Afghanistan: CPDS, CSC, and ACSS Stakeholder Procurement, Distribution, and Quantification Activities and Functions Review

April 2012
This report is made possible by the generous support of the American people through the U.S. Agency for International Development (USAID), under the terms of cooperative agreement number 306-A-00-11-00532-00. The contents are the responsibility of Management Sciences for Health (MSH) and do not necessarily reflect the views of USAID or the United States Government.

About SPS

The Strengthening Pharmaceutical Systems (SPS) Program strives to build capacity within developing countries to effectively manage all aspects of pharmaceutical systems and services. SPS focuses on improving governance in the pharmaceutical sector, strengthening pharmaceutical management systems and financing mechanisms, containing antimicrobial resistance, and enhancing access to and appropriate use of medicines.

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CONTENTS

Acronyms ........................................................................................................................................ v
Acknowledgments .......................................................................................................................... vi
Executive Summary ..................................................................................................................... viii

1. Introduction ................................................................................................................................. 1

2. Methodology ............................................................................................................................... 3
   2.1 Preparing the Assessment ................................................................................................. 3
   2.2 Data Collection ................................................................................................................... 5

3. Results ......................................................................................................................................... 7
   3.1 Procurement Regulatory Framework ............................................................................... 7
   3.2 Procurement Management ............................................................................................... 10
   3.3 Pharmaceutical Distribution System ............................................................................... 23
   3.4 Quantification ...................................................................................................................... 27

4. Discussion .................................................................................................................................. 31
   4.1 General Assessment Findings .......................................................................................... 31
   4.2 Procurement ....................................................................................................................... 32
   4.3 Distribution Systems .......................................................................................................... 33
   4.4 Quantification ...................................................................................................................... 33

5. Conclusions ............................................................................................................................... 34

6. Recommendations ..................................................................................................................... 35
   6.1 Key Recommendations ....................................................................................................... 35
   6.2 General Recommendations .............................................................................................. 35
   6.3 Other Options for Consideration ....................................................................................... 36
**ACRONYMS**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACSS</td>
<td>Advisory Committee for Systems Strengthening</td>
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<td>BPHS</td>
<td>Basic Package of Health Services</td>
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<td>CPDS</td>
<td>Coordinated Procurement and Distribution System</td>
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<td>CSC</td>
<td>Commodity Security Committee</td>
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<td>DIC</td>
<td>Data and Information Committee</td>
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<td>DMU</td>
<td>Drug Management Unit</td>
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<td>EML</td>
<td>essential medicines list</td>
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<td>EPHS</td>
<td>Essential Package of Hospital Services</td>
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<td>GCMU</td>
<td>Grant and Contract Management Unit</td>
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<tr>
<td>GDPA</td>
<td>General Directorate of Pharmaceutical Affairs</td>
</tr>
<tr>
<td>INGO</td>
<td>international nongovernmental organization</td>
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<tr>
<td>M&amp;E</td>
<td>monitoring and evaluation</td>
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<tr>
<td>MoPH</td>
<td>Ministry of Public Health</td>
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<tr>
<td>NNGO</td>
<td>national nongovernmental organization</td>
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<td>NGO</td>
<td>nongovernmental organization</td>
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<td>PSM</td>
<td>procurement and supply management</td>
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<td>QUEM</td>
<td>Quantification Unit for Essential Medicines</td>
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<td>SOP</td>
<td>standard operating procedures</td>
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<td>SPS</td>
<td>Strengthening Pharmaceutical Systems [Program]</td>
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<td>TS</td>
<td>Tech-Serve [MSH]</td>
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<td>US Agency for International Development</td>
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ACKNOWLEDGMENTS

The activities and outputs highlighted in this review report on the Afghanistan Coordinated Procurement and Distribution System (CPDS), the Commodity Security Committee (CSC), and the Advisory Committee for Systems Strengthening (ACSS) stakeholder procurement, distribution, and quantification activities and functions was conducted and achieved with the USAID-funded Strengthening Pharmaceutical Systems (SPS) Program. Technical support for this review was provided by SPS’s Mr. Tawab Khitab, Mr. Oliver Hazemba, Dr. Paul Ickx, Mr. Jawed Ehsan, Ms. Shiou-Chu Wang, and Mr. Andy Barraclough. For the Ministry of Public Health (MoPH), technical support for the review was provided by Dr. Ajmal Yadgari.


This report is based on the data collected and recorded by Nangyalai Gulistani, Aziz Ahmad, Mohammad Zia Yaqubi, Sayed Hassan Ahmadi, Mohammad Nabi Akhtari, and Barialay Qaderi of the MoPH/GDPA, and Mohammad Nasim Yaqubi and Hezbullah Ahmadzai of MoPH/Procurement Directorate. Mohammad Nazir Heidarzad of MoPH/GDPA coordinated the teams and oversaw logistic arrangements during the implementation process.

SPS expresses its appreciation for the ongoing support for the promotion the Coordinated Procurement and Distribution System by His Eminence the Minister Dr. Suraya Dalil, H.E. Deputy Minister Dr. Basir Sarwar, and the General Director of Pharmaceutical Affairs Dr. Hafiz Quraishi.
EXECUTIVE SUMMARY

Background

For largely historical reasons of development in a post- or ongoing conflict situation, the current essential medicines supply mechanisms in Afghanistan are characterized by multiple funding sources and a large number of active players, giving rise to fragmented and, currently, largely uncoordinated service from multiple, vertical supply streams of varying efficiency.

This is not to say that the medicines supply service has been unsuccessful—through the Basic Package of Health Services (BPHS) and Essential Package of Hospital Services (EPHS) schemes medicines are clearly reaching patients, which is a major achievement in such a complex and fragile operating environment. Clearly, however, if the service is to be expanded to meet increased health care provision and if significant improvements are to be made in the quality and reliability of that service, then improved oversight, good governance principles of management, and much greater coordination are needed.

As noted, the service is functional—medicines are reaching patients—but the operational environment is fragile. It will be imperative to ensure that any changes and developments do not threaten to disrupt existing operations and the security of medicine provision to patients. Change is essential to bring the necessary improvements, but that change must be designed and implemented in ways that maintain continuity of supply, and to achieve that aim, it will be essential to have a comprehensive understanding of the current essential medicines supply operations and long-term, multiyear strengthening plans.

Purpose of the Study

As the responsible government body for public health, the MoPH in Afghanistan has recognized these challenges and, with the assistance of its implementing partners, has formulated an approach to address matters. It has adopted a CPDS mechanism for the promotion of good governance and supply chain oversight, and formed three advisory committees to carefully review the situation and undertake action plans for procurement and supply management (PSM) strengthening and development in each of the main areas of coordination development, systems strengthening, and commodity security.

Data Collection and Analysis

A first step in the development process for a coordinated procurement and supply chain was to determine the current status of the procurement and supply systems in use. The next step was to determine if there was sufficient similarity and uniformity among the different operations to serve as a core base from which a coordinated system could be developed. To achieve these aims, a PSM questionnaire for essential medicines operators was developed and an assessment undertaken among eight international nongovernmental organizations (INGOs), eight national...
Executive Summary

nongovernmental organizations (NNGOs), five government entities, three international organizations, and two donors, amounting to 26 stakeholders out of a total of more than 50, all playing specific roles and having responsibilities in procurement and distribution of medicines and medical supplies. Each of the selected stakeholders was asked to complete a 97–question questionnaire, covering different aspects of pharmaceutical procurement, pharmaceutical distribution, and pharmaceutical quantification.

