



# AFRICA RESOURCE CENTRE

## OVERVIEW & PRIVATE SECTOR ENGAGEMENT

June 2017

# AFRICA RESOURCE CENTRE PRIMER

## Africa Resource Centre Vision

**The vision** for ARC is to build a Supply Chain expert advisor and partnership broker that can provide independent strategic advice to help countries meet their public health goals.

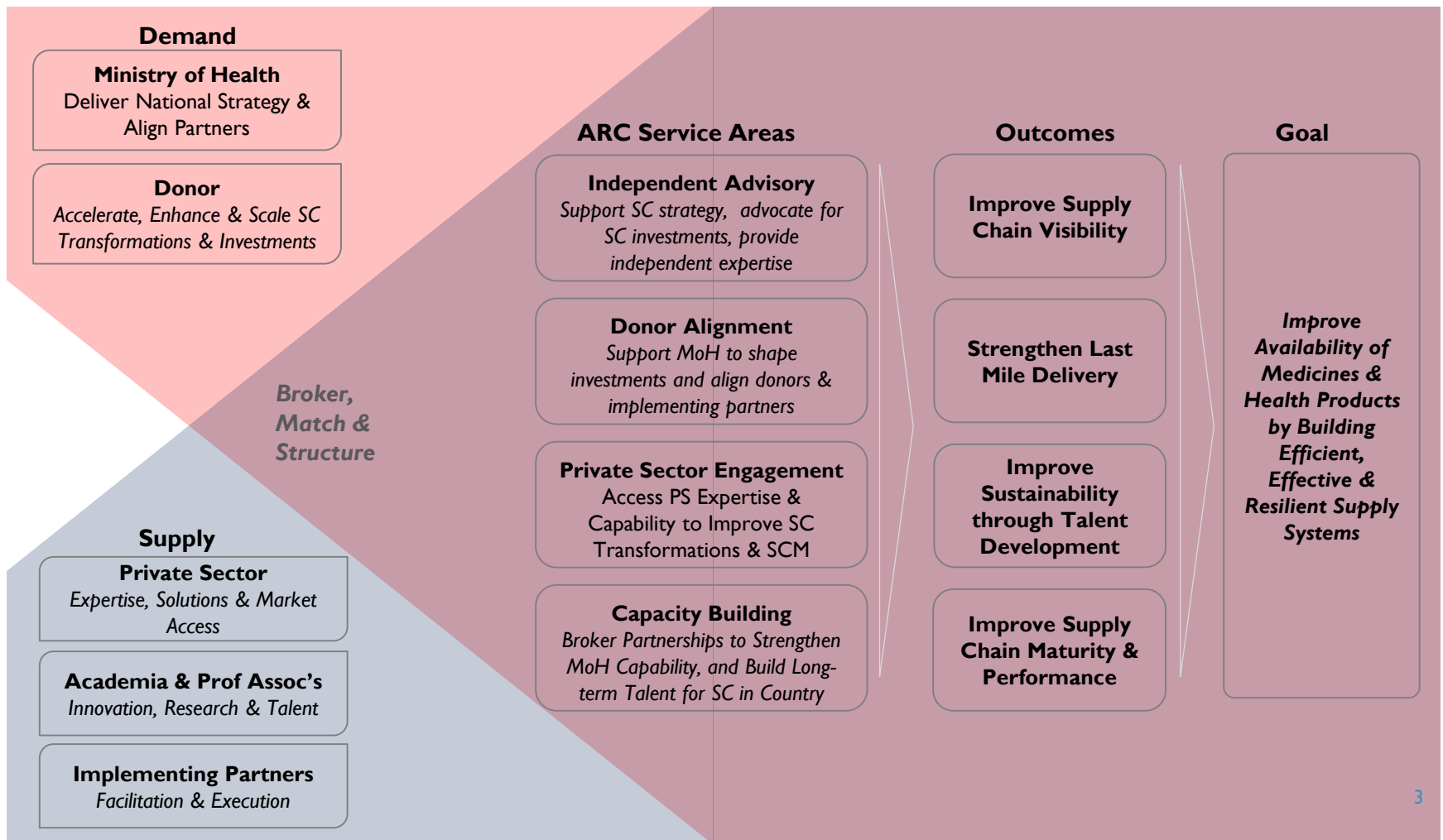
**The approach** ARC's approach is to work with actors across sectors and throughout the value chain, to broker, match and structure partnerships across private sector, civil society, academia, and public sector in Africa.

