMPACT:

With the support of ARC, the NDoH has begun to set its own priorities for support and to insist on sustainability as part of donor-funded investments.

## COLLABORATING: PARTNERSHIP APPROACH

ARC placed a VAN programme manager to shadow the Director of the Affordable Medicines Directorate within the NDoH. The role included the design of the future operating model (the VAN), the development of the transformation roadmap, and setting up the governance process. The ARC resource also brokers experts from the private sector and academia. These experts support the NDoH in supply system strengthening where there are short- to medium-term gaps in the activities of existing implementing partners. Where there are resource gaps in the longer term horizons of the roadmap, ARC's resource works with the NDoH and donors to advocate for funding and re-prioritisation of scope to address these gaps. The goal is to integrate all the available sources of support into the transformation roadmap, enabling the NDoH to make more efficient and effective use of its limited resources.

By supporting the NDoH in this way, ARC has improved the capacity of the directorate to critically assess technical assistance from its donor partners.

## FIND OUT MORE

### CONTACT US

Website:  
[www.africaresourcecentre.org/](http://www.africaresourcecentre.org/)  
Email:  
[community@africaresourcecentre.org](mailto:community@africaresourcecentre.org)

## ABOUT ARC

The Africa Resource Centre (ARC) aims to improve the availability of medicines and health products in Africa by building more efficient and effective supply chain systems. ARC follows a government-led approach, acting as a trusted, independent advisor that supports ministries of health in coordinating the range of resources available to them. ARC aims to support long-term, sustainable public health systems transformation by understanding demand for supply chain investment and brokering resources and expertise from all sectors to fulfil complex requirements. ARC endeavours to build an extensive network of private sector, academic and professional institution partners to achieve this.