



# Health Logistics Quarterly

A QUARTERLY NEWSLETTER

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## Pharmaceutical Fund and Supply Agency Transforms to Meet the Increasing Demand of Health Facilities for Pharmaceuticals and Medical Equipment

The Pharmaceutical Fund and Supply Agency (PFSA), since its establishment in 2007, has made significant progress in meeting the needs of the community for essential medicines by building its capacity in all aspects of supply chain management. Our guest in this edition, Abdissa Mengesha, PFSA Bahir Dar Branch Manager, shares his views on the transformation of PFSA during the past six years, particularly the Bahir Dar hub. Ato Abdissa, a pharmacist by profession, has many years of experience in the health supply chain system, both in government and the private sector.

Please follow the details( interview) on page 4



Abdissa Mengesha, PFSA Bahir Dar Branch Manager

### Annual Forecasting Conducted to Help Ensure Contraceptive Security in Ethiopia Health Facilities

Effective management of family planning programs requires regular, reliable forecasting of end-user demand and quantification of the related resource requirements. This is essential not only for estimating future

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### Building Partners Capacity for Sustainable Operation of Health Commodity Management Information System

The USAID | DELIVER PROJECT—working with the Pharmaceutical Fund and Supply Agency (PFSA), Regional Health Bureaus (RHBs), and other health facilities—is implementing

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### Health Post Resupply Initiative Helps Get Medicines to the Last Mile

Tsehayenesh Worku, a mother of five, is receiving on-going counseling from her health extension worker about family planning and other maternal health issues at the Den Zuria health post.

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Tsehayenesh Worku, a mother of five, is receiving counseling from health extension workers about family planning at Den Zuria Health Post.

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## Annual Forecasting to Help Ensure Contraceptive Security ...from page 1

resources and analyzing funding gaps, but also for preventing shortages and interrupting supplies to service delivery points. The Federal Ministry of Health (FMOH), with the support of its stakeholders, has led contraceptive forecasting and quantification for the last seven consecutive fiscal years.

In 2013, under the leadership of the Ministry and Pharmaceuticals Fund Supply Agency (PFSA), and with technical support from the USAID | DELIVER PROJECT, a forecasting team comprised of the FMOH, PFSA, USAID | DELIVER PROJECT, and the United Nations Population Fund (UNFPA), was established with the goal of supporting the public sector to accurately quantify future contraceptive commodity needs, and to estimate the available resources and funding gaps.



**Participants collaborate for group work during the validation workshop.**

The quantification process follows a series of detailed steps that include gathering and organizing data; evaluating the data quality and completeness, and making adjustments accordingly; estimating past, current, and future commodity use (including planned program changes); and calculating the quantity of goods and funds needed to support user requirements.

According to the national forecast, the total value of commodities required for the Public Health System of Ethiopia's National Family Planning program for the Ethiopian Fiscal Year (EFY) 2006 is

approximately U.S.\$26 million. This value represents contraceptive requirements for the system, including provisions for safety stocks, current inventory level, commodities currently on order, and other system requirements.

Using this information, government and development partners committed a total of U.S.\$37.3 million for purchasing contraceptives for the EFY2006 (2013/2014).

## Building Partners Capacity for Sustainable Operation ...from page 1

the Health Commodity Management Information System (HCMIS). The HCMIS is a locally developed, innovative inventory management system that helps health facilities manage all essential drugs; and produces a variety of commodity reports for store managers, pharmacists, and facility heads. Since the program began, the project has implemented the system in more than 400 selected health facilities throughout Ethiopia.

HCMIS is implemented in three phases; each phase takes three months—with different levels and types of support from the project IT and logistic advisors. After successfully implementing all the phases, facilities are expected to graduate and use the system independently, with minimal support from the project.

To ensure sustainability after graduation, supervisory and monitoring support is critical by the PFSA and zonal/woreda health offices. This has not been practiced in most areas because of gaps in the technical skill to support facilities in HCMIS.

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**The USAID | DELIVER PROJECT will continue to work with the PFSA and RHBs to expand the system to new facilities. Regular mentorship and supportive supervision by PFSA and respective zonal/woreda health offices will ensure the sustainability and ownership of the system.**

## Pre-Service Training Prepares Pharmacy Staff before They Deploy to Health Facilities

To improve the cost-effectiveness of training and reduce the time health staff are away from their jobs for training, in 2009, the project initiated pre-service training (PST) in Southern Nations and Nationalities (SNNP). Since then, the PST approach has expanded to institutions in Amhara, Harar, Somali, and Mekelle, with the goal of building the capacity of newly qualified pharmacy staff on Integrated Pharmaceutical Logistics System (IPLS) and supply chain management.

