



STRENGTHENING THE PHARMACEUTICAL SECTOR IN AFGHANISTAN: A STUDY TOUR OF THE AFGHAN NATIONAL MEDICINES SERVICES ORGANIZATION TO TURKEY

Brief

Joseph Ichter and Dara Carr

Health Policy Project, Futures Group

With US\$1.5 billion in annual expenditures, the Afghan health sector is a critical building block for the country's recovery and development. Despite its importance, the sector is constrained by weak laws, policies, and other factors limiting its growth and hindering the quality of medicines and supplies. A potential engine for change is the Afghan National Medicines Services Organization (ANMSO), created in 2012 with funding and technical support from the USAID-funded COMPRI-A Project (Communications for Behavior Change: Expanding Access to Private Sector Health Products and Services in Afghanistan). Headquartered in Kabul, ANMSO is an umbrella organization representing Afghanistan's importers and manufacturers of pharmaceuticals and

medical supplies and equipment. By strengthening the capacity of its members, ANMSO aims to help drive greater access to high-quality medicines and medical supplies for Afghanistan's citizens.

The USAID-funded Health Policy Project (HPP) is providing ANMSO technical assistance to strengthen its systems and become more financially self-sustainable. As part of this effort, HPP organized a five-day study tour to Turkey for seven ANMSO representatives and the Afghan government's General Director of Pharmaceutical Affairs. Since Afghanistan and Turkey have enjoyed positive relations dating back centuries, the study tour built on a strong foundation of goodwill and mutual respect. The tour also came at a particularly important juncture for ANMSO. As a relatively new organization, ANMSO is actively building its strategies, services, and partnerships. As such, it was eager to look to Turkey to better understand how partnerships and laws can facilitate sector growth and the production of high-quality medicines and supplies.

"This was not just a tour but a transfer of experiences...for two countries."

—Study tour delegate from Afghanistan

Planning the Study Tour

HPP worked closely with ANMSO to organize the tour starting approximately six months prior to the planned tour date. ANMSO and HPP settled on Turkey as the destination early on because it is a strong political and development partner of Afghanistan. Due to ANMSO’s interest in financial sustainability and regulatory matters, HPP ensured the delegation met with the Turkish Pharmaceutical Manufacturing Association (IEIS)—a strong association with a mission similar to ANMSO—as well as the Turkish Ministry of Health, Medicines and Medical Devices Agency. The tour also included visits to manufacturing companies suggested by IEIS.

An early challenge was selecting the participants. ANMSO requested the participation of its entire 14-member Board in the tour. That number of participants, however, would have been unwieldy and financially infeasible. Thus, HPP worked with ANMSO to narrow its delegates down to a total of seven representatives from different regions of the country. The tour also included a delegate from the Afghan government’s General Director of Pharmaceutical Affairs, a senior official who would benefit from the tour and be in a position to take any policy lessons forward afterward.

To address in-country challenges and alleviate some of the pressures on the IEIS and HPP in planning, a Turkish logistics firm was retained to arrange travel, accommodation, meetings, and virtually all activities. Close coordination with the firm and HPP led to a seamless study tour, allowing the delegates to concentrate on learning rather than the daily logistics.

Learning Objectives and Schedule

The tour featured meetings with the IEIS, the Turkish Ministry of Health, Medicines and Medical Devices Agency, and Turkish manufacturers who are members of IEIS. Specific learning objectives were created and tailored to the needs and interests of ANMSO and the Afghan government’s General Director of Pharmaceutical Affairs (see Table 1). HPP worked closely with ANMSO and others to define these objectives and communicate them to the IEIS as the primary in-country host.

The tour included three days of meetings as well as arrival and departure days with formal sessions. On the day of arrival, participants met for a preparatory orientation session and agenda review. Since participants sought to gain in-depth information from each organization, no day included more than two major meetings. The meeting with IEIS, a key organization for participants, involved a full day of presentations and discussion. The final (fifth) day of the tour included a morning meeting for reflection and substantive discussion, followed by an afternoon departure back to Afghanistan.

Table 1. Learning Objectives for Study Delegation

Organization	Participants to gain better understanding of how:
Turkish Pharmaceutical Manufacturing Association (IEIS)	<ul style="list-style-type: none"> IEIS operates, including roles, responsibilities, and internal processes and structures IEIS relates to and partners with government IEIS optimizes value for members and works effectively with government
Turkish Ministry of Health, Medicines and Medical Devices Agency	<ul style="list-style-type: none"> Pharmaceutical products are licensed and certified in Turkey Turkey controls and regulates imports and exports Human medicinal products are evaluated, assessed, and ratified Pharmaco-vigilance of medicinal products is conducted Market surveillance of medical devices is conducted
Turkish Manufacturers and IEIS Members	<ul style="list-style-type: none"> Turkey implements quality improvement practices Pharmaceutical associations contribute to quality improvement processes

Key Lessons from Meetings

During the study tour, participants learned about IEIS’s strategies for financial sustainability and for creating “value” in membership. As one participant noted, “The IEIS has shown us a tremendous sustainability of income and confidence of its members to help us work the same.” For example, IEIS members pay tiered but generally higher fees than ANMSO members. In exchange, IEIS offers value for its members through

high-return advocacy for the pharmaceutical sector, both within Turkey and globally, and by compiling and publishing industrial data and health statistics. Other meetings in Turkey also affirmed for ANMSO the potential value in serving as a data repository and authority for its 500 or so members.

