

Nepal Family Health Program Technical Brief #14

District Store Construction



Newly constructed district store in Parsa district.

BACKGROUND

Ideal storage conditions for essential drugs and commodities are required to deliver quality health services to service delivery sites in order to ensure optimal health service utilization by consumers. In the course of implementing the Ministry of Health and Population's (MOHP) Logistics System Improvement Plan (LSIP)—jointly developed by MOHP—a massive clean-up and de-junking activity was carried out across the nation during the period of 1994-97. This effort resulted in freeing storage space and generating revenue for the government (from de-junking and auctioning). It also revealed that numerous districts seriously lacked ideal storage space for handling health and other allied commodities including vaccines.

The Ministry of Health and Population's Logistics Management Division (LMD) commissioned an assessment in 1999 to identify the current storage conditions and space needs at district level. The assessment was carried out with support from JSI Research & Training Institute and USAID. The study revealed that 58 of 75 districts had immediate storage needs (none of the districts had ideal cold storage facilities) and all 75 would require new stores. Space was inadequate and security was poor. Of 75 districts, 49 had storerooms scattered in two or more rooms with none specifically designed for storage and many were in rented buildings. Most of the storerooms were filled with unusable commodities and junk. Every year huge quantities of drugs and other health commodities went missing, were damaged or had to be destroyed.

With JSI/USAID sponsorship, the Architectural Project of Nepal (APON) submitted a design for stores that required no maintenance for 10 years. To discourage occupancy by health personal (as staff quarters), no provision of windows or toilets were made. However, adequate lighting and ventilation to protect stocks were ensured and costs estimated.

There was no obvious source of funding to construct the new district stores and the government was not in a position to fund such construction. The assessment report was circulated by the LMD amongst the external donor partners with requests for possible funding. JSI also made a vigorous effort to liaise with donor agencies including UNFPA, JICA, KfW and GTZ. KfW (DM 2.32 million) and DFID agreed to fund the construction of 37 (32 and 5 respectively) district stores.

In November 2001, the Government of Nepal (GON), Ministry of Health and Population (MOHP), and Department of Health Services (DHS), represented by KfW, entered into a consulting contract with JSI for the store construction. About half of the districts (37 of 75) in Nepal now have much improved storage facilities to safely store health commodities, including cold rooms for vaccines. These new stores have enhanced the packaging and distribution capabilities of districts and made drugs and other commodities more reliably available to providers and clients, especially in the districts where the *pull system* (see **NFHP Technical Brief #13: Pull System**) has been implemented.

Key Achievements

- 36 district storerooms built.
- 1 cold chain room built.
- Increased total storage space from 21,223 square feet in 1999 to 56,600 in 2005.
- Developed storage and logistics standards.
- Decreased wastage and expiry of drugs.

ACTIVITIES

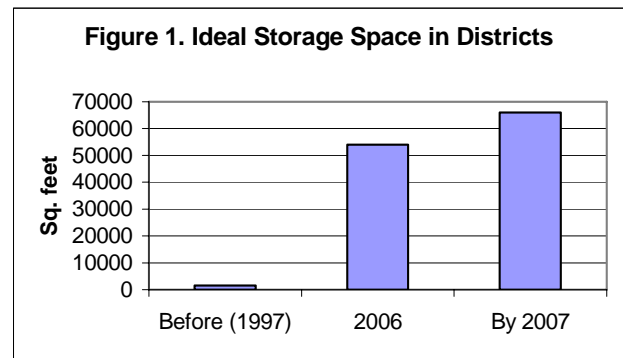
- Sub-contract with APON to prepare detailed design, tender contract, and supervise construction of district health stores.
- Form a steering committee chaired by the Director General of the Department of Health Services/MOHP.
- Hold steering committee meetings when needed to prioritize districts in which to construct stores and make policy-level decisions (including changes in design, sites, etc.).
- Visit districts (NFHP along with LMD and architect) to identify appropriate and available land.
- Obtain land approval letters from district health offices.
- Site supervision visits during construction to give instructions to the builders.
- Assess storeroom accessories (racks, pallets, and cupboards).
- Equip the newly constructed stores with accessories, moving from old to new and organizing the stores according to standard storage guidelines and handing over the key to the district health office.



Newly constructed stores have improved storage conditions and capacity.

RESULTS

- With the construction of these 36 district stores and the national cold chain facility at Pathalैया, the total store space to warehouse drugs, allied health commodities, and vaccines increased from 21,223 sq. ft. in 1999 to 56,600 sq. ft. in 2005 (almost a threefold increase).
- Storage and logistics standards in these districts have improved and wastage and expiry of drugs has decreased.



- These 36 district stores and one cold chain room now serve more than 50 percent of the population of Nepal.

Figure 2.

