



The State of Outsourcing Public Health Supply Chains in Africa

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Challenge

Public health systems in low- and middle-income countries (LMICs) are facing critical and persistent financing constraints, limiting their ability to deliver essential services efficiently

Situation

Despite its proven benefits, private sector engagement particularly through logistics outsourcing remains significantly underleveraged by public health supply chain managers.

Solution

Governments, donors, and private partners must collaborate to scale outsourcing for stronger, more resilient supply chains.

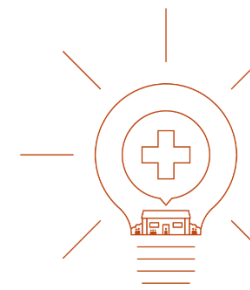
Public Health Under Pressure ➔ Disruptions Demand Innovation



Donor funding **reductions**



Governments **struggling** to maintain service delivery



Private sector capabilities remain **underutilized**

Today, I share results of a **Benchmark Study** of 8 African countries that examines how countries are **leveraging outsourcing** in their public health supply chains

1. Type of outsourcing model

Is the government is **currently collaborating with private sector** in the transportation area using **3PL or 4PL or mix?**

4. Geographic scope

To **what extent** in the country's the private transporter are transporting health products from the public health system?

2. Supply chain levels covered

Are the **currently supplying** public health facilities being implemented at all **supply chain levels** from national level-provincial-district-health facility?

5. Funding

Who is **funding the transport cost** for health products transportation by private transporter?

3. Commodity scope

Which **commodity groups** are being transported by private transporters ?



Type of outsourced model

- **3PLs** - transport
- **4PLs** – management function



Geographic scope

- **Upstream** – Port of Entry to Provincial Warehouse
- **Downstream** - Provincial WH to District/Health Facility



