

The SUPPLY AND THE INDUSTRY

SECOND EDITION

AUGUST-NOVEMBER 2023

YOUR PARTNER IN HEALTHCARE

# Remarkable Resilience

KEMSA'S Reformative Drive to Operational Excellence



KEMSA Board Chair Irungu Nyakera (left), KEMSA Ag. CEO Dr. Andrew Mulwa and CS Health Nakhumicha S. Wafula



USAID: Transitioning Back to kemsa

NEW BOARD: Synergy of expertise shaping Healthcare revolution NAVIGATING TOMORROW: CHARTING A NEW COURSE FOR FAMILY PLANNING WITH THE INTEGRATED LMIS REVOLUTION

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### "Your partner in healthcare"

### **ABOUT US**

The Kenya Medical Supplies Authority is a state corporation with the mandate to procure, warehouse, and distribute medicines and medical supplies for prescribed public health programs, the national strategic stock reserve, defined essential health packages, and the national referral hospitals. KEMSA plays an important and strategic role in the National agenda including implementation of Universal Health Coverage (UHC), by ensuring availability of Health Products and Technologies in public health facilities across the country.



"Excellence in the provision of Health Products and Technologies and supply chain solutions in the East Africa Region"



affordable essential Health Products and Technologies and supply chain solutions to save and transform lives"



abbreviated as I-CODE-IT · Integrity

- Customer Focus
- **O**perational Excellence
- · Diversity and Inclusivity
- · Empathy
- · Innovation
- · Trust



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#### **New Board:** KEMSa кетза ĸɛmsa KEMS кетза **Synergy of Expertise** кетза KEMSa кетза KEMSa кетза KEMS **Shaping Healthcare Revolution** Kemsa кельза кєтьа KEMSa KEMSa KEMSa KEMSa Kemsa KEMSa кєтьа KEMSa кєтьа KEMSa KEINSa кєтьза KEMSa KEITSa KEMSa KEMSa KEMSa KEMS

### KEMSA'S VITAL ROLE IN KENYA'S ECONOMIC TRANSFORMATION

KEMSA Ag. CEO Dr. Andrew Mulwa

#### PAGE **22**

#### Procurement Reforms Foster Fairness and Efficiency

Redefining Procurement Practices: KEMSA Initiates Robust Measures to Ensure Value for Money

PAGE 50

#### KEMSA's People-First Approach: Revitalizing Human Capital for a Resilient Future

Empowering Employees: KEMSA Puts Focus on Professional Development and Workplace Wellbeing

PAGE

#### Streamlining Supply Chain: KEMSA's Drive for Operational Excellence

Prioritizing Urgent Needs: KEMSA's Strategy to Eliminate Slow Stock and Improve Order Fill Rate

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EDITOR'S NOTE



### **Dear Esteemed Readers,**

t is with immense pleasure and anticipation that I welcome you to this edition of the KEMSA Magazine. As the editor, I am both honored and excited to present to you a collection of stories that embody the spirit of transformation, resilience, and progress.

In these pages, you will embark on a journey through the heart of KEM-SA's endeavors. Each story is a testament to the dedication of our team, the unwavering commitment of our stakeholders, and the impact of our collective efforts on the healthcare landscape of our nation.

The stories you will read here echo the voices of countless individuals whose lives have been touched by KEMSA's initiatives. From healthcare professionals delivering vital services to patients, to local businesses contributing to our supply chain, and to the communities benefiting from our investments – their stories are woven into the very fabric of this magazine.

Through meticulous curation, our aim is to provide you with an insightful, inspiring, and thought-provoking reading experience. As you turn these pages, I encourage you to reflect on the profound implications of the work being done by KEMSA and its partners. It is a reminder that every action, no matter how seemingly small, has the potential to create a ripple effect of positive change.

I extend my heartfelt gratitude to the entire team behind this publication – the writers, photographers, designers, and all those who have contributed their time and talents to bring these stories to life. Together, we strive to uphold the standards of excellence that KEMSA represents.

As we navigate through these narratives, I invite you to immerse yourself fully, to embrace the emotions they evoke, and to join us in celebrating the remarkable progress we have achieved, and the even brighter future that lies ahead.

Warmest regards,

Elizabeth Mwai

Editor, KEMSA Magazine Public Relations and Communications Manager

### IN THESE PAGES, YOU WILL EMBARK ON **A JOURNEY THROUGH THE HEART OF KEMSA'S ENDEAVORS.** EACH STORY IS A TESTAMENT TO THE DEDICATION OF OUR TEAM, THE

UNWAVERING COMMITMENT OF OUR STAKEHOLDERS, AND THE IMPACT OF OUR COLLECTIVE EFFORTS ON THE HEALTHCARE LANDSCAPE OF OUR NATION.









Healthcare Visionaries Unite! H.E President William Ruto hosted Global Fund Executive Director Peter Sands, alongside CS for Health, Nakhumincha S. Wafula, and KEMSA Ag. CEO, Dr. Andrew Mulwa.

5





**CHAIRMAN'S NOTE** 

### **Chairman's Message**



#### Greetings,

It is with great pride and enthusiasm that I welcome you to the latest edition of the KEMSA Magazine. Within these pages, you will discover the remarkable strides and unwavering dedication that define the Kenya Medical Supplies Authority's journey towards a healthier and more vibrant nation.

As the Chair of the Board, I am honored to witness the profound impact of KEMSA's efforts to ensure the availability of quality medical supplies across our great land. This magazine encapsulates our collective commitment per excellence, innovation, and collaboration – values that resonate through every facet of our operations.

In this edition, you will delve into the heart of KEMSA's transformative initiatives. From groundbreaking procurement reforms to visionary investments in healthcare infrastructure, each story exemplifies our resolute determination to serve every Kenyan with the highest standard of care.

Central to our mission is the recognition of the power of partnerships. Together with development agencies, county governments, healthcare providers, and dedicated staff, we form a formidable alliance aimed at fortify ing Kenya's healthcare landscape. The stories within these pages illuminate the immense impact that collective action can achieve.

Our vision extends beyond the confines of these articles. It encompasses a future where healthcare disparities are a thing of the past, where medical supplies reach even the remotest corners of our nation, and where every citizen enjoys the right to quality healthcare.

I invite you to immerse yourself in the narratives that unfold before you. Each story is a testament to the remarkable resilience and innovation that define KEMSA's journey. Let these pages inspire you to join us in this transformative mission, and together, we can build a healthier, more prosperous Kenya.

Thank you for your unwavering support and for being an integral part of KEMSA's remarkable story.

With warm regards,

Irungu Nyakera, CBS Chair

CENTRAL TO OUR MISSION IS THE RECOGNITION OF THE POWER OF PARTNERSHIPS. TOGETHER WITH DEVELOPMENT AGENCIES, COUNTY GOVERNMENTS, HEALTHCARE PROVIDERS, AND DEDICATED STAFF, WE FORM A FORMIDABLE ALLIANCE AIMED AT

### FORTIFYING KENYA'S HEALTHCARE LANDSCAPE.

YOUR PARTNER IN HEALTHCARE

6



**CEO'S NOTE** 



## Word from the CEO

elcome to the latest edition of the KEMSA Magazine, a window into the transformative journey of the Kenya Medical Supplies Authority. As we present this collection of insightful articles, we invite you to delve into the heart of our commitment, progress, and dedication to providing quality healthcare to every corner of our beloved nation.

In these pages, you will uncover stories that illuminate our tireless efforts to redefine healthcare accessibility and excellence. The very essence of KEMSA is woven through each narrative – a tapestry of resilience, innovation, and collaboration.

At the core of our mission lies an unyielding commitment to the health and well-being of all Kenyans. Our tireless pursuit of efficiency, transparency, and accountability drives us to embrace transformative reforms. You will discover how the amended Public Procurement and Asset Disposal Act of 2022 has become a beacon of change, enhancing the availability and timely distribution of vital medical supplies.

The magazine is a testament to the power of partnerships. From the corridors of our offices to the operating rooms of public health facilities, we stand shoulder to shoulder with development agencies, county governments, healthcare professionals, and dedicated staff. Together, we are breathing life into the vision of a healthier, more prosperous Kenya.

In this edition, we also shine a spotlight on the indomitable spirit of our staff – the beating heart of KEMSA. Our journey towards excellence and service is an ongoing symphony, composed of dedication, empower-



ment, and continuous learning. As you flip through these pages, envision a future where healthcare knows no boundaries. Imagine a landscape where medical supplies flow seamlessly, where every patient is met with compassion, and where the promise of accessible, quality healthcare is fulfilled.

We invite you to embrace the stories that unfold within these pages – stories of innovation, dedication, and transformation. With each article, we invite you to join us on this remarkable journey towards a brighter, healthier Kenya.

Yours in Service,

Dr. Andrew Mulwa **Ag. Chief Executive Officer** 

IN THIS EDITION, WE ALSO SHINE A SPOTLIGHT ON THE INDOMITABLE SPIRIT OF OUR STAFF - THE BEATING HEART OF KEMSA. OUR **JOURNEY TOWARDS EXCELLENCE** AND SERVICE IS AN ONGOING SYMPHONY, COMPOSED OF DEDICATION, EMPOWERMENT, AND CONTINUOUS LEARNING.





## New Board: A Synergy of Expertise Shaping Healthcare Revolution

In the hallowed halls of KEMSA, a dynamic transformation is underway, powered by a meticulously curated team of luminaries from diverse backgrounds. As KEMSA sets its sights on a new era of effectiveness and accountability, this new board stands as a testament to a future where healthcare knows no bounds.



#### lrungu Nyakera: The Visionary Trailblazer

A banker with a global footprint, Irungu Nyakera's journey has been marked by excellence. From his days at Citigroup Investment Bank in New York and London to his roles at NIC Bank Group and Equity Bank Group in Nairobi, Nyakera's financial acumen is unparalleled. As Principal Secretary for Transport and Planning & Statistics, he honed his strategic insight. Today, as KEMSA's Chair, his vision fuels a transformative path, driving the Authority towards a healthcare revolution. His ongoing pursuit of an MBA at Oxford University reflects his commitment to continuous growth.





#### Dr. Andrew Mulwa Ag. Chief Executive Officer Effective 17th May, 2023

#### **Professional Experience**

- County Executive Committee Member, Health Services, Makueni County (2013 - 2021)
- Chair, County Executive Committee Member for Health 2015 – 2021)
- Director Medical Services, Preventive and Promotive Health -Ministry of Health (2021 – 2023







#### FCPA Hesbon Omollo: Financial Architect Extraordinaire

The financial heartbeat of KEMSA, FCPA Hesbon Omollo, brings a legacy of financial wizardry. With an extensive portfolio ranging from Bon&Drew Associates to ICPAK council membership, Omollo's financial prowess is undeniable. His leadership promises to usher in a new era of fiscal responsibility, ensuring that every resource is maximized for the betterment of Kenya's healthcare landscape.





#### Ms. Jane Mbatia: The Legal Torchbearer

As KEMSA battles for transparency and ethical fortitude, Ms. Jane Mbatia strides in as a legal luminary. With a distinguished career spanning corporate commercial law, Mbatia's credentials are impeccable. Her LLB, LLM, and MBA credentials, coupled with leadership training from Oxford University, affirm her role as a guiding force in shaping KEMSA's legal landscape.





#### Dr. Jane Masiga: Guardian of Supply Chain Excellence

In a world defined by intricate supply chains, Dr. Jane Masiga emerges as a sentinel of efficiency. Her affiliations with the Pharmaceutical Society of Kenya and the Access to Medicine Foundation attest to her commitment to streamlined operations. Armed with an MBA in Strategic Management and a Master of Science in Clinical Pharmacy, Dr. Masiga is poised to navigate KEMSA's supply chain into uncharted territories of excellence.



### ls. Ma

#### Ms. Mary Atieno Awino Non-Executive Director

Alt. to PS, National Treasury

#### **Professional Experience**

Deputy Director, Supply Chain Management-Public Procurement Department, National Treasury. Deputy Head of Procurement Unit, Ministry of Health (Feb 2003 to Nov 2008). Head of Procurement National Assembly (1992-1996).



#### Hon. Bernard Bett: The Political Sage

Politics and healthcare intertwine intricately, a reality understood by Hon. Bernard Bett. A former Member of the National Assembly and a respected academic, Bett brings a wholistic understanding to KEMSA's transformation. His mastery in economics, coupled with his political acumen, ensures that KEMSA's trajectory aligns harmoniously with Kenya's larger healthcare objectives.



### **A Symphony of Expertise**

As KEMSA propels towards a brighter future, this new board stands as a testament to the power of collective brilliance. With backgrounds spanning finance, law, pharmacy, politics, and administration, these individuals converge to orchestrate a symphony of change. Through their unique competencies, united by a shared commitment to healthcare excellence, KEMSA's new board promises a future where health knows no boundaries and accountability reigns supreme.