	Population (2006/07)	Health facilities (PHC, HP, SHP)
National	26,000,000	4,013
36 Districts with New Stores and one cold chain room (total = 37)	14,521,104	2,120
% served	56	53

- Prior to construction of the district stores, the worst rooms in existing buildings were chosen as storerooms. With construction of new stores (including separate cold rooms for vaccines) a sound infrastructure exists on which to base logistics operations in the district.
- Storekeepers are motivated and now spend more time in the stores supplying health commodities to service delivery sites.
- Construction of district stores helped facilitate implementation of the Pull System for essential drugs under which health facility staff decide for themselves (based on needs and use patterns) the quantity and type of commodities to order from the district store. The new stores can now handle the larger volume of essential drugs required by the Pull System.
- At present, a new contract has been signed between the MOHP (represented by KfW) and JSI, to construct eight more district stores.

Other agencies including the World Bank and UNICEF have been providing input into this process and the GON is positive about allocating funds for the construction of district storerooms in the future.

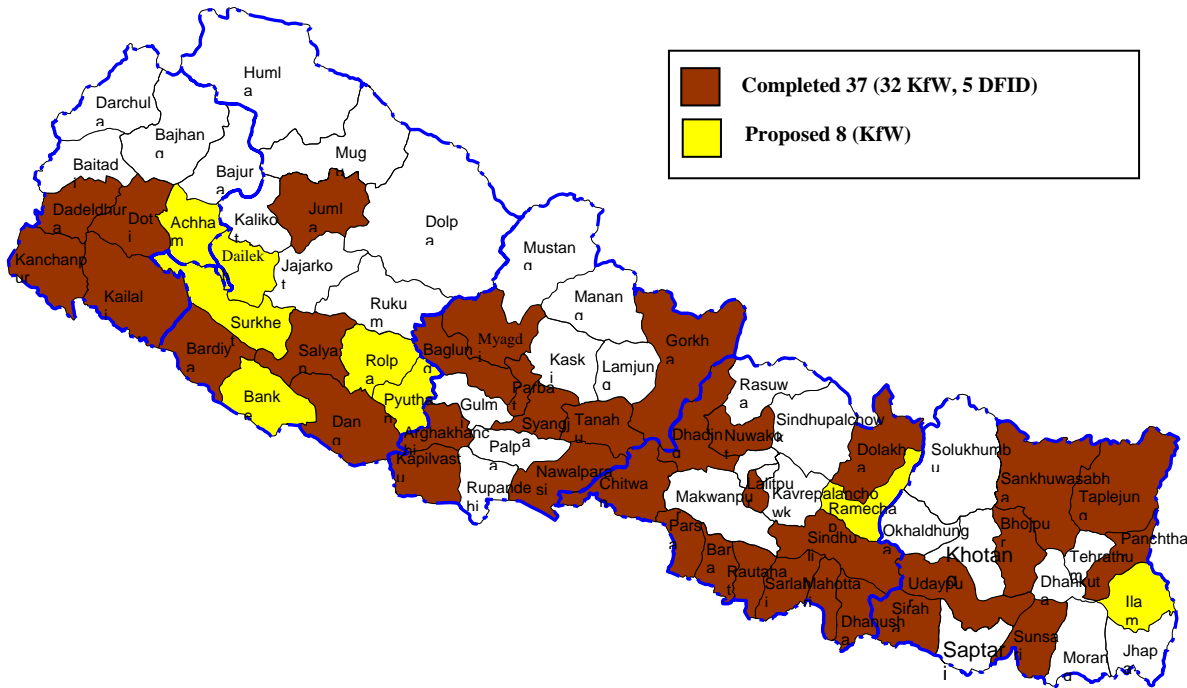
LESSONS LEARNED

- **Better coordination between the GON and external development partners has resulted in more funds being available for logistics in Nepal.** The construction of the district stores is an example of excellent donor coordination.
- **There is no substitute for good quality design and workmanship.** The specific design of the stores (with no provision of windows or toilets), helps to ensure the buildings are used for their intended purpose.

CHALLENGES

- Maintaining the quality and proper use of the stores will remain a challenge in the future.
- Continuing the momentum for construction of new stores in the remainder of the districts.
- Funding for construction of district storerooms is still a challenge. At present eight additional district storerooms are under construction with KfW funding. The government will initiate the process for securing the funds for construction of district storerooms in the remaining districts.

Figure 3. District Store Construction Status, January 2007



This technical brief is one of a series seeking to capture key lessons learned from the USAID/ Nepal bilateral project, the Nepal Family Health Program (367-00-02-00017-00), 2001 - 2007. The document was produced with support from the American people through the U.S. Agency for International Development. The views expressed in this document do not necessarily reflect those of USAID.

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