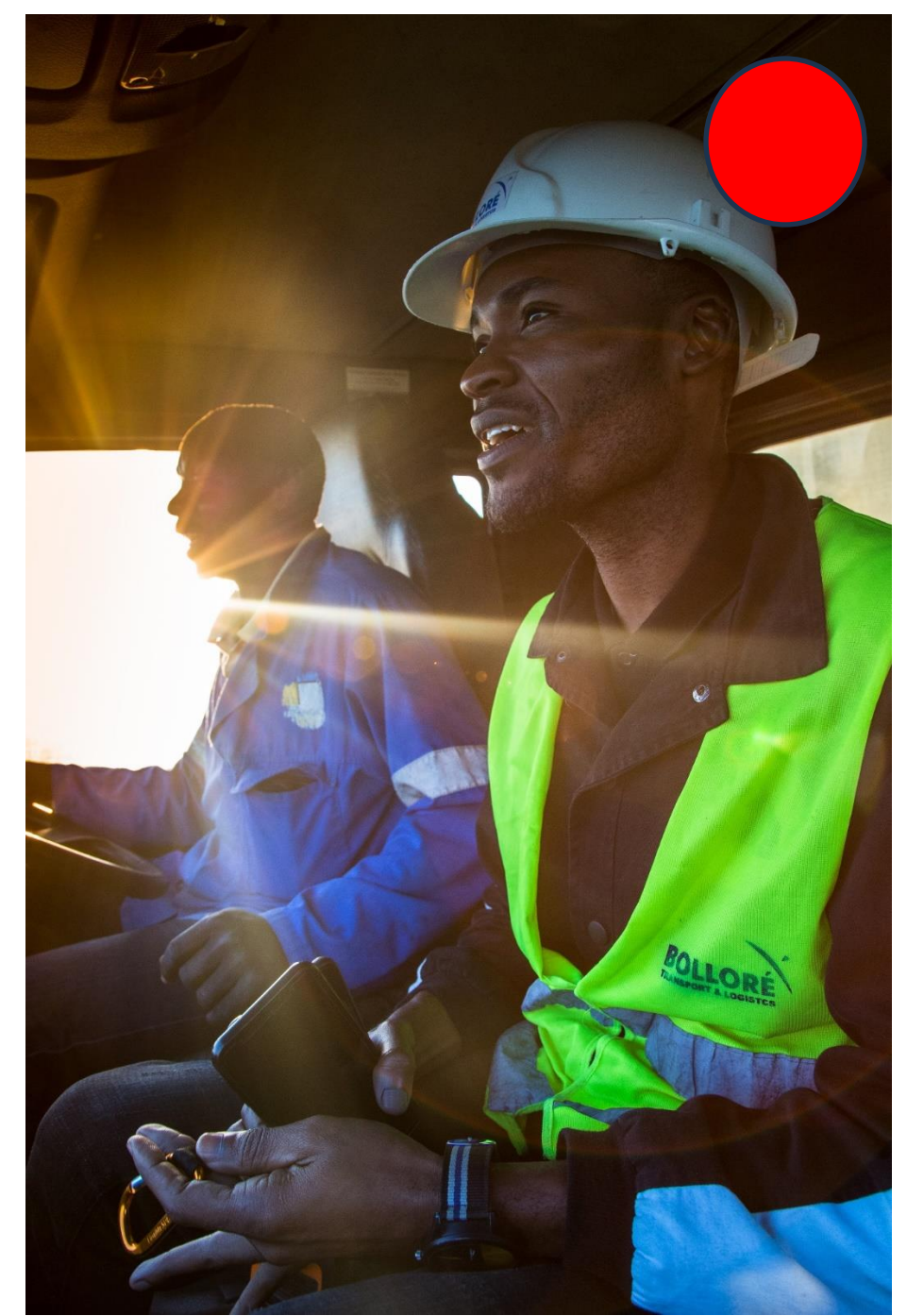
Commodity scope

- **All** - Medicines, Vaccines, Medical supplies
- **Fragmented** – only some



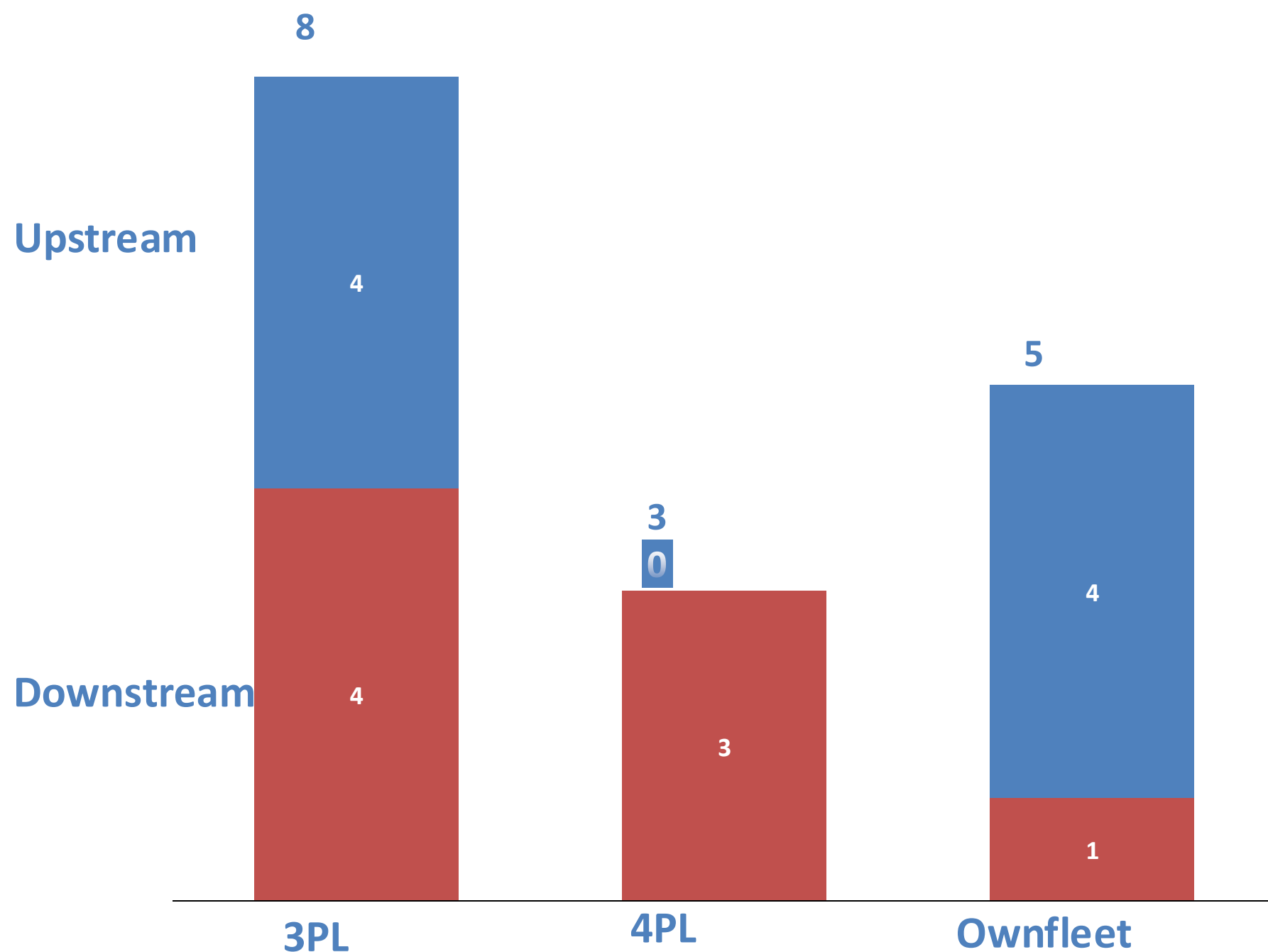
Funding

- **Government funding**
- **Donor Direct Funding**