**The impact** the Africa Resource Centre aims to achieve at the highest level is to improve availability of medicines and health commodities at the last mile by building efficient, effective and resilient supply chain systems.

## Benefits of ARC

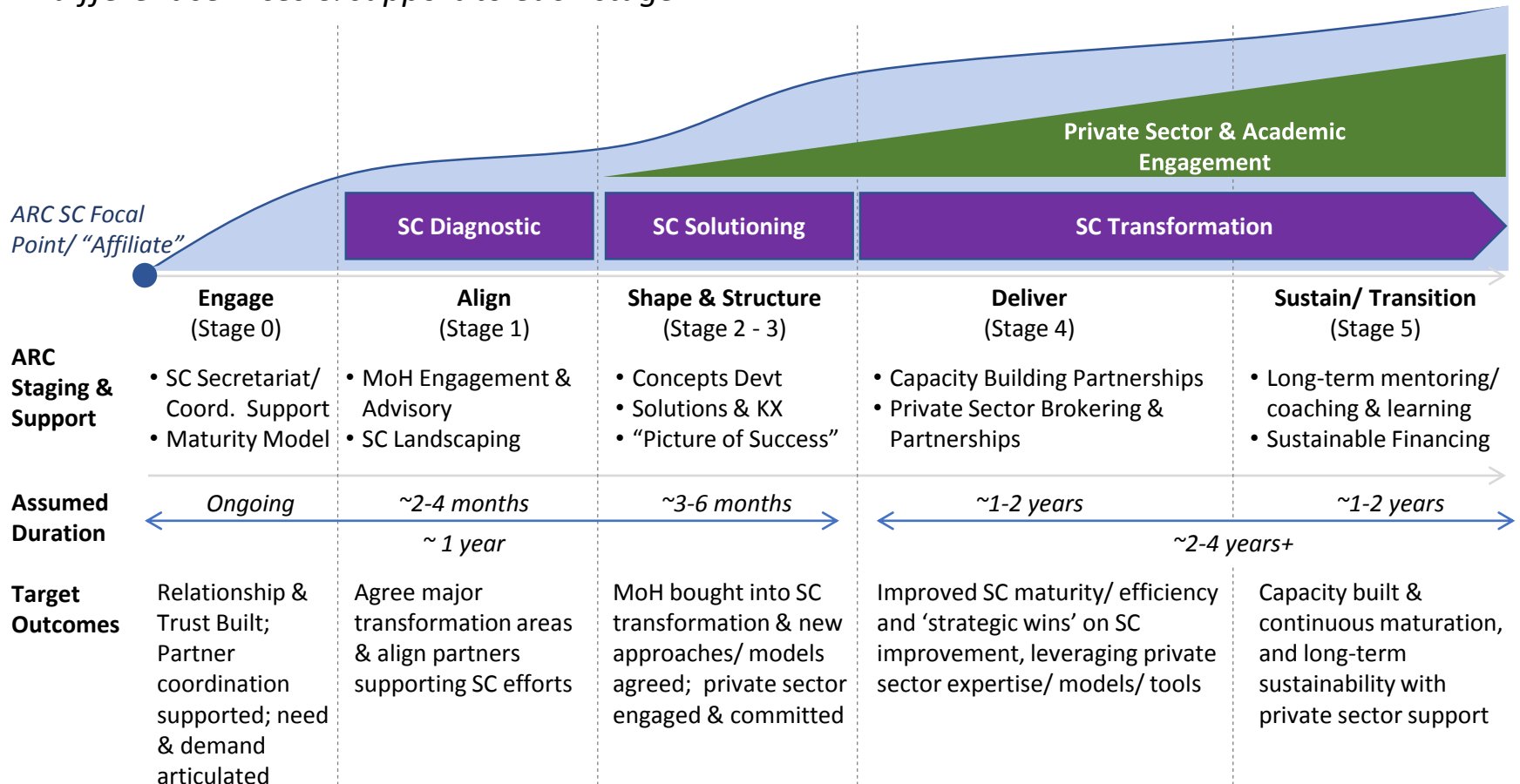
- Development of a local independent African strategic partner that is building relations with regional governments
- Long-term partner on the ground to support MoH transformation as different partners come and go over time
- Reducing the dependence on external consultants, vendors or local NGOs with potential conflicts or vested interests
- Leverage emerging supply chain academic teaching and research and supply chain professionalization initiatives
- Better coordination with other donor SC initiatives
- Gain access to the technical excellence of local and international private sector expertise & markets
- A strategic partner to support private sector engagement in SC partnerships, harnessing core capacities to achieve shared value in the market.
- A platform of best practices that can be replicated across the continent

