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Ethiopia Hosts the Sixth Global Health Supply Chain Summit

In November 2013, Addis Ababa was the center of the health supply chain world when it hosted the 6th Global Health Supply Chain Summit. The summit attracted experts from around the globe for two days of presentations and discussions on innovations and one day of training on best practices in healthcare supply chain management.

The Deputy Director General of the Pharmaceutical Fund and Supply Agency (PFSA), Ato Wondwossen Ayele, welcomed the delegates; in his opening remarks, he highlighted the role of supply chain management in improving healthcare outcomes. Ato Wondwossen also gave a presentation on PFSA activities and its transformation to meet the increasing demands of health facilities for pharmaceuticals and medical equipment.



PFSA Deputy Director General, Ato Wondwossen Ayele, shared Ethiopia experience with the conference participants.

John Snow, Inc., President Visits Ethiopia to See Supply Chain Strengthening

Joel Lamstein, the president and founder of John Snow, Inc. (JSI), recently visited Ethiopia. Accompanying him were Carolyn Hart, Director of JSI Logistics Services; Penelope Riseborough, JSI Director of Communications; and Walter Proper, USAID | DELIVER PROJECT Task Order 4 Director.

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New Pharmaceutical Fund and Supply Agency Workforce Have Skills to Support Integrated Pharmaceutical Logistics System

The Pharmaceutical Fund and Supply Agency (PFSA), since its establishment in 2007, has worked to ensure the availability of essential medicines by building its capacity in all aspects of supply chain management.

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The Third International Conference on Family Planning Held in Addis Ababa

The third International Conference on Family Planning was held in Addis Ababa from November 12–15, 2013; the theme was “Full Access, Full Choice.” The conference was jointly organized and hosted by the Federal Ministry of Health and the Bill & Melinda Gates

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Staff demonstrate the HCMIS at PFSA hub, Bahir Dar.



New Pharmaceutical Fund and Supply Agency Workforce ...from page 1

As part of this effort, PFSA recently hired more than 50 new pharmacy staff to work in its 11 branches, located across the country.

Before deploying these staff to their assigned locations, PFSA needed to train them to support health facilities in implementing the Integrated Pharmaceutical Logistics System (IPLS). PFSA, in partnership with the USAID | DELIVER PROJECT and the Supply Chain Management System (SCMS) project, organized a training-of-trainers (TOT) from November 27–December 7, 2013 in Adama.



Participants in TOT training at Adama gather for a group photo.

Ato Yared Yigezu, Forecasting and Capacity Building Directorate Director of PFSA, officially opened the training. In his opening remarks, Ato Yared highlighted the major accomplishments—both human resources and infrastructure—that PFSA has made to transform the organization. He emphasized the major role that IPLS TOT training plays in strengthening PFSA’s capacity, and in being a foundation for all its activities. He also expressed his gratitude to the project and SCMS for organizing this important training.

Forty-two newly recruited PFSA experts attended the training. An additional six staff from the Federal Ministry of Health Pharmaceutical Logistics Management Unit and partners’—SCMS and Heal TB projects—were also trained. These trainers, by supporting the implementation of IPLS, will help maximize the availability of pharmaceuticals at service delivery points.

John Snow, Inc., President Visits Ethiopia ...from page 1

During his stay, Joel and the group made a two-day trip to Bahir Dar to visit the field. The group visited the Pharmaceutical Fund and Supply Agency (PFSA) Bahir Dar branch; the hub manager, Abdissa Mengesha, and his staff welcomed them. They saw the warehouse operations and how the health commodity management information system (HCMIS) warehouse management software supports them. They also visited the new warehouse.



Joel Lamstein visits a woreda health center to observe project support to the IPLS implementation and store improvement.

Later, the group visited the Geregera health post and community; and the woreda health center, where they learned about the HCMIS Facility Edition and also saw shelving installed by the project. Joel was impressed with the tremendous strides made by Ethiopia, under the leadership of PFSA, to strengthen its health commodity supply chain and increase the availability of medicines.

Shelving and Pharmacy Store Improvement: ...from page 6

according to the “first to expire, first out” (FEFO) principle. Suitable storage conditions also help facility stores to properly implement IPLS and improve medicine availability.