### **BOARD INAUGRATION**















### **BOARD INAUGRATION**

















## **Embracing Triumph: Our Journey Through Phase One in August 2023**

s we stand at the threshold of August 2023 basking in the glory of transformative achievements during Phase One of our journey. With unwavering dedication, we have catalyzed change, redefining healthcare accessibility and provision across Kenya.

August brings forth a crescendo of accomplishments as we march through Phase One with unparalleled determination. The strategic implementation of our new Enterprise Resource Planning (ERP) system reverberates within our organization, empowering the efficient flow of medical supplies. Compliance audits and recommendation implementations have paved the way for enhanced transparency, fostering a culture of integrity within our authority.

Supplier Vendor Management, an instrumental milestone, strengthens our relationship with quality suppliers, ensuring that our medical lifelines reach healthcare facilities without interruption. The Supply Chain Module (SCM) seamlessly integrated into the ERP has become the backbone of our robust supply chain, guaranteeing timely and effective deliveries.

Triumph spills into every corner of KEMSA, etching success stories that leave an indelible mark. Our Overall Financial Ratio (OFR) stands tall at a remarkable 68%, a testament to our fiscal prudence and efficiency. Time bows to our resolve, with Turnaround Time (TAT) reduced to a swift 12.5 days for Hospitals, ensuring timely access to vital medical supplies.

The expansion of HPT storage space by 141% breathes new life into our warehousing capabilities, ensuring the safekeeping of essential medical commodities. Surpassing monthly sales targets, exceeding KES 600 million since July 2022, signifies our



commitment to delivering healthcare excellence. County collections have soared to over KES 600 million per month, a remarkable rise from humble beginnings.

With the winds of progress at our back, we set our sights on a future etched with unwavering commitment. Our journey continues with determination and agility. Recaptalization takes center stage, easing cash flow pressures and accelerating key performance indicators. Resource mobilization stands as a pillar of strength, fortifying our foundation for sustained growth.

ERP alignment becomes a beacon of progress, moving steadfastly toward streamlined operations. Decisions, once contemplative, are now swift and decisive, driving the implementation of the new organizational structure. Consensus blooms as we forge a resource mobilization strategy for the new ERP, poised to elevate our impact to unparalleled heights.

In the heart of August 2023, our journey through Phase One stands as a testament

to resilience and determination. The echoes of triumph resonate through our corridors, reminding all that healthcare accessibility and provision in Kenya are undergoing a remarkable transformation. As we look to the future, we embrace the unknown with unyielding resolve.

The validation exercise beckons on the horizon, and decisions await their place in the tapestry of progress. Through it all, we remain steadfast in our dedication to a healthier, brighter Kenya. Each milestone conquered, each goal achieved, is a testament to our unwavering commitment to building a healthcare landscape that leaves no Kenyan behind.

As the sun sets on August 2023, we march on, embracing the triumphs of Phase One and striding confidently towards a future where quality healthcare knows no bounds. With each step forward, we weave our legacy, a legacy of transformative change, one that shapes the destiny of healthcare in Kenya and heralds a new era of triumph.





## From Crisis to Renaissance: KEMSA's Vision for a Resurgent Healthcare Landscape

n a recent conference with their suppliers, KEMSA unveiled ambitious plans for a new chapter aimed at revolutionizing their services nationwide. The agency's leadership assured suppliers that they are committed to addressing complaints, ensuring timely payments of pending bills, and creating an equal opportunity environment without discrimination. These initiatives mark a significant step towards enhancing efficiency, transparency, and accessibility in the delivery of medical supplies throughout the country.

#### Streamlining Supplier Registration and Onboarding

To bolster their commitment to excellence, KEMSA has already implemented an automated supplier registration process. This step not only streamlines the onboarding of qualified suppliers but also minimizes potential risks associated with procurement. The goal is to ensure the efficient and reliable delivery of medical supplies to even the most remote corners of the nation. With a well-established supplier network, KEMSA aims to meet the diverse healthcare needs of the population effectively.

#### Addressing Governance and Human Resource Issues

Recognizing the importance of good governance and human resource management, KEMSA has embarked on an internal evaluation of its structures and processes. By closely examining these areas, the agency seeks to identify and resolve any inefficiencies that may hinder the smooth supply of health products and technologies. Through these reforms, KEMSA aims to build a foundation that facilitates the seamless flow of medical supplies, ultimately improving healthcare delivery nationwide.

#### Ensuring Healthy Cash Flow and Timely Payments

One of the critical challenges in the health-

care supply chain has been delayed payments to suppliers, which can lead to disruptions in the flow of essential medical products. To address this, KEMSA is working closely with the County Treasury to create a system where payments for medical supplies are expedited. By deducting the necessary funds at the county level and transferring them directly to KEMSA, delays in payments are expected to be significantly reduced, promoting a healthier cash flow for all parties involved.

#### A Resolve to Transform KEMSA

The Ministry of Health has expressed unwavering determination to transform KEMSA into a beacon of efficiency and reliability in healthcare supply. Armed with innovation, collaboration, and a strong commitment to the well-being of the nation's people, the resolve to confront challenges and improve healthcare delivery remains unshakable. As KEMSA strives to bridge gaps and optimize procurement processes, the focus is firmly set on ensuring that suppliers receive timely payments and that medical supplies reach their intended destinations efficiently.

#### Conclusion

With the launch of a new chapter and a steadfast commitment to transformation, KEMSA is poised to revolutionize healthcare supply in Kenya. The measures to enhance efficiency, transparency, and accessibility will not only benefit suppliers but also have a profound impact on healthcare delivery for millions of citizens. As the agency embarks on its journey towards a more streamlined and reliable healthcare supply chain, stakeholders are eagerly looking forward to a healthier, better-connected, and more resilient healthcare system for the nation.

Original Source:

KTN News Kenya YouTube Channel Link to the video: https://youtu.be/NjYi92obitl







## **KEMSA's Voyage Towards Renewing Public Trust**



n the face of prolonged adversity, KEMSA has found itself battling a deep-rooted erosion of trust from the public and donor confidence due to accusations of corruption and governance turmoil. However, under the guidance of a fresh leadership and an unwavering dedication to transparency and accountability, KEMSA is embarking on a spellbinding journey to restore the public's unwavering trust in its operations and services.

The problem that unfolded within KEM-SA sent shockwaves through the nation, leaving an indelible stain on its reputation as a dependable and trusted provider of healthcare supplies. Allegations of misconduct, fiscal mishandling, and bloated workforce created a grave cloud of doubt concerning the Authority's ability to effectively execute its mandate. Recognizing the dire need for transformation, KEMSA's board and management conducted an exhaustive evaluation of the organization's stumbling blocks. Through this introspection, they meticulously pinpointed key areas requiring improvement, such as procurement practices, human resource allocation, operational efficiency, and financial oversight. Among the pivotal steps taken by KEMSA is the meticulous realignment of its human resources to fit function. A sweeping initiative started by the board aims to align each role with the organization's strategic vision, a decision that has addressed overstaffing and introduced performance-based management. Though an arduous choice, resulting in redundancies, this undertaking established operational nimbleness and optimized staffing to meet the organization's objectives.

To resuscitate confidence and rekindle hope, KEMSA has set in motion a sequence of tactical measures within its procurement system. The Authority is determined to enhance transparency, impartiality, and accountability by introducing stringent monitoring and evaluation mechanisms. By establishing unambiguous procurement guidelines and implementing an upcoming Enterprise Resource Planning (ERP) system that embraces e-procurement, KEMSA aims to streamline processes and ensure complete visibility from start to finish. Moreover, KEMSA has made it a priority to obtain essential supplies, tracer items, and class-A products to promptly address the dire needs of public health facilities. By incorporating a lotting system in procurement, healthy competition will thrive, eradicating the practice of single sourcing and ensuring that contracted suppliers deliver exceptional value for money.

Reviving trust also necessitates confronting the recurring issue of outstanding debts owed to KEMSA by counties. In a bid to address this hurdle head-on, the authority has actively engaged the Council of Governors, actively seeking their support to expedite and streamline the payment process. By restoring working capital and improving the Order Fill Rate, KEMSA aims to create a more sustainable future. In line with their commitment to transparency, KEMSA is fortifying financial controls, scrutinizing operational processes through a discerning lens, and implementing robust cost-effective measures. By forging strategic partnerships with development agencies, the authority aims to boost the health supply chain system, thereby reinstating unwavering satisfaction and confidence from key stakeholders.

The path towards reestablishing public confidence will undoubtedly be a treacherous one, but KEMSA remains resolute and unwavering in their pursuit to reclaim their former eminence. Armed with a comprehensive transformation plan fueled by transparency, accountability, and efficiency, KEMSA is rebuilding trust one milestone at a time. The unwavering commitment of the board, management, and steadfast staff, coupled with unwavering support from the government and key stakeholders, heralds a promising and triumphant future for KEMSA as the reliable beacon of hope in healthcare provisions, ensuring that crucial medical supplies reach those on the frontlines who need them most.





## **KEMSA's Vital Role in Kenya's Economic Transformation**

#### **The Synergy Between Healthcare Excellence and Economic Prosperity**

In the ambitious landscape of Kenya's economic transformation, KEMSA emerges as a linchpin, seamlessly woven into the fabric of the five-point Bottom Up Economic Transformation Agenda (BETA) Plan. With an unwavering commitment to healthcare excellence, KEMSA's multifaceted contributions resonate across the BETA plan's key sectors, creating a symbiotic relationship that fuels economic growth and societal progress.

As the nation embarks on bolstering agriculture and food security, KEMSA's role becomes pivotal. The availability of quality medical supplies ensures the health and well-being of agricultural workers, promoting their productivity and thus contributing to higher agricultural output. By providing essential

healthcare services and supplies to farmers and their families, KEMSA nurtures a robust workforce that drives agricultural expansion, ensuring the nation's food security goals are met.

Within the framework of affordable housing, KEMSA's impact is far-reaching. The provision of quality healthcare ensures that citizens residing in these newly constructed dwellings remain healthy and productive. A healthy workforce translates to reduced absenteeism and higher productivity, thus positively influencing Kenya's economic performance. KEMSA's support in supplying medical resources



to healthcare facilities within these housing communities contributes to a vibrant and thriving society. KEMSA's alignment with the BETA plan's focus on healthcare is evident in its commitment to enhancing medical facilities and services. By consistently delivering high-quality medical supplies, equipment, and medications, KEMSA contributes to elevating the standard of healthcare across the nation. This directly influences a healthier population, which translates to a more productive workforce, reduced healthcare costs, and ultimately, a stronger economy.

Education's prominence within the BETA plan finds resonance in KEMSA's dedication to fostering an educated and skilled

workforce. By ensuring the availability of medical supplies and equipment to educational institutions, KEMSA plays a crucial role in safeguarding the health of students and educators alike. A healthy learning environment enhances educational outcomes, equipping students with the skills and knowledge necessary to contribute effectively to Kenya's burgeoning economy.

KEMSA's impact on the local manufacturing sector is a testament to its role in advancing the BETA plan's objectives. By procuring medical supplies and equipment from local manufacturers, KEMSA bolsters domestic industries and supports small and medium-sized enterprises. This localized approach not only reduces import dependency but also fosters employment opportunities, creating a positive ripple

effect throughout Kenya's economic landscape.

KEMSA's multifaceted contributions to the BETA plan illuminate a profound synergy between healthcare excellence and economic prosperity. As the nation strides toward a brighter future guided by the five-point agenda, KEMSA's dedication to ensuring the availability of quality medical supplies and services resonates across each key sector. The institution's unwavering commitment not only elevates the standard of healthcare but also fortifies the foundation of economic growth, culminating in a prosperous Kenya that thrives on the health and vitality of its citizens.





### The Imperative of Government's Commitment to KEMSA's Success

#### Illuminating the Nexus Between National Health and KEMSA's Transformation

In the tapestry of a nation's well-being, healthcare forms the vital thread that weaves through every facet of society. Recognizing this fundamental truth, the Kenyan government has assumed an unwavering stance in championing the transformation and success of KEMSA. As the guardian of medical supplies procurement, storage, and distribution, KEMSA's journey towards excellence aligns seamlessly with the government's broader vision of a healthier and more prosperous Kenya.

#### Vital Role in Public Health: KEMSA's Central Mandate

At the heart of Kenya's healthcare ecosystem, KEMSA stands as a sentinel of well-being. Enshrined under the KEMSA Act of 2013, its mission to ensure the efficient procurement and distribution of medical supplies to the public health sector underscores its critical role. The labyrinthine web of health facilities, from bustling urban centers to remote rural outposts, relies on KEMSA's robust supply chain for access to life-saving medical commodities.

