

KENYA



AFRICA'S PUBLIC  
HEALTH SUPPLY CHAIN  
INSTITUTION



# Country Report Annual 2025

February 2026





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## ACRONYMS

N°	TERM	DEFINITION
1	ARC	Africa Resource Centre
2	BETA	Bottom-up Economic Transformation Agenda
3	CoE	Centre of Excellence
4	CPM	Community Pharmacy Model
5	DHPT	Directorate of Health Products of Technology
6	DSD	Differentiated Service Delivery
7	ECCIF	Emergency, Chronic and Critical Illness Fund
8	EMMS	Essential Medicines and Medical Supplies
9	EPBP	Essential Pharmaceutical Benefit Package
10	FP	Family planning
11	HPTU	Health Products and Technologies Unit
12	HQ	Headquarter
13	IP	Implementation Partner
14	IPTp	Intermittent Preventive Treatment for pregnant women
15	IT	Information Technology
16	JSI	John Snow Incorporated
17	KEML	Kenya Essential Medicines List
18	KEMR	Kenya Electronic Medical Records
19	KEMSA	Kenya Medical Supplies Authority
20	KNPP	Kenya National Pharmaceutical Policy
21	KPI	Key Performance Indicator
22	MEDS	Mission for Essential Drugs Supply
23	MoH	Ministry of Health
24	MoU	Memorandum of Understanding
25	NASCOP	National AIDS and STDS Control Program
26	NEPHAK	National Empowerment Network of People Living with HIV/AIDS in Kenya
27	NHIF	National Hospital Insurance Fund
28	PHC	Primary Health Care
29	PHF	Primary Healthcare Fund
30	PHSC	Public Health Supply Chain
31	PLHIV	People Living with HIV
32	PPB	Pharmacy and Poisons Board
33	RH	Reproductive Health
34	RMNCH	Reproductive, Maternal, Newborn and Child Health
35	ROC	Recipient of Care
36	SC	Supply Chain
37	SCM	Supply Chain Management
38	SCSM	Supply Chain Sustainability Model
39	SHIA	Social Health Insurance Act
40	SHIF	Social Health Insurance Fund
41	SOP	Standard Operating Procedure
42	ToR	Terms of Reference
43	UHC	Universal Health Coverage
44	USAID	United States Agency for International Development
45	WHO	World Health Organization



## COUNTRY CONTEXT AND STRATEGIC FOUNDATION

### Country Context

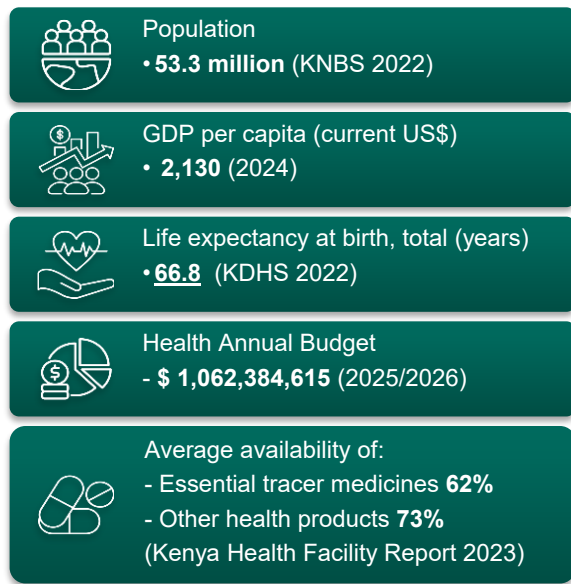


Figure 1 Kenya Map & Geographical Position

Figure 2 Key Indicators<sup>1</sup>

In Kenya, healthcare delivery is devolved with counties in charge of level 1 (community) to level 5 health facilities (County referral hospitals) and national level in-charge of level 6 hospitals (national referral hospitals), provision of policy direction and technical support to the counties. Key supply chain challenges that ARC and other stakeholders have been addressing include inadequate funding for health products and technologies (HPT) procurement and supply chain management gaps, demand forecasting often not linked to budgeting, planning and resource allocations, lack of an end-to-end data visibility, inadequate availability, affordability and access to HPT and limited evidence to inform policy/legislation frameworks on key areas of supply chain at national and county level – Governance, Financing, Human Resource among others.

Under the Bottom-Up Transformation Agenda (BETA), USD 1.062 billion (Ksh 138.1 billion) was allocated to health for the 2025/26 fiscal year, a significant increase from the previous year aimed at strengthening universal health coverage (UHC) through the newly established Social Health Authority (SHA)<sup>2</sup>. Allocation of funding for procurement of HPT and supply chain management remain sub-optimal as evidenced in four counties jointly supported by Gates Foundation supported grantees where counties allocated approximately 10% of their health budget to medicines and medical supplies<sup>3</sup>. The extent to which the allocated budget met the demand

<sup>1</sup> Indicator | GDP per capita (current US\$) | World Bank Data<sup>360</sup>

<sup>2</sup> Parliament Service Commission. 2025/26 Budget explainer

<sup>3</sup> Musuva, Anne, Yasmin Chandani, Esther Njenga, Samuel Nyingi, Boniface Mbuthia, Felix Murira, Danielson Kennedy, Jane Mwangi, Bismarck Wasta, Moses Marangu, Ileana Vilcu, and Matt Boxshall. 2024. Examining How Counties Finance, Procure, and Manage Essential Medicines and Supplies: A case study of four counties in Kenya. Kenya Report 2. Nairobi: ThinkWell, InSupply Health, and the Chartered Institute of Procurement and Supplies



forecast ranged between 21% and 71%, which presented limited fiscal space at the county level. Figure 2 provides the key statistics for Kenya.

