

# PPP-Led Drug Revolving Fund

By the end of this session, you will be able to understand:

- How the private sector can close the sector funding gap.
- Why policy implementation is key to attract private sector funding.
- How private sector funding can wean states from donor dependence to routinized commodity model over time.
- How Zipline and the use of available tech has improved the essential commodity supply chain system.

Refer to page 79 in your Team Member Workbook

# A

## Pre-Reads: Importance of DRF Schemes



- Your Task: Read the following:
  - [Commodity Security: The Role of Drug Revolving Fund Scheme in Low- and Middle-Income Countries](#)
  - [Rwanda Social Security Program](#)
  - [Understanding the \*\*Key Maker principle\*\* in rural public utilities](#)

OPEN ACCESS PEER-REVIEWED CHAPTER

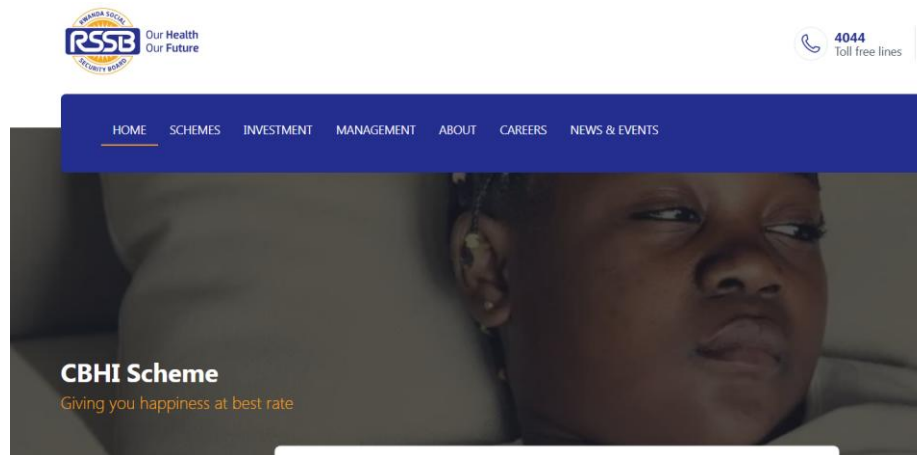
### Commodity Security: The Role of Drug Revolving Fund Scheme in Low- and Middle-Income Countries

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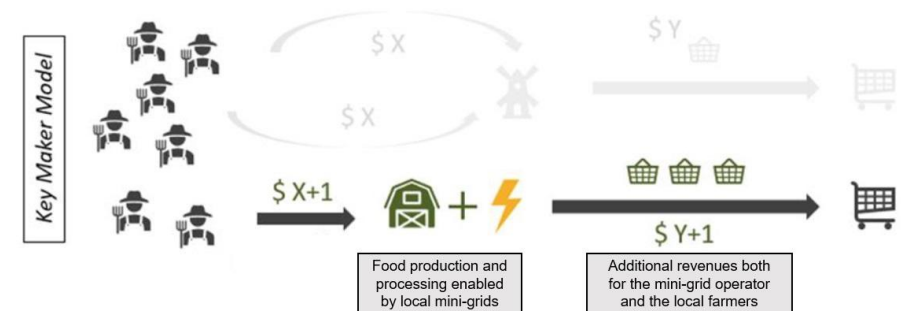
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<b>Target group:</b> Farmers in Sub-Saharan Africa	<b>Aim:</b> Enabling new business models based on electrification	<b>Outcome:</b> New markets beyond the local community
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# B

## Theory: Challenges to PPP Implementation



### Regulatory Framework

A robust, legal, regulatory framework is essential to govern PPP contracts, ensure transparency, and protect public interests.



### Risk Allocation

Clear allocation of risks between public and private partners is crucial to prevent disputes and ensure project viability.



### Capacity Building

Governments need to build capacity in negotiating, managing, and monitoring complex PPP contracts.



### Affordability and Equity

Care must be taken to ensure that PPPs do not lead to increased costs for patients or exacerbate health inequalities



### Public Engagement

Transparent communication and engagement with stakeholders, including the public, are vital for garnering support and ensuring accountability.

# Insights: Role of DRF in Driving Health Care Funding

1. Self-sustainability Supply Mechanism.
2. Sustainability and affordability
3. Accountability & cost recovery (Especially if you employ technology. In BY, Zipline has eliminated debts in the essential commodity supply chain by deploying virtual wallets for health facilities.