# THEORY OF CHANGE



# ARC SERVICES MODEL

ARC aims to support supply chain transformation in a country throughout its journey, bringing different services & support to each stage



# ARC GEOGRAPHICAL FOCUS

*The ARC is building Regional Centres to serve different regions and priority countries*

## **West Africa ARC Centre**

- Senegal based, to cover several countries in Francophone West Africa
- Active as of November 2016 for 2 years; transition to local firm thereafter

## **Nigeria ARC Centre**

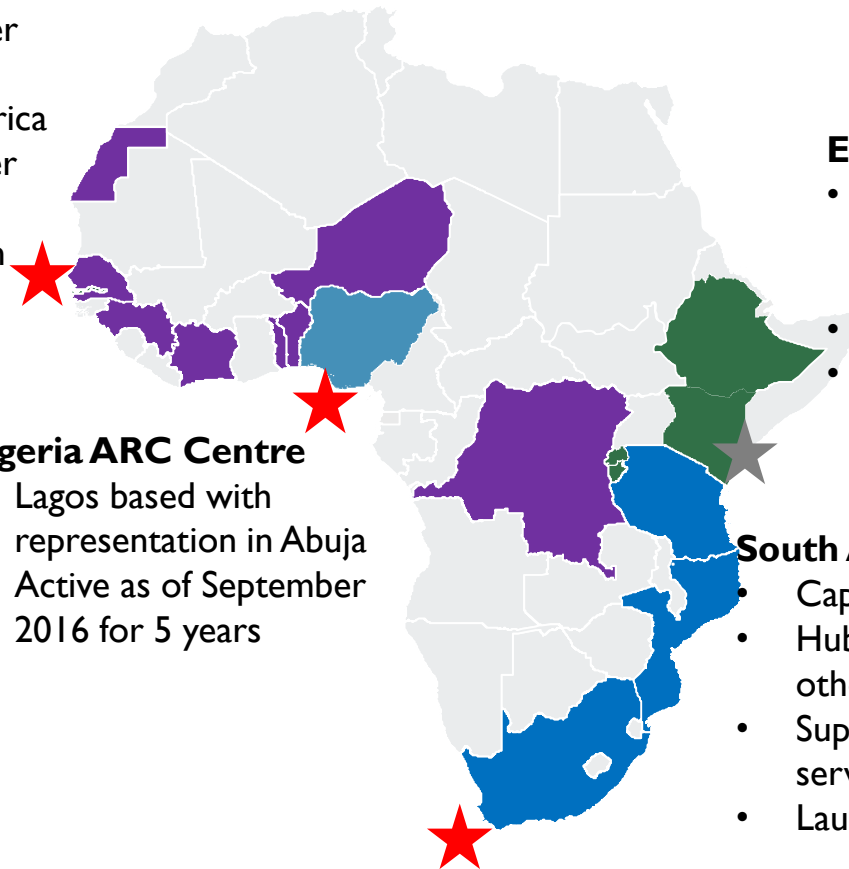
- Lagos based with representation in Abuja
- Active as of September 2016 for 5 years

## **East Africa**

- ARC supporting in-country efforts with GAVI, KfW, IFPW, UPS and Imperial Health
- Support to PFSA in Ethiopia
- Remote support to Kenya

## **South Africa Centre & Support Centre**

- Cape Town & Johannesburg based
- Hub to support NDoH of SA similar to other hubs
- Support Center to provide support and services to hubs across regions
- Launch in July 2017



# DEMAND QUALIFICATION CRITERIA

*There are important criteria which ARC looks for to qualify the demand for support before placing any significant investments of time, money or resources (including Private Sector support)*

- Clearly demonstrated MoH/ Govt. buy-in
- Vested donors are supportive and PSE offer aligns to major investments and initiatives clearly
- Local capacity development is part of the solution, and leverages local talent and capability wherever possible
- The MoH is the key 'client' and the solution supports an agreed upon national strategy
- Funding and implementation resources are available to facilitate/ integrate the PS support and expectations are clear on extent of engagement/ support
- Expectations are well understood and agreed from the start, alongside clear objectives and 'deliverables' (outcomes), documented in joint MOUs
- The ask of the private sector is specific and pragmatic, and senior leadership has endorsed the collaboration and firm commitment

