

Project Last Mile

2016 Annual Report

Applying Coca-Cola's expertise in **logistics, supply chains, marketing,** and **human resource development** to improve public health systems across Africa

Yale *Global Health Leadership Institute*

Overview

Project Last Mile (PLM) uses the Coca-Cola system’s logistic, supply chain and marketing expertise to help improve health systems across Africa in a sustainable way. The project brings together partners from across sectors, including *The Coca-Cola Company*, The Coca-Cola Africa Foundation, Coca-Cola bottling partners, U.S Agency for International Development (USAID), The Global Fund to Fight AIDS, Tuberculosis and Malaria, and the Bill & Melinda Gates Foundation. Project Last Mile is administered and implemented by the Global Environment and Technology Foundation and evaluated by the Yale Global Health Leadership institute.

Based on successful pilot projects in Tanzania and Ghana, in 2014 PLM partners formed a Global Development Alliance committed to creating replicable, sustainable and scalable results in up to ten Sub-Saharan African countries. Since the start of the partnership, significant progress has been made towards this goal. Beyond the defined programming completed by project teams, PLM has created impact by infusing novel private-sector ways of working, building bridges with new suppliers and distributors, and accelerating the momentum of national supply chain strengthening efforts. Currently, PLM is planning and implementing projects in Liberia, Mozambique, Nigeria, Sierra Leone, South Africa, Swaziland, and Tanzania.

This report describes PLM’s innovative partnership model, reviews early-stage engagement efforts across country settings, provides an update on country-level achievements, and summarizes lessons learned across country settings.

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Global Health Supply Chains

Over a third of the world's population—some two billion people—lack access to essential medicines.¹ In rural, impoverished areas of Africa, this figure rises to over half of the population. Critical supply chain gaps cause medicine stock-outs in more than 40% of health facilities in sub-Saharan Africa, and persistent gaps in the availability of essential medicines and medical technologies have hindered efforts to achieve global health targets.²

Improving access to critical medicines is a priority for developing countries in sub-Saharan Africa. While donors have made significant investment to help ensure these medicines are procured, access and delivery to the places where critical medicines are needed most remain a challenge. Supply chain inefficiencies can ultimately lead to millions of preventable diseases and deaths.

Critical supply chain gaps cause medicine stock-outs in more than 40% of health facilities in Sub-Saharan Africa.²

Public sector health care supply chains face a range of infrastructural, logistical, and workforce-related challenges that impede access to medicines. These challenges are often compounded by inefficient or uncoordinated donor funding.

The global development community has increasingly turned its attention to strengthening health systems, including supply chain management, to improve health outcomes. The private sector has great potential to improve the efficiency of supply chains and support better health outcomes. With new

models and access to information and financing, the private sector can transform the delivery of medicines in low and middle-income countries. Governments and development partners recognize the many strengths of the private sector, while businesses realize that acting in a socially responsible manner can create a more stable and prosperous operating environment, improve engagement among company stakeholders, and increase brand recognition and loyalty.

Key supply chain challenges in developing countries



Poor information systems for reliable supply and demand planning

Lack of appropriate equipment for storage and handling of products



Shortage of trained personnel to manage logistics, warehouse inventory, and distribution procedures

Inadequate transportation between central warehouses and local distribution points



Uncoordinated public and donor financing can lead to inefficient use of funds.

Coca-Cola operates one of the world's most extensive supply chains across more than 200 countries and territories. Along with unparalleled reach, Coca-Cola has best-in-class consumer insight tools, global and local expertise and infrastructure, institutional knowledge of African markets, engaged bottlers, and convening power. *The Coca-Cola Company* leadership has recognized the company's far-reaching potential to generate social impact. In addition to financial contributions, Coca-Cola's sustainability efforts emphasize the sharing of core capabilities of its employees across its value chain to improve access to essential medicines throughout Africa.