- **Partners Funding**



DRC, Kenya, Liberia, Malawi, Mozambique, Nigeria, South Africa and Tanzania

Is the government currently collaborating with the private sector for transportation using 3PL, 4PL, or a mixed model?



What We Found

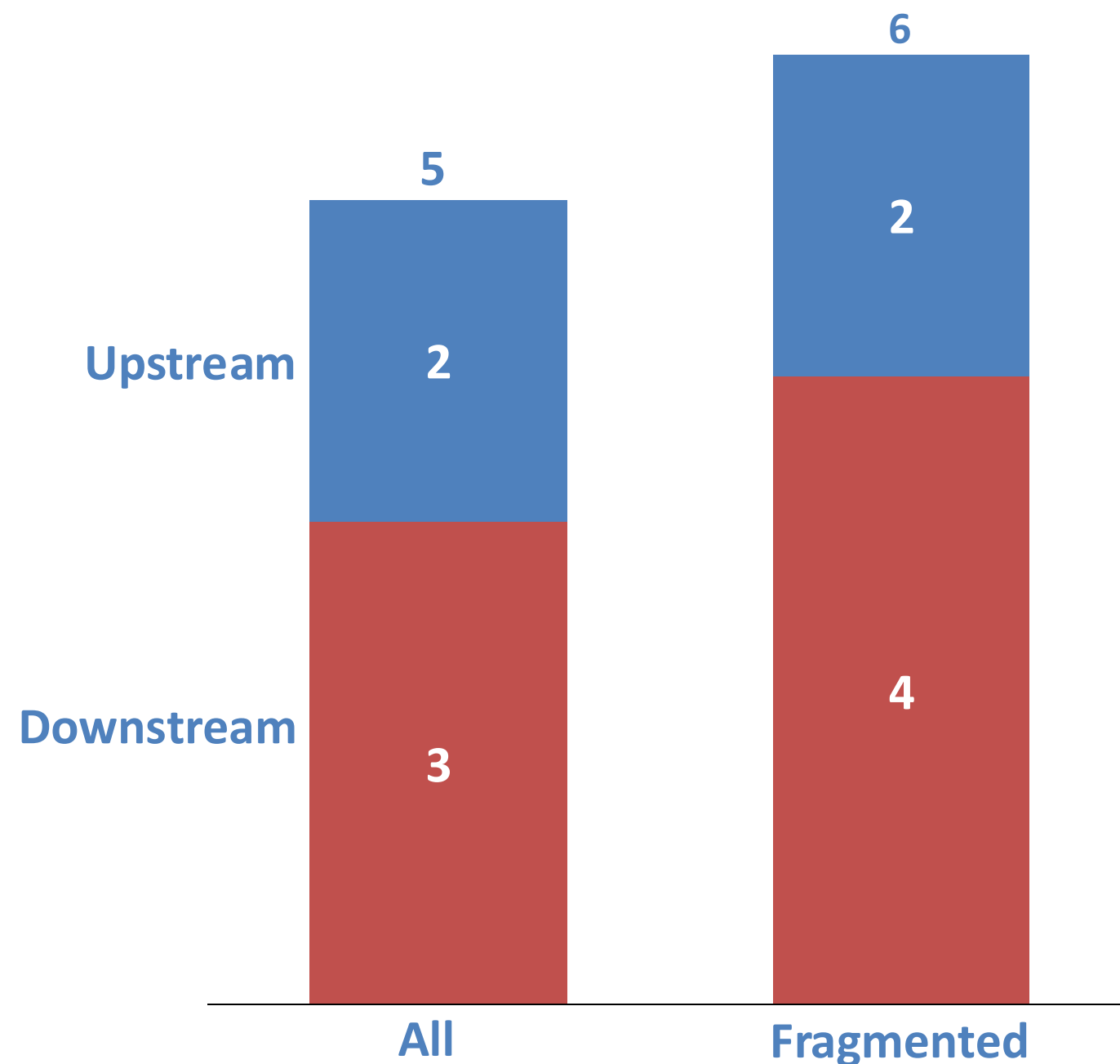
- 3PL is commonly used both upstream and downstream.
- 4PL is emerging, primarily in downstream logistics.
- Own fleets are still widely relied on, especially upstream