Health facilities are pleased with the changes in their stores. The project will continue to support health facilities with this very important activity, while PFSA, FMOH, and other stakeholders are increasing their support. However, given the large and growing number of facilities in the country, more support for this vital work is urgently needed.

Financing: A Key to Contraceptive Security

Funding for contraceptives is one of the critical elements in achieving contraceptive security—the ability of every woman and man to access contraceptives. In the past, many countries, including Ethiopia, have often relied on donated commodities. However, in recent years, this has started to change.

The increase in the use of modern contraceptives, the emergence of the sector-wide approach, and the adoption of the Millennium Development Goals (MDGs), encouraged governments to shift from project-focused financing to coordinated approaches. Currently, many countries use alternative financing mechanisms to procure contraceptives; for example, using internally generated funds or basket funding arrangements.

Historically, in Ethiopia, donors have procured almost all contraceptives. In 2006/2007, the federal and regional governments began using internal resources to fund contraceptives. The same year, the basket funding arrangement—Promoting Basic Services—started supporting the procurement of contraceptives; in 2010, another funding arrangement, the MDG pooled fund, also began to finance contraceptives.

As the demand for contraceptive supplies and services increases, the total amount of funding required for contraceptive commodities also continues to increase. Therefore, an ongoing effort is needed to use the limited government funding available to meet the total demand; and, most important, reach underserved groups.

Ethiopia has long considered family planning a health and development priority; the country has achieved significant success in improving access to family planning. In less than a decade, the country's contraceptive prevalence rate has almost doubled—from 15 percent in 2005 to an estimated 29 percent in 2011—and with it, the demand for family planning products. The total requirements for contraceptives have grown from less than U.S.\$10 million in 2004/2005 to more than U.S.\$45 million in 2011/2012. However, because of a strong commitment by the government and partners, funding and commodity requirement gaps have not occurred. Recognizing

the importance of adequate funding for contraceptives, the four major regions—Oromia, Southern Nations, Nationalities, and Peoples (SNNP), Amhara, and Tigray—also regularly commit their funding for contraceptive procurement.



Support to build strong supply chain is helping to get quality contraceptives to the people who need them.

As the demand for contraceptive supplies and services increases, the total amount of funding required for contraceptive commodities also continues to increase. Therefore, an ongoing effort is needed to use the limited government funding available to meet the total demand; and, most important, reach underserved groups. To enhance long-term sustainability, this may also be the time to look at the role of the private sector in contraceptive security.

According to 2011 Ethiopia Demographic Health Survey (EDHS) analysis, only 17 percent of the wealthiest 20 percent (quintile) of Ethiopians obtain contraceptive services from private facilities. This indicates the need to engage and expand the role for the full range of appropriate stakeholders, the private sector—including nongovernmental organizations,

The USAID | DELIVER PROJECT is working with the Federal Ministry of Health, the Pharmaceutical Fund and Supply Agency, and other stakeholders in contraceptive forecasting, supply planning, pipeline monitoring, and advocacy, to support a consistent and increasing supply of contraceptives.

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Facility Focus: Facilities Successfully Implement the Integrated Pharmaceutical Logistics System with Minimal External Support

In this edition, health logistics take us to Jegula Hospital, located in Harari region, 520 kilometers east of Addis Ababa. Currently implementing the Integrated Pharmaceutical Logistics System (IPLS), Jegula Hospital ranks as one of the best performing facilities. The facility is now ready for graduation—they can implement the system with minimal support from Pharmaceutical Fund and Supply Agency (PFSA), Regional Health Bureaus (RHBs), or the USAID | DELIVER PROJECT. Health logistics spoke to the hospital's store manager, Abdulfeta Yesuf, and asked him to share his best experiences in implementing IPLS and ensuring the availability of essential medicines.

Health Logistics: Can you tell us how you used to manage the store and products before IPLS?

Abdulfeta: Before IPLS, working in a pharmacy store was a very challenging task due to many factors. The store was not well organized. Standardized recording and reporting formats were not used at the main store or at the dispensing units (DUs). DUs requested resupply any day and time of the week, without any notice. This caused many challenges: frequent stockouts, expiries, and damage of products; it also affected the clients' satisfaction.