#### In Search of Ailment Eradication: The Imperative of Reliable Medical Supplies

A nation's health is intrinsically linked to the availability and accessibility of medical supplies. A resilient healthcare system hinges on the uninterrupted flow of medicines, laboratory reagents, and medical equipment. The success of KEMSA directly translates to the efficacy of Kenya's healthcare delivery, ensuring that doctors have the tools they need, and patients receive the treatments they deserve.

### Challenges Faced: The Precarious State of KEMSA

Recent years have witnessed KEMSA navigating through tumultuous waters. Challenges spanning governance issues, diminishing performance, and allegations of corruption cast a pall over its operations. Yet, the government's unswerving dedication to KEMSA's reinvigoration is testament to its commitment to a robust healthcare infrastructure.

### Beyond Controversy: Government's Vision for a Transformed KEMSA

The government's resolve to propel KEM-SA towards success transcends the shadow of controversies. Collaborative efforts have been ignited to steer KEMSA away from the stormy seas and into the harbor of efficient and accountable service delivery. The digitization of operations, integration of nutrition and health supply chains, and devolution of decision-making to counties underscore the government's strategic vision for KEMSA's holistic transformation.

#### A Vanguard for Universal Health Coverage (UHC)

KEMSA's success is intricately interwoven with the government's ambition of Universal Health Coverage (UHC). A nation where quality healthcare is accessible to all necessitates a robust supply chain that guarantees the availability of medical supplies. The government's commitment to KEMSA's success is fueled by the understanding that a thriving healthcare ecosystem is the cornerstone of UHC.

#### Treading the Path of Integrity: Restoring Public Trust

In the wake of controversies, KEMSA's credibility took a hit, threatening to erode public trust. The government's dedication to KEMSA's success extends to restoring its tarnished reputation. A transformed KEM-SA, operating with integrity, accountability, and transparency, becomes a beacon of trust for citizens and partners alike.

#### Conclusion: A Nation's Well-being at Stake

The symbiotic relationship between KEM-SA and the government is not merely bureaucratic; it is a commitment to the very essence of a nation's well-being. The success of KEMSA reverberates far beyond its warehouses, echoing in the corridors of hospitals, clinics, and homes across Kenya. As KEMSA's journey towards transformation continues, the government's keen involvement is a testament to its unwavering dedication to securing a healthier future for every Kenyan.







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## Harmony Unveiled: KEMSA and Suppliers' Forge a Symphony of Success

#### KEMSA's Vision of Tomorrow: A Harmonious Partnership Ensures a Vibrant Healthcare Ecosystem

he stage is set for a mesmerizing symphony to resonate within KEM-SA, as harmonious partnerships with suppliers create a masterpiece of healthcare delivery. The Supplier's Symphony, a vision of KEMSA's future leadership, sets the tone for a transformative era of collaboration.

Mr. Irungu Nyakera chair KEMSA board envisions a key melody in this symphony to be the dedication to supplier prompt payments and continuous stakeholders engagement. "Our future commitment is to ensure timely pay," the new board chair shares, recognizing the importance of supporting local suppliers and fostering economic growth.

As the future performance plays on, KEMSA unveiled a robust Suppliers Performance Monitoring and Evaluation tool, setting the tone for accountability. "We envision a future built on strong governance and openness," the board chair emphasizes, where every performer's role is recognized.

A future innovation crescendo awaits as KEMSA automates supplier registration processes. Seamless onboarding of diverse, trusted partners, meeting KEMSA's stringent quality standards, will compose a future of harmonious suppliers engagement.

In a touching duet, KEMSA and its suppliers embrace the future power of technology, envisioned through the ERP system. Real-time insights and data-driven decisions will cre-



ate a future of efficiency, empowering the healthcare system for years to come.

A powerful performance unfolds as KEMSA recognizes the urgency of prioritizing essential supplies in the future. Fast-moving items will take center stage, ensuring healthcare facilities across Kenya receive life-saving medical commodities with utmost efficiency.

As the symphony concludes, KEMSA's future leadership remains unwavering in their commitment to fostering harmonious relationships. The vision of future collaborations stands as a beacon of hope, ushering in a healthier and prosperous Kenya.

As the applause subsides, KEMSA's Supplier's Symphony remains a testament to the power of partnerships for change. Together, they create a melody that enriches the lives of millions, echoing KEMSA's vision of excellence in healthcare delivery.



















### Head of Public Service and Chief of Staff, Hon. Koskei Historic Visit Ushers in a New Era for KEMSA

n the midst of a turbulent period for KEMSA, a symbolic visit injected new energy into the organization's pursuit of transformation. The arrival of Mr. Felix Koskei, the Head of Public Service and Chief of Staff, at the KEMSA National Supply Chain Centre in Embakasi, marked a turning point in the Authority's journey towards reclaiming its former glory.

KEMSa

Mr. Koskei's presence provided a significant boost to the momentum for change. This momentous occasion demonstrated the government's firm assurance to supporting KEMSA in fulfilling its mandate and driving the much-needed reforms within the institution. Joined by the Principal Secretary of the State Department of Medical Services, Harry Kimtai, and other key personnel from his office and the Office of the President, Mr. Koskei's visit emphasized the importance of revitalizing KEMSA and its crucial role in the nation's healthcare sector.

The significance of this visit cannot be overstated, as it marked the first time a top government official had visited KEM-SA since the recent changes in leadership. It served as a powerful statement of solidarity, conveying the government's resolve to deal with the challenges that have plagued the institution and restore its credibility. Mr. Koskei's presence sent a clear message: KEMSA's transformation is a priority, and every effort will be made to achieve this goal.

During his visit, Mr. Koskei reiterated the government's expectation for KEMSA to

work diligently and efficiently to deliver the Governments Universal Health Coverage Agenda. Recognizing the turbulent past three years that have tarnished the institution's reputation, he emphasized the urgent need for change and the government's promise to holding accountable anyone involved in corrupt practices within KEMSA and other state corporations.

Furthermore, Mr. Koskei's visit extended an open invitation to all stakeholders in the fight against impunity. His words resonated as a call to action for KEM-SA's leadership and staff to embrace the government's transformative agenda, particularly in the health sector. He stressed that the time to adhere to the rules is now and urged everyone to either contribute or step aside in the delicate struggle to make KEMSA great again.









The symbolism of this visit goes beyond mere gestures. It signified a renewed sense of purpose and a shared determination to rebuild KEMSA's image and regain public and strategic partners confidence. The government's unequivocal support, as demonstrated through Mr. Koskei's visit, sets the stage for a collaborative effort to address the deep-rooted challenges facing the institution. As KEMSA forges ahead on its transformational path, guided by new leadership and a commitment to transparency, accountability, and efficiency, the visit of Mr. Felix Koskei serves as a beacon of hope. It represents the catalyst needed to propel KEMSA towards a future marked by integrity, effectiveness, and the restoration of public trust.







## **Procurement Reforms Foster Fairness and Efficiency**

Redefining Procurement Practices: KEMSA Initiates Robust Measures to Ensure Value for Money

n response to recent challenges and a steadfast commitment to rebuilding public trust, KEMSA Board has unveiled a comprehensive plan to overhaul its procurement processes. With a vision to promote transparency and efficiency, KEMSA is setting off on a transformative journey to strengthen and automate its supply chain management.

The unveiling of KEMSA's procurement reforms heralds a new dawn in the organization's history. Acknowledging the pressing need for change, the Board has initiated immediate and long term actions to uphold and sustain the principles of fairness and value for money. The Authority has revoked the current list of pre-qualified suppliers and a fresh engagement is ongoing. The process will insulate the Authority from losses by ensuring that only companies providing optimal value for money are pre-qualified and engaged. This shift will promote healthy competition and create an environment where KEMSA can derive benefits from economies of scale by working with reputable vendors offering their best services at competitive rates.

Furthermore, the Board is conducting an indepth review of ongoing contracts that were procured through single sourcing and monopolistic practices. Irungu Nyakera reiterated that any contracts found to be lacking in value for money will be forwarded to the Public Procurement Regulatory Authority (PPRA) and the Ethics and Anti-Corruption Commission (EACC) for investigation. This commitment to accountability underscores KEMSA's dedication to eradicating corruption and malpractices.



KEMSA Delivering drugs to Kirinyaga County

A ground-breaking measure in KEMSA's procurement reforms is the introduction of the lotting system. According to Nyakera, this system sets an upper financial limit beyond which no single bidder will win contracts. "The introduction of the lotting system aims to diffuse vested interests and racketeering, ensuring that the procurement process remains transparent, fair, and competitive," expressed Nyakera. By safeguarding against monopolistic practices, KEMSA is poised to deliver better value for money to the citizens of Kenya.

As KEMSA gases up, it envisions a future where transparency and accountability becomes a procurement norm. The organization stands resolute on its pledge to prioritize public interest, eliminate corruption, and deliver essential medical supplies with utmost integrity and efficiency. According to Nyakera, this system sets an **upper financial** limit beyond which no single bidder will win contracts.

"The introduction of the lotting system aims to diffuse vested interests and racketeering, ensuring that the procurement process remains transparent, fair, and competitive," expressed Nyakera.





### **Path to Vendor Trust and Efficiency**

#### How KEMSA's Innovative Procurement Overhaul is Reshaping Healthcare Supply Chains

In the realm of healthcare, the flow of medical supplies is a lifeline that determines the quality of care delivered to patients. The Kenya Medical Supplies Authority (KEMSA) is redefining this vital process, embarking on a journey to revolutionize procurement practices – a transformation that is fostering vendor trust, enhancing efficiency, and ensuring uninterrupted healthcare delivery.

#### **Breaking the Mold**

As the calendar flipped to November 2021, KEMSA found itself at the crossroads of change. The need for a dynamic procurement system was crystal clear, driven by a commitment to provide quality healthcare services to every corner of Kenya. The conventional procurement landscape, characterized by paperwork and delays, was no longer tenable.

#### The Birth of a New Paradigm

The wheels of transformation were set in motion with a comprehensive overhaul of KEMSA's procurement methodologies. The shift from traditional practices to a technology-driven approach was a profound one, marked by meticulous planning, stakeholder collaboration, and a commitment to transparency.

Central to this transformation was the automation of supplier registration processes. What was once a labyrinth of paperwork and bureaucracy is now a streamlined digital process, enabling swift onboarding of vendors. This evolution not only ensures efficiency but also builds a network of trusted suppliers – a cornerstone of KEMSA's procurement revolution.

#### Annual Fixed Quantity Contracts: A Leap Forward

A pivotal departure from the norm was the transition from the conventional twoyear framework contracts to more agile annual fixed quantity contracts. This shift enhances KEMSA's ability to adapt to market dynamics, respond to emerging healthcare needs, and ensure a consistent supply of vital medical resources.

The introduction of lotting in tenders has emerged as a game-changer, fostering healthy competition among suppliers. This innovation not only enhances vendor diversity but also encourages a culture of excellence, where suppliers strive to deliver the best possible offerings.

#### Forging a Vendor-Healthcare Partnership

KEMSA's procurement transformation is more than just a technological upgrade; it's a commitment to building a symbiotic relationship with vendors. The system's transparency and efficiency eliminate unnecessary hurdles, allowing vendors to focus on delivering quality products promptly.

James Kioko, a vendor partner, attests to the shift: "The new procurement approach has brought transparency and predictability to our interactions with KEMSA. This clarity allows us to align our production and delivery schedules, ensuring a seamless supply chain."

#### A Catalyst for Uninterrupted Healthcare Delivery

The impact of KEMSA's procurement revolution reverberates through healthcare facilities across Kenya. The assurance of a steady and reliable supply of medical essentials translates to uninterrupted care for patients. Doctors and nurses can focus on their critical tasks, knowing that the supplies they need will be there when required.

Dr. Sarah Wanjiku, a rural healthcare practitioner, emphasizes this point: "Our healthcare facility serves a vulnerable community. The new procurement system has been a game-changer, ensuring that we have what we need to provide continuous care, even in challenging times."

#### **A Blueprint for Progress**

KEMSA's journey towards procurement innovation isn't just a localized success; it's a blueprint for progress that can be emulated across sectors. The lessons learned – from digital transformation to vendor partnership – serve as a roadmap for other institutions seeking to enhance their efficiency and impact.

In the tapestry of healthcare supply chains, KEMSA's procurement revolution stands as a vibrant thread, woven with the colors of innovation, collaboration, and a commitment to better healthcare delivery. As KEMSA paves the way for efficient and trustworthy procurement practices, it sets an example that transcends borders, inspiring a future where streamlined processes ensure the seamless delivery of healthcare essentials.





## Suppliers' Conference Unlocks Medical Commodities Procurement Bottlenecks

n a bid to unlock bottlenecks surrounding perpetual shortages of Health Products and Technologies in the country, KEMSA hosted a one-day brainstorming conference to identify the major causes and find lasting solutions.

The forum held in Nairobi, drew together over 400 local and international suppliers including those with running contracts and prospective bidders interested in exploring business opportunities to support the Authority in availing Health Products and Technologies (HPTs) to public health facilities.