As part of this effort, in the past months, the project collaborated with Addis Ababa and Mekelle universities, Pharmaceutical Fund and Supply Agency (PFSA), and the respective Regional Health Bureaus (RHBs) to organize pre-service IPLS training for graduating classes. A total of 170 (47 female and 123 male) pharmacy students took part in the training.



Partial view of participants during the training session at Mekelle University

Students reported finding the training relevant and practical for their future career, particularly in familiarizing themselves with the IPLS, which is not covered in their regular curriculum. One of the

**“I feel more prepared to join the public sector as a pharmacist. The training particularly increased my skill in product management at the store and use of the different recording and reporting forms.”**

**Feven Zertsion from Mekelle University**



**A grateful participant, Feven Zertsion, successfully completed the training and received her certificate.**

participants, Desalegn Atnafu from Mekelle University said, “I feel more prepared to join the public sector as a pharmacist. The training particularly increased my skill in product management at the store and use of the different recording and reporting forms.” Feven Zertsion, from the same university, suggested offering the training to the next group, because the training covers important topics that are not well addressed in the regular class.

**Students reported finding the training relevant and practical for their future career, particularly in familiarizing themselves with the IPLS, which is not covered in their regular curriculum.**

The knowledge gained during these trainings is encouraging; and the program could be extended to other institutions. PST can reduce training costs by one-fourth by eliminating costs related to hall rent, per-diem, and lunch. However, to determine the full impact of the training before expanding the program to other universities and colleges, the project plans to assess the cost-effectiveness and efficiency by tracking the 2013 recipients of PST for the coming year. The assessment will determine where the participants are working and if they think the training has helped them in their jobs.

## PFSA Transforms to Meet ...from page 1

**Health Logistics:** Can you tell us when Bahir Dar hub was established and which region/areas it is supporting?

**Ato Abdissa:** Before the establishment of PFSA in 2007, Bahir Dar branch existed since 1981, under PHARMID. With the overall structural change and establishment of PFSA, Bahir Dar hub is reorganized to serve the northwest part of Amhara and Beneshangul region. The main objective of PFSA is to provide an adequate and sustainable supply of essential medicines and medical equipment to public health facilities. Our hub, as part of the PFSA, has been working hard to achieve this goal.

Currently the hub is providing services to more than 1,840 public and private health facilities, including health posts in six zones of Amhara and one zone of Beneshangul Gumuz.

**Health Logistics:** How do you see the progress of PFSA, particularly Bahir Dar hub, in meeting its goal of providing a sustainable supply of pharmaceuticals?

**Ato Abdissa:** We have implemented different type activities to achieve this goal. One of the major activities we conducted is building the capacity of PFSA and health facilities in supply chain management. When we started working, we had 4 technical staff with limited capacity.

In the past six years, our technical staff increased by about four times to 14 and all received capacity building training in different areas of logistics, including the Integrated Pharmaceutical Logistics System (IPLS), forecasting and quantification, warehousing, transport and fleet management, information management, and resource mobilization. Now, our staff have the required skill to provide quality service, and even have the capacity to mentor health facilities.

Warehousing is another area where we have made a lot of progress. The current warehouse which is about 420 square meters is too small to accommodate the ever-increasing stock. In the coming months, we will move to the newly constructed 3,600 square meters warehouse, which has proper shelving and other necessary equipment. The new warehouse will also use an automated warehouse information management system.

With partners, by implementing IPLS, we have completely changed the health supply chain system and the attitude of the pharmacy and management staff of health facilities. Almost all health facilities are trained in IPLS. Last year alone IPLS and other logistic related trainings were provided to more than 350 facility staff; intensive implementation follow-up

Continued on page 5



External and Internal view of the newly constructed warehouse at Bahir Dar hub

## PFSA Transforms to Meet ...from page 4

and mentoring is done to all health facilities under the hub through regular supportive supervision. These changes were the result of the consecutive and coordinated effort of PFSA and their partners. Facilities now request orders based on their demand. PFSA also supports facilities and Woredas in quantifying their medicines and supplies requirement every year.