This report covers the analysis of the data collected from the respondent INGOs, NNGOs, and government entities. The findings show that although the organizations carry out various technical pharmaceutical supply management activities, few organizations—

- Are able to provide documentation of their systems, activities, and procedures
- Can clearly describe in a consistent manner the full range of activities they undertake
- Are consistently undertaking the full range of procurement and supply activities

In addition, we found only limited evidence of a uniform approach or standard systems, procedures, and functions between the different systems.

The analysis of the results of the assessment show that using a crude average basis among the categories investigated, less than 30 percent of the full range of functions is being consistently followed in a well-documented and compliant manner, and even for individual categories there is rarely more than 50 percent uniformity in approach and operation. Furthermore, we found significant shortfalls in documentation, recording, and reporting; procedures and documentation and systems to ensure financial accountability and transparency; and technical skill sets.

Taking into account the limitations of the assessment criteria and the varying responses received, the assessment results can still serve as an important resource to CPDS for developing specific activities and strategies for improving pharmaceutical management systems within the existing diversity of active players and stakeholders.

Conclusion and Recommendations

We concluded from the assessment findings is that within the existing systems, the level of uniform operation is inadequate to serve as a base for future coordinated system development, and therefore, a future coordinated system will have to be developed without the advantage of an existing uniform operating core methodology. We make four recommendations based on our study.

Key Recommendations

- **Recommendation 1:** Start the process of developing a coordinated procurement and supply management system through dialogue and discussion.

  The finding that most operators manage reasonably well to keep a steady supply of essential medicines reaching the service delivery points reinforces the need for flexibility
of any future coordinated system. Rather than trying to impose a unique approach, CPDS committees could establish minimal quality criteria in the areas of procurement, distribution, and quantification that should be followed by all the stakeholders.

- **Recommendation 2:** Commission a report on the limitations and requirements imposed by funding agencies for procurement and supply management systems.

As a first step in this process, we recommend considering the limitations of uniformity within PSM systems that can be realistically achieved when those systems receive their funding from multiple sources. Indeed one of the reasons for the level of diversity encountered in the PSM systems and procedures by this assessment may well be that different funding sources specify different requirements, which will need to be accommodated by any attempt for achieving some degree of uniformity.

**General Recommendations**

- **Recommendation 3:** Revise, amend, and update the action plans, previously produced by the three CPDS committees, in light of the data and analysis obtained by this assessment.

The data collected by this assessment can serve to inform and guide the CPDS stakeholders in choosing policy options for improving and strengthening pharmaceutical management systems for Afghanistan.

It is clear that a sustained system strengthening along with major development will be needed. Given the fragile state of the systems and the absolute need to maintain security of supply, the speed at which change can be implemented will be significantly limited. It is highly likely that a multiyear development plan will be required to enact systems strengthening, and current CPDS committee actions plans should be reviewed and revised to reflect these circumstances. The recent experiences from the development of the Quantification Unit for Essential Medicines (QUEM) can serve as a good example of the type of approach needed, an approach containing these elements:

- A balance between the need and, hence, the speed of change with the ability of the unit to maintain operational services
- A recognition that far more than didactic, formalized instruction is needed
- Acknowledgment that operatives gaining practical experience through mentoring is of critical importance.

Such development takes time and adequate long-term planning, and implementation is required for successful outcomes.

- **Recommendation 4:** Request technical assistance for systems strengthening for CPDS operational stakeholders’ and partners’ staff active in quantification, procurement, and distribution functions in transparency and accountability requirements.
A key point to note is that it is not necessary to wait until the completion of the coordinated PSM system development before system strengthening activities begin. Any PSM system will require a cadre of skilled staff, which will take time to develop.

A crucial area for immediate strengthening should be improving the transparency, accountability, and financial documentation systems in procurement activities. It should be most strongly stressed that the issues raised by this assessment relate to the presence and functioning of systems and procedures. We found no evidence of any wrongdoing; the findings indicate only that current systems and procedures of transparency and accountability need to be strengthened. As recent experiences at the Global Fund have shown, however, it must be realized that such issues have the potential to seriously affect donor funding flows and so must be addressed as a matter of urgency.

**Other Options for Consideration**

- Strengthening stakeholders to enable them carry out their mandates in pharmaceutical management more effectively and efficiently through a series of training, coaching, and mentoring activities

- Developing and strengthening specific task-oriented technical pharmaceutical supply management teams to provide technical assistance and serve as coaches and mentors to the CPDS stakeholders when required

  Once again, the recent experiences of the QUEM unit development can serve as a useful guide in planning such long-term, multiyear development strategies.

- Promoting performance improvement through self-monitoring and evaluation, using globally accepted indicators and tools
1. INTRODUCTION

The MoPH of the Islamic Republic of Afghanistan has the responsibility for public health services and ensuring access to safe, effective, and quality essential medicines for the people of Afghanistan. It accepts the principle that availability of essential medicines not only improves the health condition of patients, but also increases the peoples’ trust in health facilities and promotes their further participation in program implementation.

To fulfill its mandate of providing an uninterrupted supply of quality medicines to its health facilities, the MoPH receives assistance from its national and international partners. The partners of the MoPH have provided essential medicines for the implementation of the BPHS and the EPHS throughout Afghanistan over the past several years.

Although the MoPH gratefully acknowledges the invaluable cooperation and participation of its partners in this area and recognizes the clear success of essential medicine supply, it must also be acknowledged that dealing with the various pharmaceutical management systems among MoPH partners has created several challenges in the management of pharmaceutical affairs and that the current, highly fragmented and diverse medicine supply operations may not be providing the most effective support possible.

It is clear that the establishment of a coordinated system reflective of good governance principles and oversight would better facilitate the management of partner contributions and in-country resources for essential medicines.

The CPDS provides a mechanism for the promotion of good governance and supply chain oversight and has been selected by MoPH as the mechanism to examine and address essential medicine supply chain issues.

The MoPH invited representatives of most donors, nongovernmental organizations (NGOs), United Nations agencies, government agencies, private sector representatives, and other agencies involved in pharmaceutical procurement and supply of medicines to work together, and this resulted in the development of a CPDS governance framework.

The vision of CPDS is to promote good governance in pharmaceutical management system of the public health sector through a clear definition of roles and responsibilities of different partners involved in all procurement and distribution activities for essential medicines and to develop a fully coordinated and eventually uniform methodology of operation. The CPDS governance framework comprises three technical committees:

- **Advisory Committee for System Strengthening:** The overall goal of the ACSS is to contribute to medicines policy development, identify gaps and possible actions, and make recommendations to CPDS for improvements in the procurement and distribution of pharmaceuticals. Based on the action plan of the committee, a critical review of current available procurement procedures, guidelines, and tools currently applied by partners is required among the stakeholders.
Commodity Security Committee: The overall goal of the CSC is to develop strategies to ensure the nationwide availability of commodities, including pharmaceutical products, medicines, consumables, and small equipment. Based on the action plan, a critical review of all quantification standard operating procedures (SOPs) and other similar documents is required among the stakeholders.