Health Logistics: When did you start IPLS implementation? Can you describe any changes you made after implementing IPLS in your hospital?

Abdulfeta: We started paper-based IPLS



Abdulfeta Yesuf, store manager of Jegula Hospital, checks records.



implementation in early 2011/2012; later in the same year, we initiated the computerized system—the Health Commodity Management Information System (HCMIS).

Now, the above mentioned challenges are in the past. The inventory and stock management systems have significantly improved, particularly after we started to use HCMIS. The main store and all the dispensing units use bin cards and other recording and reporting formats. DUs request their resupply using internal forms only, on the agreed day. In addition, HCMIS enables us to easily track our consumption and real-time stock status. The system can easily identify products near to expiry and they are dispensed immediately by applying first-to-expire, first-out. We produce different reports, including the bimonthly reporting and requisition form (RRF), based on our actual consumption for resupply. By properly implementing IPLS, we are able to significantly reduce expiries, improve product availability, and better serve our patients.

Health Logistics: Any challenges while implementing IPLS?

Abdulfeta: In the earlier times of IPLS implementation, we had difficulties enforcing the resupply schedule and use of the internal reporting form by DUs. Now, through discussions, and with the support from the facility management, it is solved. However, there are some challenges we still couldn't address. The store manager has a lot of responsibilities, which could sometimes affect the quality of the work.

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Facility Focus: Facilities Successfully ...from page 4

Sometimes, we couldn't get products as per our request. However, I want to acknowledge the support of management and other facility staff and the USAID | DELIVER PROJECT in supporting us in every way possible.

Health Logistics: How do you see the support of the USAID | DELIVER PROJECT in improving the storage and the overall commodity management system of your hospital?

Abdulfeta: The technical and material support of the USAID | DELIVER PROJECT were vital while implementing IPLS. The supply of shelves was the base to reorganize and arrange our stores. HCMIS further improved our store management and use of data for decisionmaking.

Health Logistics: Do you have anything to add?

Abdulfeta: If possible, to enhance the use of HCMIS and reduce our workload, we would like to directly send the RRF reports to PFSA (Editor's Note: The USAID | DELIVER PROJECT and SCMS are currently developing this capability.) In addition, the HCMIS would be more beneficial if it can support all medical supplies and equipment. Other facility staff should also be trained on HCMIS to avoid possible interruption on HCMIS use if trained staff leave the facility. Organizing regular review meeting, in collaboration with the respective bodies, is also very beneficial as we share experiences and best practices with other facilities.

The Third International Conference on Family Planning ...from page 1



Photo Credit: Nena Terrell, USAID Ethiopia

Institute for Population and Reproductive Health at the Johns Hopkins University, Bloomberg School of Public Health.

Ethiopia was selected to host the event because of the country's strong commitment to family planning and the success it's had in increasing access to family planning—an almost 100 percent increase in the contraceptive prevalence rate, from 15 percent in 2005 to 29 percent in 2011.

Recognized as the largest global conference on family planning, it was attended by more than 3,300 participants from 120 countries. The conference celebrated the family planning successes from around the world, shared recent evidence on effective programs, and discussed ongoing issues that still need to be addressed.

During the event, participants applauded Ethiopia's success in improving access to family planning. The USAID | DELIVER PROJECT Ethiopia presented a paper at the conference: *From Program Support to System Strengthening for Family Planning Supply Chain*; and a poster, *Family Planning Market Analysis: Using Evidence on Demand and Use for Contraception to Plan for a Total Market Approach in Ethiopia*.

The conference concluded with a call to action: Keep the focus on family planning and sexual and reproductive health as part of the post-2015 development framework.

Financing: A key for Contraceptive Security ...from page 3

social marketing, and the commercial sector, as much as possible; with each sector filling a rational, complementary role. This is often referred to as a *total* or *whole market* approach; to ensure good coverage and to avoid waste or duplication, each sector works together to rationally segment, or divide, the family planning market. For example, a total market approach could lead to a rational market where wealthier individuals buy commercial products from private facilities, lower income groups receive products free of charge from the public sector, and the middle income group buys subsidized social marketing products.

