14th TechNet Conference
Outsourcing Logistics
Riders for Health
Kameko Nichols
Our mission is to make the last mile the most important mile in health care delivery: creating, showing and sharing the solutions for achieving truly equitable health care.
Outsourcing Logistics

• Initial thoughts

• Who are we?

• Why are we here?

• What have we learned?
Initial Thoughts

• Riders for Health is just one example of outsourcing – private, not for profit (social enterprise)

• System design must include maintenance!
Who is Riders for Health?

Riders is a not-for-profit social enterprise that manages transport operating in African health systems.

**Systems approach:** Focused on providing reliable, scalable, cost-efficient and appropriate transport solutions

**Emphasis on rural access and experts in difficult terrain**

**Partner with ministries of health (MoHs) and other health partners in 8 countries**
1. Transport enables people to be reached routinely and reliably – direct Riders’ management of vehicles

2. Managed transport is prioritized and integrated – advocacy on last mile and appropriate/timely budgeting and planning

3. Effective health delivery is commonplace – broaden the reach by spreading and sharing the Riders’ concept
Our principles: Systems approach

- Offer outsourced end-to-end transport solutions to the MoH and other partners to improve efficiency/coverage of health services
- Upfront planning using measurable and budgeted costs
- Training and procurement
- Preventive maintenance on an outreach basis
Riders’ services

Riders work in eight countries in sub-Saharan Africa providing ongoing contracted transport services with MoHs and health partners at a not-for-profit fee

- Fleet management and maintenance
- Sample Transport
- Supply chain distribution
- Emergency referrals

Outside of our current footprint, we can also offer one-off services and consultancy:

- Fleet and logistics planning and budgeting – from procurement to asset disposal/replacement
- Fleet assessments
- Procurement of vehicles, protective clothing and equipment
- Training
- Checking of fleet/transport plans and budgets
Riders’ role in health system

- **Patient Referrals**: Ambulances are available for referrals.
- **Transport Management**: Patients have access to lab services at the PHC facility (refer sample, not patient).
- **Supply Chain Management**: No more stock outs caused by lack of transport.
- **Community Outreach**: PHC and community workers can reach patients for education and follow up.
Link to immunisation supply chain

Management of transport and logistics systems focused on (but not limited to) the last mile

- Distribution of supplies to primary facilities and community-level
- Mobilisation of clinical teams and individual health workers to deliver immunisations on outreach
Current main projects and activities

- **The Gambia** – end-to-end in-country transport system in PPP with MoHSW covering distribution and immunisation clinics to community level
- **Lesotho** – current project delivering more immunisations on outreach
- **Nigeria, Kenya, Malawi, Zambia, Zimbabwe** – mobilise outreach health workers (EHTs, CHEWs, etc.) who are responsible for many community-level health interventions and education
## Experience in outsourcing

<table>
<thead>
<tr>
<th>Country</th>
<th>Service</th>
<th>Contract Mgr.</th>
<th>Funding Source</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Gambia</td>
<td>Full fleet management</td>
<td>MoH</td>
<td>MoH</td>
<td>National</td>
</tr>
<tr>
<td>Lesotho</td>
<td>Motorcycle fleet mgmt. and ST</td>
<td>MoH</td>
<td>MoH / Global Fund / CDC Partners</td>
<td>National</td>
</tr>
<tr>
<td>Liberia</td>
<td>Full fleet mgmt. and ST</td>
<td>MoH</td>
<td>USG / Private funding</td>
<td>National (rollout currently)</td>
</tr>
<tr>
<td>Malawi</td>
<td>ST</td>
<td>CDC implementing partners</td>
<td>CDC</td>
<td>2/3 national with full scale plans</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>ST</td>
<td>The Union</td>
<td>USAID</td>
<td>2/3 national with full scale plans</td>
</tr>
<tr>
<td>Nigeria</td>
<td>Distribution, fleet mgmt.</td>
<td>Mixed</td>
<td>Mixed (all non-gov’t)</td>
<td>Multiple states</td>
</tr>
<tr>
<td>Kenya</td>
<td>Motorcycle fleet mgmt.</td>
<td>NGO partners</td>
<td>Mixed</td>
<td>Provincial level</td>
</tr>
<tr>
<td>Zambia</td>
<td>Full fleet mgmt. and ST</td>
<td>Not really a contract</td>
<td>Riders brought outside funds</td>
<td>Two provinces</td>
</tr>
</tbody>
</table>
Financing of vehicle procurement and programme set-up

- Riders approached Nigeria-based Guaranty Trust (GT) Bank to provide $2.2 million loan at low interest rate through credit guarantees from the Skoll Foundation.
- Through Skoll’s guarantees and assumption of foreign exchange risk, Riders secured capital for fleet procurement and programme setup, paid back by MoHSW over time to overcome annual budget constraints.
2009: Riders initiated a national full-service leasing program with the MoHSW. Fleet of 153 new vehicles, including 36 Ford Everest ambulances that are owned and managed by Riders at a not-for-profit rate. Vehicle management programme includes training, driver employment, preventive maintenance, fuel and close monitoring of vehicle usage. Previously, each health centre had one ambulance that was repaired only when broken down and a limited monthly fuel allocation.
Deep dive: Aligns incentives

Riders’ CPK payment method aligns incentives in the PPP.

- Assumes asset risk
- Paid when vehicles are functional
- Consistent stream of funding

- Major social impact
- One-time investment is repaid

- Universal health coverage
- Only pay for kms travelled
- Reduce unnecessary trips

- Consistent loan repayment
- Profitable loan with guarantee

PPP
Transport: a useful tool in the health system

Riders’ transport is used by the MoHSW to:

- Conduct outreach clinics used to deliver pre- and post-natal care to women in rural areas
- Carry out mass immunisation campaigns
- Mobilise outreach health workers on motorcycles to reach patients with medicines, supplies (e.g. bed nets), and health education
- Complete emergency referrals from minor health centres to major health centres and hospitals
- Supervise health workers and programmes.
Just two negligent breakdowns in over 10 million kilometres travelled.
Health workers spend 50% more time doing outreach work. This means they can visit 3 times more villages each week.
76% of outreach health workers reach villages they were previously unable to reach due to distance or terrain, potential to see 5,000 extra people every week.
Number of outreach clinics cancelled has been reduced by 63%. No outreach clinic has been cancelled due to transport or fuel constraints.

(Previously 32% cancellations)
11% more referrals from health centres to hospitals are completed.
Better access to health care for 1.7 million men, women and children across The Gambia.
Employment of 195 staff members, including a female technician apprenticeship, all Gambian Nationals
Outsourcing requirements

• Although we have been doing this work for over 25 years, we only work in 8 countries. Why?
• Gov’t buy-in and ownership
• Contracting with government in terms of on-time/in-full payments, contract length and capacity/capability for contract management
• Aligning different partners/stakeholders around a common, integrated goal
• Governance/policy issues on payment of private service providers and devolution/decentralisation of payments
• Mistrust of the private sector (even if it’s not for profit) or idea of government to directly implement
• Few private sector options at the last mile
Closing Thoughts

• Other resources: Guidance document from UN Commission on Life Saving Commodities

• PRIVATE SECTOR ENGAGEMENT: A Guidance Document for Supply Chains in the Modern Context

Thank you

For more information, please contact

Kameko Nichols, knichols@riders.org

www.riders.org