### Strategic Areas of Focus and 2021-2025 Evolution

Over the last five years, main areas that ARC has supported include enhancing governance structures, processes, coordination and directing; and strategies and policy framework towards a resilient supply chain that ensure availability of health products and technologies for universal health coverage.

To promote medicines and other health products availability, affordability and access, ARC shaped and enhanced forward-thinking supply chain policies and strategies through partnering with governments and other relevant stakeholders towards achievement of universal health coverage. In line with our mission, ARC has provided the following support to Kenya Ministry of Health, key government departments and authorities.

#### 2021: Foundation Building

- First national quantification for health products and technologies completed
- Differentiated Service Delivery landscape assessment conducted
- Private Sector Engagement Framework developed
- Kenya National Blood Transfusion Service supply chain re-engineering initiated
- Supply Chain Leadership Development program launched with Strathmore Business School

1

#### 2022: Systems Strengthening

- MoH 647 reporting tool for tracer health products developed
- Zoom platform provided for continuous technical support to counties
- Medical countermeasures list and quantification tools developed for emergency response
- KEMSA transformation journey support initiated

2

#### 2023: Strategic Advancement

- Kenya National Pharmaceutical Policy end-term evaluation completed
- Supply chain strategic plan progress review conducted after 3.5 years
- County Health Products and Technologies Units scorecard development initiated
- Local manufacturing capacity assessment for medicines completed
- Afya KE digital system supply chain component developed

3

#### 2024: Innovation and Scale

- County HPTU scorecard finalized after pilot in eight counties
- Partner mapping at county and national level completed
- Essential Pharmaceutical Benefit Package design initiated
- MoH 647 reporting tool updated
- Integrated Distribution Planning project launched with KEMSA
- Policy review submissions collected from stakeholders

4

#### 2025: Consolidation and Impact

- Baseline assessment conducted across 46 counties using HPTU scorecard
- Policy briefs developed for medicines, medical supplies, diagnostics and medical devices
- Local manufacturing strategy developed and validated
- Community Pharmacy Model scaled to 4 counties with 700+ recipients of care
- Strategic Network Optimization project for KEMSA completed
- Business Requirements Document for National Logistics Management Information System developed

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## STRATEGIC ENGAGEMENTS AND PARTNERSHIPS

### Government Engagement

In Kenya, ARC is positioned in three critical institutions within the Ministry of Health:

- At the Directorate of Health Products and Technologies, we provide policy and strategic solutions to existing gaps in the supply chain towards ensuring access to affordable and quality health products; development/review of policies and strategies that optimize supply chain functioning; shaping implementation of the supply chain strategy through alignment of a wide range of investments for improvement of supply chain sustainability; enhance end-to-end visibility of health products data covering health facilities and central medical store for evidence-based decision making by national and subnational (county) level; support drafting/review of relevant regulations and standards for implementation of Kenya Acts of parliament and supply chain policies; identification and leveraging of resources to address capacity constraints within governments; linkage to private sector best practices and technologies; and analyzing and advocating for appropriate investments in supply chain infrastructure.
- At Kenya Medical Supplies Authority (KEMSA), we are positioned at the relevant directors' office to support optimization of systems e.g. integration of distribution, strategic network optimization, advisory on improving efficiencies for operations geared towards reducing operation costs and increasing efficiencies.
- At the National AIDS/STI Control Program (NASCOP), a division within the preventive and promotive directorate of MoH, we are positioned at program managers level (supply chain and care and treatment) to support proof of concept on differentiated service delivery that bring medicines closer to recipients of care and thus improving their conveniences on time and cost as well as decongest health facilities and thus service delivery
- ARC is a member of the Kenya Health Federation that coordinate private sector actors in health.

### Partners Engagement

On a quarterly basis, ARC was holding quarterly meetings with CIPS-HPA, inSupply and ThinkWell to discuss support to the national level by ARC and county level by the three partners as well as exchange learning and areas of further collaborations. In August 2025, the four partners jointly held a learning exchange themed 'A Shift Towards Self-Reliance and Sustainability for Health Products and Technologies Supply Chain in Response to the Evolving Funding Environment'. The key purpose of the learning exchange was to provide a platform to the national and subnational levels to showcase success of support provided, allow learning exchange and gather preparedness of government on sustainability considering the declining donor support.

### Private Sector Engagement

ARC working with MoH engaged the local manufacturers of medicine in Kenya to shape data collection tool and process as well as strategies and solutions required to spur local manufacturing.



ARC also advanced the differentiated service delivery models for convenient ARVs pick-up points – the community pharmacies and thus engaging owners and their professional bodies.

### Academia Engagement

In 2021, in collaboration with HELP Logistics, Strathmore Business School was engaged to deliver a 6-weeks Supply Chain Leadership Development accredited course to transform health supply chains into innovative, people and context-centric systems. Ten county pharmacists trained with nine completing a project that was addressing a supply chain related issue specific to their county.