A number of health facilities in our hub are also using an automated system— Health Commodity Management Information System (HCMIS)—to manage their inventory and storage conditions. With the support of partners, we have also made significant progress in our distribution capacity, including the number of vehicles for direct delivery of products. Next year the hub will distribute pharmaceuticals and supplies worth more than 207 million birr to the facilities.

In 2007, when the PFSA was established, terms like IPLS and HCMIS were not available; most supplies were distributed based on ration and random requests, which usually lead to stockouts and frequent emergency orders.

**Health Logistics:** What challenges did you face in this transformation?

**Ato Abdissa:** In this transformation, we faced some challenges that forced us to work very hard; meeting the increasing demand made us stronger.

A shortage of warehouse space was one of the major challenges. As I mentioned before, this will be solved in the coming few months. More than 80 percent of the construction of the warehouse is completed and the warehouse will be operational in a few months. At this point, we want to express our appreciation for the support of partners like Supply Chain Management System (SCMS) and the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria (GFATM) in providing financial and technical support for the construction of the warehouse and the supply of necessary equipment. When the new warehouse opens, an automated system will be installed, which will help improve the warehouse management. Again, we would like to thank the USAID | DELIVER PROJECT for their continuous support in implementing the system.

A staff shortage and necessary equipment, particularly vehicles for the direct delivery of products and road

accessibility, also pose some challenges in our effort to reach all facilities. Although we still need additional resources, we have made a lot of progress.

At the facility level, turnover of trained staff and the low level of ownership of IPLS, particularly by the facility management; and the problem of the data quality of report and requisition forms, are still areas we want to improve, in collaboration with the regional health bureau and partners.

**Health Logistics:** How do you see the collaboration and partnership of PFSA Bahir Dar hub with other government offices and partners?

**Ato Abdissa:** We have excellent coordination and collaboration with the RHB in implementing IPLS. We clearly identified our role and responsibilities to guide our collaborative work. We also have very strong relationships with our partners, particularly the USAID | DELIVER PROJECT and the Supply Chain Management System (SCMS) project. The two projects take PFSA activities as their own, not just as a partner. We can mention many achievements, as I indicated before, particularly in IPLS implementation, warehousing and store improvement, capacity building etc. However, additional improvements are needed for joint planning and resource mapping.

**Health Logistics:** How do you see the future of PFSA, particularly Bahir Dar hub in meeting the increasing demand for medicines and supplies?

**Ato Abdissa:** We see a big and bright future. The progress so far is impressive; the results speak for themselves. In 2007/2008, we started with a limited number of vehicles, staff, storage space, and resource and technical capacity. Now, although we still need improvements in some areas, we multiplied our resources in almost all aspects. We implemented a pull system that facilities use to procure, based on their demand.

In the future, we want to further strengthen our already created capacity in warehousing, transportation, and information management, including automation. We are always open to new ideas and innovations that can increase the effectiveness and efficiency of the system. We will further strengthen our capacity building, monitoring, and evaluation activities, particularly at the facility level.

## Health Post Resupply Initiative Helps Get Medicines ...from page 1

The opening of the health post in her kebele—the smallest governmental administrative unit—has helped her and her community of more than 6,800 people access preventive and selected high-impact curative health services in their village.

Since the health extension program's initiation in 2004, it has impacted almost all the key health indicators in the country. At the heart of the program is the training and deployment of more than 36,000 health extension workers (HEWs) to more than 18,000 health posts. However, because HEWs represent the last mile of the supply chain, and because of their large numbers, the supply chain management system at the health post-level faces several challenges.

Recognizing the challenges, in December 2011, the USAID | DELIVER PROJECT (the project), in collaboration with the Pharmaceutical Fund and Supply Agency (PFSA), Federal Ministry of Health (FMOH), Regional Health Bureaus (RHBs), the Supply Chains4Community Case Management (SC4CCM) project and other partners, initiated a health post resupply program as part of the Integrated Pharmaceutical Logistics System (IPLS). The goal of the Health Post Resupply Initiative is to ensure that health posts are resupplied with all required medicines and related supplies once a month.

