



USAID | DELIVER PROJECT

SNAPSHOT Stronger Supply Chain, Better Health

New Demand-Based Supply Chain Model Yields Health Benefits in Nepal



The new supply chain model has ensured a steady flow of health supplies to communities in Nepal. Mr. Jim Nath Rijal, Storekeeper of Dhading District Health Office in his well equipped Storeroom (store equipment - Racks, Pallets and Cupboards are donated by USAID.)

Photo: USAID | DELIVER PROJECT 2011

The new system has proven effective by reducing stockouts of drugs and medical supplies across the country by as much as 17.9 percent.

Telling Our Story

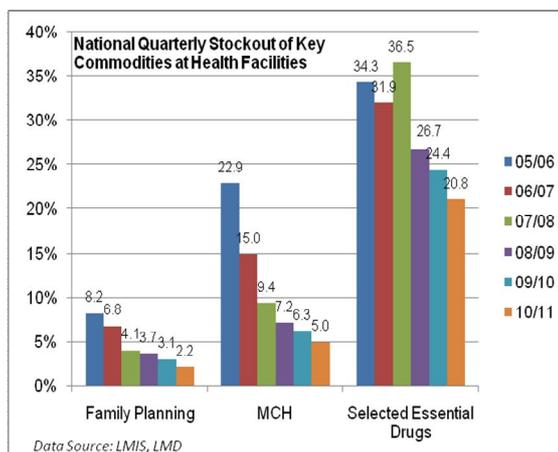
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In 1994, as much as 40 percent of clinics and hospitals across Nepal frequently ran out of important drugs and supplies to treat common illnesses. The supply system was unable to respond to changes in demand, leaving patients untreated; drugs in low demand frequently expired and were wasted.

By 2006, efforts to improve the supply system had decreased stockouts significantly, but it became clear that further improvement required fundamental restructuring in the Government's system. The Government of Nepal's Ministry of Health and Population, with support from USAID, began moving to a demand-based supply chain model, known as a pull system, to better respond to fluctuations in demand.

Within the pull system health facilities order the stock they need on a quarterly basis, and if demand changes, then the order changes. The pull system's flexibility to adjust the flow of supplies has reduced stockouts of drugs and medical supplies across the country by as much as 17.9 percent.

Under the pull system supplies are requested by the health facilities based on their need. This ensures availability of the right products in right quantity. While challenges remain, the pull system is proving its worth as the people of Nepal gain better access to health services. The demand-based supply system was implemented by the Ministry of Health and Population, with support from the USAID-supported Nepal Family Health Program (NFHP), DELIVER PROJECT, and Kreditanstalt für Wiederaufbau (German agency for international development).



The USAID | DELIVER PROJECT, Task Order 4, is funded by the U.S. Agency for International Development, and implemented by John Snow, Inc. The project improves essential health commodity supply chains by strengthening logistics management information systems, streamlining distribution systems, identifying financial resources for procurement and supply chain operations, and enhancing forecasting and procurement planning. The project also encourages policymakers and donors to support logistics as a critical factor in the overall success of their health care mandates.

The authors' views expressed in this publication do not necessarily reflect the views of the U.S. Agency for International Development or the United States Government.

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