Under the government's unwavering commitment to achieving Universal Health Coverage (UHC) and improving primary healthcare (PHC) services, KEMSA focus is to tackle the ongoing problems within its supply chain systems by identifying problems digging the HPTs supply. Over the past two years, KEMSA has faced significant fluctuations in its Order Fill Rate, resulting from a systemic failure on the part of contracted suppliers to deliver HPT's in a timely manner. This has led to major stockouts and hindered the accessibility of essential medical commodities to healthcare facilities.

Recognizing the urgency to address these challenges, KEMSA hosted a comprehensive conference that fosters a collaborative and innovative platform for problem-solving. Bringing suppliers, stakeholders, and industry experts together, the conference addressed the obstacles and proposed practical solutions to transform KEMSA into a leading supplier of choice for HPTs.

A key challenge deliberated on was the escalating HPTs prices which pose a significant threat to the affordability of healthcare services, especially for vulnerable population and its impact on UHC. KEMSA is committed to ex-



KEMSA Chairman Irungu Nyakera addresing suppliers

ploring strategies to stabilize and potentially reduce HPTs prices by ensuring that quality and affordable medical commodities remain accessible to all. The significance of this conference was in its potential to strengthen KEMSA's role in Kenya's healthcare system. By leveraging on such platforms, KEMSA is able to understand ways of strengthening the supply chain to become more resilient and capable of delivering quality and affordable medical commodities to remote areas.

With a focus on innovation, collaboration, and dedication to the health and well-being of the nation, the conference marked a crucial step towards achieving UHC and improving healthcare services in Kenya.

To ensure the success of these initiatives, access to quality and affordable healthcare products and technologies is paramount. KEMSA plays a vital role in the implementation of UHC by providing last-mile delivery of healthcare products to all corners of the country. The conference also highlighted KEMSA's commitment to transparency in the procurement processes. By investing in technology and enhancing end-to-end visibility in the supply chain, KEMSA will guarantee that supplies reach their intended recipients in a timely manner, avoiding disruptions in service delivery and ending HPTs shortages. Furthermore, KEMSA was encouraged to support the government's Buy Kenya, Build Kenya initiative by prioritizing procurement of healthcare products from local manufacturers. This not only stimulates the growth of the local industry but also strengthens the domestic healthcare supply chain, leading to job creation and economic development.

In conclusion, KEMSA's transformative conference was a pivotal milestone in the journey towards UHC and improved healthcare services in Kenya. It exemplifies the organization's promise to address challenges, foster collaboration, and enhance its role in delivering healthcare products that meet the county needs. The conference will undoubtedly pave way for a future where every Kenyan has access to quality healthcare services, leaving no one behind in the pursuit of better health and well-being.





### Navigating the Storm: **Key Lessons for Government Agencies from KEMSA's Challenges**

In the intricate landscape of government agencies, the tale of KEMSA stands as a compelling case study, rich with lessons that other government entities can glean from. As KEMSA charts a course towards reform after weathering storms of controversy, these lessons serve as a roadmap to avoid pitfalls and chart a path of resilience and success.

#### Lesson 1:

#### Vigilance in Procurement Practices

KEMSA's journey underscores the critical importance of vigilant procurement practices. Ensuring transparency, fairness, and adherence to established guidelines can prevent the quagmire of mismanagement and corruption. Government agencies must establish robust procurement protocols, including thorough evaluation processes and constant monitoring, to safeguard against improprieties.

#### Lesson 2: Political Neutrality is Paramount

The specter of political interference looms large over government agencies. KEMSA's experience serves as a stark reminder that political neutrality is paramount for effective functioning. Government entities must resist the temptation of aligning with political interests, ensuring that decisions are driven by the welfare of citizens and the agency's mandate rather than external pressures.

#### Lesson 3:

#### **Holistic Accountability Mechanisms**

Accountability is not a solitary endeavor, it's a collective responsibility. KEMSA's challenges highlight the need for holistic accountability mechanisms that span across all levels of an organization. Government agencies should establish comprehensive oversight, combining internal and external audits, robust reporting structures, and avenues for whistleblowing, ensuring that no corner remains unchecked.

#### Lesson 4:

#### Leadership Resilience and Integrity

Leadership sets the tone for an organization's culture. KEMSA's story accentuates the significance of leadership resilience and integrity. Government agencies should prioritize appointing leaders who exhibit unwavering dedication to their roles, possess the moral compass to make tough decisions, and lead by example in upholding ethical standards.

#### Lesson 5:

#### **Technological Transformation**

KEMSA's journey towards reform includes embracing technological innovation. Government agencies should leverage technology to enhance efficiency, transparency, and accountability. Integrated digital systems can streamline processes, enable real-time tracking, and minimize human intervention, reducing the scope for irregularities and promoting optimal resource allocation.

#### Lesson 6: Stakeholder Engagement and Communication

Clear and effective communication is a linchpin in crisis management. KEMSA's experience underscores the importance of open dialogue with stakeholders, including the public, partners, and suppliers. Government agencies should prioritize proactive communication, address concerns transparently, and seek input from relevant parties to build trust and foster cooperation.

#### Lesson 7:

#### **Preemptive Course Correction**

Timely course correction can avert disaster. KEMSA's challenges demonstrate the value of preemptive measures when irregularities surface. Government agencies must be swift in addressing red flags, conducting thorough investigations, and implementing corrective actions to mitigate potential damage and restore public confidence.

#### Lesson 8:

#### **Continuous Learning and Adaptation**

Adaptability is key to survival. KEMSA's journey from turmoil to reform highlights the necessity for government agencies to embrace continuous learning and adaptation. Agencies should foster a culture of evolution, where lessons from challenges are internalized, processes are refined, and strategies are updated to navigate an ever-evolving landscape.

In the tapestry of government agencies, KEMSA's experiences weave a narrative of resilience, redemption, and reform. By heeding these crucial lessons, other entities can forge a path of proactive governance, ensuring that challenges become catalysts for positive change rather than stumbling blocks on the road to progress.





### Enhancing Healthcare Access: The Amended Procurement Act's Impact on Kenyan Patients

#### Introduction:

In 2022, Kenya made significant strides in improving its public procurement processes by the enactment of the Public Procurement and Asset Disposal (Amendment) 2022 Act. Among the key changes introduced was the recognition of competitive negotiations as a standalone procurement process, aiming to streamline and enhance the efficiency of procurement across public entities. One of the beneficiaries of these reforms is the Kenya Medical Supplies Authority (KEMSA), a critical institution responsible for ensuring availability of medical supplies across the country. This feature story explores the impact of the amended Act on healthcare accessibility and its positive effects on Kenyan patients.

### Efficiency and Timeliness of Medical Supplies:

Before the amendment, KEMSA faced challenges in ensuring timely and efficient procurement of medical supplies, which often led to shortages and delays in healthcare services. With the new procurement procedures in place, KEMSA has experienced notable improvements in acquisition and distribution of medical supplies. Interviews with healthcare providers in different regions reveal that essential medicines and equipment now reach hospitals and clinics promptly, contributing to better treatment outcomes.

#### Curbing Corruption and Ensuring Transparency:

One of the major concerns in public procurement is graft and mismanagement, which affected the delivery of critical medical supplies. The amended Act has introduced stringent measures to curb corruption and enhance transparency in procurement processes. KEMSA's efforts to implement these changes in its procurement processes have been commended by anti-graft institutions and healthcare stakeholders; who acknowledge the increased confidence in the system in curtailing irregularities.

#### Support for Local Suppliers and SMEs:

The amended Act also seeks to support local businesses, including small and medium-sized enterprises (SMEs), by promoting their participation in public procurement. KEMSA's commitment to engaging local suppliers has created more opportunities for these businesses in supply of Health Products and Technologies, fostering economic growth and sustainability. Interviews with SME owners highlight their optimism about contributing to the country's healthcare system while benefiting from fair procurement practices.

#### Adopting Sustainable Procurement Practices:

The amended Act emphasizes on sustainable procurement practices, encouraging the procurement of environmentally friendly medical supplies. KEMSA has taken significant steps towards adopting sustainable alternatives, such as eco-friendly packaging and renewable energy-powered equipment. The authority's commitment to green procurement not only reduces its ecological footprint but also aligns with global efforts to address climate change.

#### **Conclusion:**

The enactment of the Public Procurement and Asset Disposal (Amendment) Act, 2022 has brought transformative changes to KEMSA, positively impacting healthcare accessibility in Kenya. With improved efficiency, transparency, and support for local businesses, medical supplies now reach counties promptly and reliably. The commitment to sustainable procurement practices also showcases Kenya's dedication to building a resilient and eco-conscious healthcare svstem. As the nation continues to prioritize accessible and quality healthcare, the impact of these procurement reforms remains a cornerstone of progress in the country's healthcare sector.







**NEW ERA FOR KEMSA:** FINANCIAL REFORMS

### Monetary Revamp: Navigating Debt and Sustainable Operations

enya Medical Supplies Authority (KEMSA) is undertaking significant financial reforms to address debt concerns and ensure sustainable operations. The organization's overall debt currently stands at approximately Ksh.5.9 billion, impacting its working capital and order fill rate. To tackle this challenge, KEM-SA is implementing a series of strategic measures to handle the runaway debt concerns and seek for re-capitalisation.

During a recent engagement with KEMSA staff members, the Chief of Staff and Head of Public Service Mr Felix Koskei expressed concern over the financial burdens faced by the organization. The debt is partially attributed to outstanding payments from public entities, including counties, which owe KEM-SA over Ksh.3.6 billion. These debts have been outstanding for over a year, putting immense strain on KEMSA's ability to operate efficiently and delaying payment to sum

ciently and delaying payment to suppliers.

In response, the Chief of Staff pledged the President's Executive Office's support to facilitate timely payments from the Council of Governors and other National Government entities. The goal is to fast-track the processing of outstanding payments owed to KEMSA and ensure that timely payments are made going forward. This injection of capital will provide the organization with much-needed liquidity to continue its operations effectively. KEMSA also plans to enter into Service Level Agreements with all counties in order to manage engagement and create a more structured



Chair (center) talking with Ag. CEO (right) and Hon. John Bett, Board Director

way of engagement as a means to also ensure that payment for Health Products and Technology is remitted once KEMSA delivers.

KEMSA is actively implementing internal financial controls to improve its financial health and strengthen its position in the market. One of the strategic interventions involves the sale of slow-moving commodities to release space and generate working capital. Additionally, the organization is prioritizing the procurement of vital supplies, tracer items, and class-A products regularly utilized in public health facilities. These measures aim to optimize KEMSA's financial resources and focus on procuring essential medical supplies.

In a bid to reduce operational expenses, KEMSA is continuously reviewing all critical operational processes and identifying areas for optimization as part of austerity measures. This includes streamlining workflows and leveraging technology to enhance efficiency and data exchange processes. The introduction of a new Enterprise Resource Planning (ERP) system is expected to boost connectivity and accountability across the supply chain and improve overall operational excellence.

Furthermore, KEMSA is making efforts to eliminate leased go-downs and save on operational costs by utilizing its newly acquired state-ofthe-art modern warehouse in Embakasi. The warehouse expansion increases storage space and allows for more efficient inventory management, contributing to the organization's financial sustainability.

The government remains steadfast in supporting KEMSA's reform actions and expects the organization to overcome previous hurdles and deliver on its mandate effectively. With a combination of financial reforms and strategic measures, KEM-SA aims to navigate its debt burden and strengthen its position as a crucial supplier of medical commodities in Kenya's healthcare system.

As KEMSA's financial reforms take shape, stakeholders eagerly anticipate the positive impact they will have on the organization's ability to deliver essential medical supplies and improve healthcare outcomes for the Kenyan population.





NEW ERA FOR KEMSA: FINANCIAL REFORMS

### Annual 2023/2024 Stock Take: Enhancing Efficiency and Strengthening Healthcare Delivery

n July, KEMSA concluded its highly anticipated 2023/2024 annual stocktake, signifying a pivotal moment for the organization and the nation's healthcare system. Beyond being a routine exercise, the stock-take process brought forth unique benefits that will have a profound impact on KEMSA's inventory management efficiency and the overall delivery of healthcare services in Kenya.

The annual stock-take was not merely a requirement to ensure regulatory compliance; it was an opportunity for KEMSA to fine-tune its operations, optimize inventory management, and strengthen the foundation on which public health facilities rely for provision of essential medical supplies. Led by Dr. Andrew Mulwa, the Acting Chief Executive Officer, KEMSA's dedicated team worked tirelessly to execute the stock-take with precision and diligence.

One of the primary benefits of the stocktake was the establishment of accurate stockholding status in alignment with government regulations, best practices, and Finance Standard Operating Procedures (SOPs). This clarity in inventory levels enables KEMSA to make datadriven decisions, maintaining adequate stock levels and avoiding situations of overstocking or stockouts. The Aauthority can now strategize more effectively to meet the healthcare demands of counties across the country.

