



Health Logistics Quarterly

A QUARTERLY NEWSLETTER

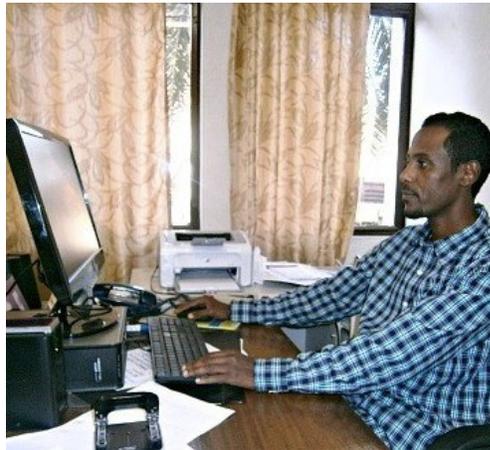
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Automation for Better Warehouse Management in Pharmaceutical Fund and Supplies Agency

Since it was established in 2007 as the main agency for procuring and distributing pharmaceuticals, the Pharmaceutical Fund and Supply Agency (PFSA) has implemented new technology and innovative supply chain practices to improve the country's supply chain system. As part of this effort, the Federal Ministry of Health and PFSA developed the Integrated Pharmaceutical Logistics System.



The HCMIS tracks and provides up-to-date information, ensuring the right decisions and facilitating the procurement and distribution of products (shown is Tefaye Abreah, Storage and Distribution Officer, at the PFSA Hawassa hub).

This new integrated system captures and disseminates data and ensures an uninterrupted information flow between various levels. To accomplish this, PFSA, with the USAID | DELIVER PROJECT, the Supply Chain Management System project,

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Pre-service Training on Integrated Pharmaceutical Logistic System Conducted in Bahir Dar, Jijiga, and Harari

Pre-service training helps build capacity: from the day new pharmacy staff arrive at their posts, it can ensure that they have the skills they need in supply chain management; it also can reduce the amount of time staff spend away from their posts being trained. To support this effort, the project worked with regional health bureaus (RHBS) and the Pharmaceutical Fund and Supply Agency (PFSA) to

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Ethiopia to Hold National Family Planning Symposium after the International Summit in London

In July 2012, in London, a summit was held just before the Olympics. It mobilized global policy, financing, commodity, and service delivery commitments to support the right of women and girls to access contraceptive services and supplies, without discrimination. Ethiopia, one of the champions selected, shared its results, lessons learned, and national commitment to improve access and distribution of contraceptive supplies.

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The Six Rights of Logistics

The **RIGHT** goods in the **RIGHT** quantities in the **RIGHT** condition delivered... to the **RIGHT** place at the **RIGHT** time for the **RIGHT** cost.

No Product, No Program!

Logistics for Health

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Highlights of Supply Chain Accomplishments in the Third Quarter

Small Pharmacy Stores Are a Challenge When Implementing an Integrated Pharmaceutical Logistics System

Suitable storage conditions are essential when implementing a successful Integrated Pharmaceutical Logistics System. Facilities that lack adequate space or proper shelving cannot organize their pharmaceuticals and medical supplies, or store them correctly.

The project, with the Federal Ministry of Health, regional health bureaus, city health bureaus, Pharmaceutical Fund and Supply Agency (PFSA), and other partners have installed standard shelves and other essential warehouse equipment—pallets, ladders, and trolleys—to improve the storage condition of health facilities. During this fiscal year, the USAID | DELIVER PROJECT upgraded 99 health facilities stores with proper shelving and other warehouse equipment. The FMOH and PFSA are providing similar support.



A storeroom at the Bale Zonal Referral Hospital before the project helped them reorganize.

All concerned partners need to work together and advocate for standardized and adequate storage room for pharmaceuticals and medical supplies. The FMOH also needs to pay attention to the design and size of the storeroom at the facilities level.

Although these efforts have improved the conditions, the size of the storerooms is a major challenge. In most public health facilities, the storerooms are too small to hold all the medicines and medical supplies they need. In addition, many health facilities lack storage space for other equipment, which means these are often stored in the space dedicated for medicines.

To alleviate the tight storage in already constructed facilities, the project, other partners, and facility management and woreda officials, working together, reallocated space in a number of facilities to improve and enlarge the storage rooms. Some facility heads even gave up their offices for storage space. Others, to make room for their medicines, used their internal funds to merge two or more rooms.