## KEY RESULTS AND ACHIEVEMENTS

### Country Maturity using ARC Supply Chain Sustainability Model

In supporting the health ministry for capable and sustainable supply chains, ARC’s point of view is that a high degree of maturity is required across the six key elements of its Supply Chain Sustainability Model (SCSM). The six elements are inter-related and have dependencies with strategies used to implement policies while good governance is required for coordination. With implementation of strategies, clear solution proposals are key supported by improvement roadmaps. Budgets are critical to running a supply chain and achieving intended results. Across the six elements, improvements were observed between baseline in 2020 and current 2025 with maturity from level 1 to 3 on strategy, roadmap, policies and solution proposal; and level 1 to 4 on governance and budgets and investments.

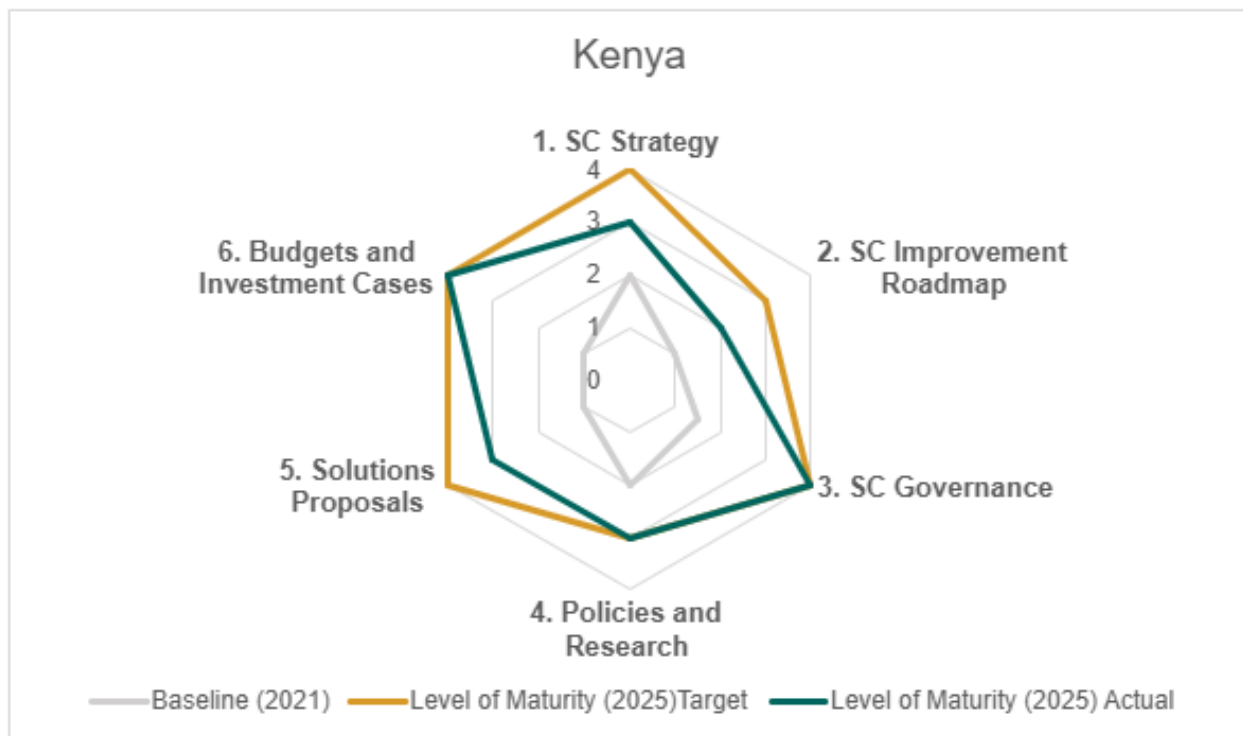


Figure 3 Kenya Supply Chain Sustainability status – 2025



**Supply Chain Strategy and Improvement Roadmap:** The first national supply chain strategic plan for public health in Kenya was launched in 2020, covering a five-year period until June 2025, with financial and technical backing from ARC for its development and implementation roadmap. This strategic plan serves as a guiding framework for donor organizations to align their initiatives with its objectives, particularly in public health supply chain enhancement. An integrated budgeted roadmap outlines significant investments and initiatives to meet national strategic goals, incorporating flagship projects reflective of Kenya Vision 2030.

**Supply Chain Governance:** Governance structures have evolved from a solely pharmacist-focused approach to a multidisciplinary team that incorporates various health professionals. This shift enhances management and coordination within public health supply chains at both national and county levels, promoting inclusiveness in policymaking and strategic decision-making.

**Policies and Research:** Through the end-term evaluation of the KNPP 2012, the need for policy alignment with contemporary issues and the incorporation of devolved governance structures has been identified, prompting the development of policy briefs to guide a new overarching policy for health product teams (HPT). Recommendations for modernizing the supply chain have been proposed, including market-shaping initiatives, pooled procurement, and enhanced emergency preparedness.

**Solutions Proposal:** Additionally, initiatives like improving KEMSA's last-mile delivery through integrated distribution and introducing community pharmacy models for antiretroviral therapy (ART) drug distribution are being designed and implemented.

## SUPPLY CHAIN STRATEGY & IMPROVEMENT ROADMAP

**Strategy Development – Building the Foundation:** In 2020, ARC provided technical and financial support for the development of Kenya's first national supply chain strategic plan, a five-year strategy running through June 2025. This groundbreaking document has become the reference point for donors and partners supporting public health supply chain strengthening across the country.