The USAID | DELIVER PROJECT is working with the Federal Ministry of Health (FMOH), the Pharmaceutical Fund and Supply Agency, and other stakeholders in contraceptive forecasting, supply planning, pipeline monitoring, and advocacy, to support a consistent and increasing supply of contraceptives.

Shelving and Pharmacy Store Improvement: A Worthwhile Investment

The Government of Ethiopia is rapidly expanding the delivery of health services. Not only has there been a major increase in the number of health facilities, but also in utilization of existing facilities and in the quantities of medicines and supplies being managed. This means that health facilities need more storage capacity—more space, proper shelving, and other warehouse equipment. However, new health facilities are not being equipped with shelving, and the facility management faces many competing priorities for their limited financial resources.

In facilities with inadequately shelved and organized pharmacy stores, it is impossible to effectively implement the Integrated Pharmaceutical Logistic System (IPLS), a national logistics management system that help reduce wastage and increase medicine availability.

To improve the pharmacy stores, the USAID | DELIVER PROJECT (the project) is working with the Federal Ministry of Health (FMOH), the Pharmaceuticals Fund and Supply Agency (PFSA), and the regional health bureaus to upgrade health facility stores with quality shelving and store equipment.

Two types of shelves (Industrial and Dixon) and different types of stores equipment (pallets, ladders, hand trucks, and fans) are provided to facilities. Industrial shelving, which can take heavier loads, is

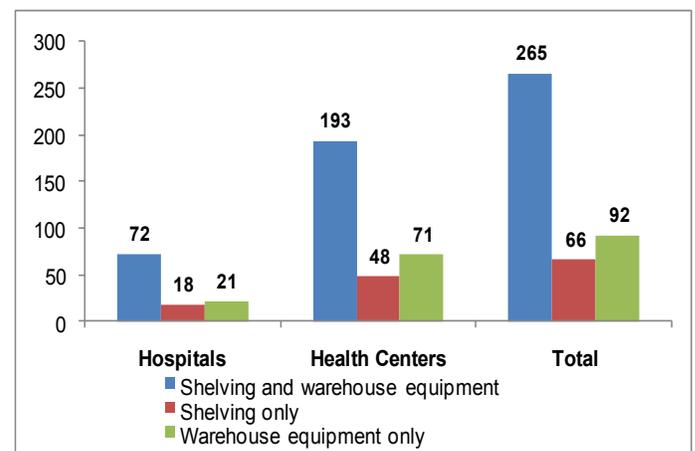
mostly installed in larger facilities like hospitals, while Dixon shelves are supplied to health centers. Both types of shelving are locally manufactured to high quality specifications developed by the project, and installation is closely supervised.



The equipment supplied to facility stores includes hand trucks and ladders.

Since 2009, the project has upgraded more than 420 health facility stores in all regions of Ethiopia—on average 100 stores every year (see figure 1). The average cost of shelving in a typical health facility store is approximately 125,000 ETB; shelving is usually the most important, and the most expensive, item provided.

Figure 1. Number of Health Facilities Upgraded with Shelving and Warehouse Equipment



Storeroom at Yejube Health Center after new Dixon shelves were installed and the store reorganized.

This support enables facilities to properly organize their supplies, minimize damages, reduce expiries, and ensure proper stock rotation

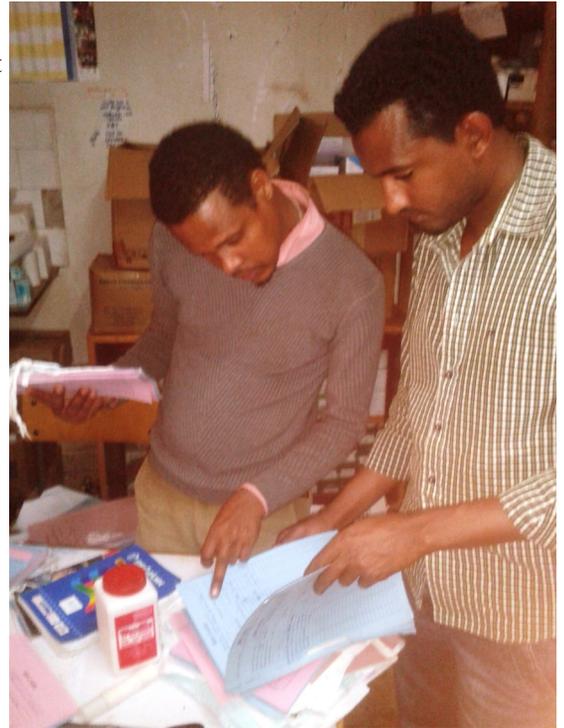
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National Integrated Pharmaceuticals Logistic System Survey Being Conducted