¹ World Health Organization. (2017). *The World Medicines Situation* (pp. 61-74). Geneva: The World Health Organization. Retrieved from <http://apps.who.int/medicinedocs/en/d/Js6160e/>

² Pronyk, P., Nemser, B., Maliqi, B., Springstubb, N., Sera, D., & Karimov, R. et al. (2016). The UN Commission on Life Saving Commodities 3 years on: global progress update and results of a multicountry assessment. *The Lancet Global Health*, 4(4), e276-e286. [http://dx.doi.org/10.1016/s2214-109x\(16\)00046-2](http://dx.doi.org/10.1016/s2214-109x(16)00046-2)

The Project Last Mile Model

Project Last Mile (PLM) is an innovative public-private partnership that leverages Coca-Cola's market knowledge and core business acumen towards improving performance in the public health sector. In this knowledge transfer partnership, the Coca-Cola system, including *The Coca-Cola Company* and its bottling partners, shares business expertise in supply chain management and marketing with Ministries of Health and affiliated public health entities in resource-limited settings. PLM brings together The Coca-Cola Company, The Coca-Cola Africa Foundation, the United States Agency for International Development (USAID), The Bill & Melinda Gates Foundation, and the Global Fund to Fight Aids, Tuberculosis, and Malaria (Global Fund) as core partners. The Global Environment and Technology Foundation (GETF) is responsible for program administration and implementation.

Project Last Mile was conceptualized in 2009, when the Global Fund and the Bill & Melinda Gates Foundation approached Coca-Cola to learn from its logistical expertise and address distribution challenges being faced in Tanzania. The PLM model was developed and refined in Tanzania and Ghana from 2009 to 2013, resulting in both improvements in supply chain performance and shifts toward a more proactive and client-centered business culture.

Following these successful pilot programs, PLM partners formed a Global Development Alliance to partner with public health agencies in 10 African countries by 2020. In 2016, PLM expanded to include active implementation in **Mozambique, Nigeria, and South Africa**. PLM also began meaningful early-stage engagement and alignment work in **Liberia, Swaziland, and Tanzania**. In these countries, PLM works in six core areas:

Supply & Demand Planning: Share Coca-Cola's planning and costing tools to improve forecast accuracy and reduce stock-outs.

Outsourced Distribution: Leverage Coca-Cola's experience and relationships with private third-party distributors and suppliers for efficient delivery of medicines.

Contract & Supplier Management: Apply Coca-Cola's expertise in contract management to foster reliable relationships between suppliers and the public health sector.

Distribution Network Design & Warehousing: Share Coca-Cola's transportation routes, network optimization strategies, and maintenance strategies with the public health sector.

Talent Management and Training: Assess human resource needs and build critical competencies for staff to carry out supply chain functions effectively.

Social Mobilization and Demand Generation: Utilize marketing techniques to improve patient demand and adherence to medicines.

Project Last Mile works closely with Ministries of Health, donor partners, local Coca-Cola bottlers, and other stakeholders to identify opportunities for impact that align with partner priorities. Early engagement with partners and stakeholders in each country is a hallmark of PLM's approach to delivering transformative

PLM answers a simple question: If you can find a bottle of Coca-Cola anywhere in the world, why can't you find life-saving medicines?



supply chain programs. PLM collaborates with governments and partner organizations to **build relationships, assess project fit, and facilitate sharing of time and expertise** prior to the start of each project. This investment in early engagement is critical to successful program growth and expansion across multiple countries. In 2016, PLM worked closely with partners in Liberia, Mozambique, Nigeria, Swaziland, South Africa, and Tanzania to develop high-impact programs tailored to local contexts and priorities.

In each country, the PLM model progresses in five key phases:



Engage & Align: PLM engages with in-country stakeholders before project implementation to understand local contexts and needs. Building trust, aligning objectives, determining resources, and setting project expectations bolsters PLM's impact.

Picture of Success: Key to achieving success is clearly defining how Coca-Cola can drive change and impact through PLM interventions, while integrating PLM with ongoing supply chain efforts.

Build & Deploy: PLM adapts and transfers Coca-Cola best practices to Ministry of Health systems, structures, and context by developing tools and methods to achieve lasting change.