Data and Information Committee: The overall goal of the DIC to formulate policy and obtain agreement among stakeholders on the minimum set of data needed to make decisions on all aspects of pharmaceutical management at the national level. This committee also continually monitors and takes corrective action should any policy-based problems arise in the availability, quality, and timeliness of information.

Each technical committee developed action plans to realize the CPDS vision of good governance in pharmaceutical management system as well as to provide a clear definition of roles and responsibilities of different partners in the pharmaceutical system.

A first step in the development process for a coordinated procurement and supply chain was to determine the current status of the different procurement and supply systems in use—in other words, a mapping exercise—and then to determine if there was sufficient similarity and uniformity among the different operations to serve as a core base from which a coordinated system could be developed.

The ACSS and the CSC of CPDS, therefore, resolved to conduct a mapping of stakeholder activities and functions in the areas of procurement, distribution, and quantification. We examined stakeholders who provide primary and secondary health services through BPHS/EPHS partnerships with MoPH in the country. The purpose for the review was to—

- Form an overview of the existing PSM situation
- Identify existing gaps, weakness, and strengths of the current systems
- Determine the degree of uniformity and commonality between the systems
- Provide recommendations and solutions for the identified problems
2. METHODOLOGY

Two approaches to the mapping were considered:
• Collecting PSM, pharmacy tools, and systems in use
• Using a questionnaire to carry out the study and obtain the required information

The process to be adopted required the two committees, CPDS and ACSS, to have a common agreement and understanding on the mechanisms to be used and the overall aims. It was resolved that a combination of the two approaches would best meet all the needs. A questionnaire was developed with the support of SPS, to carry out the assessment in the areas of procurement, distribution, and quantification. The content of the questionnaire was produced to comply with international standards for PSM functions of essential medicines with adaptations to the specific context of Afghanistan.

2.1 Preparing the Assessment

2.1.1 Objective

The objective of the assessment was to obtain a clear overview of pharmaceutical procurement, distribution, and quantification of essential medicines used in the public health sector at the national level. Information gathered from public health service providers working with MoPH, international agencies, donors, and the governmental entities would be analyzed to assess the existing degree of a uniformity within the relevant tools and formats being used for ensuring an uninterrupted supply of essential medicines for the BPHS and the EPHS.

2.1.2 Areas of Assessment

Three target areas were considered: pharmaceutical procurement, pharmaceutical distribution, and pharmaceutical quantification. In each area, the overall processes of different stages and the methods of managing the system were assessed.

In particular for procurement, the various elements within the procurement cycle (figure 1) were assessed. These elements include the following:
• Procurement planning
• Bidding document
• Prequalification of suppliers
• Advertising
• Communication with suppliers during bid process
• Receipt of bids
• Bid opening and evaluation
• Contract award and administration
Through this questionnaire, the primary aim was to collect information to identify the strengths and weaknesses, the gaps and successes in the mentioned fields and to determine if there was a basis for developing them into uniform guidelines and SOPs at the BPHS/EPHS level.

**Figure 1. The Pharmaceutical Procurement Cycle**

2.1.3 Questionnaire

A questionnaire was developed, with the support of SPS, to carry out the assessment in the areas of procurement, distribution, and quantification. The content of the questionnaire was produced to comply with international standards for PSM functions of essential medicines with adaptations to the specific context of Afghanistan. The questionnaire was shared with the members of the CPDS committees and underwent various iterations through the regular meetings of the committees for further review and feedback before final content and approval was obtained.

Each section had subsections with relevant main and supplementary questions, which are linked and complementary to each other. Some of the questions needed a yes/no answer, but some that sought descriptions were necessary. In some questions, the primary aim was to obtain a clear picture of the relevant field, but for others, the aim was to learn about any relevant tool, format, guideline, or SOP that existed and to obtain such documents.

2.1.4 Selection and Engagement of the Stakeholders to Be Included

The selection process needed to consider the different types of players of the system (e.g., stakeholders by a single source of funding, stakeholders by multiple sources of funding, geographical presence, coverage), and therefore an updated list of all the stakeholders was obtained from Grants and Contract Management Unit (GCMU) of MoPH and sorted into the following categories:
Methodology

- Donors
- International organizations
- INGOs
- NNGOs
- Governmental entities

From these categories, 26 stakeholders were selected to complete the questionnaire. The stakeholders were informed in detail about the objective and methods of the assessment; the assessment itself was participatory and required active involvement of the stakeholders; and findings were communicated and discussed with the concerned stakeholder.

2.1.5 Implementation Team Roles and Responsibilities

Team members were assigned from the following departments:

- MoPH—procurement department: two representatives
- MoPH—General Directorate of Pharmaceutical Affairs (GDPA) (multiple departments): seven representatives
- CPDS coordinator

Departmental staff were responsible for the initial planning, questionnaire implementation process, and other tasks normally associated with technical and financial support of MSH/SPS, technical coordinator, and CPDS team (e.g., orientation of the team, assistance in implementation and interaction of this activity, the allocation of required contributions). The GDPA and technical coordinator of CPDS were responsible for implementation plan development, setup of base infrastructure, associated required documentation, and all initial support, among other tasks.

Knowledge gained from the previous experience of data collection for the DIC was incorporated into the process together with additional instructions to support the teams as part of their development. Knowledge gained by the primary support members was developed into orientation materials for the implementation team. A three-day orientation workshop was conducted for the assigned implementation team to explain the objective and expected outputs, followed by multiple sessions on questionnaire breakdown and review, practical work, planning, and division of the implementation teams.

2.2 Data Collection

2.2.1 Fieldwork

Four two-member teams were assigned to visit the selected stakeholders and were given an official authorization letter from MoPH explaining the purpose of the activity as well as an introduction of the implementation team to all stakeholders. Before the visit, all the stakeholders
were told about the team and advised through the GCMU about the date and time of the team’s arrival. The implementation team visited each stakeholder for a face-to-face meeting. After introducing themselves and explaining the purpose of meeting, the team then asked the questions according to the questionnaires; one member of the team was assigned to record the answers provided by the stakeholder representative. A separate team was also assigned inside the GDPA to coordinate and assist the field team during the implementation process if they faced any barriers during the questionnaire assessment process. The process of questionnaire implementation was October 5 to 23, 2011.

2.2.2 Compilation of the Questionnaire

Each implementation team was responsible for submitting the questionnaire once they had checked it for the accuracy, together with all other relevant documents collected, to the assigned team in GPDA. The submitted questionnaires were kept as confidential documents with no access allowed to unauthorized people. At the end of the implementation process, 25 completed questionnaires and documents were obtained from stakeholders.

To undertake a meaningful analysis, it was necessary to apply a simple type of coding (1 for yes, 0 for no) to the implemented questionnaires and to clarify some questions into only a few choices of answers. By using this numerically based approach, it was also possible to use the data sets to track future developments. A scoring mechanism to consolidate the questionnaire results matrix with a simple total score and percentage for each entity were developed to—

- Provide an indication of the current status in procurement, distribution, and quantification
- Measure what is available
- Be able to analyze the data

Based on this process, all the answered questionnaires were coded and then all the codes were entered into the developed results matrix in five categories (INGOs, NNGOs, government entities, international organizations, and donors) and shared with the SPS for further analysis.
3. RESULTS

Data were collected for eight INGOs, eight NNGOs, five government entities, three international organizations, and two donors. Data analysis for all three areas was undertaken on eight INGOs, eight NNGOs, and four government entities. The fifth government entity was included for the analysis on distribution and quantification, since it provided information only on those two areas. Although data from international organizations and donors was collected and coded, it was not included in this analysis since they clearly function on a different level. The data can still be useful at a later stage.