Through this initiative, a training-of-trainers workshop was carried out; more than 2,700 health extension supervisors and health center store managers have received the roll-out trainings. They, in turn, have provided on-the-job training to HEWs when they come for resupply and during monthly Primary Health Care Unit (PHCU) meetings. Because each health center supports an average of five health posts, this training has benefited nearly 7,000 health posts to-date. The project also developed reference materials—a practical guidebook (job aid), posters, storage guidelines, bin cards, and monthly reporting formats for HEWs; they have been distributed to more than 15,000 health posts.

These efforts are bringing significant changes and steady improvements to the healthcare supply chain. With support from the initiative, health posts are now

applying an inventory control system and using the information for the report and resupply of drugs. For example, among 122 health posts visited during supportive supervision between April–June 2013, about three-quarters were using the monthly report and request form.

With improved commodity management and resupply procedures for health posts, HEWs have greater access to medicines and medical supplies. According to the supportive supervision results, the availability of contraceptive injectables and hormonal implants was more than 95 percent at the time of visit. Similarly, oral rehydration salts (ORS), ferrous sulphate, and Coartem—essential supplies for reducing under-five mortality—were also available in most of the facilities; approximately 90 percent of the facilities had them in stock.



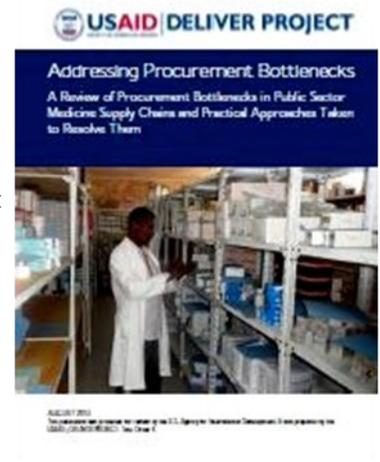
**A health extension worker is completing a monthly reporting form for resupply from the health center.**

The government of Ethiopia and the community have high expectations from the health extension program. Thus, the project—with PFSA, respective RHBs, SC4CCM, and other partners—is continuing to work with HEWs to keep pace with the demands of the community.

For the past year at the Den Zuria Health Post no stockout or shortage of widely used family planning methods and other Integrated Community Case Management (ICCM) products was reported. The community is pleased that these essential medicines are available to safeguard the health of their families.

## New Report and Brief Offer Potential Solutions for Procurement Bottlenecks

The USAID | DELIVER PROJECT announces two new publications that address procurement bottlenecks and strategies to address them. The first—*Addressing Procurement Bottlenecks: A Review of Procurement Bottlenecks in Public Sector Medicine Supply Chains and Practical Approaches Taken to Resolve Them*—is a full report that documents successes in overcoming procurement bottlenecks, particularly those that occur in the first mile of the procurement cycle. It presents a set of 14 short case studies from various developing countries, which illustrate successful strategies that may help stakeholders and concerned parties in other countries solve their own procurement bottlenecks.



The second—*Addressing Public Health Procurement Bottlenecks: Lessons from the Field*—is a brief drawn from the 14 case studies included in the full report. It summarizes key elements of the successful strategies that practitioners have used; the report synthesizes lessons learned. This brief is intended for public health practitioners and other concerned parties who may be impacted by these bottlenecks.

Please visit links below to access these new publications:

[http://deliver.jsi.com/dlvr\\_content/resources/allpubs/policypapers/AddrProcBottl.pdf](http://deliver.jsi.com/dlvr_content/resources/allpubs/policypapers/AddrProcBottl.pdf)

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## USAID | DELIVER PROJECT Develops New Guide and Dashboard to Improve Procurement Performance

Effective procurement is an essential component of a strong supply chain. When designing and implementing improvements to the procurement process, managers should establish clear performance indicators. Three new publications from the USAID | DELIVER PROJECT will help health supply chain program managers understand and track key performance indicators for procurement.

The publication, *Procurement Performance Indicators Guide—Using Procurement Performance Indicators to Strengthen the Procurement Process for Public Health Commodities* describes key indicators that can help track various aspects of a procurement system. The guide provides the following information for each indicator:

- formula for calculating the indicator
- guidance on setting an appropriate target level
- location of the data needed to calculate the indicator
- how to use the results
- how to illustrate the results.

The guide is for procurement managers at ministries of health and central pharmaceutical agencies who are responsible for procuring public health commodities. It is accompanied by the Procurement Performance Indicators Dashboard, a Microsoft Excel spreadsheet, in a dashboard format, that captures performance data and graphically summarizes results for each indicator.