The strategic plan established a comprehensive framework with clear objectives, targets, and a results framework that partners have aligned their work to. Organizations including CHAI, InSupply, Xetova, VillageReach, Amref, and PATH have used the strategy for resource mobilization and program design at both national and county levels.

In 2023, ARC supported a critical progress review after 3.5 years of implementation. This review identified priority activities for the remaining 18 months and resulted in a focused workplan that guided implementing partners and government agencies. The strategy is currently awaiting resources for its end-term evaluation and development of the next five-year plan.

**Essential Pharmaceutical Benefit Package:** ARC provided technical support for developing the Essential Pharmaceutical Benefit Package (EPBP) for the Social Health Insurance Fund. This groundbreaking initiative unbundles medicines from services to promote access, transparency in pricing, and accountability. The EPBP addresses the previous system where reimbursements were bundled with services regardless of whether prescribed medicines were dispensed, disadvantaging patients and limiting transparency. The new approach improves access, provides



transparent pricing, enhances financial protection, and strengthens accountability in pharmaceutical spending.

ARC's technical support included development of quantification tools, support for quantification processes, guidance on price data collection, analytics and determination of reimbursable prices, process documentation, and comprehensive desk review of opportunities and gaps. The EPBP represents a transformative shift in how pharmaceuticals are financed within social health insurance systems, with potential for replication across other African countries.

#### KEY OUTPUTS AND OUTCOMES:

- *Identification of priority activities to shape work planning for the remaining 18 months of the strategic plan and shaping focused support by implementing partners.*
- *Refocusing strategy interventions to align with prevailing needs for improved supply chain system strengthening, while reducing duplication of effort*
- *Unbundling of medicines from service benefit package to ensure availability of an explicit list for reimbursement to health facilities, reinforcing and promoting availability.*



*Picture 1 Small working group validating the essential package quantification and strategizing on price analytic*



## GOVERNANCE: COORDINATION FOR COLLECTIVE ACTION

**Kenya County Health Products and Technologies Units Scorecard:** In collaboration with partners, ARC developed a comprehensive scorecard to track organizational development of County Health Products and Technologies Unit (HPTU) across 31 supply chain functions and six health system pillars.

The 2025 baseline assessment across 46 of the 47 counties revealed significant variation in HPTU maturity. On average, 49% of the counties were in maturity level 3 and 4 (desired) while 51% were in maturity level 1 (least performance) and 2. This data enables targeted technical support to the counties by the Directorate of Health Products and Technologies (DHPT) and implementing partners.

Over the last four years, ARC has facilitated DHPT discussions with the counties on critical issues and provided a Zoom platform for up to 1,000 participants for enhanced and active participation. In 2025, through this support, DHPT was accredited by Pharmacy and Poisons Board as a provider of Continuous Professional Development (CPD).

**Partners' Joint Learning Exchange Forum:** ARC, in collaboration with Chartered Institute for Procurement & Supply-Health Procurement Africa CIPS-HPA, inSupply and ThinkWell Institute, organized a one-day learning exchange focused on enhancing self-reliance and sustainability in health product supply chains amidst changing funding conditions. The event, attended by over 80 participants from eight counties, featured discussions on optimizing domestic financing, enhancing policy stewardship, promoting local manufacturing, leveraging digital innovation, and enhancing healthcare budgets at both national and county levels.

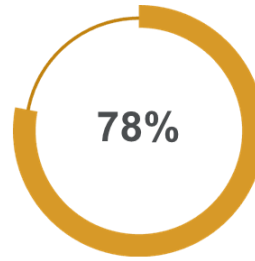
Key calls to action emphasized the importance of public-private partnerships, accountability, and aligning procurement with patient needs. Partners were encouraged to transition from aid to enablement and to align donor investments with partner capacities to maximize impact while minimizing duplication, and to catalyse innovation, facilitate knowledge exchange, and adopt holistic and inclusive approaches that align with national priorities. ARC supported the shaping of the roundtable panel discussion and co-moderated the panel with CIPS-HPA, showcasing its support in improving policy frameworks and supply chain strategies.

## KEY OUTPUTS AND OUTCOMES

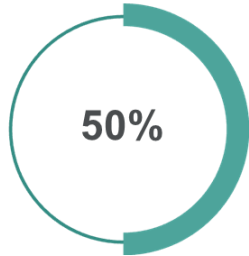
- *Developed County HPT maturity scorecard with 31 supply chain core functions across the six health system pillars*
- *Carried out baseline assessment in 46 out of 47 counties with 49% of the counties in maturity level 3 and 4 (desired)*
- *Contributed to enhancing decision-making at different levels in reducing inefficiencies and duplications of effort.*
- *Targeted technical support to counties by national level and partners*



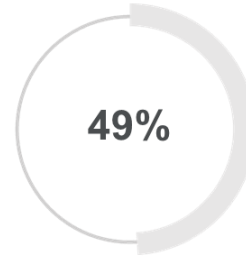
**46 Counties Assessed**  
HPTU baseline assessment completed



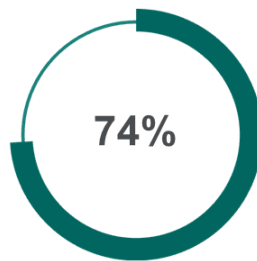
**Budget Absorption**  
Counties absorbing  $\geq 75\%$  of allocated HPT budgets



**Mission Alignment**  
Counties with some alignment; 24% full alignment



**Maturity Level**  
Counties in maturity levels 3 and 4 (desired)



**Best Performing Counties**  
31 key functions at Level 4



Picture 2 Partners' Learning Exchange Forum, 2025



## POLICIES & RESEARCH: EVIDENCE-BASED FRAMEWORKS

**Initial Policy Strengthening Support:** In 2021, ARC received special request from the Kenya National Blood Transfusion Service (KNBTS) to support re-engineering of the supply chain systems for reagents and consumables. Support was provided for development/review of regulations, standards and guidelines for blood products supply chain, optimization of forecasting and distribution system, and capacity building of personnel through mentorship.