Because of the varying response rate, the denominator is different for the different sections, with eight INGOs, eight NNGOs, and four government entities answering for the different aspects of procurement and eight INGOs, eight NNGOs, and five government entities answering for the different aspects of distribution and quantification.

3.1 Procurement Regulatory Framework

3.1.1 Procurement Rules

Figure 2 provides a graphical presentation of the findings for four subsections related to the procurement rules questions.

3.1.1.1 General Procurement Rules

A first set of questions looked at the availability of general procurement rules, either dispersed in various documents or compiled in one comprehensive document: five INGOs and four NNGOs each reported they had written procurement rules, but only four INGOs and three NNGOs were able to share or felt comfortable sharing the documents for review. One government entity reported they had published rules, but did not provide the documents.

Most of the organizations have no clear documented procurement rules for managing the procurement of medicines.

3.1.1.2 Centralization of the Procurement Process

On centralization of the procurement process, six INGOs, four NNGOs, and all four government departments report they have centralized systems.

3.1.1.3 Delegation of Powers

Delegation of powers was reported by three INGOs and five NNGOs, but only one INGO and two NNGOs provided documents describing roles and responsibilities of the organizations. It appears that procurement is generally centralized, and where existing, devolution of power could most often not be confirmed through document review.
3.1.1.4 *Bidder Suspension and Debarment*  

For rules and procedures regarding bidder suspension and debarment, two INGOs, five NNGOs, and two government entities reported they have such rules.

![Figure 2. General procurement rules](image)

3.1.2 *Transparency*  

One way of providing a procurement audit trail is by documenting and keeping records that can be reviewed. The eight INGOs, eight NNGOs, and four government entities reported that they maintain written records of procurement proceedings, evaluations, and outcomes. These documents were reported to be available for public review, but only one INGO, five NNGOs, and no government departments were able to provide the documents for the last two procurements undertaken. Some incomplete sets of procurement documents were seen by the data collectors, and some of the copies (e.g., purchase order, quotation form, order form, news advertisement, procurement guideline, annual procurement plan, local suppliers list) were provided by INGOs and NNGOs, but none of the governmental entities provided such documents.

Transparency in contracting involves advertising for bids based on given thresholds. Two INGOs and five NNGOs each, required advertisement of any contracting opportunities. Two of each of these organizations had documented rules for thresholds on what is to be advertised.

Before the bids are opened for evaluation, there are procedural requirements to be met for public opening of the bids. Two INGOs and four NNGOs reported that they have rules that need to be
Results

followed during public bid opening. The four government entities also reported that they have procedural requirements to be met. These requirements included regulations for price negations after bid opening or selection of awards. Two INGOs and one NNGO provide for post-bid negotiations and have rules to be followed in the process. These rules contribute toward ensuring transparency in each incidence.

The assessment looked for the establishment of clear conditions for use of the various standard procurement methods. Three INGOs and six NNGOs stated that they do have such conditions, and the same applied to the four government entities. On the explicit preference for open competitive bidding method, four INGOs, seven NNGOs, and four government entities said yes to the requirement, but seven INGOs and four NNGOs impose qualification requirements on the bidders. The government organizations also have specific qualification requirements to be met.

Transparency was also assessed in terms of communication with bidders. It was assessed for holding regular meetings with the business community to discuss the procurement issues. Only one each of the INGOs and NNGOs responded that they hold such meetings. The rest said no meetings were held. None of the organizations had any mechanism of recourse to take care of the concerns of the business community. No follow-ups were made on the issues raised at the meetings, but four INGOs, two NNGOs, and three government entities have rules for prevention of conflict of interest in the case of staff who deal with tenders as well as bidder complaints.

Two INGOs, three NNGOs, and all four government entities have provisions in their bid documents and contracts regarding antibribery and anticorruption conditions to ensure transparency.

Figure 3 offers a summary of the stakeholder responses on the transparency questions.
3.1.3 Accountability

The questionnaire also reviewed the accountability mechanisms along with the procurement processes, including how easy it is for bidders to report bribes by others and solicitation or extortion of bribes by procurement officials. None of the eight INGOs have a clear system to report bribery by others and prevent solicitation for bribes by procurement officers. Only one of the eight NNGOs has clear provisions for reporting bribery; however, six INGOs, five NNGOs, and all four government entities have mechanisms permitting an appeal against contract award decisions. Figure 4 provides the graphic presentation of the findings.

![Figure 4. Accountability](image)

3.2 Procurement Management

3.2.1 Procurement Planning

The assessment focused on procurement planning as a management processes for procurement efficiency. Seven INGOs, seven NNGOs, and the four government entities reported that they prepared procurement plans, but of these, only four INGOs and three NNGOs reported having clear rules on who is to manage the procurement process. One government entity also has procedures on who is to manage the procurement process. The frequency of procurement planning was also assessed, and all eight INGOs, four NNGOs, and three government entities reported conducting their procurement planning less than once per year. None of the NGOs, however, neither the INGOs nor NNGOs, could provide a copy of the last two procurement plans. Two government entities provided copies of their last two procurement plans.

The assessment sought further information on the quality and frequency of the procurement plans. Four INGOs, six NNGOs, and three government entities considered technical issues when
drafting a procurement plan. Financial issues (e.g., foreign exchange, amount, and source of funds) are also considered by half of the NGOs and three governmental entities.

Managerial issues (e.g., procurement cycles, storage capacity, and distribution cycles) were reported to be considered in procurement plans by in three INGOs, five NNGOs, and three government entities, which is similar to our finding for financial issues. Implementation constraints such as seasonal events, budgets, and other factors are unavoidable in the Afghanistan environment, and five INGOs, six NNGOs, and three government entities reported considering them when doing procurement planning.

All of the eight NNGOs, six INGOs, and three government entities indicated that they have specialized staff for procurement planning.

Figure 5 reflects the stakeholder responses to questions on procurement planning.

![Figure 5. Procurement planning](chart)

### 3.2.2 Bidding Documents

Within the procurement cycle, the assessment examined the capacity of the staff and the system to prepare bidding documents. All the INGOs, NNGOs, and government entities reported having capable staff to prepare bidding documents.

The questionnaire assessed for the availability of standard bidding documents for pharmaceuticals and other essential commodities. Seven INGOs, five NNGOs, and three
government entities responded that they have standard bidding documents. Two INGOs, four NNGOs, and three government entities were able or provided copies of the documents for review.

On further investigation on the sources of goods (i.e., on whether they procured both internationally and nationally or procured only within the Afghanistan), six INGOs, three NNGOs, and one government entity reported procuring both internationally and nationally, others procured only nationally.

For NGOs that procured both internationally and nationally, the assessment sought to find out whether there were separate tender documents for international and national procurements, which was the case for three INGOs, one NNGO, and the three government entities. When it came to providing a copy of these documents, only one NNGO provided one.