Key Learnings

- **3PL is well-established** across both upstream and downstream.
- **4PL is gaining ground** but mostly in downstream areas.
- **Government fleets remain dominant** upstream.
- **Strategic support is needed** to scale 4PL and reduce own-fleet reliance

- **All** - Medicines, Vaccines, Medical supplies
- **Fragmented** – only some

Which commodity groups are being transported by private transporters?



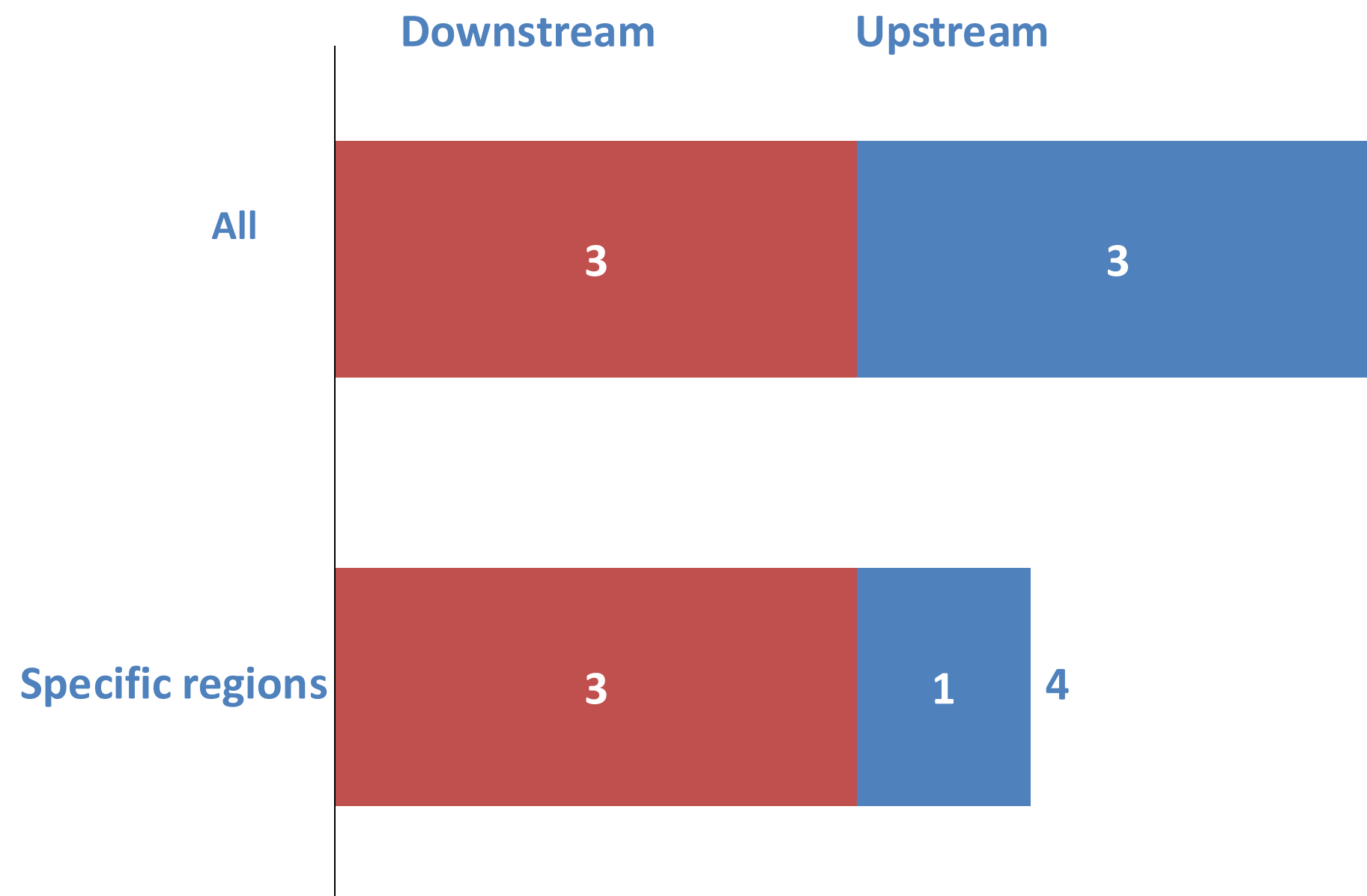
What We Found

- **Upstream:** Use of private providers is split — some transport all commodities, others only selected categories.
- **Downstream:** Fragmentation is more common, with outsourcing often limited to specific product types like vaccines or samples.

Key Learnings

- Outsourcing is not fully integrated across commodities.
- Cold chain products like vaccines are often excluded.
- Downstream fragmentation is more common than upstream.
- Commodity segmentation limits efficiency and scale.

To what extent in the country's the private transporter are transporting health products from the public health system?



