

SECRET

JUNE, 2018.

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**MEMORANDUM OF THE HONOURABLE MINISTER OF HEALTH FOR THE TO ENCOURAGE STATES ON
PROMPT RELEASE OF FUND FOR OPERATIONALIZATION OF THE LOGISTICS MANAGEMENT
COORDINATING UNIT (LMCU) OF THE STATE MINISTRIES OF HEALTH**

PURPOSE

The purpose of this memo is to update Council on the achievements of the Logistics Management Coordinating Unit (LMCU), and the status of implementation of the approved Nigeria Supply Chain Policy for Pharmaceuticals and other Health care products, and to seek for the approval and release of funds for the LMCU for effective implementation of supply chain activities in the States and for sustainability.

1. BACKGROUND AND JUSTIFICATION:

- 1.1 The Logistics Management Coordinating Unit is an established unit domiciled in the Directorate of Pharmaceutical Services in the State Ministry of Health
- 1.2 The core mandate of the LMCU is to coordinate, align and synchronize all supply chain activities across all the public health programmes, donor and implementing partners to ensure uninterrupted availability of medicines and other healthcare products, reduce stock out rate, minimize wastages through damages and expires, avoid duplication of effort by supply chain stakeholders, improve effective utilization of scarce resource, ensure data visibility for informed decision making and demonstrate value for money that translate to improved health outcomes.
- 1.3 The Nigeria Supply Chain Policy for Pharmaceuticals and other Health care products was approved and adopted at the 58th NCH meeting in 2016.
- 1.4 The implementation of the policy is ongoing; amongst other things achieved are: operationalization of LMCUs, harmonization of Logistics Management Information System (LMIS) across public health programmes, upgrading of six zonal warehouses to Pharma-grade standard for public private partnership (PPP) initiative, development of Supply chain related Standard Operating Procedures (SOPs), guidelines and framework to aid effective implementation.

2. CONTENT

- 2.1 All the States have institutionalized and operationalized LMCU in line with the approval of the Council in 2014. This was achieved with the Support of the National Product Supply Chain Management programme of the Federal Ministry of Health through its Nigeria Supply Chain Integration Project (NSCIP).
- 2.2 The State Ministries have also supported the LMCU by the provision of office, equipment, human resource and political will.

2.3 However, in view of the tremendous achievements recorded by the LMCUs in providing supply chain leadership through improved partners and stakeholders' coordination, alignment of supply chain activities, improved reporting rate and data cum commodity visibility which were mostly achieved through partners' support, nevertheless there still remain some challenges.

2.4 The analysis of the LMCU report for 2017 showed that 75% of the states have created budget line for LMCUs while only 4% of the total amount budgeted by these states were released for LMCU activities.

2.5 This result is of great concern and threat to the supply chain system of the country as it is currently evident that funding from donors and implementing partners is tapering and there is need for ownership and sustainability of our supply chain management system in the country. Thus the need for release of fund to the LMCU for effective and efficient implementation of supply chain activities cannot be over emphasized.

PRAYERS:

3. Council is invited to note that:

- i. The LMCUs have been institutionalized in the 36 states and FCT;
- ii. Budget line have been created for LMCUs in 28 States (75%) while only 4% of the total amount budgeted by these States were released for LMCU activities; and
- iii. There is dire need for creation of budget line for the remaining States and release of fund by the States for LMCU activities.

Council is further invited to approve:

- i. The creation of budget line for the States LMCUs by states that are yet to do so; and
- ii. Prompt release of fund for LMCUs by the States.

Honourable Minister of Health

JUNE, 2018.