In addition, ARC provided support in the review and finalization of the first national quantification for HPT. Using the raw data, several other analyses have been done to support decision in recapitalization of KEMSA by World Bank

**Support to Preparedness and Emergency Response:** In late 2022 and early 2023, the Ministry of Health was directed by the office of the president to coordinate with other state organs for urgent dispatch of medical countermeasures to Somalia and South Sudan who were experiencing terrorist attack and clan clashes, respectively. The role was assigned to the Directorate of Health Products and Technologies (DHPT). At that time however, there was no defined list of medical countermeasures to support the urgent response, the how to quantify for the needs and costing them had also not been established. To respond to the urgent request, ARC, provided technical support to generate a list of medical countermeasures that suited the two events. This entailed customizing the list from WHO emergency medicine kits, quantifying and costing. To ensure quick response to such occurrences (both local and international) in the future, ARC supported the mapping of all public health emergencies that have been experienced in Kenya and added potential ones based on global trends. This led to the generation of two list of medical countermeasures: Basic standardized list of HPT that can be used across majority of the emergency health condition e.g. analgesics, antibiotics, infusion fluids; and medical countermeasures that are condition specific such infectious disease outbreaks (viral and bacterial) and emergencies such as nuclear, chemical and biological attacks. Support was also provided for the development of a quantification tool and comprehensive plan

**Strengthening the Policy Environment:** To promote supply chain policy environment, ARC supported the evaluation of the Kenya National Pharmaceutical Policy (KNPP) Session Paper 4 of 2012 in 2023 and submission of policy issues and action by stakeholders in 2024. The end-term evaluation of KNPP revealed that that implementation was weak, with intervention completion ranging between 13% and 70% across 11 policy pillars. The appraisal of the submission in 2025 revealed that though 58% of the submissions defined and described the prevailing policy issues, only 38% provided supportive evidence; 55% of the issues were already covered in the KNPP; 91% of the policy actions proposed were found not to promote equity and fairness in access to HPT and related services i.e. they were self-preserving; only 6% of the submissions were developed with inputs from relevant groups/communities; 84% of the submissions did not offer new perspectives or solutions to raised challenges/gaps; only 38% of the submissions met expectations i.e. were well documented and provided with credible references.

ARC supported targeted stakeholder consultations with relevant government ministries, departments, and agencies who are lead implementers. Detailed evidence-based policy briefs were developed for medicines, medical supplies, diagnostics, and medical devices. The policy

