



*an evidence-based advocacy initiative*

# CASE STUDY

## Addressing Contraceptive Stock-Outs Caused by Procurement Delays in Tanzania

January 2014

In August 2013, the Government of Tanzania approved a major change in how it purchases contraceptives in an effort to ensure a consistent flow of supplies reach those who need them. The change was prompted by a recommendation from the National Contraceptive Security Committee—a collaborative technical group led by the Ministry of Health and Social Welfare (MoHSW)—to switch to a framework contract system to expedite ordering and improve availability of certain contraceptives. The Advance Family Planning (AFP) initiative, along with government officials and family planning service providers, worked through the contraceptive committee to make the change, which went into effect in September 2013.

Previously, family planning commodities were purchased through annual tendering, creating

bottlenecks at the front-end—taking months to request bids, identify a supplier, align with government funding cycles, and make payments. This cumbersome process resulted in stock-outs in health facilities. As a result, many Tanzanians did not have access to contraceptives or to their preferred contraceptive method. Often, by the time orders were filled, the procurement cycle was behind schedule for the next year.

Under the new system, suppliers are identified once, and contracts can last up to three years. Framework contract should eliminate or greatly reduce delays in delivery of consignments and provide timely responses to emergency requirements of commodities.

## Efficient Disbursement Accelerate Access

Addressing contraceptive stock-outs is a key step towards improving access to and use of contraceptives. Tanzania aims to increase the family planning services uptake to 60% by 2015. In 2010, one in four women aged 15-49 (23.6%) reported using a modern method of contraception and about one in five (18.3%) women reported an unmet need for services<sup>1</sup>. By addressing those needs, it is estimated that 1.4 million unintended pregnancies, 1 million abortions, 2.9 million unintended births, 18,000 maternal deaths, and 500,000 child deaths could be averted<sup>2</sup>.

A report prepared for by the United Nations Population Fund (UNFPA) and MoHSW in November 2011 cited the long procurement process as one of the critical causes of contraceptive stock-outs<sup>3</sup>. Disbursement of family planning funds used for procuring contraceptives is affected by a number of factors including slow flow of government revenue, competing priorities, low political commitment, and time-consuming bureaucracies, among others. Due to dependency on donor funding for contraceptive services and supplies, the government typically releases large sums of funds at the end of the financial year (July 1 to June 30). For example, in fiscal year 2011-2012, the Government of Tanzania budgeted 1.2 billion Tanzanian shillings (TZS) for family planning, but did not release the funds until June 15, 2012. Even when released, allocations of funds for family planning services have not met estimated annual need.

## Government Collaboration Finds a Solution

In June 2012, Advance Family Planning Tanzania (AFP) through Health Promotion Tanzania and Partners in Population and Development, Africa Regional Office (PPD ARO) investigated options to overcome delays in procurement: analyzing records on previous allocations and release of funds, interviewing relevant

stakeholders, and recommending potential solutions to make procurement more efficient.

Initially, AFP explored the option of the Pledge Guarantee for Health (PGH), a public/private partnership between donors and banks that would allow Tanzania government to procure family planning commodities on time with a promise (guarantee) by UNFPA to cover the interest arising before the government makes payment at the end of the year. However, PGH covers family planning commodities only, and the MoHSW found it difficult to justify this system while other essential medicines experience the same problems.

As an alternative, a ministry official suggested exploring bulk procurement through framework contract, for which the MoHSW promised to submit a cabinet paper to request a bulk release of funds for essential medicines (see “Why Use a Framework Contract System?”).

In July 2013, AFP gathered experts from the Reproductive and Child Health Section of the MoHSW, Medical Stores Department, Pharmaceutical Supplies Unit, and other implementing partners for a technical meeting in Bagamoyo to provide recommendations to the MoHSW for the inclusion of family planning commodities in the framework contract system. Three commodities—the Jadelle injectable, implanon implant, and male condoms—were selected for inclusion because they met the following criteria: stock levels were insufficient; funding (9 billion TZS) was available to procure the needed quantities; and the commodities were eligible for procurement by the Medical Stores Department.

As a result of the Bagamoyo proposals, the MoHSW Directorate of Preventive Services included the three contraceptives in the framework contract on July 22, 2013.

## WHY USE A FRAMEWORK CONTRACT SYSTEM?

Framework contracts are multiple-year contracts where terms, conditions, time periods, and other specifications are negotiated ahead of time. Through adopting a framework contract procurement system, the Government of Tanzania will be able to identify one or more companies to consistently supply contraceptives for a period of at least two years, instead of undertaking one-off contracts nearly every year. In other words, a framework contract establishes a consistent supply pipeline of contraceptives.

Key benefits of a framework contract procurement system include:

- Lower unit prices as suppliers are better able to anticipate and plan longer term demand requirements,
- Lower administrative costs and time investment as it eliminates paperwork, and
- Larger and more secure disbursement of funds committed by government and/or agencies for procurement of commodities.

Sources: The U.S. Agency for International Development (USAID) Health Policy Initiative and USAID DELIVER Project

## Next Steps

By itself, the streamlining of the procurement process through the framework contract system does not guarantee the end of delays and stock-outs. The Ministry will still need to go through a tendering process before it enjoys continued services of the long-contracted supplier(s) guided by legal and/or regulatory barriers within the Public Procurement Act of 2004. AFP Tanzania will continue to follow up on application of the system to determine if:

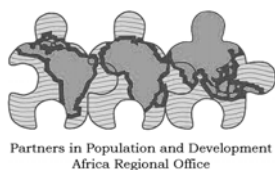
- Consignments of Jadelle, Implanon, and male condoms are delivered in a timely way and when required,
- Availability of the three commodities in facilities increases,
- Use of these methods increases, and
- Other family planning commodities can be included in the framework contract system.

In order to fully realize the benefits of framework contract, AFP will also continue working with partners to advocate for improving the distribution of the supply system and building the capacity of health workers to provide services affiliated with the bulk consignments, such as Jadelle insertion.

## References

- <sup>1</sup> National Bureau of Statistics (NBS) [Tanzania] and ICF Macro. 2011. Tanzania Demographic and Health Survey 2010. Dar es Salaam, Tanzania: NBS and ICF Macro.
- <sup>2</sup> U.S. Agency for International Development. 2006. Achieving the Millennium Development Goals: The contribution of fulfilling unmet need for family planning. Available at: <http://www.healthpolicyinitiative.com/Publications/Documents/MDGMaster%209%2012%2006%20FINAL.pdf>.
- <sup>3</sup> Directorate of External Linkage and Community Engagement, Mzumbe University. A Comprehensive Reproductive Health Commodity Security (RCHS) Assessment in Tanzania Mainland [draft report]. November 2011. Available at [http://www.healthpromotiontanzania.org/index.php/en/library122/other-documents/national/doc\\_view/151-rhcs-report-november-2011.html](http://www.healthpromotiontanzania.org/index.php/en/library122/other-documents/national/doc_view/151-rhcs-report-november-2011.html).

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## About Advance Family Planning

Advance Family Planning (AFP) aims to increase the financial investment and political commitment needed to ensure access to quality family planning through evidence-based advocacy. An initiative of the Bill & Melinda Gates Institute for Population and Reproductive Health with the Johns Hopkins Bloomberg School of Public Health, AFP works to achieve the goals of the FP2020 initiative: to enable women and girls in some of the world's poorest countries to use contraceptive information, services and supplies, without coercion or discrimination.

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