What is the size of your states monthly spend on commodities through the DRF? (5-minute interactive, a speaker from each state)

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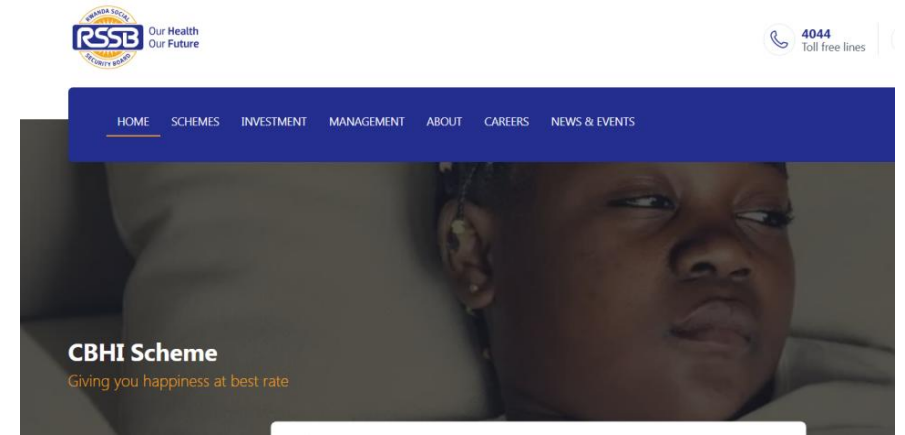
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# Insights: Rwanda's Community Based Health Insurance (Social Security Program)

1. Ownership: This scheme has achieved near-universal coverage. Every 5 homes in a community form a support cluster.
2. Coverage: All citizens.
3. Pricing: Equivalent of N3000 investment and claims processing.
4. Sustainability: Backed by fund managers with funds vested in MTN & Safaricom, real estate etc.

What is the percentage coverage of insurance in your state? (5-minute interactive, a speaker from each state)



## CBHI Scheme

Community Based Health Insurance (Mutuelle de santé) is a solidarity health insurance system in which persons (families) come together and pay contributions for the purpose of protection and receipt of medical care. It was established in order to help people with low income access medical care at affordable cost.

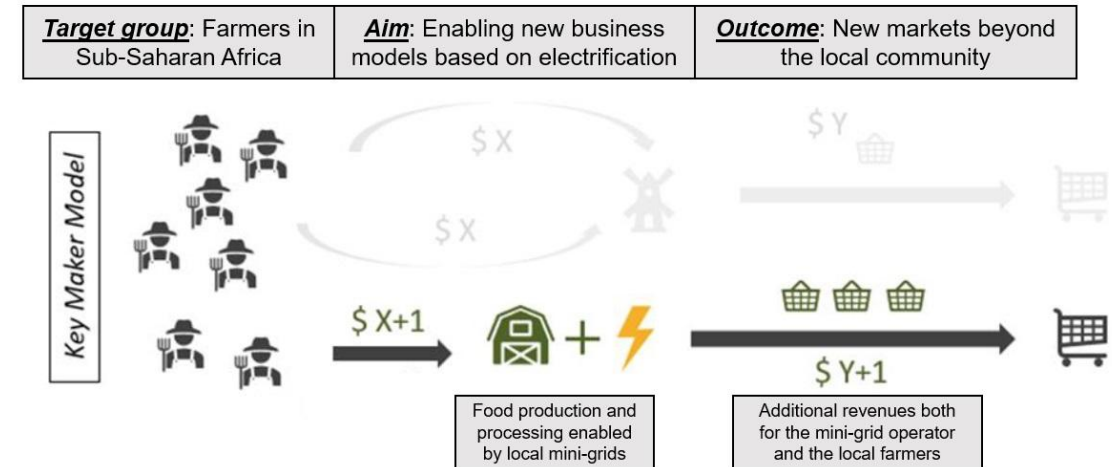
- Management of Community Based Health Insurance (CBHI) >
- Objective of Community Based Health Insurance >
- Advantages of Community Based Health Insurance (CBHI) >