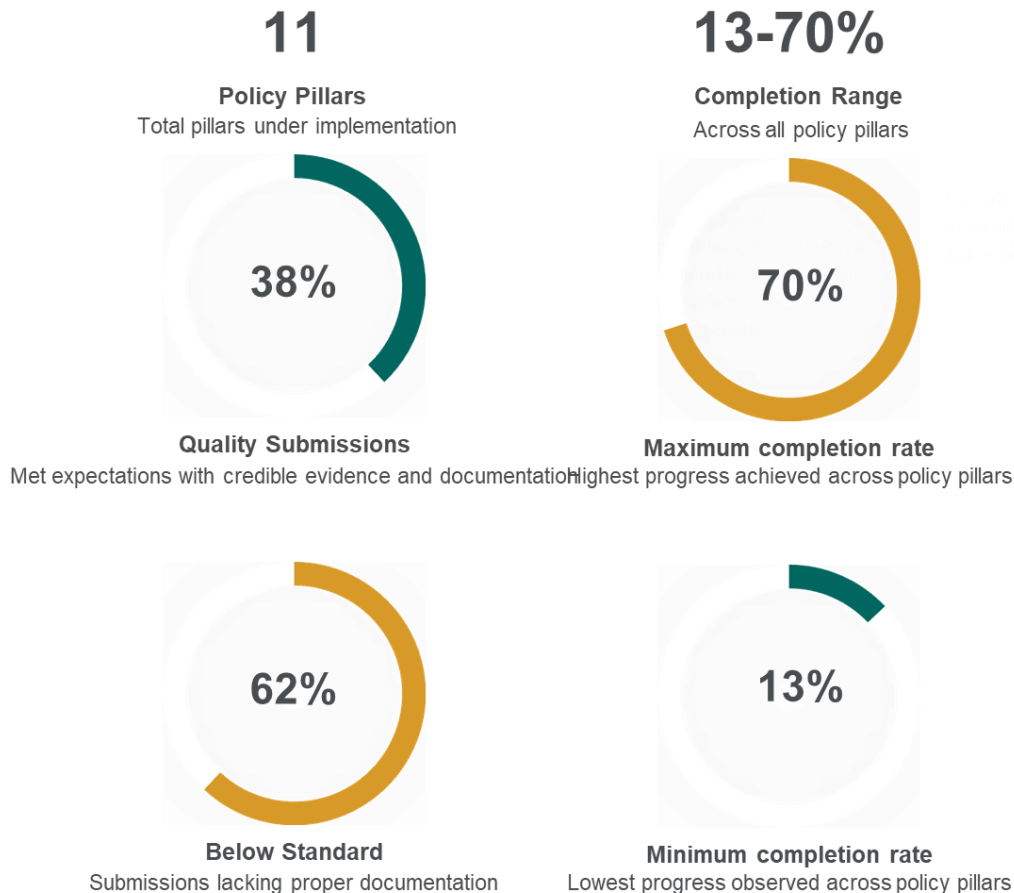


review process has been initiated, with ARC continuing to provide technical support in developing a new comprehensive policy encompassing all health products and technologies.

**KEY OUTPUTS AND OUTCOMES**

- *Policy, Standards and Guidelines required for strengthening blood products supply chain systems and entire ecosystem developed*
- *Developed basic standardized lists of medicines, medical supplies and diagnostics*
- *Created condition-specific HPT lists for infectious diseases*
- *Recommendation for development of a comprehensive policy for all health products and technologies (medicines, medical supplies, medical devices, diagnostics) as the KNPP assumption that principles and norms applicable to the pharmaceutical sector would be equally adaptable to other HPT was found not to be correct.*
- *With majority of stakeholders exhibiting difficulties to articulate and address policy issues effectively, recommendations were provided for capacity building on policy making process especially policy issue identification and proposal of actions.*

**Policy Pillar Implementation Highlights**





## SOLUTIONS PROPOSAL

**Digitalization – Development of Digital Reporting Tools:** In Kenya, the supply chain component of Afya KE system was developed in 2023, revolutionising counties that adopted it by improving accountability and procurement quantity determination. ARC supported refinement of the medicine catalogue that standardises medicine descriptions for ease of reporting and analysis across different health management information systems. This standardisation is critical for data interoperability and accurate supply chain monitoring.

ARC also supported development of MoH 647 reporting tool for tracer health products and technologies in 2022, with updates in 2024 improving data collection and reporting from health facilities. Business Requirements Documents were developed for National Logistics Management Information Systems and track-and-trace systems to address counterfeits, ensuring supply chain data needs are incorporated from design phases.

### **Integrated Distribution Planning:**

ARC supported KEMSA in transforming its distribution system through Integrated Distribution Planning. Parallel distribution systems for different health programmes (HIV, NCDs, Lab, Malaria, FP, Essential Medicines, Nutrition) created inefficiencies, increased costs, and burdened facilities with multiple deliveries. Integration of vertical programme commodity distribution through stakeholder engagement, analysis of distribution frequency, order standardisation, and development of standard operating procedures will result in reduced distribution costs, increased efficiency, improved customer satisfaction, and synchronised quarterly orders.

Key achievements included building value propositions through simulations and modelling demonstrating integration impact, obtaining buy-in from implementing partners, national programmes, and county governments, optimising ARV distribution frequency from monthly to bi-monthly whilst maintaining service levels, and establishing quarterly synchronised ordering cycles for all programmes. The pilot successfully completed in 16 counties projects 15% cost reduction from integration.

**Strategic Network Optimization:** ARC supported KEMSA in conducting comprehensive Strategic Network Optimization to identify optimal depot locations and distribution routes. The project identified viable depots to be converted into Regional Distribution Centres. Upon implementation, this will significantly reduce distribution costs, improve order turn-around times, and enhance customer satisfaction across Kenya's 47 counties.

The Strategic Network Optimization project demonstrates how sophisticated analytical approaches, combining geographic information systems, operational research methodologies, and cost modelling can identify efficiency gains that dramatically improve distribution performance whilst containing costs.



Picture 3 Integrated Distribution Workshop with KEMSA

**Last Mile Distribution – Community Pharmacy Model:** In Kenya, the Community Pharmacy Model revolutionises how people living with HIV access antiretroviral medicines. More than 700 recipients of care were enrolled in the integrated community pharmacy model by November 2025 across 4 counties. The model enables people to pick up ARVs at convenient locations and times, reducing travel costs and time away from work or family.

ARC support included the assessment of the DSD landscape to identify improvement opportunities, design and pilot of this integrated model, and development of a private sector engagement framework for the effective delivery of HIV services.

Improved convenience leads to better adherence, retention in care, and ultimately better health outcomes. The model was designed to integrate other chronic medications including NCDs and family planning commodities. Three comprehensive toolkits were developed: implementation toolkit, NCD-ART integration toolkit, and investment case, providing replicable frameworks for scale-up.



Picture 4 Community Pharmacy Model Training Sessions



**Market Shaping & Local Manufacturing Strategy:** ARC supported the first local manufacturing capacity assessment in 2021 to evaluate readiness during the Covid-19 pandemic. The assessment was done through desk review and primary data collection was done remotely through virtual meetings and self-reporting by manufacturers and other relevant stakeholders. It was observed that only 15% of medicines in the Kenya essential medicine list were locally manufactured and only 61 out of the 132 medicines locally manufactured were in the preferential procurement master roll of 2020.