Familiarity of the procurement staffs with procurement policies, guidelines, and the standard bidding documents outside their organization was assessed. Only one INGO, two NNGOs, and one government entity reported that they had staff familiar with such documents.

Prequalification of suppliers was reported as practiced by three INGOs, two NNGOs, and two government entities. Where they exist, assessment was made on whether there were any clear principles followed in the determination of prequalification criteria. The two NNGOs and two government entities responded that they have them. For those that do not prequalify suppliers, only one NNGO reported having clear criteria used for selecting suppliers.

Quality assurance specifications and requirements are normally included in the bidding documents. The assessment sought to find out whether this inclusion was considered an issue by the organizations. Three INGOs, two NNGOs, and two government entities reported that they do have clear rules on assuring product quality. All eight INGOs, seven NNGOs, and two government entities have standard purchase order forms for procurement. Only four INGOs, all seven NNGOs that responded, and one government entity provided copies of purchase order forms.

In cases where no formal tenders are prepared, three of each of the INGOs, NNGOs, and government entities reported that they have clear rules that they follow. Six INGOs, five NNGOs, and two government entities report using a quotation form. Figure 6 shows the stakeholder responses on bidding documents questions.
3.2.3 Prequalifications

Six INGOs and four NNGOs reported that they maintain a list of suppliers, but only two each of the two groups of NGOs update the lists of suppliers more than once per year. All four governmental entities also maintain lists, although they are not regularly updated. Only half of each of group has a system to evaluate supplier performance with two INGOs and three NNGOs adjusting the records for more than three suppliers either through addition of new entrants or the deletion or temporary debarment of nonperformers from participating during the last two years. The results indicate a low performance of the organizations’ use of prequalification system, as illustrated by figure 7, which presents the stakeholder responses.
3.2.4 Advertising and Communication

Figure 7. Prequalification of suppliers

3.2.4.1 Advertising

As part of the transparency processes in procurement, it was reported that tenders are advertised to invite bidders to compete. Five INGOs, four NNGOs, and one government entity report that they have clear rules for advertising and tendering. Such tenders are short term and usually are applicable to emergency situations. Among the government entities, MoPH Pharmaceutical Enterprise has clear rules for advertising procurement tenders.

3.2.4.2 Communication

The assessment sought information on requests for clarifications from tenderers about whether they receive answers promptly and completely and in a written form. Five INGOs, six NNGOs, and three government entities responded that they answer requests for clarifications promptly and completely in writing. Six of each of the NGOs and three government entities responded that they maintain accurate records of all communications with the bidders.
3.2.5 Receipt and Opening of Bids

The process for managing receipts of bids and opening of tenders varies greatly between the various organizations. Bids that are received ahead of the bid deadline are reported as being securely stored by seven INGOs, five NNGOs, and three government entities. Clear rules on procedures to be followed were reported to exist with two INGOs, four NNGOs, and one government entity.

Only two INGOs and one NNGO reported having a limit of less than 24 hours between the deadline for submission of bid and bid opening. Bid opening is reported as being conducted publicly by five INGOs, four NNGOs, and all government entities. Clear rules exist and were provided on the location of specified place where the opening would take place by the NGOs and one government entity. Only four INGOs and two NNGOs invite the bidders for the bid opening, as do three government entities.

The assessment sought to evaluate the minimum quantity of information read out at the bid opening (e.g., name, price, lots, and bid bond present). The findings show that only two NNGOs out of all the respondents provide more than the minimum information. One INGO, three NNGOs, and three government entities keep minutes of the bid opening.

The assessment placed the bids submitted after the deadline into two categories:

- Bids received after the deadline for submission are rejected without opening them by half of the NGOs and three government entities.
• Bids received by the agencies but not opened would be investigated fully by the tender boards of only two NNGOs.

Figure 9 illustrates the shareholder responses on the receipt and opening of bids questions.

![Graph showing shareholder responses on the receipt and opening of bids](image)

**Figure 9. Receipt and opening of bids**

### 3.2.6 Bid Evaluation

The next stage in the procurement cycle is bid evaluation. Seven INGOs, six NNGOs, and three government entities reported that they have clear rules governing the bid evaluation process. The existence of a process on how it is decided who is involved in the evaluation process was reported by three INGOs, three NNGOs, and three government entities.

The successful bidder’s qualification to perform the contract as being determined solely on the basis of the criteria stated in the documents was reported by four INGOs, seven NNGOs, and four government entities. Four INGOs and eight NNGOs responded that they could use other criteria apart from those provided in the bidding documents.

Five INGOs, five NNGOs, and four government entities reported bid evaluation reports as being prepared to contain all essential information (i.e., a clear and complete description of the evaluation process, including the reasons for rejecting any bid as nonresponsive, how the stated evaluation criteria were applied, and how the successful bidder’s qualifications were verified).
Results

Only one NNGO, however, provided a copy to document the availability of the evaluation reports.

The assessment sought information on the following:
- The total number and value of contracts awarded in the past two years and, if possible, the figures for categories of—
  - Drugs and pharmaceuticals
  - Medical equipment
  - Other medical and surgical requisites
- The average time from the date of bid opening to the award of contract for each category.

The results presented in figure 10 indicate that only one INGO, three NNGOs, and two government entities provided the information. Only one INGO and three NNGOs responded to the question requesting the average time from date of bid opening to award contract. No documents were provided for verification.

![Figure 10. Bid evaluation](image)

### 3.2.7 Contract Award

The results show that four INGOs, three NNGOs, and three government entities require that contracts be awarded to the lowest evaluated responsive bidder who has been determined to be qualified to perform the contract satisfactorily, but three INGOs and two NNGOs conduct negotiations with bidders on any of the following: price, technical terms and conditions, and scope of work or services. No other specific examples were provided.
Performance security is a requirement in an appropriate amount and in an appropriate format by two INGOs, two NNGOs, and four government entities.

### 3.2.8 Contract Administration

The assessment focused on contract award as part of the procurement cycle, in particular at the availability of manual or computerized procurement and/or contract monitoring systems. Four INGOs, five NNGOs, and two government entities reported having manuals on how to conduct contract monitoring; however, only one NNGO out of all the respondents provided a copy.

The timeliness of payment on contract performance is one of the indicators used to evaluate the performance of contract administration. Six INGOs, six NNGOs, and three government entities responded that they generally have paid suppliers on time. The normal time lapse from invoice submission to final payment is more than 30 days for six INGOs, three NNGOs, and one government entity.

The procurement process normally requires performance monitoring of suppliers. The assessment sought to know if there were any appropriate procedures to monitor delivery of goods and services (e.g., to verify quantity, quality, and timeliness). Six INGOs, seven NNGOs, and three government entities reported having the appropriate procedures. To ensure compliance to specification and conformity with quality by the supplier or contractor, six INGOs, three NNGOs, and two government entities reported having clear rules that they follow. Clear rules on monitoring delivery of goods and services are also reported by five INGOs, three NNGOs, and two government entities.

