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LOGISTICS MANAGEMENT UNITS IMPROVE AVAILABILITY OF MEDICINES IN BANGLADESH



CHALLENGE Lack of coordination among stakeholders managing procurement in resource-constrained settings

Absence of coordination mechanisms, lack of comprehensive guidelines, vertical programs and systems, and duplication of procurement practices impede effective procurement of medicines and health products in developing countries, frequently resulting in either too few or too many products on hand. In many low- and middle-income countries, such as Bangladesh, the logistics and management capabilities and

systems are not sufficient to meet basic globally accepted standards and norms. However, pharmaceutical logistics management units offer a platform to help ensure not only a continuous supply of medicines and health supplies, but also coordinate procurement activities across the range of stakeholders involved, and build donor support by providing accurate data for decision making.

SIAPS ACTIVITIES Effective coordination promotes transparent and efficient procurement

In 2012, SIAPS worked in partnership with the Ministry of Health and Family Welfare (MOHFW) in Bangladesh to establish the Procurement and Logistics Management Cell (PLMC) to coordinate and supervise decentralization of procurement management and performance monitoring. The PLMC also aimed to improve the coordination and management of logistics data. As part of these efforts, the PLMC facilitated the development of terms of reference to better coordinate and oversee all procurements across MOHFW entities, including the Central Medical Stores Depot, Logistics and Supply Unit, and Health Engineering Department.

The MOHFW, with technical assistance from SIAPS, introduced a procurement tracking system, known as the Supply Chain Management Portal, which enables MOHFW to plan procurement,

track orders, and grant approvals in a centralized, online platform. The portal is a critical tool for the PLMC, allowing them to track the progress of procurement packages and take corrective action when delays occur. SIAPS trained all 32 line directors and 7 desk officers of the PLMC on how to use the Supply Chain Management Portal and develop an integrated, online procurement plan.

SIAPS also supported the MOHFW and the PLMC in facilitating a conference for 100 potential suppliers in October 2013. This event allowed current and new bidders to receive an orientation on updated

The Supply Chain Management Portal enables the MOHFW to plan procurement, track orders, and grant approvals in a centralized, online platform.

bidding requirements, qualifications, and other relevant matters, as well as to ask questions about the process and offer recommendations to the Ministry. The SIAPS team also worked closely with the Central Medical Store Depot to develop standard bidding documents and service contract packages, which was a new experience and task for the MOHFW.

SIAPS also worked with MOHFW to update and publish two essential supply chain management manuals. The *Procurement Procedure Manual* is a reference material that provides instructions

and guidance on procurement policies, procedures, and practices for all officials dealing with the procurement of medical goods and services. The *Supply Manual* helps MOHFW effectively manage warehousing, inventory, and distribution systems at all levels. The PLMC uses these manuals regularly to coordinate and harmonize procurement processes and supply chain management. Both manuals are being made available to all staff involved in supply chain management at different levels of the health system.

RESULTS Better coordination and access to information contribute to fewer stock-outs

Establishing the PLMC and building capacity in stock management, inventory processes, and procurement has helped strengthen the pharmaceutical supply chain system in Bangladesh. Notably, better coordination through the PLMC and use of the portal have helped reduce stock-outs at the upazila and warehouse levels, including no stock-outs of oral contraceptive pills since 2010. The MOHFW and other key stakeholders can now receive accurate logistics data, monitor stock levels, and make

appropriate management decisions to ensure continued medicines availability.

To help institutionalize the procurement and supply chain management system, the senior secretary of the MOHFW issued a directive requiring that procurement plans and packages be submitted online by using the Supply Chain Management Portal. As a result, SIAPS is working with the PLMC to build sufficient capacity to ensure this shift occurs smoothly through a series of orientations and workshops.

NEXT STEPS Planning for long-term coordination

SIAPS has seconded a technical advisor to assist the PLMC in further developing its capacity to provide holistic supply chain management coordination and harmonization, including efforts to make the PLMC a stand-alone department

within the MOHFW. This will enable the PLMC to maintain the necessary structure and resources to appropriately supervise procurement and supply planning activities of all line directors.

ABOUT SIAPS | The Systems for Improved Access to Pharmaceuticals and Services (SIAPS) program works to assure access to quality pharmaceutical products and effective pharmaceutical services through systems-strengthening approaches to achieve positive and lasting health outcomes. SIAPS is funded by the US Agency for International Development (USAID) and is implemented by Management Sciences for Health. For more information, visit www.SIAPSprogram.org.



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