A comprehensive local manufacturing capacity assessment was carried out in 2023 involving 28 manufacturing sites and relevant stakeholders. The key finding revealed that only 20% of Kenya Essential Medicines List formulations were produced locally. Despite maternal and neonatal conditions contributing to high mortality rates, very few medicines specific to reproductive, maternal, and neonatal conditions were manufactured locally, only Chlorhexidine 7.1% gel, Salbutamol 500mcg injection, and Magnesium sulphate 500mg/mL injection, each by a single manufacturer.

Following the assessment, multiple stakeholder engagement sessions in 2024 brought together government ministries, manufacturers, Kenya Health Federation, and partners to build common understanding of sector issues and potential solutions. In 2025, a comprehensive, costed strategy for enhancing local manufacture of health products and technologies was developed and validated by government technical teams and external stakeholders. This strategy provides a roadmap for systematic capacity building, market development, and regulatory harmonisation to support local manufacturing growth.



Picture 5 Local manufacturing strategy stakeholders' validation meeting



**KEY OUTPUTS AND OUTCOMES**

- *Cost containment through integrated distribution planning and strategic network and route optimization thus promoting affordable delivery of commodities*
- *Increased conveniences among recipients of care for drug pick-up points through community pharmacy models that ‘medicines come near me’ as opposed to ‘me-go-to medicine’ as seen during long distances made to health facilities.*
- *Private sector engagement framework in place and implemented*
- *Integration of ARVs and NCD medicines pick-ups for RoC on chronic treatment with expected increase in essential medicines accessibility, availability and affordability*
- *Expected contribution to building supply chain resilience and self-reliance for effective pharmaceutical sovereignty*
- *Increase in number of locally manufactured product in the Kenya essential list and in the preferential procurement master roll.*



- 74 health facilities 73 pharmacies identified across five counties
- 73 pharmacies mapped
- 70 facilities participating in the pilot across four counties
- 69 pharmacies with signed MoUs with the country management

**Local Manufacturing Growth**

- Essential Medicines**  
From 15% (2021) to 20% (2023)
- Preferential Procurement**  
From 132 products (2022) to 223 products (2024)

Strengthening Kenya's pharmaceutical manufacturing capacity and self-reliance



## CAPACITY BUILDING & KNOWLEDGE SHARING

**Supply Chain Leadership Development:** In collaboration with HELP Logistics and Strathmore Business School, ARC supported a transformative 6-week Supply Chain Leadership Development program in 2021. Ten county pharmacists participated in the program designed to transform health supply chains into innovative, people and context-centric systems

The program included two in-class sessions and one mentorship session where each participant worked on a priority project affecting supply chain in their county. Nine out of ten participants completed the course, working on diverse topics including improving MoH 647 reporting rates, decentralization of NCD drugs, improving commodity accountability, and automated expiry tracking.

**Continuous Professional Development:** Since 2022, ARC has provided a zoom meeting platform to ensure continuous technical support from the Directorate of Health Products and Technologies to counties. In 2025, DHPT was accredited by Pharmacy and Poisons Board as a provider of Continuous Professional Development.

The platform accommodates 1,000 participants and has enhanced meeting attendance and active participation. Several topics of interest have been covered including dissemination of key supply chain updates and discussion of challenges facing counties.

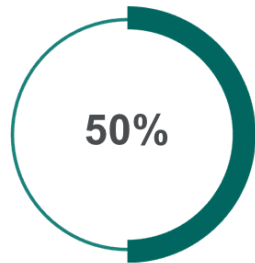
**Collaboration with the University of Nairobi:** ARC has entered into an agreement with the University of Nairobi to give an academia perspective to ARC research and innovation work and to facilitate the conduction of case studies in supply chain financing and health financing. The agreement is expected to strongly support ARC research work in supply chain costing and financing, from a health financing perspective and reveal evidence-based gaps and recommendations to increase supply chain costs and funding visibility and significantly reduce stock-outs and improve medicines affordability.

In 2025, the university has strongly contributed to the development of a research paper on the design of a finance instrument trusted by the private sector for the financing of public health supply chain distribution.



## IMPACT ON STRATEGIC AREAS

### Community Pharmacy Model Impact



**50% Time Saved**

Recipients of care save half their time—from 7 hours to 3.4 hours per year in travel and waiting



**175 Hours Freed**

Per 1,000 recipients annually, enabling resource savings of \$115 for other healthcare programs



**2,000 Additional Visits**

Private pharmacies gain per year, generating \$2,831 in additional annual profits

#### Accessibility

CPM improves antiretroviral access, reducing travel costs and enhancing retention in care

#### Affordability

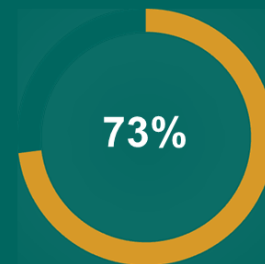
Integrated Distribution Planning contains costs, making commodity delivery more affordable

### Medicine Availability



**Tracer Medicines**

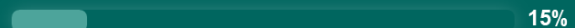
Availability achieved across Kenya



**Health Products**

Other essential health products now available

#### Cost Reduction



#### Distribution Savings

Projected reduction through Strategic Network Optimisation

#### Domestic Financing

Counties allocate ~10% of health budgets to medicines; advocacy mobilises increased investment

#### Transparency

Essential Pharmaceutical Benefit Package promotes transparent pricing and clear reimbursement mechanisms

## UNIVERSAL HEALTH COVERAGE

ARC's comprehensive technical assistance has contributed to measurable improvements in Kenya's journey toward universal health coverage, with specific impacts on accessibility, affordability, and quality of health services.