The findings show that it is normally the responsibility of the suppliers to manage transportation of the goods to project stores for six INGOs, six NNGOs, and three government entities. Supplier and contractor claims are handled fairly based on a clear recognition of both parties’ obligations under the contract by seven INGOs, seven NNGOs, and all four government entities. Disputes are settled through a good-faith attempt to resolve disagreements through informal negotiations by four INGOs, four NNGOs, and four government entities. If that fails, clear rules to handle the resulting disputes exist with three INGOs, two NNGOs, and three government entities. Contracts generally get completed on schedule and within the originally approved contract price by six INGOs, four NNGOs, and all four government entities. More than three contracts per year get extended or amended by only one INGO, two NNGOs, and one government entity. (See figure 11 for a summary of stakeholder responses.)
3.2.9 Government and Management Support System

The assessment also investigated the governance and management support system put in place by the various organizations. This system includes organization and functions, support and control systems, and record-keeping and staffing.

3.2.9.1 Organization and Functions

The questionnaire requested a description of general organization of the procurement unit to ascertain availability of clear organizational structures and organigrams. The results indicate that five INGOs, four NNGOs, and one government entity have clear organigrams. There are also procedural manuals and clear instructions for staff to follow in seven INGOs, seven NNGOs, and all four government entities, but only three INGOs and two NNGOs provided copies of the organigram.

Figure 12 shows the respondents’ feedback on organization and functions.
3.2.9.2 Support Systems

Auditing arrangements were reported to be in place and suitably established. In response to the request to describe existing internal and external auditing systems, for most of the responses that are answered in the questionnaires the only provided answer is “yes.” Only one INGO indicates that the “external audit is performed once a year and internal auditing is carried out on a routine basis,” but the period is not specified.

There are two types of auditing systems:
- Auditing performed by the donor on the implementer, which is external auditing
- Auditing performed by implementer which is internal auditing

The actual way of performing the audit is different for each donor and implementer. Seven INGOs and five NNGOs reported having suitably established internal and external auditing systems. In addition, all four government entities also have auditing systems. Measures or initiatives within the organization to curb or control corruption, (e.g. anticorruption regulations) exist for four INGOs, four NNGOs, and four government entities.

Figure 13 (below paragraph 3.2.9.3) shows the respondents answers to the questionnaire on both support systems and record-keeping.

3.2.9.3 Record-keeping
For contracts to be awarded based on competitive bidding, procuring units ought to maintain a complete record of the process. This record would include the following:

- Copies of all public advertisements
- Prequalification documents (if used)
- The prequalification evaluation report documenting any decisions not to prequalify certain potential bidders
- The bidding documents and any addenda
- A record of any pre-bid meetings
- The bid opening minutes
- The final bid evaluation report (including a detailed record of the reasons used to accept or reject each bid)
- Copies of bids
- Appeals against procedures or award recommendations
- A signed copy of the final contract
- Any performance and advance payment securities issued

The assessment sought to find out whether the organizations maintain these records. The results show that six INGOs, four NNGOs, and all four government entities reported they maintain appropriate records.

In addition to the above documentation, the assessment also looked for adequacy of contract administration records maintenance. These documents would include the following:

- Contractual notices issued by the supplier, contractor, purchaser, or employer
- A detailed record of all change or variation orders issued affecting the scope, quantities, timing, or price of the contract
- Records of invoice and payments
- Progress reports
- Disputes and their outcome

The findings show that five INGOs, six NNGOs, and three government entities kept adequate administration records.

Five INGOs, one NNGO, and two government entities maintained a database showing the current market price for commonly needed items for small contracts or purchase orders for goods procured using shopping procedures.

Periodic reports on overall procurement activities were prepared by four INGOs, seven NNGOs, and three government entities. The persons responsible for this report are clearly stated for three INGOs, four NNGO, and one government entity, but only one INGO out of all the respondents provided a copy of the reports.

Figure 13 shows the respondents’ answers to the questionnaire on both support systems and record-keeping.
3.2.10 Staffing for Procurement

The availability of human resources for procurement processes was assessed among the various groups of respondents. Five INGOs, seven NNGOs, and all four government entities had a separate cadre for procurement, with more than one person per 1 million US dollars procurement.

Seven INGOs, eight NNGOs, and all four government entities have job descriptions for the staff, including qualifications required. Four INGOs, five NNGOs, and three government entities had provided some specific training for their procurement staff during the last year. No further descriptive information was provided by any of the respondents. The trainings provided include those on managing pharmaceutical supply, procurement law and regulations, quantification, stock management, and medicine dispensing plus some specific training on the procurement of goods.

Only one INGO and one government entity had more than two procurement staff with more than 3 years’ experience in international procurement under International Finance Institutions rules. None of the other INGOs, NNGOs, and government entities had one.

Figure 14 summarizes the stakeholder responses in the area of staffing for procurement.
3.3 Pharmaceutical Distribution System

The analysis on the pharmaceutical distribution system includes a fifth government entity.

3.3.1 Distribution Rules

Seven INGOs, four NNGOs, and five government entities had clear rules concerning which level of the supply system can order pharmaceuticals directly from suppliers (e.g., central, district, provincial, health facility). Clear rules were provided by all the eight INGOs, five NNGOs, and all five government entities NNGOs to stipulate where health facilities should order pharmaceutical supplies from (e.g., central store, provincial store).

Pharmaceutical distribution systems assign the ordering system to lower levels depending on whether the supplies should be ordered (or pulled) according to their needs or whether the supplies should be pushed to them based on predetermined quantities. Wherever either a push or pull system exists, four INGOs, five out of eight NNGOs, and four out of five government entities have clear distribution rules to lower levels (i.e., who determines when to order, what items to order, and the order quantity).

Clear information is provided by four INGOs, four NNGOs, and four government entities on the number of levels available in the distribution hierarchy (e.g., central store, provincial store, district store, health facility, village health worker) and number of stores, clinical facilities, or pharmacies at each level. Three INGOs, seven NNGOs, and three government entities provide a
clear indication on how many levels of warehousing are needed (e.g., central, provincial, district).

Clear rules on whether pharmaceuticals get collected by facilities, or delivered by the distribution center to facilities are reported by four INGOs, five NNGOs, and four government entities. Clear rules are also provided on the frequency of supply to health facilities by seven INGOs, eight NNGOs, and three government entities.

The questionnaire assessed the existence of clear criteria to calculate the resupply quantities at each level in the system (e.g., stock on hand, average monthly consumption, lead time). Five INGOs, five NNGOs, and two government entities have clear rules on calculating resupply quantities at each level. Of all respondents, only one government entity had clear information on anticipated changes in demand distribution in the future (e.g., due to changes in funding, new programs). Figure 15 provides a summary of stakeholder responses.

![Figure 15. Distribution rules](image)

### 3.3.2 Storage Capacity and Transport

Sufficiency of warehouse or storage space was evaluated by assessing whether 30 percent of total space was unused and thus available for additional products. Two INGOs and one NNGO reported having a minimum of 30 percent availability at each level.

Most of the respondents have no clear information on the total physical capacity of each store. Only one INGO, one NNGO, and one government entity had clear information on the physical
capacity and number of stores. Five INGOs, six NNGOs, and four government entities reported that storage needs exceeded the physical storage capacity of the warehouses.