WITH AN INVENTORY VALUED AT OVER KSHS.100 BILLION ANNUALLY, A PRECISE VALUATION IS CRUCIAL FOR FINANCIAL PLANNING, BUDGETING, AND

**RESOURCE ALLOCATION.** 

Additionally, valuation of the stocks held at KEMSA was thoroughly assessed during this critical exercise. With an inventory valued at over Kshs.100 billion annually, a precise valuation is crucial for financial planning, budgeting, and resource allocation. The stock-take empowered KEMSA with accurate financial insights, allowing the authority to allocate funds more efficiently and transparently.

Moreover, the stock-take served as a reconciliation exercise, aligning the Enterprise Resource Planning (ERP) system quantities with the physical stocks in all regional depots. This synchronization is vital to maintaining the integrity of KEMSA's supply chain and minimizing discrepancies between records and actual inventory. By identifying and addressing any variances, KEMSA bolsters its internal controls and ensures transparency in its operations.

The commitment to continuity of healthcare services during the stock-take was evident as KEMSA's team managed emergency supplies on a need basis. While routine operations were temporarily suspended, the authority ensured that essential medical commodities remained available for emergency cases. This dedication to uninterrupted service highlights KEMSA's responsibility as a vital lifeline to healthcare facilities and the people they serve.

KEMSA's leadership emphasized that the

IN JULY, THE KENYA MEDICAL SUPPLIES AUTHORITY (KEMSA) CONCLUDED ITS HIGHLY ANTICIPATED **2023/2024 ANNUAL** STOCK-TAKE, SIGNIFYING A PIVOTAL MOMENT FOR THE ORGANIZATION AND THE NATION'S HEALTHCARE SYSTEM.

stock-take goes beyond just counting medical supplies; it is an opportunity for introspection and growth. Dr. Mulwa acknowledged the importance of addressing gaps and weaknesses in procurement levels, physical security, and inventory management. With insights gained from these exercises, KEMSA is wellpositioned to improve its overall efficiency and effectiveness in meeting healthcare demands.

As KEMSA resumes normal warehouse operations, the authority looks forward to a more streamlined and resilient supply chain. With robust information technology systems and an experienced supply chain management team, KEMSA aims to enhance operational efficiency, reduce lead times, and ensure a seamless flow of medical commodities to healthcare facilities.

In conclusion, the 2023/2024 annual stocktake has left an indelible mark on KEMSA's journey towards operational excellence in healthcare provision. Through accurate stockholding status, valuation, and reconciliation efforts, the authority is better equipped to serve the healthcare needs of mwananchi effectively. As KEMSA continues to evolve, its commitment to accessibility, affordability, and reliability in healthcare remains unwavering, positioning it as a pivotal player in advancing Kenya's healthcare landscape and fulfillment of the Universal Health Coverage.

> IN CONCLUSION, THE 2023/2024 ANNUAL STOCK-TAKE HAS LEFT AN INDELIBLE MARK ON KEMSA'S JOURNEY TOWARDS OPERATIONAL EXCELLENCE IN HEALTHCARE PROVISION.

# MEDILIFE BIOLOGICALS LIMITED

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## **MEDIVISION EQUIPMENTS LIMITED**







#### HEALTHCARE DELIVERY

## Annual Stock Take Unites Strategic Partners

EMSA recently conducted its FY 2023/24 Annual Stock Take under the stewardship of Acting Chief Executive Officer, Dr. Andrew Mulwa. The event marked a crucial milestone in the organization's commitment to ensuring efficient Health Products and Technologies delivery in Kenya.

At the heart of this stock take was the active participation of various strategic partners, coming together to fortify the healthcare sector's capacity and resilience. The event garnered the presence of prominent organizations, including the Office of the Auditor General, Ministry of Health. National Global Fund Coordinator. World Bank (through the "Transforming Health Sector for Universal Coverage" initiative), USAID/Kenya and East Africa/RFMS, UNICEF Kenya County Office, National Council for People with Disabilities (NCPWD), Africa Medical and Research Foundation (AMREF), The MAX Foundation, Clinton Health Access Initiative (CHAI), and Global Fund Local Funding Agent.

The primary objectives of this year's stock take were to assess the stock holding status, determine the valuation of medical supplies, and reconcile the quantities in KEMSA's ERP system with the physical stocks present in the depots countrywide. By adhering to government regulations and Finance Standard Operating Procedure, KEMSA aimed to ensure transparency and accountability in the Health Products and Technologies supply chain management.

During the event, Dr. Andrew Mulwa applauded KEMSA's dedicated staff, whose relentless efforts and commitment contributed to successful execution of the stock take. The Warehouse Team exceptional work in arranging and safeguarding the stock was acknowledged, along with the Bulk Pickers who were recognized for their exceptional job in ensuring smooth operations.

Moreover, the Finance Team received gratitude for their timely planning and continuous efforts to improve the stock taking process. The presence of staff from various departments, including Administration, Human Resources, Procurement, Distribution, Quality Assurance, Programs, Planning, Audit, and Security, further demonstrated KEMSA's collective approach in the pursuit of excellence.

The focus on timelines, accuracy, and efficiency drove KEMSA's determination to complete the stock take process in the shortest time possible. Dr. Mulwa underscored the significance of accurate records and elaborated on Human Resource office's role in maintaining a register of participation to ensure a well-documented and reliable process.

To address any variances discovered during the stock take, a committee was appointed by Dr. Mulwa to diligently investigate and address the issues. Dr. Mulwa encouraged the Bulk Pickers to uphold accountability and integrity by providing reasons for historical variances, ultimately contributing to improved transparency in KEMSA's operations.

The official commencement of the exercise was marked by Dr. Mulwa affixing the first sticker onto a counted box. This symbolic act signified the unity between KEMSA and its strategic partners in ad-



vancing their shared mission of enhancing delivery across the country.

The FY 2023/24 Annual Stock Take served as a powerful testament to KEMSA's dedication to improving Health Products and Technologies delivery in Kenya. Under the guidance of Acting CEO, Dr. Andrew Mulwa, and with support from its strategic partners take a significant bold step towards achieving its vision of excellence in the provision of Health Products and Technologies and supply chain solutions in East Africa Region.





YOUR PARTNER IN HEALTHCARE

31





**HEALTHCARE DELIVERY** 

### Transforming KEMSA: Financial Reforms for Transparency and Efficiency

n an ambitious bid to enhance transparency, efficiency, and financial stability, KEMSA has embarked on a series of financial reforms. Led by the Chair of KEMSA Board Irungu Nyakera and Acting Chief Executive Officer, Dr. Andrew Mulwa, and with the resolute support of Mr. Felix Koskei, the Chief of Staff and Head of Public Service in Kenya, these reforms have charted a new course for the Authority's future.

Under the backdrop of financial challenges and the imperative to ensure accountability in public institutions, KEMSA is undertaking a comprehensive financial overhaul. Three key aspects stand out; the implementation of robust financial management practices, pursuit of strategic partnerships and staff optimisation.

The implementation of modern financial management practices will be the cornerstone of KEMSA's transformation. The organization has streamlined its procurement processes, introducing measures to enhance fairness, transparency, and value for money. KEMSA will prioritize competitive bidding and the elimination of single-sourcing and monopoly actions, ensuring that suppliers deliver value for money. This will not only improve financial efficiency but also bolster public confidence in the organization's operations.

Moreover, leveraging on technology will boost accountability and integration across the supply chain. Adopting a new Enterprise Resource Planning (ERP) system is key to enhanceing connectivity and will provide end-to-end visibility, enabling quick decision-making and minimizee discrepancies between physical stock and ERP records. Having an Integrated Logistics Management Information System has further optimized commodity resupply decisions, preventing



wastage and losses.

In parallel, KEMSA has actively pursued strategic partnerships to augment its financial standing. Collaborating with esteemed partners such as the World Bank, USAID, UNICEF, and the Global Fund, among others, is key to attracting funding and resources but has also enabled KEMSA to expand its outreach. By aligning with these partners' transformative health sector initiatives, KEMSA will become a critical player in achieving Universal Health Coverage, in line with the national health policy and the United Nations Sustainable Development Goals.

Despite challenges and historical variances, KEMSA has shown unyielding commitment to address internal issues head-on. With the guidance of a committee appointed by the CEO, variances discovered during the annual stock take are diligently addressed. This commitment to accountability and integrity is critical to rebuilding the organization's image and reinforcing its role as a trusted supplier of Health Products and Technologies.

As the annual stock-take commenced, the entire organization rallied behind the CEO's vision for efficiency and accuracy. The CEO, Dr. Andrew Mulwa, encourages the warehouse teams, finance department, and all staff members from various departments to collaborate diligently. Through a collective effort, KEMSA aims to complete the stock take exercise promptly and showcase its capabilities to achieve new milestones in inventory management.

With Dr. Andrew Mulwa's visionary leadership and Mr. Felix Koskei's resolute support, KEM-SA stands poised to transform its financial landscape. By implementing modern practices, forging strategic partnerships, and nurturing a culture of accountability, the organization takes strides toward becoming a beacon of excellence in the nation's healthcare supply chain.



**HEALTHCARE DELIVERY** 



## Safeguarding Resources: Enhanced Financial Controls For Effective Decision Making

#### **Robust Oversight: Commitment to Regular Audits and Risk Assessments**

EMSA takes significant strides towards enhancing financial control and ensuring the utmost transparency in its operations. With a focus on safeguarding resources, KEMSA is implementing stringent measures to detect and prevent potential irregularities.

In its relentless pursuit of financial accountability, KEMSA is introducing robust financial controls, conducting regular audits, and implementing regular risk assessments. By adopting these measures, KEMSA aims to identify any financial irregularities promptly and ensure proper accountability for resources.

KEMSA's commitment to reviewing its operational processes underscores its resolve to optimize workflows and streamline expenses. Leveraging on technology and implementing cost-effective measures, KEMSA strives to reduce operational costs without compromising quality.

As part of its financial accountability efforts, KEMSA invited the Public Procurement Regulatory Authority (PPRA) to conduct an audit of its procurement processes. The goal is to institutionalize best practices, leading to greater efficiency and cost-savings that benefit the public.

KEMSA's enhanced financial control measures affirms the organization's enthusiasm to being a responsible steward of public resources. By embracing transparency and accountability, KEMSA forges ahead, safe-



guarding resources and ensuring uninterrupted supply to critical medical supplies for mwananchi.

# KEMSA's commitment to reviewing its operational processes underscores its

resolve to optimize workflows and streamline expenses. Leveraging on technology and implementing cost-effective measures, KEMSA strives to reduce operational costs without compromising quality.





HEALTHCARE DELIVERY AND EFFICIENCY

### **Braving Peril for the Health of Others**



Health products being ferried using a speed boat in Lamu.

ur speedboat grunts lazily to life. Then its snout points to the sky. When it darts out of the jetty in Lamu at 100km/hr, heading into the grey waters of the Indian Ocean, everyone onboard exhales. Salim Bakari, our coxswain, is

a middle-aged man with a stiff disposition. Only his hair is stiffer. It's difficult to read his expression, which blends anxiety with impatience. Besides a friendly nod, Bakari doesn't indicate any desire for civilities. In his boat, we will course the treacherous route from Lamu to Faza, one of the islands in the Indian Ocean, There are seven of us, including a team from the Kenya Medical Supplies Authority (KEMSA). But even for Bakari, it's a chancy journey.

"I use this route only once in a month," he says, noting that 25 years in these waters hasn't made navigation any easier for him.

If some journeys are audacious,

delivery of medicines and medical products to the north of Kenya and coastal counties is a terrifying experience. Doing so by boat, though, takes the biscuit.

While all Kenyans are entitled to quality healthcare as a constitutional right, availing medicines and medical equipment to some of the most isolated parts of the country comes at a high cost. Whether by road or sea, banditry, terrorism, hopeless terrain and the sheer distance stand in the way of this right.



One of the loaders arranging the boxes in the boat.



Cartons of medical supplies are carried 1 kilometer to the land due to erratic sea



But for the men and women at KEMSA, these hazardous journeys must be made every week to deliver drugs and hope to some of the poorest, most marginalised and vulnerable Kenyans. In the remote counties of Turkana, West Pokot and Baringo in the Rift Valley, Lamu, Kwale and Tana River at the coast, Mandera and Wajir in North Eastern, and Samburu, peril is always around the corner. To save lives, others are put on the line in these voyages of hope. The Nation team is accompanying KEMSA caravans on these long, strenuous excursions to Turkana and the coastal counties of Mombasa and Lamu, voyages that will take a total of eight days.

When we enquire about life jackets before leaving Lamu for Faza, Bakari mutters something to the effect that they were withdrawn due to Covid-19. Dissatisfied but without an option, we embark on the journey sitted beside the cargo in four rows to balance the narrow 10-feet vessel.