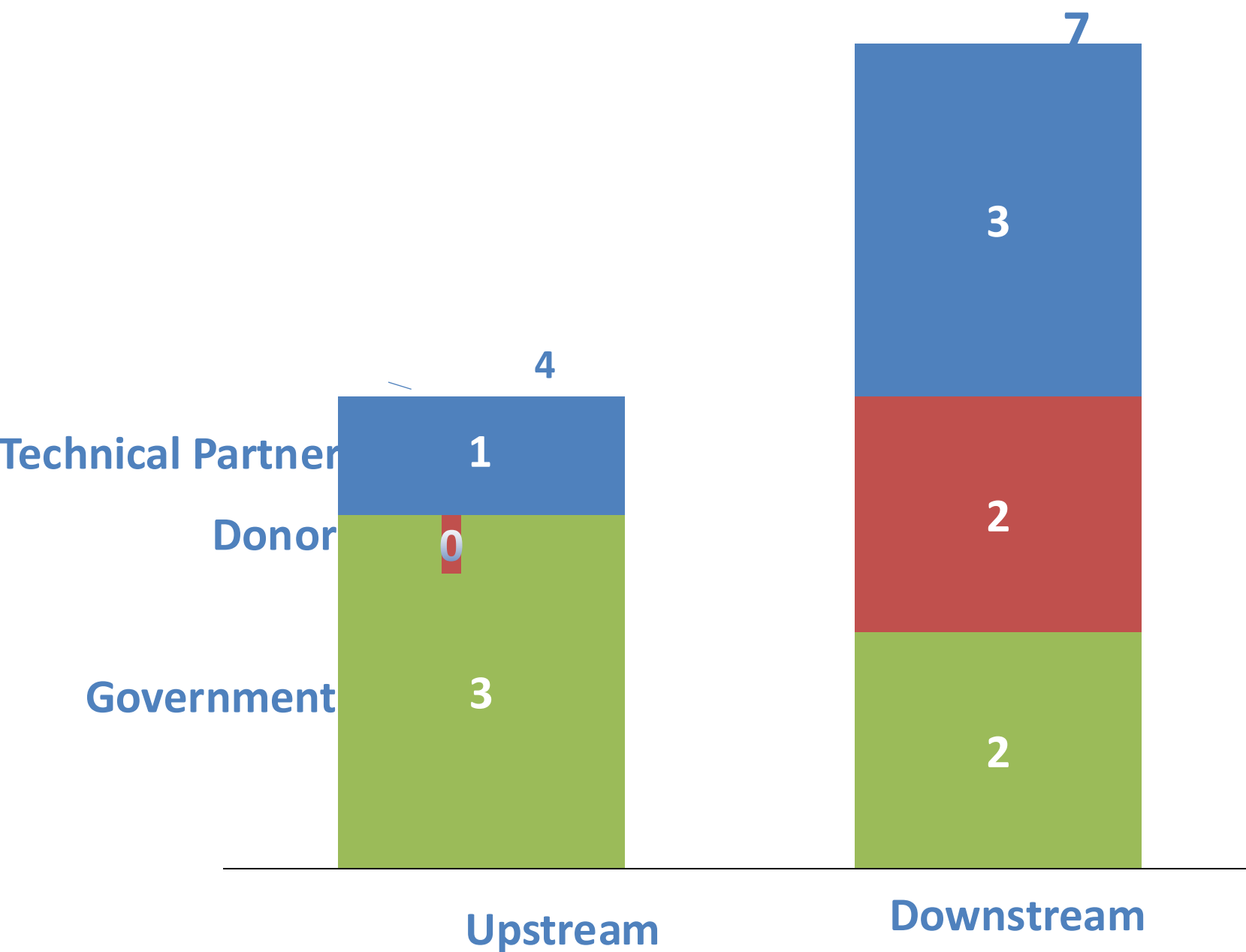
What We Found

- **Upstream:** Outsourced transport is fully implemented across all regions.
- **Downstream:** Coverage is inconsistent — many countries limit outsourcing to specific regions only.

Key Learnings

- Upstream outsourcing is nationally scaled
- Downstream coverage is still fragmented
- Last-mile outsourcing is limited to specific regions
- Geographic gaps reduce equity and efficiency

Who is funding the transport cost for health products transportation by private transporter?



What We Found

- **Government funding:** Government entity contracts and pays distributors directly.
- **Donor Direct Funding:** Donor's contract and pay distributors directly
- **Partners Funding:** donors collaborate with technical partners to manage the payment and contracts

Key Learnings

1. **Government leads upstream funding** through direct contracting.
2. **Downstream funding is more mixed**, involving donors and partners.
3. **Fragmented funding downstream** raises sustainability and accountability concern

Call to Action for all Stakeholders in Public Health Supply Chains

The future of public health logistics depends on smart partnerships. Governments must lead with strategy. The private sector must engage with purpose. Outsourcing is no longer optional—it's a path to resilience, equity, and scale

1. Governments must **institutionalize outsourcing within national supply chain strategies** and invest in the capacity to manage integrated, performance-driven models

2. The private sector must **act as a strategic partner—investing in last-mile solutions and aligning services with public health priorities** to co-create lasting value.

3. Donors must fund **systemic change—investing in policies, technology, and local markets** while supporting sustainable transitions from donor dependency



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X

Thank You