Meetings with the Turkish Ministry of Health and with manufacturers provided insights into how policy reforms could strengthen Afghanistan's pharmaceutical sector. For example, participants learned how altering tax structures could increase local production of medicines and supplies. In Afghanistan, finished products are subject to 2.5 to 5 percent import taxes while raw materials are subject to 5 to 17 percent taxation. Little raw material for medicines and supplies is available within the country. Thus, the tax structure favors importation rather than national production, a situation similar to Turkey's several decades earlier. As one participant observed, "Now we produce 5 percent of Afghanistan's medicines and device needs. We have to improve like Turkey..."

The participants also learned how Turkish pharmaceutical manufacturers have expanded their markets. Delegates saw that contract manufacturing could be an important avenue for growth. This involves manufacturing products domestically for multinational drug companies, which reduces import taxes and thus makes products more competitive in the local market. One Turkish pharmaceutical manufacturer demonstrated another growth strategy involving adherence to new international accreditation and certification standards to expand their market beyond the European Union to countries such as South Africa.

Post-Tour Activity

The full effects of the tour may take years to unfold but the seeds for change have been planted. Early results involve participants disseminating information gained during the tour and engaging in advocacy for tax reform. ANMSO has issued a membership newsletter on the tour and shared material with partners such as the Afghanistan Chamber of Commerce. It is planning a Board of Directors meeting to discuss the study tour lessons learned and their applicability. ANMSO is in the process of re-assessing its governance and membership dues structure based on IEIS's successes. To deepen its understanding of data collection and dissemination

strategies, ANMSO remains in contact with IEIS. It also plans to use the IEIS membership survey as a template for its future member surveys.

"I will personally incorporate the positive aspects of this experience to the broader GDPA (General Directorate of Pharmaceutical Affairs) and MoPH (Ministry of Public Health) policy."

—General Director, MoPH GDPA of Afghanistan

Building on knowledge gleaned during the tour, ANMSO is sharing information about market expansion strategies with its members. It is also investigating platforms for increasing exports and disseminating information to members about quality standards for export products to the European Union and South Africa. Contract manufacturing remains an interest, and ANMSO is gathering more information about acquiring licensure to produce name-brand products domestically for multinational companies. The tour also helped inspire ANMSO and GDPA to continue their education by participating in a Good Manufacturing Practices seminar held by another nongovernmental organization in September 2013.

Based on lessons from Turkey, the GDPA is mobilizing support for new tax policies that would lower import taxes on raw materials to encourage local production. The GDPA and ANMSO have provided information about pricing and taxation issues to different commissions within the Afghan government as well as to the Minister of Health and other senior officials through quarterly Public-Private Dialogue Forum meetings. While it may take a year or more for the outcomes of these efforts to unfold, an important advocacy process has begun.

The advocacy efforts surrounding tax policy represent a real change in ANMSO's relationship with government stakeholders. Notably, prior to the study tour, ANMSO did not have regular contact with GDPA. The inclusion of the GDPA official in the study tour seems to have strengthened the ties between ANMSO and government. As one participant noted, "special thanks to GDPA allowing us to have public and private representation

for the learning experience and exchange as this kind of experience is very useful for joint public/private exposure.”

Assessing Progress

Since the tour, participants have taken multiple actions to disseminate and apply lessons they learned in Turkey. The tour organizers believe that a strong, private sector motive to succeed has helped drive participants. ANMSO’s long-term viability hinges upon its effectiveness in supporting members and helping to improve and grow the pharmaceutical sector. The participants all have a stake in expanding Afghanistan’s business in medicine and medical supplies, especially its national manufacturing activity.

In Afghanistan, HPP continues to work with ANMSO to support its operational, administrative and human resources systems and to achieve financial sustainability. HPP has also assisted the ANMSO in conducting member in-service training on good stock management practices. As such, the study tour is part of a broader program to strengthen ANMSO capacity. HPP will collaborate with ANMSO in tracking progress related to the lessons from the study tour and toward the organization’s overall objectives.

For More Information

This brief is based on a longer publication, *The Afghan National Medicines Services Organization (ANMSO)—Technical Study Experience*, by Dr. Joseph Ichter and Dr. Enayatullah Modasser of the Health Policy Project. More information on HPP’s work in Afghanistan is available at www.healthpolicyproject.com/index.cfm?id=country-Afghanistan.

Contact Us

Health Policy Project
One Thomas Circle NW, Suite 200
Washington, DC 20005

www.healthpolicyproject.com
policyinfo@futuresgroup.com

The Health Policy Project is a five-year cooperative agreement funded by the U.S. Agency for International Development under Agreement No. AID-OAA-A-10-00067, beginning September 30, 2010. It is implemented by Futures Group, in collaboration with Plan International USA, Futures Institute, Partners in Population and Development, Africa Regional Office (PPD ARO), Population Reference Bureau (PRB), RTI International, and the White Ribbon Alliance for Safe Motherhood (WRA).

The information provided in this document is not official U.S. Government information and does not necessarily represent the views or positions of the U.S. Agency for International Development.