Five INGOs, five NNGOs, and four government entities had clear information on the type of transport used in their distribution system. Four INGOs, four NNGOs, and three government entities had clear information on whether they provided the transport services with their own means or whether they contracted private transporters. Mostly for the private contractors it’s based on the need, and vehicles are contracted only for the amount time of the distribution. Because the vehicles are always accessible on the market, there is no need to have the contractors for the longer period, which would be more expensive.

Figure 16 illustrates the stakeholder responses for the storage capacity and transport questions.

![Figure 16. Storage capacity and transport](image)

3.3.3 Other Distribution System Functions

Figure 17 shows the respondents’ feedback on supply sources, communications, and monitoring and evaluation (M&E).

3.3.3.1 Supply Sources

Six INGOs, seven NNGOs, and four government entities had no clear information on the percentages in terms of annual volume, value, or number of items obtained from international or in-country suppliers. In addition, six INGOs, five NNGOs, and four government entities had no clear information on which ports of entry are used by international suppliers and which ports
clear imports most efficiently and with the least loss. There was little information on ports of entry and clearance of imported supplies.

3.3.3.2 Communications

The methods of communication available and actually used between each node in the distribution system (i.e., telephone, fax, radio link, e-mail, physical visit) varied among the respondents. Seven INGOs, seven NNGOs, and two government entities have clear information on methods of communications and number of units of each available between each node in the distribution system.

3.3.3.3 Monitoring and Evaluation

The range of performance monitoring indicators used (if any) varied from one organization to another. The assessment sought to find out if more or fewer than four specific indicators were in use and if there are any others in use. Little information was provided by the respondents, and no additional indicators are recorded in the answered questionnaires. Seven INGOs, seven NNGOs, and one government entity reported using more than four of these indicators:

- Percentage of health facilities submitting requisitions on time
- Frequency of delivery
- Number of emergency deliveries
- Stock-out frequency for indicator medicines
- Percentage availability of indicator medicines at each level
- Quantity and value of expired items in stock
- Losses caused by damage and theft
- Variation between actual and recorded inventory level

Four INGOs, seven NNGOs, and three government entities reported having effective M&E systems on distribution system costs and performance. One NNGO and one government entity provided a recent report.
3.4 Quantification

Quantification is a combination of processes used to determine the amount of products to be procured. The process requires assembly of data from previous consumption data, morbidity data, or a combination of the two in relation to other relevant contextual factors such as available funds, human resources, storage space, and delivery capacity.

3.4.1 Availability of Data

All eight INGOs, seven NNGOs, and four governmental entities reported that they document and keep a record of medicine usage and accurate data at medical stores and health facilities, which would allow using the consumption method for quantification. Only four NNGOs and two government entities produced copies of the reports. The quality of usage data is much dependent on the appropriateness of the usage of each individual product.

The use of standard treatment guidelines promotes rational use of medicines and ultimately improves the quality of data. Although Afghanistan has no official comprehensive standard treatment guidelines, five INGOs, three NNGOs, and two government entities reported to use some standard treatment protocols. Only one INGO and two NNGOs have a clear system for monitoring compliance with these protocols as shown in figure 18 on availability of data.
3.4.2 Management of Quantification

Good management of quantification of supplies involves development of formal workplans and schedules for quantification. Five INGOs, five NNGOs, and four government entities have formal workplans and schedules for quantification, but only three government entities produced copies of the reports. Quantification committees with representatives from health facilities (prescribers and pharmacy staff), clinical managers of organizations, organizations’ medical stores (or other group handling pharmaceutical distribution), and donors exist for one INGO, three NNGO, and four government entities. Quantification committees are not commonly established by NGOs in Afghanistan.

Two INGOs used dedicated computer software for quantification, all others use Excel® or a manual method. Three INGOs and five NNGOs reported using computers for procurement management down to the provincial level.

Two INGOs and three government entities reported using centralized quantification, all others reported decentralized quantification. One INGO, two NNGOs, and two government entities reported a clear system on which offices and levels are responsible for quantification. No information was provided on the type of training on quantification that was offered to responsible staff members at each level, but some training was reported to be provided by three INGOs, eight NNGOs, and two government entities.
Four INGOs, five NNGOs, and two governmental entities had distributed preprinted quantification and/or data collection forms to the facilities. One INGO, five NNGOs, and one government entity provided copies of the forms.

Figure 19 illustrates stakeholder responses to management of quantification questions.

![Figure 19. Management of quantification](image)

### 3.4.3 Quantification Method

Seven INGOs, seven NNGOs, and two government entities reported that they have a clear system for quantification methods. None of the respondents provided copies of documents describing the system used. Only one government entity could clearly describe the method used (i.e., a combination of the consumption and morbidity methods).

Three INGOs, one NGO, and four government entities reported that they compare actual procurement quantities and costs at the end of each year against the initial quantification estimates; however, except for two government entities, none provided any copies of these comparisons.

The functionality of the supply system pipeline was assessed by evaluating whether more than three items were out of stock for longer than 3 months during the last year. Six INGOs, six NNGOs, and one government entity experienced such stock-outs. Only one INGO and one government entity claimed to have experienced stock-outs of fewer than five items during the last year, and only the government entity could give specific examples.
To predict procurement costs, an adjustment is made based on the last procurement prices with the additions of 5 to 20 percent. For some entities, prices are adjusted based on the actual daily market prices, but there is no clear definition on how it’s managed and adopted in the organization frame. Four INGOs, two NNGOs, and two government entities reported they had clear information and numbers to predict procurement costs based on last prices.

Only two INGOs, one NNGO, and one government entity have standard formulas used to calculate order quantities.

Seven INGOs, seven NNGOs, and four government entities have the standard essential medicines list (EML) used for quantification. Procurement is limited to medicines on the list by four INGOs, six NNGOs, and three government entities.

Finally, the assessment looked at the techniques used to adjust initial estimates to conform to available budget. Six INGOs, seven NNGOs, and three government entities have no clear techniques to adjust initial estimates to conform to available budgets.

Figure 20 shows stakeholder responses to quantification method questions.
4. DISCUSSION

The objective of the assessment was to map and analyze the current situation on activities and functions for essential medicines supply management in the areas of procurement, distribution, and quantification, among stakeholders who provide primary and secondary health services through BPHS/EPHS partnership with MoPH. It was not intended to assess the quality of the procedures for pharmaceutical management, only whether systems and procedures were present or not.

4.1 General Assessment Findings

The various respondent organizations—INGOs, NNGOs, government entities, international organizations, and donors—all play specific roles and have specific responsibilities in procurement and distribution of medicines and medical supplies. The findings show that although these organizations carry out various technical pharmaceutical supply management activities, few organizations—

- Are comfortable or able providing documentation of their systems, activities and procedures
- Can clearly describe the full range of activities they undertake in a consistent manner
- Are consistently undertaking the full range of procurement and supply activities

In addition, we found only limited evidence of a uniform approach or standard systems, procedures, and functions between the different systems.

Using a crude average basis among the different assessment categories, we found that less than 30 percent of the full range of functions is being consistently followed in a well-documented and compliant manner, and even for individual categories, there is rarely more than 50 percent uniformity in approach and operation. The conclusion is that there is not an adequate level of uniform operation from within the existing systems of BPHS/EPHS contractors to serve as a base for future coordinated system development, and it will therefore be necessary to develop a coordinated system without the need to be based on current operations.