Click on [http://deliver.jsi.com/dlvr\\_content/resources/allpubs/guidelines/ProcIndiGuid.pdf](http://deliver.jsi.com/dlvr_content/resources/allpubs/guidelines/ProcIndiGuid.pdf) to download or view these publications.

## Highlights of Supply Chain Achievements (July–September 2013)

**Integrated Pharmaceutical Logistics System (IPLS) Roll-out and Gap-filling Training:** Pharmaceutical Fund and Supply Agency (PFSA) and Regional Health Bureaus (RHBs) in collaboration with the project, Supply Chain Management Systems (SCMS) and other partners, continues to build the capacity of health facilities on IPLS implementation. This quarter, a total of 221 health facility staff from Addis Ababa, Amhara and SNNP participated in the three day IPLS training. Meanwhile, similar training was organized for 30 woreda store managers (13 female and 17 male) from four zones of Amhara. Some of the costs were covered by the Supply Chain Management System (SCMS) project.

**Supportive Supervision Skill Training:** Supportive supervision skill training was held in Hawassa hub with a total of 25 woreda and zone logistic officers participating in the two days training. These programs aim to build the capacity of RHB staff in providing technical support to health facilities. Costs for this session were covered by the SCMS project.

**Health Post Resupply Initiative Training:** As part of the continued effort in building the capacity of health extension workers in IPLS, the project in collaboration with PFSA, RHBs and Supply Chain for Community Case Management (SC4CCM) project, organized health post resupply training to 573 health extension supervisors and store managers from SNNP, Amhara and Oromia regions. The training helped to transfer essential skills required in the resupply procedures of health commodities to health posts.

**Health Commodity Management Information System (HCMIS) Facility:** As part of the effort to initiate the system in new facilities, a one day orientation workshop was organized for 73 facility heads and pharmacy staff selected from Harar- 2, Hawassa-3 and Adama-3 clusters. In another activity, the project with Amhara health bureau organized a three day training workshop to familiarize RHB and Zonal Health Department (ZHD) staff with HCMIS Facility, and improve their capacity to provide supportive supervision to facilities. Similar training was provided 22 project field staff to improve their capacity to provide HCMIS support to graduated facilities. Currently, the project is supporting 112 health facilities (34 pre-HCMIS and 78 intensive phases) in implementing HCMIS in their stores.

**HCMIS Warehouse:** PFSA completed their annual inventory in August with all hubs and center now reopened. This was the first PFSA inventory using HCMIS and the project supported development of a number of new features including printed stock lists and an inventory dashboard allowing PFSA managers to track inventory progress in real time.

**Shelves Installation:** The project warehouse team is progressing well in installing Dixon shelves in selected health facilities. This quarter, 750 pieces of shelves were installed 18 health facilities ( eight hospitals and ten health centers) in Beneshagul Gumez, Tigray, Oromia, SNNP and Tigray. Along with the installation, reorganization of the store and separation of expired and damaged medicines and supplies for disposal was completed. This activity helped the facilities to increase storage capacity and improve commodity monitoring and reporting.



Genet Bekele, store manager at Ras Desta hospital, is receiving on-the-job training from project staff.

## Building Partners Capacity for Sustainable Operation...from page 2

To address this gap, the project is working with PFSA and the respective health offices to increase the capacity and the skill of PFSA and zonal/woreda health office staff in managing HCMIS, and to improve their capacity to provide supportive supervision to facilities. In the past months, 29 supervisory staff from Amhara and Addis Ababa took part in this training program. After the trainings, participants developed their own zonal/woreda specific plan to support these sites, as part of their routine supportive supervision support.

As part of PFSA's effort to automate the health facility store management system and improve healthcare at the facilities, the USAID | DELIVER PROJECT will continue to work with the PFSA and RHBs to expand the system to new facilities. Regular mentorship and supportive supervision by PFSA and respective zonal/woreda health offices will ensure the sustainability and ownership of the system.