Without any incidents, the journey will take us roughly 90 minutes, Bakari says. In these waters, though, there is no limit to the things that could go wrong. The boat could keel over or bandits could strike. There's another dark possibility: the medicines could be spoilt, either through wetness or heat. Unlike ordinary cargo, some of the drugs, especially the cold-chain, must be refrigerated throughout the trip.

Over long distances, some medicines and medical products are stored in icepacks that must be changed regularly. From Nairobi, for instance, the first change of icepacks is done in Mombasa. The second is done in Lamu town before the medicines are distributed to Faza, Kizingitini, Mtangawaza, and Bwajumwali, collectively known as Pate Island. Once the cargo is loaded into boats, however, the next refrigeration is done at the destination. Time is, therefore, critical. The journey to Faza is lonely and uneventful. Other than two dogs at an abandoned fishing camp and a boat that's rusting away at anchor, we see no sign of life for the first half hour into the journey. We are navigating a narrow stretch of mangroves and corals when we come across a boat with a dozen dishevelled thuggishlooking men. Nothing about them indicates they are fishermen. When Bakari slows down, our conversations wither. Everyone looks unnerved.

The lot stares at us listlessly as we pass. Unlike ours, theirs isn't a speedboat, but even so, this is a frightfully isolated area, and in case of an attack, there's no escape. It's only after cruising past them that conversations resume.

The mangroves crash behind us and soon we are arcing through the open sea. In this stretch, the ever-present ocean is a different beast entirely. Its waves are higher and more menacing, while the cold humid air here has a sharp, salty tang.

From here on, it's us against the water. Every time the boat hits the waves, our guts churn. It feels as like the boat could break.

As we approach Mtangawaza, we spot two boats from about five kilometres ahead of us. They are cruising towards us at an unsettling speed. After scrutinising, Bakari explains that these are miraa vessels returning from Kismayo. The team heaves. With 300-horsepower engines, we only see



# SUPPLYCHAIN

a blur as they whizz past us. Like miraa pickups on the Meru-Nairobi route, these boats are the masters of the waters.

While not as fast the miraa carriers, this seven-passenger boat burns 60 litres of petrol for the return trip from Lamu to Faza. This is the equivalent of 750 kilometres covered by a fairly fuel-efficient car that consumes 12.5 litres per kilometre. Refueling in the water is an eerie experience. To do so, Bakari has to kill the engine. As soon as the engine goes dead, the boat dances precariously in the water, bombarded on all sides by the angry, powerful waves. The team looks into the vacant sea, fright in their eyes. Meanwhile, Bakari empties a 20-litre jerrycan into the tank, unfazed. He's used to frowns and squeals from his passengers.

Twenty minutes later, Faza comes into view. We have safely arrived at our destination. But there's more drama in the offing. Suddenly, the engine goes cold. We are about a kilometre from the land. Something is fatally wrong. Bakari's temperament, like the sea, is erratic.

Without masking his anger, he protests: "I had advised an early morning trip. Now the tide is low. We can't access the jetty." He is quiet for a few moments, his expression contemplative. What he announces next is both absurd and unthinkable. "You have to disembark and walk the rest of the stretch."

There's a sense of urgency in his voice. It also hardly sounds like a request. We're all in a state of panic. The water is three feet high, and we can't leave the boat.

"The boat can't move in this shallow



Mercy Muthee Nurse-in-charge Nadapal dispensary in Lodwar receives health products delivered by KEMSA.

water," the coxswain retorts.

After momentary hesitation, we disembark. Whereas the crew can wade to the beach, there's the medicine to carry to the dry land. Bakari leaves us and walks briskly across the water to Faza. He's gone for 15 minutes as we contemplate the next course of action.

When he returns, he has a donkey and two men in tow. The consignment will be hauled across the ebbing seawater by a donkey. Only there's an impasse. Negotiations on the fee have fallen through.

"They don't want to pay the fee we asked for," one of the two men says as his colleague curses. Attempts to persuade them sink as they and their donkey leave hurriedly.

"We have to carry the boxes ourselves," a resigned Bakari declares. It appears a joke at first, but his contorted expression indicates otherwise. For the next hour, we will carry the boxes across the stretch of wet sand to the land, making several trips each, barefoot. Thereafter, the KEMSA team hires motorbikes to transport them for another kilometre to Faza sub-county hospital.

Faza is a beautiful seaside settlement with a mild differential charm. From weather-beaten houses and quiet, it's easy to mistake it for a deserted village. We arrive at the island at 12pm on one of the hottest days. Residents are cooped up in their houses to escape the harsh temperatures.

Trade and fishing are the main livelihoods for Faza's 3,500 predominantly Bajuni residents. At this time of the day, most men are out in the sea, having left at the small hours of the morning to fish. They are expected back from 2pm.

For another 15 minutes, we trek to the hospital, guided by the indefatigably chatty Abdu Mohamed, a local. "This is the only hospital we have on this island. We have only two schools," he tells us on our way to the facility. As soon as we arrive at the hospital, the drugs are inspected and the cold-chain quickly refrigerated. A few moments later, the pharmacy hums with activity.

The facility attends to between 40 and 50 outpatients every day, according to Zeituni Ahmed, the hospital's pharma technician. "The commonest complications in this area are hypertension, ulcers, diabetes and urinary tract infection," Ms Ahmed says.

Drugs for treatment of these conditions must be available at all



KEMSa

#### times, she adds. If the required drugs are out of stock, patients have to make the sea voyage to Lamu, an expensive undertaking that poor families can barely afford.

Then there are occasional outbreaks that are common in remote locations. At the time of our visit, Faza is experiencing an outbreak of smallpox. The slightest delay in delivery of remedial lotions puts the local population, especially children, through unspeakable agony.

Interestingly, facilities in these islands, like everywhere else, are supplied with medical products on order. Sometimes the consignment constitutes only a small box of, say, insulin. To deliver each batch of drugs, irrespective of size, from Lamu to this island using a speedboat costs about Sh50,000. Why not transport large consignments, which is cheaper and convenient? It turns out that's not the case with medicines. "When the consignment is large, the liability is higher. Should the vessel sink or be intercepted along the way, it would be a big loss to KEMSA. It would also be an inconvenience to the facilities expecting the medicines," explains Wycliffe Obonyo, KEMSA's distribution clerk at the coast.

At 3pm, the sea is back and so are the fishermen. Bakari has also towed the boat to the shore, ready for our journey back. On our way to Lamu, much of the coral islets we had seen earlier are now completely submerged under water as the afternoon sea reclaims its territory.

Few phenomena compare with the splendour of the sunset in Turkana County, more than 850 kilometres away. At 6pm, the orange ball dances towards the horizon with showy majesty, as its beautiful beams hug rocky hills near Kainuk.

But to Jesse Njoroge, a truck driver, it's another daybreak.



One of the boat attendants carry the cartons to the pharmacy on arrival at the facility

Njoroge is entering the final phase of a long, strenuous journey from Nairobi to Lodwar. For the next five hours, he will haul the 40-tonne monster through darkness along the Kainuk-Lokichar-Lodwar route, alone, to deliver medicines and medical equipment to local health facilities.

In this Sh35 million consignment are antibiotics, nutritional supplements, pain management drugs, contraceptives and HIV and tuberculosis (TB) medicines.

Already, Njoroge has covered more than 500 kilometres through half of the country, and driven down the chilling gorges of West Pokot County. Along this 60-kilometre stretch of unnerving bends and slopes, lorries topple over every week while attempting to climb up and down. To steer his trailer safely to Ortum, at the floor of the hills, is to clear perhaps the toughest hurdle in this audacious journey. Now only the last part of the journey remains, a 170-kilometre stretch between Kainuk and Lodwar.

Meanwhile, at Nadapal dispensary just outside Lodwar town in Loima sub-county, nurse-in-charge Mercy Muthee sits under a tree waiting for a consignment of drugs to arrive. It's 5pm, and Muthee has been waiting all day. While the subcounty pharmacist had contacted her concerning the shipment the previous day, she's unsure when the medicines will arrive, or whether they will arrive at all.

"Our dispensary is a link facility that serves not only residents of Nadapal but the population of the surrounding areas as well. We offer general and ante-natal care, immunisation services and deliveries. We serve



# SUPPLYCHAIN

**NEWS I INDUSTRY I FEATURES** 

#### HEALTHCARE DELIVERY AND EFFICIENCY

about 3,000 people," she says. Since July, this sub-county has experienced a surge in malaria cases. For every day that the drugs fail to arrive, lives of hundreds are jeopardised. "Loima is a malaria-endemic zone. In the past few weeks, we've experienced complicated cases, with convulsions and vomiting," Muthee says.

Delivering the consignment to Lodwar, though, is only part of Njoroge's journey. Besides Lodwar Referral Hospital, Njoroge will be delivering medicines to 31 other facilities, spread out in the seven sub-counties in Turkana. It's a real test of endurance. First, the sub-counties here are vast. So the facilities are far apart and sometimes in very remote locations. It could take days to get to Kibish subcounty, for instance, which borders South Sudan and Ethiopia. Vast areas of Kibish have no mobile network or Internet connection. Off-grid facilities usually rely on the county or sub-county pharmacists to place orders for medicines on their behalf.

Health centres in border sub counties such as these serve not only the local population, but patients from neighbouring countries too.

"It could take me seven days to deliver medicines to the last health centre from the time I leave Nairobi," he notes.

Secondly, the roads are so bad here that some sections are virtually unnavigable by a 40-tonne truck. Drivers navigate through dusty roads in the sweltering sun, going sometimes for hundreds of kilometres without any sight of human habitation. Crossing river valleys, locally known as "lagas", is a nightmare – trucks easily get stuck in the sand.

Njoroge explains: "When we get to the valley, we empty the truck and load the cargo onto Landcruisers that transport the medicines for the rest of the journey."

Some sections, though, are frightfully rugged that even for Lancruisers, navigation is impossible. Here, motorbikes come in handy. This not only increases the cost, but also the probability of damage. Sometimes the pick-ups are unavailable. The owner and the transporter could also fail to agree on the fee.

Turkana's landscape is a flat bed. Whenever it rains, neither trucks nor cruisers can cross river valleys. Rains from the Ugandan highlands can cause havoc here within minutes. When rivers swell, travellers are forced to wait for up to 10 hours to proceed with the journey. For transporters of medicines and medical equipment, it's not just the long hours of wait that are agonising, but the lives put in danger across the valley.

But it's the runaway insecurity here that's the ultimate scare. Arguably, Turkana County is the Wild West of Kenya. Here, bandits could strike anytime, and truckers delivering goods are often a soft target. In volatile zones such as Kapedo, truck drivers are accompanied by security officers.

"I haven't been attacked, but my colleagues have been ambushed before," says Njoroge. Twenty-four hours later, the consignment arrives at Nadapal dispensary in a Landcruiser, having first been offloaded at Lodwar Referral Hospital, ending Muthee's anxious wait. For the next 30 minutes, the nurse will countercheck the various medicines and sign off the paperwork. Some items are, however, missing.

"I had expected a lot of the artesunate drug to manage the surge in malaria here. Today, I've received none," she announces, explaining that artesunate is an injectable drug used on patients suffering severe malaria. "Hopefully, we will get it in the next consignment." That order could take weeks to process and deliver, owing to either logistical challenges or unavailability of the drug at the depot. She says: "It's difficult to explain to a patient that you don't have the drug. After trekking for hours, most prefer to go back home to another facility." Turkana County is unique in many ways. Foremost, it's the only country in Kenya that relies 100 per cent on government health facilities. There are no private clinics here. The state of government health centres is, therefore, a matter of life and death.

Due to its arid and semi-arid conditions, snake and insect bites are common in the county. As such, availability of antihistamines is a critical component of healthcare. For drivers such as Njoroge, every extra minute spent on the road could mean a life saved or a life lost. Departure is defined under a strict schedule. Reaching their destinations at the farthest end of Turkana is a matter of chance and luck.

To Njoroge and other drivers doing this work, these journeys are a means of livelihood as much as they are service to country. It's never a guarantee they will return home.

"We're looking into the possibility of using drones to deliver medicines to some of the remote, insecure locations in the country as part of our reforms at KEMSA," says Jackline Mainye, the authority's national sales manager. While such an investment would be expensive to undertake, Mainye argues it would eliminate dangers that transporters face while delivering drugs.

For now, come what may, every consignment in the transporters' custody must reach its destination, safely, timely and in good condition. Hundreds of lives in these hard-to-reach areas depend on it.

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# **Empowering Healthcare: Pioneering Investments in Public Health Facilities**

EMSA has embarked on a visionary journey to empower healthcare services nationwide through pioneering investments in public health facilities. With an unwavering commitment to elevating healthcare delivery, KEMSA's strategic investments aim to prioritize essential supplies, boost efficiency, and enhance patient outcomes.

