

SECRET

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MEMORANDUM OF THE HONOURABLE COMMISSIONER FOR HEALTH, KANO ON THE NEED FOR SUSTAINING AND FUNDING THE LMCU CONCEPT BY THE STATES

PURPOSE:

The purpose of this memorandum is to seek Council's approval for sustaining and funding of Logistics Management Coordination Unit (LMCUs) by the States in the event of the cessation of Nigeria Supply Chain Integration Project (NSCIP) project.

BACKGROUND:

Nigeria has been facing Procurement and Supply Management (PSM) challenges. These include but not limited to: commodity stock-outs, wastage through expiries, poor visibility of PSM resource mobilization and low stakeholders' confidence in supply chain management, hence the introduction of the LMCU concept by Nigeria Supply Chain Integration Project (NSCIP) under the National Product Supply Chain Management Program (NPSCMP) of the Department of Food and Drugs Services (FDS), of the Federal Ministry of Health (FMOH).

The goal of NSCIP is to establish and institutionalize Logistics Management Coordination Units (LMCUs) at the State level among other goals.

The concept was later extended to cover local governments, with the introduction of the LGA-LMCUs.

The LMCU concept was first piloted in 14 focal states in Nigeria, but later extended to cover the remaining states.

CONTENT:

Kano State has immensely benefited from the LMCU concept. Some of the achievements derived through the LMCU include:

- Kano State has constructed a new LMCU office at DMCSA.
- LMCU has been able to achieve product integration with respect to warehousing for the 4 major supply chain systems (TB, Malaria, Reproductive Health & FMNCH commodities). Vaccines are stored separately because of special need, and ARVs are supplied from the Zonal Hubs directly to the facilities.
- So far, LMCU has a total of 28 staff, with 11 residing within its office confines (including partners, the SDSS Desk Officer & Volunteer Pharmacist).
- Kano was among the first states in the country to inaugurate its LGA-LMCUs in all the 44 LGAs of the state in collaboration with a partner from the state (MNCH2).
- Kano was among the first states in the country to train its LGA-LMCUs on integrated supply chain management in all the 44 LGAs of the state in collaboration with Sustainable Drug Supply System Committee.
- Kano State has created a budget line for LMCU activities worth N10.3 million.

- Capturing of LMCU activities in the 5-year State Strategic Health Development Plan (SSHDP), State Annual Operational Plan (AOP) and LGA AOP.
- Kano State LMCU has scouted for Alternative Financing to support routine LMCU activities.
 - Prime sources included SDSSC (more than 4.5M), DMCSA, MNCH2, GHSC-PSM and Child Health MoU.
 - The NSCIP donated Generator set is being fueled and maintained by DMCSA.
- Kano State LMCU has conducted advocacy to relevant stakeholders on the need for office expansion, additional Data entry Clerks and the need to capture LMCU activities on SDSSC mark up.
- Kano State LMCU has conducted advocacy to DMCSA on the need to tap from their customers' Corporate Social Responsibilities for project vehicle.
- Kano State LMCU has driven the process for the review of EML & STG.
- Kano State LMCU has adopted the NSCIP's model for integration, to integrate the FMCNH commodities' supply into the Deferral & Exemption component of Drug Revolving Fund scheme.

PRAYERS:

The Council is invited to note as follows:

- i. Kano was among the first states in the country to inaugurate its LGA-LMCUs in all the 44 LGAs of the state in collaboration with a partner from the state (MNCH2);
- ii. Kano was among the first states in the country to train its LGA-LMCUs on integrated supply chain management in all the 44 LGAs of the state in collaboration with Sustainable Drug Supply System Committee;
- iii. Kano State has created a budget line for LMCU activities worth N10.3 million;
- iv. Capturing of LMCU activities in the 5-year State Strategic Health Development Plan (SSHDP), State Annual Operational Plan (AOP) and LGA AOP;
- v. Kano State LMCU has scouted for Alternative Financing to support routine LMCU activities; and
- vi. Kano State LMCU has adopted the NSCIP's model for integration, to integrate the FMCNH commodities' supply into the Deferral & Exemption component of Drug Revolving Fund scheme.

Council is further invited to approve:

- i. The sustaining and funding of LMCUs by the States in the event of the cessation of NSCIP project;
- ii. The creation of budget line for LMCU activities in all the States; and
- iii. For all the state LMCUs to source for Alternative Financing to support routine LMCU activities.

HONOURABLE COMMISSIONER FOR HEALTH, KANO STATE

JUNE, 2018