The same storeroom, after new shelves and warehouse equipment were installed and the room reorganized.

However, a more sustainable solution is to plan adequate storage space before facilities are built. All concerned partners need to work together and advocate for large enough, standard storage rooms for pharmaceuticals and medical supplies. The FMOH needs to pay due attention to the design and size of the storeroom at the facility level.

Automation for Better Warehouse Management ...from page 1

and other partners developed both a paper-based and an automated logistic management information system. Training for and implementation of these systems is being done in phases. More than 1,200 health facilities around the country are implementing the system; of which, approximately 300 hospitals and larger health centers are also using the automated system.

As part of this effort, the PFSA is fully automating its central and hub warehouse management systems. Ten of the 11 hubs in the country now use the health commodity management information systems (HCMIS) software to manage their warehouse activities; the system is being scaled up to PFSA central warehouses and the Gullele hub.

The HCMIS warehouse, an innovative warehouse management software, enables the PFSA to manage their pharmaceuticals better by tracking the movement and storage of materials within a warehouse and by processing the associated transactions—receiving, put-away, and picking. Staff can also use the software to generate reports and requests. The system enables the staff to know immediately what they have, where it is located, and how much space they have; they can also use the batch number and expiry date to track all stock. By issuing products by expiry date, HCMIS staff can ensure that the stock is rotated correctly, thus reducing the chances of expiries and waste. It also allows the location of batches to be easily tracked, which is essential in the event of a product recall.

Although a significant amount of work is still needed to reach the goal of an integrated supply chain, including end-to-end data visibility for all levels, that goal is in sight. The project is excited to be part of this important modernization process, with automation as a key priority in PFSA's effort to transform the Ethiopian public sector health care supply chain.

Facility Focus: Boru Meda Hospital, Amhara

On most days at the Boru Meda Hospital, Sisay Tebeje, the store manager, can be found resupplying medicines to the different dispensing units and updating the transactions in the Health Commodity Management Information System-Facility Edition (HCMIS-FE) software.

The store manager has been the driving force behind the move to improve the overall storage condition and pharmacy services at the hospital. In the past, more than 50 percent of the pharmaceuticals and medical supplies procured using the hospital's limited budget were not properly stored. It has been difficult for the pharmacy staff to locate the correct products for their patients. Some products expired because they were not properly tracked and entered in an inventory system.



Sisay Tebeje, updates bin cards in the hospital's main store.

Sisay, on his own and with the support of management, began reorganizing the store. He understands the importance of implementing proper store management to alleviate storage problems.

The USAID | DELIVER PROJECT, with the Pharmaceutical Fund and Supply Agency, and the regional health bureau trained Sisay and other pharmacy staff. To physically upgrade the store, the project also provided shelving, pallets, and ladders. To manage supplies, an automated inventory management system, HCMIS-FE, was installed in the facility store.

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Pre-service Training ...from page 1

incorporate supply chain management (SCM) and logistics into the curricula of health science colleges (HSCs) and universities. The program integrates SCM into the existing curricula and enhances the lecturers' ability to offer the course to their students. In 2009, to initiate the program, the project supported four health science colleges (Hossena, Aman, Hawassa, and Arbaminch) in the Southern Nations, Nationalities, and Peoples.



PFSA Hub Manager, Bekele Ashagre, presents certificates to participants.



Participants in pre-service training gather outside Jijiga Health Science College for a group photo.

This year, the project is scaling up the initiative to other colleges. As part of this effort, the project collaborated with Amhara, Dire Dawa, and Somali RHB and PFSA to organize three days of pre-service Integrated Pharmaceutical Logistics System training for the graduating classes at Bahir Dar, Jijiga, and Harari HSCs in June/July 2012. A total of 147 pharmacy students and instructors took part in the training.

Ethiopia to Hold National Family Planning Symposium ...from page 1

After this meeting, using the lessons learned from London, Ethiopia plans to organize a National Family Planning Symposium during the last week of November 2012, in Bahir Dar.

With falling birth and death rates, Ethiopia is going through a demographic transition. In approximately 2030, more people are expected to be in an economic productive age group than are in the group of dependents. This is a unique window for Ethiopia to achieve economic growth, prosperity, and security as a middle-income country. However, to achieve this, the country must bring its fertility rates down to 2.3 and address the high level of maternal and child mortality. It must also continue the economic growth needed to create jobs for future workers.