The goal of the Pharmaceutical Fund and Supply Agency (PFSA) is to ensure an efficient and high-quality health supply chain system that is accessible, equitable, and affordable for all Ethiopians. In 2009, as part of this effort, PFSA—with the Federal Ministry of Health, Regional Health Bureaus, USAID | DELIVER PROJECT, Supply Chain Management Systems (SCMS) project, and others in the sector—began implementing the Integrated Pharmaceuticals Logistic System (IPLS). Using a phase-based approach, IPLS is now implemented in almost all the public health facilities in the country.

Routine monitoring reports show that IPLS is improving information recording and reporting, storage and distribution systems, as well as the availability of essential commodities at service delivery points. However, the IPLS has not had an official, representative survey to assess the progress made to this point. Therefore, PFSA and the USAID | DELIVER PROJECT are conducting a survey that measures the progress of system performance at all levels of the public-sector health facilities—hospitals, health centers, and health posts.

The data collection from 270 randomly selected health facilities, from all regions and city administrations, was just completed; preliminary findings should be available by March 2014. The findings of the survey will help provide information on the level of implementation of the IPLS; it will help determine future priorities and the future direction for all the stakeholders in the sector.



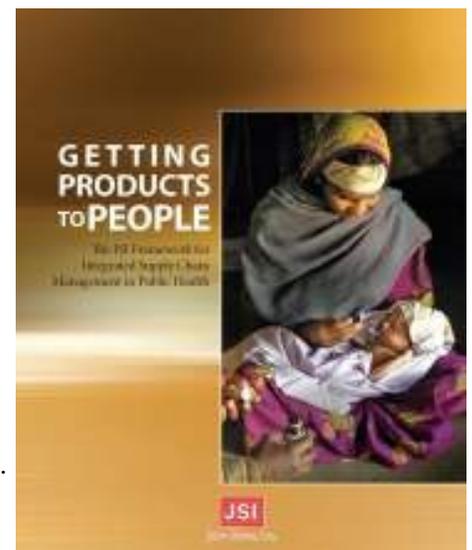
Data Collectors while conducting interview.

Animated Video Features John Snow Inc.'s, Approach to an Integrated Supply Chain

A strong health system cannot function without a well-designed, well-operated, and well-maintained supply chain management system. To solve problems in public health supply chains, the JSI Framework for Integrated Supply Chain Management in Public Health draws from the commercial sector's best practices.

An integrated supply chain has visibility of information and activity up and down the chain, fewer steps in its processes, and greater coordination and predictability of demand between all the levels and actors in the system. This includes linking all the actors involved in managing essential health commodities into one cohesive supply chain management organization. The organization can oversee all functions, levels, and partners, ensuring an adequate supply of essential health commodities to the clients who need them.

Watch a video that explains JSI's approach to supply chain integration at <http://www.youtube.com/watch?v=jpE6SkutdWU>



Highlights of Supply Chain Achievements in the First Quarter (October–December 2013)

Graduation of matured health facilities: The USAID | DELIVER PROJECT, as part of its sustainability strategy, has been working with respective Pharmaceutical Fund and Supply Agency (PFSA) and health offices to graduate at least 200 matured health facilities from routine supportive supervision this fiscal year (FY). Before graduation, joint visits are organized with zone and woreda health office staff to ensure their buy-in. This quarter, 23 health facilities from Amhara, Addis Ababa, Tigray, and Oromia graduated. Agreements are signed with respective health offices, PFSA, and health facilities on future roles and responsibilities in supporting graduated facilities.