Build Capacity & Change: Implementation and maintenance efforts must be embedded within the Ministry of Health and other partner organizations. PLM provides training on how to effectively use tools and processes in daily work.

Sustain: The Coca-Cola and Ministry linkages are deepened and enhanced such that an ongoing coaching relationship is established at the local level with commitment from both organizations for long-term, sustainable support.

PLM measures progress and impact using a mixed methods approach. The Yale Global Health Leadership Institute tracks quantitative data from PLM partners to measure changes in supply chain performance and gathers qualitative data from key informant interviews to learn about program context, successes, and challenges. By linking quantitative outcomes with qualitative interviews, PLM quantifies changes in performance indicators and describes the extent to which these changes may be associated with PLM activities.

Project Last Mile in Mozambique



Project Last Mile partners with the **Central de Medicamentos e Artigos Médicos** (CMAM) to support the implementation of the **Strategic Plan for Pharmaceutical Logistics** (PELF), improving delivery of pharmaceuticals to health facilities in remote areas. The local Coca-Cola bottler, Coca-Cola Sabco, works alongside CMAM and local partners to pilot private sector practices, methods, and tools and provide recommendations to CMAM on optimal strategies to achieve the goals defined in the PELF. PLM supports CMAM in three priority areas:

- 1 Network Optimization:** Reviewing the existing network design and optimizing the routes around the planned intermediary warehouses, based on Coca-Cola Sabco's bottler expertise.
- 2 Outsourced Distribution:** Identifying and evaluating potential third-party distribution suppliers, providing options for a new route-to-market model, and building the capability for contract management and supplier performance tracking.
- 3 Logistics Capability Development:** Assessing the current organizational capabilities of CMAM, providing recommendations on resource profiles required and training support to build capacity for managing the new logistics model.

PLM began work in September 2016 to strengthen medicine distribution nationwide



Identifying locations for intermediary warehouses

PLM and local NGO partners conducted visits to health centers around the capital and identified locations for new intermediary warehouses in Tete, Inhambane and Gaza provinces. These warehouses will serve as repositories of medicines and medical supplies for health facilities.



Improving route-to-market mapping

PLM applied Coca-Cola's mapping and routing expertise to design an optimized approach to deliver medicines in the three pilot provinces, with the potential for national scale-up. PLM shared route-to-market software and helped plan and understand how medicines move from the warehouse to patients.



Engaging private-sector suppliers

PLM created a contracting and evaluation framework to engage local third-party suppliers and distributors, crucial actors in scaling distribution across the country.

Project Last Mile in Nigeria



Project Last Mile partners with the **National Primary Healthcare Development Agency (NPHCDA)**, the Lagos State government, the Bill & Melinda Gates Foundation, the Clinton Health Access Initiative (CHAI) and the Nigerian Bottling Company (NBC) to improve access to vaccinations by strengthening public sector refrigeration, or “cold chain”, capacity. Because vaccines must be carefully stored and shipped at specific temperatures to remain effective, improving cold chain capacity helps reduce vaccine waste due to malfunctioning cold room storage and refrigeration units at health facilities.

PLM focuses on applying Coca-Cola expertise to improve cold chain uptime:

↑ **The Nigerian Bottling Company (NBC)**, the local Coca-Cola bottler, ensures 24- to 48- hour repair on all 77,000 of their refrigeration units in Nigeria, with a 99.3% uptime.³ Leveraging this expertise, NBC is supporting the NPHCDA and state government partners to improve their current refrigerator uptime from current levels.

Since launching in October 2016, PLM has developed training modules for government technicians and designed outsourced maintenance pilot projects in Lagos State



Training to build capacity

PLM collaborated with NBC and third-party refrigeration suppliers to develop a training curriculum designed to upgrade the skills of government technicians, providing supportive supervision to health workers performing refrigeration maintenance. The training imparted basic skills in diagnosis, repair, and worker safety and utilized a “Train the Trainers” framework, in which trained technicians will assume the role of instructors and facilitators in future trainings.