The country must narrow the funding gap, remove educational and cultural barriers, and enhance

commodity security and supply chain management. To achieve this goal, we must intensify action and develop a strategic partnership with all stakeholders. Therefore, the Federal Ministry of Health (FMOH), with partners, has planned the national symposium on family planning to secure a commitment on family planning across sectors, regions, and parliament.

The symposium will bring together the public sector, development partners, civil society organizations, higher learning and research institutions, and the private sector.

Highlights of Family Planning Indicators from 2011 Ethiopia Demographic and Health Survey

The third-round of the *Ethiopia Demographic and Health Survey (EDHS)* was conducted in Ethiopia in 2011. The EDHS 2011 shows significant improvements in the health condition of the Ethiopia population. One of the areas with notable improvements was family planning. Following are some of the major findings of the EDHS related to fertility and family planning:

- The data showed that the use of modern contraceptive methods in Ethiopia had increased to 27 percent (up from 14 percent in 2005). Injectables (21 percent), followed by implants (3 percent) are the most commonly used methods. Total fertility also modestly declined to 4.8, down from 5.5 in 2000.
- Knowledge of family planning methods in Ethiopia is almost universal; 97 percent of all women and 98 percent of all men, age 15–49, know at least one modern method of family planning.
- More than one-third (37 percent) of currently married Ethiopian women do not want more children. Another 38 percent want to wait at least two years before their next birth. These women are potential users of family planning. The 2011 EDHS further reveals that 25 percent of married women have an unmet need for family planning—16 percent of women have a need for spacing births and 9 percent for limiting births.
- Public sources, such as government health centers and government health posts/health extension workers, currently provide contraceptives to 82 percent of the current users. The private medical sector supplies contraceptives to 13 percent of the users.



A nurse counseling a client about family planning options. Increased demand for family planning services requires an increase in the supply for contraceptives, supplies. Photo: Audrée Montpetit

Supply chain investments were critical to reach these improved health outcomes, reducing contraceptive stockouts and improving the availability of quality contraceptives and other health commodities to those who need them. In 2005, a survey carried out by the project found 25 percent of facilities stocked out of Depo-Provera (DMPA), the most popular contraceptive method in Ethiopia. By 2011, stockouts for DMPA and other methods are consistently around 5 percent or less, including in health posts—the last mile for contraceptives.

Source: Ethiopia Central Statistical Agency (CSA) and ICF International. 2012. *2011 Ethiopia Demographic and Health Survey: Key Findings*. Calverton, Md.: CSA and ICF International.

Facility Focusfrom page 3

Their efforts have paid off in a big way—the automated system has significantly improved the inventory control and reporting system. Pharmacy staff can easily track and request supplies before they stock out, significantly reducing the stockout level of essential drugs. The costs incurred because of overstocks, expiries, and damaged products have also decreased.

Sisay and other pharmacy teams are moving ahead with plans that will further improve services at their facility and ensure that all clients can obtain the medicines they need.



The project staff provide regular technical support to the hospital pharmacy unit.

Contraceptive Forecasting Document Developed for Ethiopian Fiscal Year 2005 (2012–2013)

To improve family planning services for all Ethiopians, it is essential to have funding for contraceptives. In less than a decade, the country's contraceptive prevalence rate has dramatically increased—from 6.3 percent in 2000 to an estimated 27 percent in 2010—leading to a similar increase in demand for family planning products. To meet this demand, the government and its stakeholders have been working to secure an ever-growing supply of commodities for service delivery points in the government health system.

To help this effort, the Federal Ministry of Health, with the Pharmaceutical Fund and Supply Agency, with technical support from the project, have developed a national contraceptive forecast for the next three years. The forecast will help the government plan for the funding increases needed in response to increases in demand, and to address any contraceptive funding gaps. The forecast indicates that a total of U.S.\$39 million invested in commodities is required for the public health system for the Ethiopian fiscal year 2005 (2012–2013 G.C).

Developmental partners are needed to strengthen the existing support, including through health sector wide approaches and direct budgetary support.

The government of Ethiopia is increasing its budgetary allocation to family planning every year, although the total value of commodities required is also increasing. Developmental partners are needed to strengthen the existing support, including through health sector wide approaches and direct budgetary support. To meet the increasing demand, it is also important for the government of Ethiopia to diversify funds for procuring commodities.

The forecasting document has helped the government recognize and plan for funding increases in response to widespread increases in demand, and to try to address contraceptive funding gaps, in particular.