Health commodity management information system facility: As part of the scale-up effort to initiate the health commodity management information system (HCMIS) facility in 100 new health facilities in the FY, during this quarter, preparatory activities included orientation on the system for facility staff in 25 health facilities from the Woldya, Jimma, and Nekemete clusters were conducted. The project also distributed various IT equipment—22 computers, 23 printers, and 14 pieces of uninterruptible power supply (UPS)—for facilities starting implementation of HCMIS. PFSA procured the IT equipment. In another activity, 42 newly hired PFSA staff and the Supply Chain Management System (SCMS) project field staff received two-day HCMIS facility training.

Upgrading the Ministry of Health health facility stores: The project warehouse team is progressing well in installing Dixon shelves in selected health facilities. This quarter, 678 shelves were installed in 29 health centers, in five regions. In addition, warehouse equipment was distributed to 19 health facilities.

Logistics review meeting: PFSA, in partnership with logistics partners, organized a 1st quarter logistics review meeting for the west and east zones of the Amhara and Harari regions. Health facilities, zonal and woreda health offices, PFSA hubs, and logistic partners were represented. At the meetings, participants reviewed the 1st quarter IPLS performances; supply and availability of essential medicines; and working relationships between facilities, health offices, and PFSA.

Contraceptive security coordination: In this quarter, the regional Family Planning/Reproductive Health Technical Working Group (TWG) meetings were held in four regions—Oromia, Harari, Amhara, Southern Nations, Nationalities, and Peoples (SNNP), and two city administrations: Dire Dawa and Addis Ababa. The meetings focused on graduation of matured facilities, integrated supportive supervision, annual work plan for the TWGs, and the roles and responsibilities of all stakeholders in sustaining the implementation of Integrated Pharmaceuticals Logistic System (IPLS).

Hub-based meetings: In the first quarter, hub-based meetings were held in Bahir Dar, Gondar, Dessie, Hawassa, Jimma, and Addis Ababa. At the meetings, participants discussed the draft annual joint work plans for the hubs; IPLS implementation status, and the PFSA and partners' joint plan for the year; and the anti-tuberculosis drugs kit implementation and how to improve system sustainability and ownership.



Better storage conditions are helping facility stores to properly implement IPLS and improve medicine availability.

USAID | DELIVER PROJECT Launches Toll-Free Helpline to Support Health Commodity Management Information System Implementing Facilities

The USAID | DELIVER PROJECT, in collaboration with the Pharmaceutical Fund and Supply Agency (PFSA), has launched a toll-free helpline for technical assistance related to the Health Commodity Management



Information System (HCMIS). By dialing **8773**, facilities can receive faster technical support during all business days, from 8.30 a.m. to 5.30 p.m. This toll free helpline is in addition to the onsite support the project is already providing to the facilities.

The project encourages facilities to utilize this service for their immediate technical problems. Experienced IT experts staff the helpline and provide remote assistance. If they cannot resolve your problem, they will refer it to field support staff. *Remember, all calls are completely free.*

The project, with PFSA and the Regional Health Bureaus, is supporting more than 400 health facilities in Ethiopia as they implement HCMIS—an innovative inventory management system.

Three Golden Rules for Using Health Commodity Management Information System to Help with Inventory Control

The Health Commodity Management Information System (HCMIS) facility software installed on your computer makes it easy for you to manage your inventory and internal supply. Because you do not need to do as much routine work, you can focus on more important professional activities. However, as the user, you are responsible for strictly following these three golden rules.

Rule 1: When you receive goods—

- Register every receipt fully* in HCMIS before you record it on your paper records (bin card)—don't wait until you need it for issue.
- *Record (1) item name; (2) supplier information; (3) intended store/program, if applicable; (4) expiry date; and (5) batch number.

Rule 2: When you issue goods—

- Register every issue completely* in HCMIS before you issue it to a dispensing unit.
- *Record the correct (1) receiving dispensing unit, (2) issuing program/store, (3) item, and (4) quantity.

Rule 3: When you pick goods—

- Carefully pick the software recommended batch number and quantities in the pick list.
- Never issue an item or batch number that is not on the computer-generated pick list.