# PRIVATE SECTOR CONTRIBUTIONS

*There are many contributions from private sector which can help improve availability; the ideal scenario is where a company leverages multiple facets of its business to help build solutions with ARC*

## Private Sector Contributions

<b>Expertise &amp; Experience</b>	Tapping into industry experts and local market leads to gain from their expertise and experience to improve MoH supply chain operations in country (e.g. local company experts part time support, global employee volunteer/ secondment programmes, etc.)
<b>Data, Tools, Methods &amp; Trainings</b>	Leveraging PS tools, methodologies, data sets and training materials to develop or enhance supply chain interventions or solutions and demonstrate potential for impact
<b>Networks &amp; Relationships</b>	Tapping into PS to gain access to their networks of potential other experts, local market service providers and other initiatives which could be incorporated into ARC solutions and interventions
<b>Convening &amp; Negotiating Power</b>	Engaging the PS to support convening key market players that can support supply chain strengthening to develop new ideas and solutions and bring potential service providers to the Govt/ MoH
<b>Supply Chain Services</b>	Engaging the PS in country to provide commercial services (at 'shared value' rates) to the Government/ MoH (e.g. transportation, maintenance, analytics, etc.)
<b>Co-Investment</b>	Engaging PS to co-invest funds or other in-kind services alongside donors and Govt

# DEMAND FOR PRIVATE SECTOR ENGAGEMENT

*Through our experience, it is increasingly clear what the demand is for private sector engagement and where PSE can have an impact on our work on the ground*

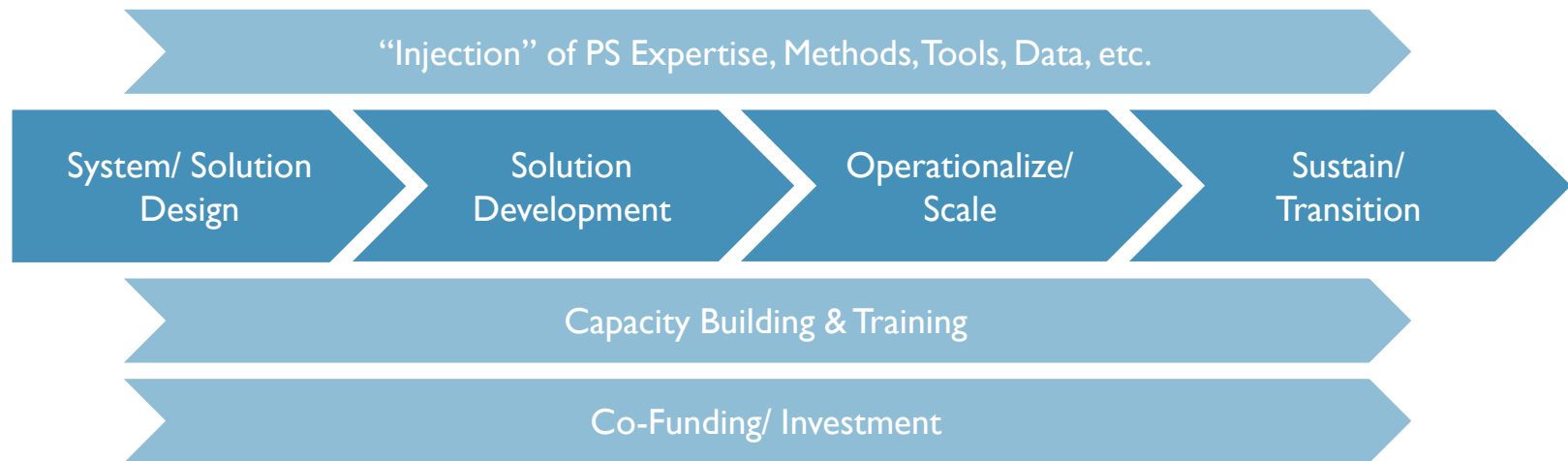
- In-country secondments of supply chain transformation leads for 6-12+ months (have operated a complex supply chain end-to-end, ability to build capacity)
- Local office experts who have technical expertise, passion to contribute a percentage of their time and understand the nuances of the local context
- “Solutions”, which could be data to be shared (benchmarks, performance, costing), methodologies, trainings, etc
- Networks, particularly local market vendors/ 3PLs, consultants or implementing partners within the SC, local office contacts, etc.
- Financial support/ contributions to donor investments and alongside technical assistance (PS funds go a long way to leveraging co-investment from donors)
- “Reverse secondments” or learnerships, to put MoH staff into PS work environments for some period of time to learn directly from the company hands on