In his thought leadership process resonating with foresight, the Chair addressed stakeholders, unveiling the organization's ambitious plan to invest in the core infrastructure of Health Products and Technology Supply Chain. Emphasizing strategic procurement, KEMSA aims to ensure that vital supplies, tracer items, and class-A products - those in high demand - are readily available in these public health facilities.

"We envision a healthcare landscape where public health facilities are equipped with the necessary supplies to meet the urgent needs of our end-users," declared the Chair. This forward-looking approach seeks to minimize stockouts and ensure that healthcare professionals can provide timely and high-quality care to patients.

A collaborative effort with the Ministry of Health and county governments drives KEMSA's investment strategy. By aligning all efforts, KEMSA can identify the most pressing needs of various public health facilities, thereby tailoring investments to maximize impact.

"We recognize that strengthening the healthcare infrastructure is pivotal in achieving our vision of excellence," emphasized the Chair. "Our partnerships with the Ministry of Health and county governments allow us to optimize our investments to serve the diverse medical commodities needs of communities." One such success story sprung from



the Nkosi Health Center in a remote region of Kenya. With KEMSA's investment, the health center received a steady supply of essential medicines, diagnostic equipment, and other critical medical supplies. This transformation allowed healthcare professionals at the facility to provide reliable healthcare services to the community, leading to improved patient outcomes and increased patient satisfaction.

Additionally, KEMSA's investments extend to bolstering the capacities of healthcare facilities in handling emergencies and specialized treatments. Through strategic procurement and timely deliveries, facilities can provide life-saving interventions more effectively.

The ripple effects of KEMSA's investments reach beyond just healthcare facilities. By fostering a strong healthcare ecosystem, local economies benefit as well. Reliable access to medical supplies enables facilities to serve a broader population, encouraging economic growth in the surrounding communities. With this pioneering approach, KEMSA envisions a future where public health facilities serve as beacons of healthcare excellence. "Our goal is to make healthcare accessible and efficient, regardless of location," expressed the Chair. "By empowering these facilities, we empower the health of our nation."

As KEMSA forges ahead with its transformative investments, the organization's vision of a healthier and prosperous Kenya becomes increasingly attainable. By placing public health facilities at the core of its strategy, KEMSA ensures that every citizen has access to the essential medical supplies they deserve.

The symphony of KEMSA's visionary investments harmonizes with the aspirations of countless Kenyans seeking better healthcare. Through this endeavour, KEMSA continues to lead the way toward a brighter future for healthcare services in Kenya, epitomizing its commitment to excellence and empowerment.





### **KEMSA'S State of the Art National Supply Chain Centre**

Featuring a range of new generation cold chain and supply chain capabilities making it one of the most advanced in Sub-Saharan Africa



EMSA has turned a new operating efficiency leaf following the commissioning of a state-of-the-art, National Supply Chain Centre.

The new purpose-built KEMSA National Supply Chain Centre, developed at the cost of more than Kshs.2 billion, will provide advanced warehousing, packaging and inventory management for Health, Products and Technologies (HPTs) for the local health sector. With the development of the one stop facility, Kenyan taxpayers will now enjoy more than Kshs 217 million savings annually. Previously, KEMSA was leasing out multiple warehousing space from private entities in Nairobi, impacting negatively on its operating ef ciency and costs.

The facility, with a total storage space of more than 12,000 sq. meters, features a range of new generation cold chain and supply chain capabilities, including temperature- controlled cold rooms for vaccines, making it one of the most advanced in sub-Sahara Africa. Existing cold room and freezer facilities at KEMSA had not been designed to store

and facilitate the distribution of new generation vaccines such as those produced with live-viruses that need to be stored at temperatures between -15°C and -25°C while Vaccines that are sensitive to freezing should be stored at temperatures between 2°C and 8°C.

The new facility will be powered by an advanced Warehouse Management System (WMS) as part of ongoing efforts to streamline information technology



systems for ef cient service delivery. The new generation WMS linked to the Authority's Logistics Management Information System (LMIS), the Ministry of Health Kenya Health Information System (KHIS), and the KEMSA Electronic Proof of Deliveries (e-POD App) will facilitate better information visibility across the supply chain system and contribute to inventory accuracy at the National and County operating levels.

The facility had been developed to provide the cold chain and supply chain for the national health system and will also act as a standby pillar for the National Emergency Supply Chain Framework. Developed last year, the framework will enable the Public Health Emergency Operations Centre ef ciently deploy medical countermeasures (MCMs) during emergencies.

KEMSA Ag. CEO Dr. Andrew Mulwa said Kenya had entered the league of advanced health supply chain facility hosting countries. He explained that the commissioning of the new National Supply Chain Centre is part of ongoing reforms to transform KEMSA into an effective national health system pillar.

KEMSA, He assured, is pursuing a three-pronged transformation strategy

which focuses on driving operational excellence, enhancing customer experience and repositioning the organization.

The KEMSA Embakasi National Supply Chain Centre, He said, will now provide end-to-end supply chain solutions for the national health needs, including vaccine storage at -5°C and -25°C. This will increase the national capacity for storage of vaccines and other cold chain medicines. Further, it aligns with the Government's agenda to manufacture vaccines locally. The cold chain amenities at the new facility cover a total of 780 m2 comprising of four cold rooms and four freezers allowing it to offer world-class cold chain services.

The Centre has been equipped to guarantee quality assured service provision for public health facilities by ensuring that each receives its HPTs supplies at the right time, in the right amount, in the right conditions and temperatures.

"This facility demonstrates the Government's commitment to ensure selfsuf ciency in healthcare provision and has been developed to global benchmarks," CEO said. He added, "The KEMSA National Supply Chain Centre will facilitate the ef cient distribution of HPTs to regional distribution centres in Mombasa, Meru and Kisumu for onward last mile delivery to more than 11,500 health facilities countrywide."

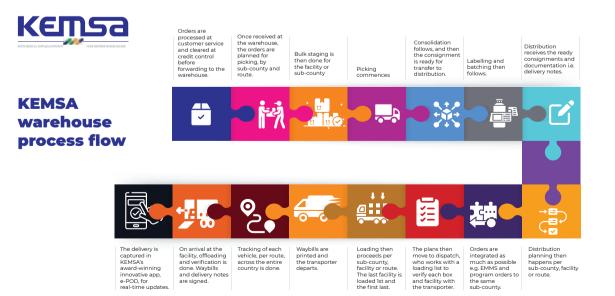
Developed with funding from the Global Fund, Government of Kenya and KEMSA, the facility's warehousing capacity is up to 7 storage levels of approximately 13,286 pallets with 991 racks. This is a signi cant improvement from the current KEMSA warehouse with a racking capacity of up to 4 storage levels, tting 9,170 pallets. This improvement boosts the storage space by having a more centralized location thus enhancing ef ciency in storage and order processing. Previously, KEM-SA leased several warehouses across Nairobi due to space limitation making operations less ef cient due to multiplicity of sites.

The facility is also equipped with a 1.2 million litres underground water tank that supply the entire national complex including a modern warehouse re ghting system for about a month if regular water supply fails.









YOUR PARTNER IN HEALTHCARE

42













#### **TECHNOLOGICAL ADVANCEMENTS**

# **Tech Titan:** The ERP System Set to Revolutionize KEMSA's Healthcare Supply Chain

#### KEMSA's Future Vision of Efficiency: The ERP System Poised to Elevate Healthcare Delivery

n an ambitious move, KEMSA has set the stage for a transformative era with the introduction of its newest hero. "Tech Titan." Anticipated to emerge as the Enterprise Resource Planning (ERP) system, Tech Titan is positioned to revolutionize KEM-SA's healthcare supply chain, promising timely delivery of medical supplies to every corner of Kenya.

The new board chair of KEMSA envisions Tech Titan as the heart of their future transformation agenda. The future introduction of the ERP system will integrate all aspects of KEM-SA's operations, from procurement to distribution. "The ERP system is our beacon of progress," the new board chair shares, brimming with anticipation.

Tech Titan's ground-breaking capabilities will drive real-time data processing and supply chain management, replacing traditional two-year framework contracts with dynamic annual fixed quantity contracts. KEMSA is prepared to swiftly respond to fluctuations in demand, ensuring that vital supplies reach healthcare facilities with unparalleled efficiency. Un



der Nyakera's watchful eye, he envisions the ERP as a problem solver for suppliers, by creating an enabling tool to allow them track their bids application through an e-platform at their convenience.

A key shift to be embraced under Tech Titan's watchful eye is the introduction of lotting of tenders. A future of healthy competition among suppliers is envisioned, creating a diverse pool of trusted vendors that meet KEMSA's stringent quality standards. "The ERP system will redefine our inventory management," the new board chair explains, with an excitement that echoes through the organization. "Real-time data insights and foresight will empower KEMSA to optimize inventory levels and foresee challenges even before they arise."

In an eagerly awaited chorus of progress, KEMSA's future vision includes fostering harmonious partnerships with suppliers, ensuring prompt delivery and timely payment. The future framework will create a conducive environment for local suppliers to thrive and invest in innovations, nurturing economic growth. With the introduction of Tech Titan. KEMSA's transformation journey will resonate as a symphony of efficiency. The future is set to see the ERP system elevate healthcare delivery, empower professionals, and ensure the consistent flow of life-saving medical supplies.

As KEMSA's performance continues to play, the future appears more harmonious than ever. The stage is set for Tech Titan's digital reign, promising a healthier and prosperous nation, where healthcare delivery operates in seamless harmony, saving lives one supply chain at a time.



TECHNOLOGICAL ADVANCEMENTS

# A Digital Transformation to Enhance Business Processes

Fostering Operational Efficiency: KEMSA Embraces Cutting-Edge Technology for a Smarter Tomorrow

EMSA embarks on a six months landmark digital revolution as it seeks to acquire an Enterprise Resource Planning (ERP) system to transform its operations. With the launch of this cutting-edge technology, KEM-SA is poised to transform its supply chain management, enhance decision-making processes, and usher in a new era of operational efficiency.

Recognizing the critical need for interconnectedness and real-time data processing in healthcare supply chain management, KEMSA is seeking to procure an advanced ERP system. This state-of-the-art ERP system will facilitate seamless communication and collaboration among various departments, streamlining workflows, and ensuring a faster response to emerging challenges.

The ERP system promises to optimize inventory management, anticipate demand, support forecasting and reduce lead times in procuring essential medical supplies. By embracing technology-driven solutions, KEMSA aims to eliminate delays and ensure the uninterrupted flow of critical medical commodities to public health facilities across the country.

This system will enhance end to end visibility across the supply chain, while creating a supplier procurement portal to track the tender process as a way to enhance transparency and accountability. The launch of the ERP system will mark a significant milestone in KEMSA's journey towards operational excellence. The organization envisions a future where data-driven decision-making becomes the norm, empowering its leaders to make informed choices that improve Health Product and Technologies (HPT's) accessibility and delivery.

As KEMSA embraces digitalization, the organization demonstrates its commitment to staying ahead in the fast-paced world of Health Products and Technologies supply chain management. The ERP system stands at the heart of its transformation, empowering KEMSA to navigate the challenges of tomorrow while ensuring a seamless delivery of critical HPTs up to the last mile.

### This state-ofthe-art ERP

**System** will facilitate seamless communication and collaboration among various departments, streamlining workflows, and ensuring a faster response to emerging challenges.











# **Enabling Staff:** Driving Excellence and Dedication to Service

nder the leadership of Dr. Andrew Mulwa, the Acting Chief Executive Officer, KEMSA has embarked on a journey of empowering its staff and realigning human resources to foster a culture of excellence and service.

Recognizing that the success of any organization lies in its people, KEMSA has made significant administrative interventions to address governance concerns and improve staff morale. The transformation process began with a comprehensive restructuring of the Human Resource function, with the aim of optimizing staffing and creating an agile organizational structure.

As part of this transformation, KEMSA has invested in capacity-building programs for its employees, providing them with opportunities to enhance their skills and knowledge. Training workshops, seminars, and professional development initiatives have become a regular feature, ensuring that the staff remains updated with the latest trends and practices in the supply chain industry.

Furthermore, the Authority has introduced performance-based incentives to motivate and reward exceptional performance. Recognizing the efforts of staff members and providing them with tangible incentives have proven to be instrumental in boosting morale and fostering a culture of excellence.

A crucial step in this empowerment journey was the non-renewal of contracts for 200 redundant staff members. The decision by the board, albeit difficult, was made to optimize KEMSA's workforce and align it with the authority's current needs. This strategic move demonstrated KEMSA's commitment to operational agility and cost-effectiveness while ensuring that every employee's role is



valuable and contributes significantly to the organization's goals.