Facilitating outsourced maintenance

PLM worked with third-party private sector distributors in Nigeria to outline an outsourced preventative maintenance and repair service for cold room storage and health facilities in Lagos State that is aligned to NBC costs and performance metrics. PLM will pilot this maintenance model and develop a business case for expansion to other states in Nigeria.

³ Sarley, D., Mahmud, M., Idris, J., Osunkiyesi, M., Dibosa-Osador, O., Okebukola, P., & Wiwa, O. (2017). Transforming vaccines supply chains in Nigeria. *Vaccine*, 35(17), 2167-2174. <http://dx.doi.org/10.1016/j.vaccine.2016.11.068>

Project Last Mile in South Africa



PLM partners with the National Department of Health’s (NDoH) **Central Chronic Medicine Dispensing and Distribution** Initiative (CCMDD), a program that improves access to medicines for stable patients. With the steady rise of people living with chronic illnesses including HIV/AIDS, ensuring that patients have consistent access to medicine is critical. To pick up medication, many stable patients face crowded public health centers, long pharmacy lines, and overburdened healthcare workers. The CCMDD program allows patients to pick up medicines in convenient retail locations rather than their usual public health clinic. These alternative “pick-up points” can include private pharmacies, grocery stores, and post offices. To propel CCMDD from a pilot phase to a national program, the NDoH turned to PLM to bring in private-sector expertise from the Coca-Cola system, with a focus on product distribution and retail management.

Beginning in April 2016, PLM worked in five core areas to develop a national business model and spur acceleration toward program goals



Creating a viable business plan for CCMDD

PLM collaborated with the government and implementing partners to provide strategic business insights and concrete tools to support the establishment of new pick-up points. PLM piloted the use of geo-mapping data in three districts to help district support teams identify potential pick-up points based on patient demand and existing retail locations. PLM also developed concrete recommendations to improve contracting with three service providers currently working with the NDoH to deliver medicine parcels and proposed an operating model for the NDoH and provincial governments that includes a national level coordinator, nine regional program leads in each of the nine provinces, and program champions within each district and health facility. Finally, PLM created a roadmap for CCMDD implementation through 2019.



Developing a franchise model for pick-up points

PLM developed recommendations for a pick-up point franchise model, including a tiered classification system for pick-up points, and standardized protocol for pick-up-point enrollment to be distributed to districts as part of the CCMDD district toolkits.



Establishing a business case and value proposition for pick-up points

PLM effectively communicated CCMDD to local businesses, important stakeholders in the expansion of community-based pick-up points. PLM constructively engaged current and potential private sector partners, such as large pharmacy and retail chains, to understand their operational context and present CCMDD as a viable business opportunity, emphasizing that private pick-up points could be profitable extensions of existing businesses.

The value of PLM partnership extends well beyond the specific deliverables and milestones. PLM partners in South Africa reported an infusion of private-sector ways of working, including improved problem solving and communication.

Infusion of unique private-sector approaches to problem solving

PLM brought a fresh perspective and a private sector lens to managing the complexity and challenges of CCMDD. In field interviews, partners indicated that because PLM had few preconceptions about what was possible in the public sector, they could ask questions, suggest alternative solutions to problems, and generally challenge the status quo. PLM also leveraged private-sector ways of working to support the development of an integrated program marketing strategy that aligns with the national public health branding campaign.

Fresh approach to creative problem solving: By presenting medicines and other aspects of CCMDD as ‘products’ while demonstrating their value, PLM was able to get buy-in from a variety of private-sector partners and open doors for further expansion of the program.

Strategic use of data: In applying mapping software to identify the optimal locations for pick-up points, PLM helped districts think strategically about how to address the needs of their patient populations.