USAID | DELIVER PROJECT Develops Participatory Market Analysis Approach

To provide better service for clients as demand for family planning increases, stakeholders need to analyze the market for contraceptives, identify gaps in coverage, and develop more sustainable strategies to ensure the availability of products for family planning. The USAID | DELIVER PROJECT developed and tested a practical market analysis methodology that uses a six-step participatory process to analyze the current and future national family planning market; it also identifies concrete steps to improve access to family planning services and commodities. This approach combines demographic data analysis with current and future provider supply data that identifies and defines strategies based on each family planning provider's comparative advantage. The approach and analysis can help answer specific questions. Using the current approaches, do certain groups or segments in a county have unmet need? How can the market be better segmented between the public and private sectors? How can unmet need be reduced and sustainability increased?

Published by the project, a guide titled *A Participatory Approach: Using Market Analysis to Improve Access to Family Planning Services* offers a sample methodology that can be used to analyze a comprehensive set of supply and demand data for family planning services; it can be used to make informed decisions and strategic and action planning to reduce the gaps in access to family planning. What makes this approach different from the previous analyses is that the stakeholders and family planning service providers simultaneously use the analysis of supply and demand data. This participatory process builds consensus among national-level stakeholders.

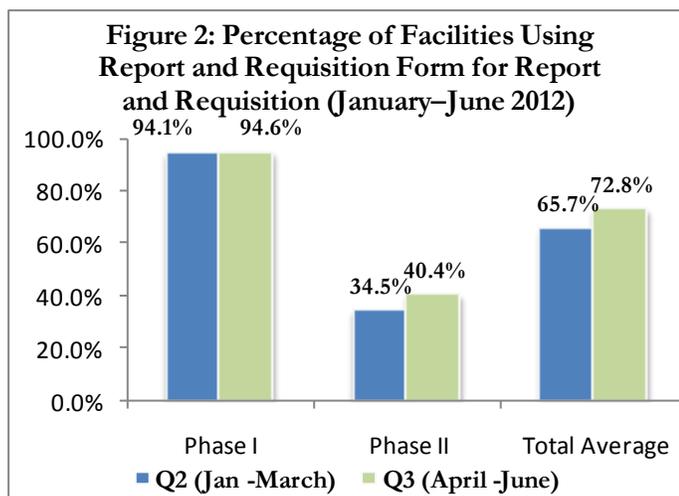
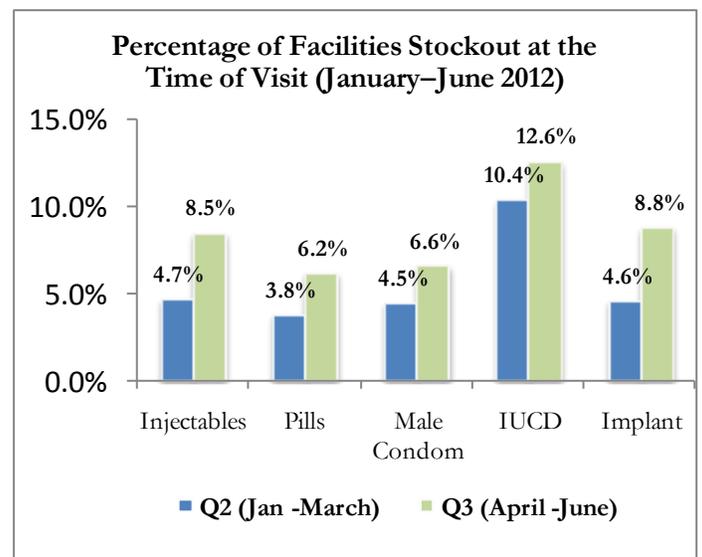
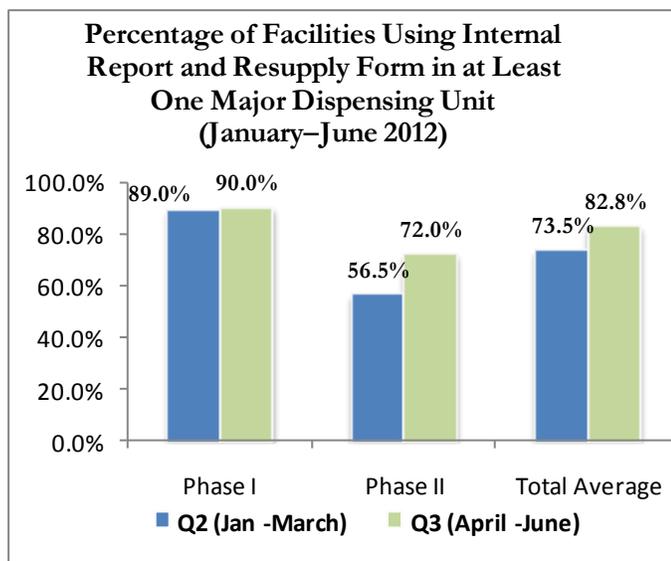
It is intended for ministries of health, contraceptive security committees, nongovernmental organizations providing family planning services, and other leaders in family planning that want to increase coverage and outreach of services.