**Accessibility Improvements:** The Community Pharmacy Model (CPM) has significantly improved access to antiretroviral medicines for people living with HIV. Recipients of care can now



pick up medications at convenient locations and times, reducing travel costs and time away from work or family. This patient-centric approach is designed to improve retention in care and health outcomes. With full-scale-up is expected to provide the following:

- Recipient of care save approximately half of the time -from 7 hours to 3.4 hours per year spent in travel and waiting times during facility visits thus enhancing convenience and adherence to treatment.
- Free up 175 hours per 1,000 ROC per year this resulting in resource savings of \$115 annually that can be reallocated to other healthcare programs.
- Private pharmacies are expected to gain an additional 2,000 ROC visits per year, resulting in \$ 2,831 in additional annual profits

The model's success has demonstrated the viability of differentiated service delivery approaches and is being expanded to include other chronic medications including NCDs and family planning commodities.

**Availability:** Essential medicine availability has improved across all five countries, with Kenya achieving 61% availability of tracer medicines and 73% for other health products.

**Affordability Enhancements:** Through Integrated Distribution Planning and Strategic Network Optimization, ARC has supported KEMSA in containing costs and improving efficiency. These initiatives project a 15% reduction in distribution costs, which translates to more affordable delivery of commodities to health facilities and ultimately to patients.

The development of the Essential Pharmaceutical Benefit Package with transparent reimbursement mechanisms will further enhance affordability by ensuring patients receive prescribed medicines and promoting price transparency across the health system.

## DOMESTIC FINANCING

**Improved Budget Allocations:** Kenya counties allocate approximately 10% of health budgets to medicines with budget-to-demand alignment 21-71%. Advocacy uses evidence to demonstrate gaps and mobilize increased domestic investment.

**Transparent Pricing and Reimbursement:** Kenya's Essential Pharmaceutical Benefit Package development promotes transparent pricing throughout distribution chains and clear reimbursement mechanisms that ensure prescribed medicines are dispensed and paid for appropriately. This transparency enhances financial protection for patients by preventing bundled reimbursements that disadvantaged those needing medications.



## TESTIMONIALS



*"The presence of TA in the Directorate has been invaluable in providing direct support and linkage on many technical issues. The TA has provided expertise in supporting Policy and implementation of the Directorate's Strategic plan"*

— Director-Directorate of Health Products and Technologies, Ministry of Health Kenya



*"We appreciate ARC's long-standing partnership with KEMSA in its transformation journey. ARC has been a go-to partner and has supported many reforms in KEMSA"*

— John Kabuchi, KEMSA



*"Through ARC's support, we managed to start a Community Pharmacy champions team that has now been replicated in other Pilot counties"*

— Caren Kiarie, Kisumu NEPHAK Representative



*"ARC provides technical assistance that is strongly aligned with government priorities and expectations. This commitment is demonstrated through the placement of a dedicated resource within the Directorate of Health Products and Technologies to directly support Ministry of Health initiatives. The technical assistance focuses on strengthening policies, strategies, and guidelines, with a consistent emphasis on meeting patient needs"*

— Esther Njenga, Regional Program Manager EA, CIPS Health Procurement Africa, Kenya



*"ARC has been a great partner as part of the inSupply, Thinkwell, CIPS partnership in Kenya - they show up consistently and add value in all our discussions"*

— Yasmin Chandani, CEO, inSupply Health, Kenya



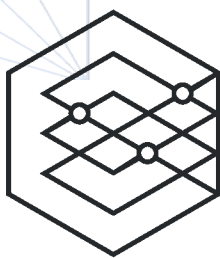
## WHAT NEXT?

Over five years, ARC has supported Kenya in building a more resilient, efficient, and sustainable public health supply chain. From developing the first national supply chain strategy to piloting innovative solutions like the Community Pharmacy Model, ARC's technical assistance has contributed to measurable improvements across all six elements of the Supply Chain Sustainability Model.

However, challenges remain. Inadequate allocation of funding by national government for supply chain activities continues to delay implementation of key strategic initiatives. Competing priorities for national teams and misalignment between partner missions and government priorities require ongoing attention and coordination.

 <p><b>Paradigm Shift Required</b></p> <p>There is need for a paradigm shift toward strategies that build long-term capacity, sustainability, and local ownership rather than short-term project-based interventions</p>	 <p><b>Empower Healthcare Workers</b></p> <p>Empowering healthcare workers with the tools, infrastructure, and policy environments is key to sustainability and must be prioritized in future interventions</p>
 <p><b>Scale Proven Solutions</b></p> <p>Enhanced support for pilots and scalable solutions in financing, demand and supply planning, procurement, and logistics that can be adopted nationally</p>	 <p><b>Strengthen Partnerships</b></p> <p>Continued collaboration among government, partners, private sector, and academia to align investments, reduce duplication, and maximize impact on health outcomes</p>

As Kenya continues its journey toward universal health coverage, the foundation built through ARC's technical assistance provides a strong platform for future growth. The systems, tools, strategies, and capacity developed over the past five years position Kenya to achieve its vision of a resilient supply chain that ensures availability of health products and technologies for all Kenyans.



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