**To ensure sustainability after graduation, supervisory and monitoring support is critical to health facilities by PFSA and zonal/woreda health offices.**

## 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.

**When in doubt, refer to your standard operating procedures.**

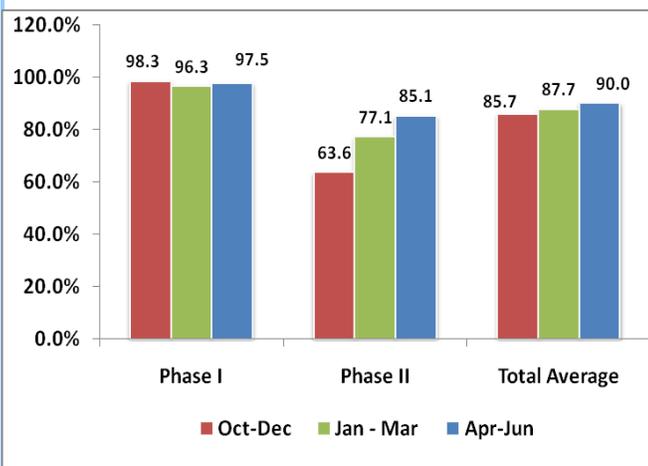
## Upcoming Events

- International Conference on Family Planning (ICFP 2013)
- 6th Global Health Supply Chain Summit, November 18-20, Hilton Hotel, Addis Ababa
- Integrated Pharmaceuticals and Logistics (IPLS) Training of Trainers in Collaboration with PFSA and Regional Health Bureaus in November 2013.

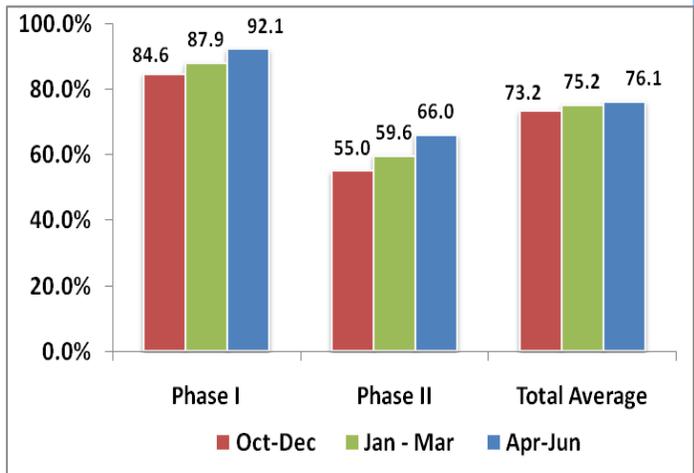
## Integrated Pharmaceutical Logistics System and Commodity Security Supportive Supervision Updates

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. The following are data from supportive supervision visits made by the USAID | DELIVER PROJECT, in collaboration with PFSA and the Regional Health Bureaus (RHBs), from January–June 2013. They show the usage of forms and contraceptive availability in the visited health facilities. The visits were made to both Phase I—antiretroviral sites that started implementing the Integrated Pharmaceutical Logistics System (IPLS) in FY2011—and Phase II facilities—primarily preventing mother-to-child transmission sites, which started implementing IPLS in FY2012. (See figures 1–3.)

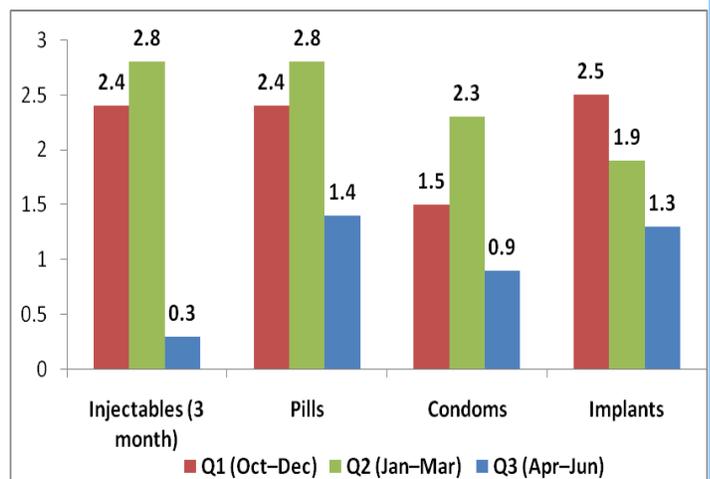
**Figure 2: Percentage of Facilities Using Report and Requisition Form for Report and Requisition (October 2012–June 2013)**



**Figure 1: Percentage of Facilities Using Internal Report and Resupply Form in at Least 80 Percent of Major Dispensing Units (October 2012–June 2013)**



**Figure 3: Percentage of Facilities Stocked Out at Time of Visit (October 2012–June 2013)**



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

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 Logistics for Health**