Figure 21 provides an overview of the collated responses from the INGOs and NNGOs.
4.2 Procurement

Generally, most of the respondents have centralized procurement systems, which should facilitate adoption of coordinated system methodologies. Observations of transparency and accountability, however, show some inconsistencies in the areas of having rules and clear activities and indicate the need for urgent and extensive training, coaching, mentoring to address such critical issues, especially if donor-funding levels are to be maintained.

Most organizations were not comfortable with providing or able to provide the various documents, reports, and records requested to ascertain the clear existence and review of various procurement rules and responsibilities.

Most organizations report practicing procurement planning, although few organizations provided a copy of their plans. Most of the stakeholders have technical staff delegated to conduct procurement activities, but they often are inadequate in number and skill sets and require capacity building in procurement practices, particularly those used to conduct both international...
and local purchases. They lack international experience in developing standard bidding documents.

Most respondents did not prequalify suppliers, and those who did use prequalification had no clear rules on the methods they use. Prequalification may reduce the cost of doing business and reduce the lead time for the procurement process.

The findings also show that receipt of bids, bid opening, and bid evaluation could all be more effectively managed by reducing the lead time between bid closing and opening of tenders, public involvement, sharing of information on bid requirements, and maintenance of records.

Most respondents reported they administer the contract award effectively with minimal challenges. No significant delays were reported. All respondents could benefit, however, from improving the organizational structures, auditing, record-keeping, and access to information on contracts and awards.

4.3 Distribution Systems

Most of the organizations reported they have clear rules, systems, and information on the distribution of products, but reports and documentation were not provided.

Information on the storage space is available and storage space is reported to be insufficient to handle all the medicines received by stakeholders and health facilities.

Respondents knew little about the sources of products used and on how and where they enter the country. This is particularly true for those respondents who procure internally from local suppliers. It may not be necessary for them to know the ports of entry.

4.4 Quantification

The respondents reported having supply data that could be used for quantification process, but were not able to provide it. They also have EMLs as well as standard treatment guidelines on the products they supply. Even though quantification plans exist, the process is limited because the respondents reported having no quantification committee, no clear rules on who is responsible, and no forms for collecting data. As a result, stock-outs were reported to be common; procurement costs were not predictable; and respondents lack techniques to adjust initial estimates to conform to budget limitations.

It is also important to note that unlike procurement, which is centralized, quantification appears to be decentralized.
5. CONCLUSIONS

The essential medicines supply system is clearly working: medicines are reaching patients. The system is fragmented, however, and any changes to the existing systems must be made mindful of the fragility of the operating environment and the absolute need to maintain a secure medicines supply chain.

Even with the limitations of the assessment criteria, the assessment results can serve as an important resource to CPDS for developing specific activities and strategies for improving pharmaceutical management systems within the existing diversity of active players and stakeholders.

The results of the assessment clearly show that among the large number of different operators implementing BPHS—eight INGOs and eight NNGOs—there is currently little cohesion, coordination, or any significant degree of uniformity in approach and operation.

Using a crude average basis among the different categories, we found that less than 30 percent of the full range of functions is being consistently followed in a well-documented and compliant manner among the different operators, and even for individual categories, there is rarely more than 50 percent uniformity in approach and operation.

Further, we found significant shortfalls in documentation, recording, and reporting; procedures and documentation to ensure financial accountability and transparency; and technical skill sets.

The overall conclusion must be that the level of uniform operation from within the existing systems is inadequate to serve as a base for future, coordinated system development, and it will therefore be necessary to develop a future coordinated system without the advantage of an existing uniform operating core methodology.
6. RECOMMENDATIONS

6.1 Key Recommendations

The key question that instigated the need for this assessment was, “Is there an adequate base available among the current operations from which a coordinated procurement and supply management system can be produced?” Based on the assessment data, the answer is “no.”

It is now necessary, therefore, to move forward with the development of a coordinated procurement and supply management methodology, by achieving consensus from active partners and stakeholders, through dialogue and discussion rather than by just adopting existing operations.

- **Recommendation 1:** Start the process of developing a coordinated procurement and supply management system through dialogue and discussion.

  The finding that most operators manage reasonably well to keep a steady supply of essential medicines reaching the service delivery points reinforces the need for flexibility of any future coordinated system. Rather than trying to impose a unique approach, CPDS committees could establish minimal quality criteria in the areas of procurement, distribution, and quantification that should be followed by all the stakeholders.

- **Recommendation 2:** Commission a report on the limitations and requirements imposed by funding agencies for procurement and supply management systems.

  As a first step in this process, we recommend to considering the limitations of uniformity within procurement and supply management systems that can be realistically achieved when there are multiple funding sources for essential medicine operations. Indeed, one of the reasons for the level of diversity encountered in the existing procurement and supply management systems and procedures may well be that different funding sources specify different reporting and auditing requirements. Any coordinated system must comply with the same requirements to prevent interruption of funding for the provision of essential medicines.

6.2 General Recommendations

- **Recommendation 3:** Revise, amend, and update the action plans, previously produced by the three CPDS committees, in light of the data and analysis obtained by this assessment.

  The data collected by this assessment can serve to inform and guide the CPDS stakeholders in choosing policy options for improving and strengthening pharmaceutical management systems for Afghanistan.

  This recommendation should be viewed in the light of the highly fragmented and low level of documentation encountered within the existing systems. It is clear that a sustained system
strengthening along with major development will be needed. Given the fragile state of the systems and the absolute need to maintain security of supply, the speed at which change can be implemented will be significantly limited. It is likely that a multiyear development plan will be required to enact systems strengthening, and current CPDS committee actions plans should be reviewed and revised to reflect these circumstances. The recent experiences from the development of the QUEM can serve as a good example of the type of approach which is needed, one containing these elements:

- A balance between the need and, hence, the speed of change with the ability of the unit to maintain operational services
- A recognition that far more than didactic, formalized instruction is needed
- Acknowledgment that operatives gaining practical experience through mentoring is of critical importance.

Such development takes time and adequate long-term planning, and implementation is required for successful outcomes.

**Recommendation 4:** Request technical assistance for systems strengthening for CPDS operational stakeholders’ and partners’ staff active in quantification, procurement, and distribution functions in transparency and accountability requirements.

A key point to note is that it is *not* necessary to wait until the completion of the coordinated PSM system before strengthening activities begin. Any PSM system will require a cadre of skilled staff, which will take time to develop.

A crucial area for immediate strengthening should be improving the transparency, accountability, and financial documentation systems in procurement activities. It should be most strongly stressed that the issues raised by the assessment relates to the presence of systems and procedures. We found no evidence of any wrongdoing; the findings indicate only that current systems need to be strengthened. It must be realized, however, that such issues have the potential to seriously affect donor-funding flows and must be treated as a matter of priority.

### 6.3 Other Options for Consideration

- Strengthening stakeholders to enable them carry out their mandates in pharmaceutical management more effectively and efficiently through a series of training, coaching, and mentoring activities
- Developing and strengthening specific task-oriented technical pharmaceutical supply management teams to provide technical assistance and serve as coaches and mentors to the CPDS stakeholders when required
Once again, the recent experiences of the QUEM unit development can serve as a useful guide in planning such long-term, multiyear development strategies.

- Promoting performance improvement through self-monitoring and evaluation, using globally accepted indicators and tools