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. 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 PROJECT, in collaboration with PFSA and the Regional Health Bureaus (RHBs), from October–December 2013. They show how the forms are used and the contraceptive availability in the visited health facilities. The visits were made to Phase I—antiretroviral sites started implementing the Integrated Pharmaceutical Logistics System (IPLS) in FY2011—, Phase II facilities—preventing mother-to-child transmission sites, which started implementing IPLS in FY2012 and Phase III facilities—smaller health centers—started IPLS in FY 2013.

Figure 3: Percentage of Facilities Using Report and Requisition Form for Report and Requisition (October–December 2013)

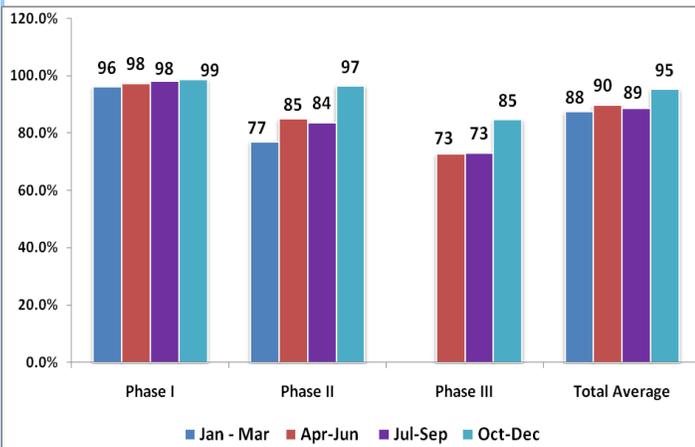


Figure 2: Percentage of Facilities Using Internal Report and Resupply Form in at Least 80 Percent of Major Dispensing Units (October–December 2013)

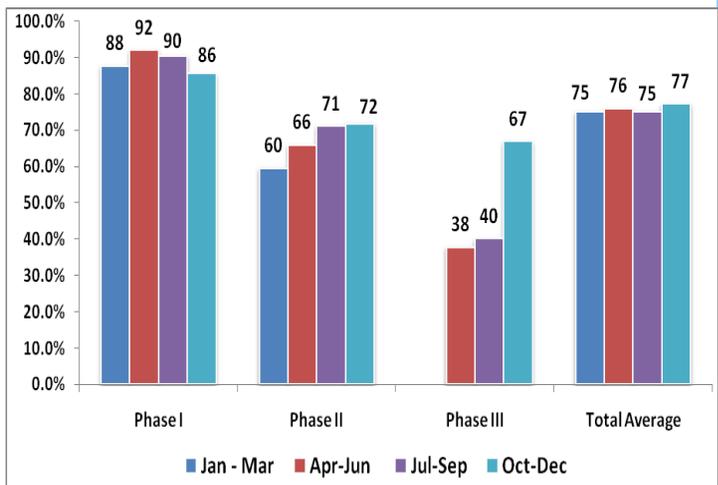
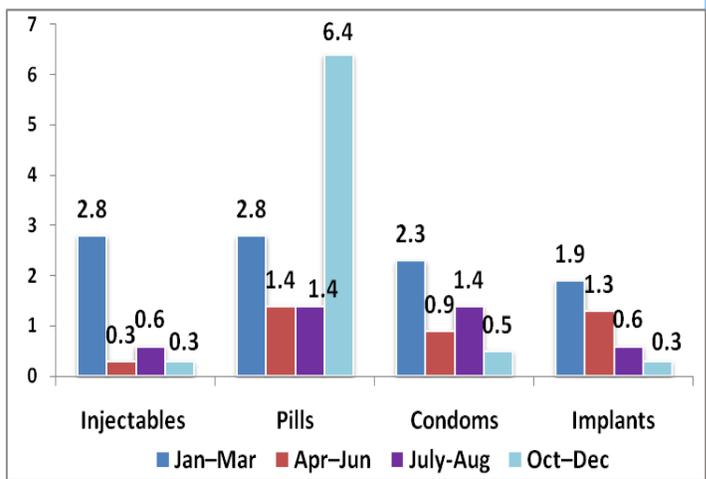


Figure 4: Percentage of Facilities Stocked Out at Time of Visit (October–December 2013)



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

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