Please visit the website for the USAID | DELIVER PROJECT at www.deliver.jsi.com to download, *A Participatory Approach: Using Market Analysis to Improve Access to Family Planning Services*.

Integrated Pharmaceutical Logistics System and Commodity Security Supportive Supervision Updates

Critical indicators of a strong supply chain include the correct use of the Internal Facility Report and Resupply Form, and the Report and Requisition Form. If these forms are used as intended, facilities and Pharmaceutical Fund and Supply Agency (PFSA) warehouses will have most of the information they need to ensure a steady flow of medicines. This is why PFSA and its partners train personnel to complete these forms and monitor their use. Following are data from supportive supervision visits made by the USAID | DELIVER PRO-

JECT, in collaboration with PFSA and the regional health bureaus, from April 1–June 30, 2012. They show how the forms are used and the contraceptive availability in the visited health facilities. The visits were made to both Phase I (antiretroviral sites started implementing the Integrated Pharmaceutical Logistics System [IPLS] in FY2011) and Phase II (primarily preventing mother-to-child transmission sites that started implementing IPLS in FY2012) facilities.



Remember

- Complete the Request and Requisition Form (RRF) fully every two months to facilitate resupply by PFSA.
- Use the Internal Facility Report and Resupply Form (IFRR) to reduce stockouts by helping you maintain a record of products issued and received within the facility.
- Update bin cards and stock record cards after every transaction.
- Conduct physical counts regularly.

Highlights of Supply Chain Accomplishments in the Third Quarter (April - June 2012)

Contraceptive stock availability at health facilities: This quarter, to assess contraceptive stock status, the project team visited 510 public health facilities (55 hospitals, 370 health centers, and 85 health posts) in seven regions and with two city administrations. The stockout rate for injectables, pills, and male condoms was 8.2 percent, 5.9 percent, and 6.3 percent, respectively. For the facilities that provide implants, 8.7 percent were stocked out at the time of the visit.

National contraceptive forecasting: The national contraceptive forecasting document for 2012–2014 was developed in collaboration with the Federal Ministry of Health and Pharmaceutical Fund and Supply Agency (PFSA). The document will help guide future procurement plans and resource mobilization activities.

Paper-based Integrated Pharmaceutical Logistics System (IPLS): The project continued to roll out IPLS in Phase III sites by providing training to health facilities. This quarter, 189 (140 male and 49 female) health facility staff, from seven hubs, attended these trainings. In addition, the project provided trainers to similar trainings for 584 participants (442 male and 142 female), which were organized with financial support from PFSA, the Supply Chain Management System project, and Management Sciences for Health/Heal TB project.

Health commodity management information system (HCMIS) warehouse: This quarter, three additional PFSA hubs began fully using the HCMIS warehouse management system; this increased the total number to 10 of 11 hubs. Major activities are also being implemented to support the HCMIS center warehouse implementation.

Support to facility stores: The installation of Dixon shelves planned for the current fiscal year was successfully completed in early June. This quarter, the remaining 28 pieces of shelves were installed in three hospitals and 34 health centers. With the installation, to identify their requirement for store upgrading, the team assessed 36 facility stores from the Oromia; Amhara; Tigray; Southern Nations, Nationalities, and Peoples; Addis Ababa; and Somali regions.

Health post resupply initiative: The project, jointly with PFSA and the regional health bureaus, continued the roll-out training on the new health post resupply procedure. In the third quarter, 286 (214 male and 72 female) health center heads and store managers from the Bahir Dar and Hawassa hubs were trained.

**HEALTH FACILITIES
PLEASE USE THIS ADDRESS FOR ANY
HCMIS FACILITY EDITION SUPPORT**

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We would greatly appreciate any comments you might have regarding current or future content of this newsletter.

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**No Product, No Program!
Logistics for Health**