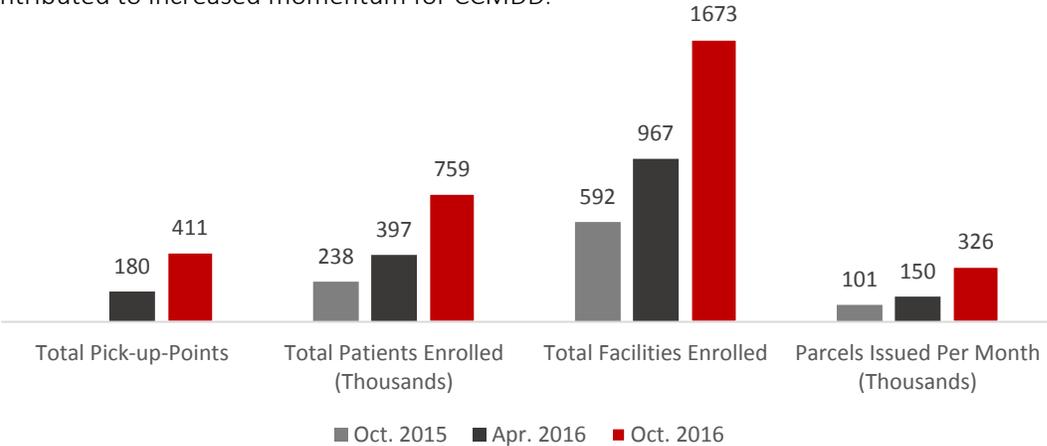
New tools and approaches: PLM helped develop a district ‘toolkit’ to standardize processes and resources to create and manage pick-up points at the district level. Being uniquely partnered with the NDoH and working at the district level, PLM addressed district difficulties in establishing pick-up points by working with the NDOH to ease regulatory restrictions.

Improved inter- and intra-sectoral collaboration and communication.

Close alignment between PLM and CCMDD efforts allowed PLM to facilitate coordination and communication between project stakeholders from multiple departments and sectors. Because partners viewed PLM as knowledgeable in private sector business and supply chain processes, the PLM lead was uniquely positioned to access key information, provide strategic guidance, and disseminate feedback to other partners, such as district teams, NGOs, and private service providers. Field interviews also indicated that this same skillset enabled PLM to advance collaboration between partners and help improve the efficiency of meetings and other forms of communication.

Accelerating Growth

Program growth accelerated during the first phase of PLM support, with increases in the number of districts engaged, pick-up points established, patients enrolled, and parcels of medicines distributed. Field interviews captured robust descriptions of PLM’s added value and stakeholders’ desire for continued PLM support, bolstering the assertion that PLM’s key convening role and infusion of private-sector strategies contributed to increased momentum for CCMDD.



In Summary

Since PLM partners came together under the Global Development Alliance, significant progress has been made toward the goal of sharing Coca-Cola's core business expertise with public sector actors in 10 African countries by 2020 for a sustainable impact on health system performance. Meaningful engagement or delivery is underway in Liberia, Mozambique, Nigeria, Sierra Leone, South Africa, Swaziland, and Tanzania, and **local partners and stakeholders consistently describe the value of PLM's in-depth, deliberate approach to alignment and scoping during the early stages of engagement.**



In each country, PLM effectively applies its unique convening power, leveraging Coca-Cola's expertise and brand recognition to bring together stakeholders from government, private sector, and civil society to create novel health system strengthening partnerships. As one example of this convening power, PLM Nigeria has navigated a complex landscape to establish new cross-sector connections between the national public health agency, local Coca-Cola bottlers, third-party logistics suppliers, and international NGOs, who are now partnering to implement outsourced refrigeration maintenance pilot projects in public health facilities.

PLM's contributions during program implementation create impact well beyond the concrete project deliverables. For example, PLM South Africa supported the development of a defined set of business plans and tools and, more importantly, introduced more nuanced private-sector approaches that partners viewed as unique and valuable. During the first phase of PLM support, partners described PLM's leadership, strategic use of data, and connections with private sector partners as important factors in facilitating increased program momentum. We anticipate that the PLM momentum will continue both within and across country settings throughout 2017.

In 2017, Project Last Mile will continue to develop current projects and establish new connections to leverage private-sector expertise in supply chain strengthening, marketing, and human resource development for sustainable, scalable results.