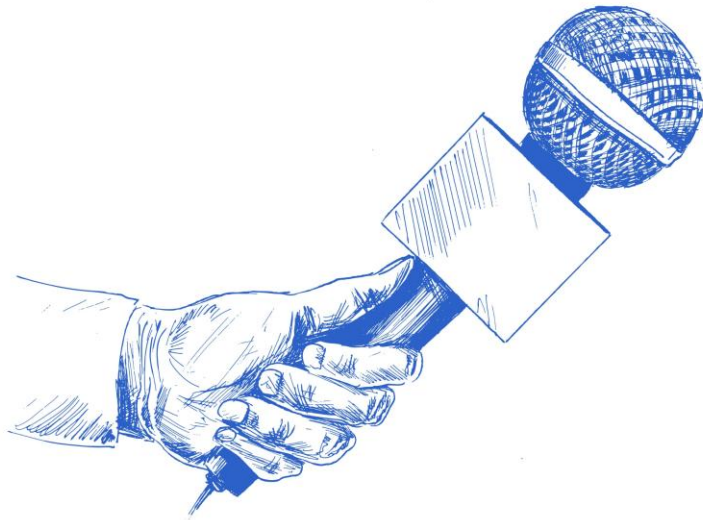


# B Insights: The KeyMaker Model

1. Facilitates infrastructure availability from the grassroots.
2. Encourages ownership.
3. Drives equity.
4. Supports scaling and growth.

Are there community-based initiatives that you know which has been impactful? (5-minute interactive, a speaker from each state)





Why are there funding gaps in Nigeria's health system?

How do you think we can best resolve these gaps?

# B

## Why are there Funding Gaps in Nigeria's Health System?

- Limited domestic resources which continue to require increased budgetary allocations.
- Poor policy design, implementation and the lack of interest or trust for private partnership.
- High disease burden as we continue to grapple with significant burden of communicable and non communicable diseases.
- Political will to commit up to 15% of state/federal annual budgets as agreed in the Abuja declaration.
- Developing local ownership and resilience.
- Donor fatigue.

# B

## How We Can Resolve Funding Gaps

- Drive policy, review policy and implement policy.
- Increase health insurance uptake
- Eliminate unlicensed essential commodity vending
- Ensure all health facilities procure from state warehouse.
- Review these policies from time to time.
  
- **Employ technology**
- Virtual wallets for health facility commodity procurement and inventory management systems for warehouse are key to driving transparency and improve planning for procurements.
- Linking the above to online/offline hospital management systems will enable you have 360 view.
- This reduces dependence on human monitoring across all health facilities and improves efficiency across board.
  
- **Onboard private sector funds**
- Frees up government budget and spending to be allocated to other needs.
- Cheaper for the government long term as private funding is driven by policy without financial commitment.
- Creates more jobs.

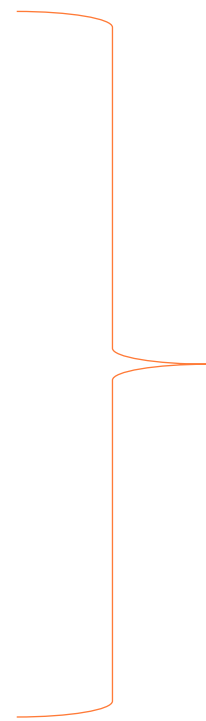
# B

## Essential Commodity Performance

<b>MONTH</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
January	0.00	2,051,969.00	2,653,848.00
February	0.00	2,236,666.00	2,995,535.00
March	0.00	2,357,554.00	2,505,339.00
April	0.00	1,998,145.00	3,173,311.00
May	0.00	2,465,753.00	4,211,120.00
June	345,519.23	2,288,155.00	3,252,854.00
July	641,933.51	2,285,490.00	0.00
August	1,299,015.21	2,461,929.00	0.00
September	821,389.47	2,384,772.00	0.00
October	1,492,418.26	2,398,911.00	0.00
November	1,896,460.38	2,749,925.00	0.00
December	2,667,122.30	2,208,832.50	0.00
<b>TOTAL</b>	<b>9,163,858.39</b>	<b>27,888,101.50</b>	<b>18,792,007.00</b>

# B Essential Commodity Performance

Difference	2023-Dec 2024	H1 2025
Procurement	Done by human perception	Guided by an Inventory Management System projection.
Payments	Up to N11m in debts	Zero debts backed by virtual wallets assigned to each health facility.
Potential Market Size	Undefined	N300m minimum capital injection



## To Achieve Real Growth:

1. Implement policy for centralized commodity procurement backed by government or private funds.
2. Centralize data and report regularly on commodity performance.
3. Centralize all commodity warehousing backed by just in time delivery/ available capacity to drive efficiency.