# PRIVATE SECTOR ENGAGEMENT MODELS

*There are multiple areas and ways in which the private sector can contribute*

## Alignment to Government Strategy & Donor Transformation Programmes



### **The Private Sector Engagement Model would differ based on:**

- Extent of support required and offered; alignment to existing investments and initiatives underway
- Organizational constraints and parameters, e.g. geo, duration, access to skills, lead times, etc.
- Skill set, level of person(s) involved and level of effort required
- Duration available and flexibility of support from private sector partner
- Facilitation/ integration requirements to build capacity and transfer capability
- Funding requirements and donor support
- Partnership structure and contracting mechanisms, as required (e.g. MoU, NDA, Contracts, etc.)

# PRIVATE SECTOR “SCALE OF IMPACT”

*While all support is valued, we see increasing impact as private sector gets more deeply engaged leveraging multiple parts of their business, and collaborating with other businesses and actors*

I

**“Chequebook Philanthropy”:** Raising philanthropic funds from PS

II

**Employee Volunteering:** Tapping into global rotational volunteering schemes

III

**Local & Core Company Engagement:** Tapping into local market employees & core capabilities

IV

**Local Market Access:** Tapping into company networks & relationships to access local market capabilities & services

V

**Multi-Company Engagement:** Bringing multiple PS core capabilities together to solve different issues across the supply chain

VI

**Cross-Sector Engagement:** Bringing PS companies plus academia and implementers together to create holistic solutions

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**Where to from here? ARC continued Thought Leadership on PSE, innovation, new business models, etc.**

Increasing Impact



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# MAJOR FOCUS AREAS & INVESTMENTS

*From our engagement with private sector, donors and public sector, there are a number of major focus areas and large scale investments in which are opportune for cross-sector collaboration*

**System Design & SC Processes**

**Leadership,  
Organization & Talent  
Development**

**Last Mile Distribution  
& Delivery**

**Warehousing &  
Inventory Management**

**Contract & Outsource  
Management**

**Visibility & Analytics**  
*(people & process/ method)*

..among many other areas;

# WHAT'S IN IT FOR PRIVATE SECTOR

*There are a wide range of potential benefits for private sector companies partnering with ARC*

- **Visibility & Recognition:** High level engagement with key national and international stakeholders (governments, civil society, NGOs, donor organizations, leaders of industry )
- **Network & Platform Effect:** Fully leverage company investments by connecting to global donors and unlocking the right “fit” on issues, thereby increasing both impact and breadth of interventions.
- **Leadership & Talent Development:** New opportunities for growth and experience
- **Employee Engagement:** Offer opportunities to employees which can increase satisfaction, retention, and engagement.
- **Market Insights:** Opportunity to gain deeper understanding of African markets and dynamics
- **Global Brand & CSR Exposure:** Opportunity to demonstrate commitment alongside ARC’s global donors such as Gates Foundation & Global Fund
- **Government Relations:** Build important awareness of the company and its commitment with African governments

# PRIVATE SECTOR ENGAGEMENT CHALLENGES & ASKS

*Through our experience this year, we have identified a number of challenges that are helping us to understand how best to approach PSE*

Challenge	Ask
Flexibility/ agility with technical assistance support	Agree internally what is viable, beyond traditional employee programmes
Legal/ compliance agreements across Company & MOH to avoid conflicts of interest	Facilitate legal/ compliance review from earliest point; agree in advance with legal what is doable
Articulation of offering & way of engaging	Clarify what the company is offering and how it would like to engage with ARC
Clear demonstration/ statement of commitment and level of ambition from senior leadership	Articulate from a senior leadership position what the ambition of the partnership with ARC is and some metrics/ timeframe over next 1-2 years
Having a single point of contact to outline the collaboration, negotiate and manage risk/ challenges	Assign a single point person to act as focal person for ARC to engage across the company as a formal role
Identifying the right individual within the organization	Work with ARC to agree characteristics and background as much as skills and experience
Duration of support	Initial learnings suggest that a period of 6 months or more is what is needed to make a real impact