Inclusivity and open communication have been cornerstones of the empowerment drive. KEMSA leadership, led by Dr. Andrew Mulwa and with the unwavering support of Mr. Felix Koskei, the Chief of Staff and Head of Public Service, has actively sought feedback from staff members, encouraging them to voice their concerns and suggestions. Regular town hall meetings and open-door policies have been instrumental in creating a conducive and supportive work environment.

The empowerment efforts extend beyond professional development, with KEMSA taking a keen interest in the well-being of its staff. The organization has implemented wellness programs that cater to the physical and mental health of employees. Stress management sessions, health check-ups, and access to counseling services have been put in place to ensure that the staff feel cared for and supported.

As a result of these efforts, a positive transformation in the organization's culture is evident. Employees are more engaged, committed, and enthusiastic about their work. This newfound culture of excellence and service has significantly contributed to KEMSA's ability to meet its mandate of providing quality medical supplies to health facilities across the country.

The journey to empower staff and realign human resources is ongoing, with Dr. Andrew Mulwa and Mr. Felix Koskei at the forefront, championing a people-centric approach that will continue to shape KEMSA into an exemplary organization.





# **Boosting Accountability and Productivity: KEMSA Embraces Performance Contracting**

#### A Transformational Journey to Uphold Ethical Practices and Deliver Quality Healthcare

In the ever-evolving landscape of Kenya's healthcare system, KEMSA stands as a critical player, entrusted with the task of providing essential medical supplies to healthcare facilities nationwide. But with the weight of responsibility comes the need for enhanced accountability and productivity. Now, KEMSA has set its sights on a transformational journey, embracing performance contracting as a beacon to guide its way forward.

#### A New Era of Accountability

As the newly-appointed board chairman, Irungu Nyakera, addressed KEMSA's staff at the National Supply Chain Centre in Embakasi, Nairobi, the air was pregnant with the promise of change. Acknowledging the challenges faced by the authority, Nyakera emphasized the urgency of putting the house in order, aligning with the vision of President William Ruto. Performance contracting, he asserted, is the conduit through which KEM-SA will embrace a culture of accountability, transparency, and efficiency.

"The time for business as usual is over. We are going the extra mile to create a brand that can be trusted, a brand that people will be proud of," Nyakera declared. The goal is clear: to strengthen the foundations of the institution, allowing it to better serve its mandate and fulfill the aspirations of the Universal Health Coverage (UHC) agenda.

#### **The Experts Leading the Way**

The reconstituted KEMSA board is brimming with experts poised to lead the authority on its transformational journey. With an eye on making KEMSA more effective in its service delivery, the newly-appointed board Directors include FCPA Hezbon Omollo, Bernard Bett, Dr. Jane Masiga, and Ms. Jane Mbatia. Alongside the board, The authority welcomed its acting CEO, Dr. Andrew Mulwa,



CS, Health Nakhumicha S. Wafula and KEMSA Ag. CEO Dr. Andrew Mulwa

whose vision and experience are instrumental in charting a new course for KEMSA.

#### Transparency and Responsiveness Through Technology

One of the cornerstones of KEMSA's transformation is the strategic embrace of information and communication technology. Acting CEO Dr. Andrew Mulwa emphasized the authority's commitment to transparency, responsiveness, and accountability, and highlighted the crucial role technology plays in achieving these objectives. Leveraging cutting-edge technology in all business processes is set to usher in a new era of efficiency and trustworthiness.

#### A Call to Uphold Professionalism

With a vision to rebuild the tarnished image of KEMSA and regain public and donor confidence, the authority calls on its staff to uphold professionalism and adhere strictly to the law and established procedures. In the pursuit of delivering medical supplies to all Kenyans with passion and commitment, KEMSA staff are encouraged to go beyond the call of duty.

#### **A Journey to Excellence**

As the sun sets on the past and rises on a new day for KEMSA, the Authority embarks on a journey of transformation, powered by performance contracting and a commitment to ethical practices. By prioritizing accountability, transparency, and efficiency, KEMSA aims to become a trusted pillar of Kenya's healthcare system, delivering quality medical supplies to healthcare facilities across the nation.

In the pursuit of excellence, KEMSA beckons its staff, stakeholders, and partners to join hands and embrace the winds of change. Together, they pave the way for a brighter, healthier future, where every Kenyan has access to essential medical supplies, and healthcare delivery is fortified with trust, transparency, and unwavering accountability.





# Strengthening KEMSA: Empowering Staff and Re-purposing Functionality

EMSA has embarked on a multifaceted approach to address governance concerns, combat corruption and enhance operational efficiency. The next phase of KEMSA transformation will focus on transitioning to a new organisational structure designed to ensure compliance with oversight requirements and guarantee performance-based management, by the end of this year.

This new performance and service-oriented structure is an improvement to the current organisational framework, which has been cited as an impediment to KEMSA's service delivery capacity. A realignment will define the success of this national strategic organisation as the country navigates towards the national scaling up of the Universal Health Coverage (UHC) Programme.

### Empowering Staff and Realignment of Organizational Structure

With a keen focus on enhancing organizational efficiency, the newly constituted Board and management at KEMSA have implemented administrative interventions. Central to these efforts is the restructuring of the Human Resource function to create an agile and dynamic organizational structure. By aligning staffing with strategic objectives, KEMSA aims to equip the organization with the skills and capabilities needed to deliver a fit-for-purpose organisation.

As part of the restructuring process, KEMSA is making strategic decisions to ensure operational agility. This includes the non-renewal of contracts for 200 redundant staff members, signaling the organization's commitment to fostering a performance and service-oriented culture. Empowering staff through comprehensive induction and training will cultivate professionalism and accountability, vital in KEMSA's journey to rebuild public trust and strategic partners confidence.

#### Mainstreaming Ethics and the Fight Against Corruption

KEMSA newly reconstituted board and management led by the Ag CEO Dr. Andrew Mulwa echos the government's determination to root out corruption. These vices have compromised procurement processes, misused public resources, and tarnished KEMSA's reputation.

During a recent working tour, the Chief of Staff and Head of Public Service Mr Felix Koskei reiterated the administration's commitment to eradicating corruption within KEMSA. A stern message was delivered, assuring that there will be no protection for those engaged in corrupt practices. The government emphasizes individual accountability, and swift, strict consequences await those found culpable.

### Technology and Transparency: KEMSA's Path to Progress

Amid these transformative efforts, KEM-SA is embracing modern technology to bolster transparency and efficiency. The adoption of a new Enterprise Resource Planning (ERP) system is set to revolutionize supply chain management. This system will foster connectivity and accountability, enabling quick decision-making and linking KEMSA's Logistics Management Information System (LMIS) to other government systems.

The automation of services, including









data exchange processes, will enhance efficiency in service delivery and ensure transparency in procurement. These advancements, coupled with continuous audits of procurement processes, aim to promote fairness, accountability, and value for money in all operations.

#### A Brighter Future Ahead

As KEMSA continues its journey of transformation, the government's unwavering support remains steadfast. The comprehensive approach of empowering staff, optimizing organizational structure, and tackling cartel networks demonstrates a firm commitment to transparency and integrity within the organization.

By strengthening financial controls, optimizing workflows, and embracing technological advancements, KEMSA is poised to emerge as a beacon of efficiency and trust in Kenya's healthcare system. The fight against corruption may be challenging, but with collective determination, KEMSA is paving the way for a brighter and healthier future for all Kenyans. The organization's commitment to empowering staff and defeating cartel networks sets the stage for a new era of transparency and excellence in HPTs provision.







# **People-First Approach:** Revitalizing Human Capital for a Resilient Future

#### Empowering Employees: KEMSA Puts Focus on Professional Development and Workplace Wellbeing

EMSA embarks on a visionary people-first approach, recognizing the pivotal role of its workforce in driving organizational success. With a keen focus on uplifting employee morale and productivity, KEMSA is committed to revitalizing its human capital for a resilient and thriving future.

The Board of KEMSA has undertaken a comprehensive review of its human resources, conducting a staff needs assessment and document validation. This strategic effort aims to retain qualified and skilled personnel while redeploying employees according to departmental needs, ensuring a well-aligned and efficient workforce.

To create a conducive work environment, KEMSA is implementing comprehensive programs that prioritize employee professional development and wellbeing. The organization acknowledges that motivated and engaged employees are essential for achieving its goals and delivering high-quality healthcare supplies to the nation.

The introduction of performance contracts, tied to employees' roles, is a key pillar in KEMSA's people-first approach. This measure fosters a sense of accountability and a shared commitment to fulfilling KEMSA's critical role in achieving Universal Healthcare.

As part of its commitment to empowering employees, KEMSA is fostering a culture of teamwork, innovation, and excellence. Open channels of communication ensure that



KEMSA Staff

employees' concerns and suggestions are heard, enriching the organization's journey towards a brighter and prosperous future.

KEMSA recognizes that its human capital is its most valuable asset. By investing in professional development and creating a supportive work environment, the organization empowers its workforce to deliver healthcare supplies with unwavering dedication and expertise. To create a conducive work environment, KEMSA is implementing comprehensive programs that prioritize employee professional development and wellbeing.





# **Collaborative Efforts and Partnerships:** Our Journey to Redemption

n its quest for redemption, KEMSA acknowledges the significance of partnerships and collaborative efforts. By establishing strong alliances with development partners, engaging with county governments, and fostering collaboration with various stakeholders, KEMSA aims to rebuild public trust and ensure the smooth provision of vital medical supplies.

Development agencies have played a crucial role in supporting KEMSA's transformation. These partnerships provide access to expertise, technical support, and financial resources, enabling KEMSA to strengthen its supply chain systems, enhance procurement practices, and implement advanced technologies for efficient operations.

KEMSA also recognizes the importance of engaging with county governments, which play a pivotal role in the healthcare system. Through open dialogue and collaborative initiatives, KEMSA tailors its services to address specific regional needs, ensuring the seamless flow of medical supplies to healthcare facilities across the country.

Additionally, KEMSA actively collaborates with healthcare professionals, civil society organizations, and regulatory bodies. By involving diverse stakeholders in decision-making processes, KEMSA ensures that a range of perspectives are considered, allowing for the development and implementation of policies and procedures that resonate with the wider healthcare community. These partnerships not only provide invaluable support but also demonstrate KEMSA's commitment to



Inrough collective action and collaborative efforts, KEMSA is determined to overcome past setbacks and rebuild a reliable, efficient, and accountable healthcare supply chain. By forging strong partnerships, KEMSA is paving the way for a brighter future where quality healthcare is accessible to all Kenyans.

51





### **Tech Solutions:** UNFPA Supports KEMSA to Create an Integrated Commodities Management System





In a move to strengthen forecasting and demand driven HPT'S procurement, UNFPA has teamed up with KEMSA to develop one of a kind platform that will create an Integrated Commodities Management System

The platform created by KEMSA developers will track medical Commodities uptake and inform the procurement entity on restocking levels.

This is the first time globally that such a technology has been developed and will be a game changer in supporting KEMSA stock Commodities as per consumption.

This will eliminate expiries and procurement of slow moving medical commodities which lead to dead stocks.

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YOUR PARTNER IN HEALTHCARE

52





### **Navigating Tomorrow:** Charting a New Course for Family Planning with the Integrated LMIS Revolution

In the realm of healthcare, precision, efficiency, and accessibility form the pillars of progress. In Kenya, this truth is etched into the very core of KEMSA, an institution entrusted with the critical task of ensuring the availability of essential medicines and medical supplies. Amid this backdrop, a groundbreaking initiative emerges – the Integrated Family Planning (FP) Logistics Management Information System (LMIS).

The Kenya Medical Supplies Authority Act of 2013 set forth a profound mandate for KEMSA. Procuring, warehousing, and distributing essential medicines and medical supplies became not just a responsibility, but a lifeline to millions. Further, supporting county governments in establishing effective supply chain systems, and transparently reporting medical commodities supply status, marked a commitment to optimal healthcare provision.

Yet, every journey is accompanied by hurdles, and KEMSA's path was no different. Stockouts of FP commodities, wastage, poor visibility, and inaccuracies in delivery tracking cast a shadow on the healthcare landscape. Manual processes led to delays, losses, and inefficiencies, affecting the very heart of healthcare accessibility.

In response, the Integrated FP LMIS emerged as a beacon of change. Its objectives, like pillars of strength, stood to ensure FP commodities' availability, value for money invested, and visibility within the supply chain. The magnitude of the change was astounding – error rates plummeted, delivery accuracy soared, and wastages reduced to minimal decimals.

The benefits echoed far and wide. Optimal stocking brought ease to decision-making, while minimized expiries and stockouts

heralded unprecedented value for investments. Rational order management, driven by actual consumption data, promised a future free from estimations. Financing decisions aligned with consumption reality, allowing precise allocation of resources.

This transformation wasn't mere words; it was evident in the Key Performance Indicators (KPIs). Evidence-based financing, order fill rates, reduced expiries, and stockouts, and an error rate of near-zero became the new normal. With Months of Stock (MOS) maintained at facilities and nationally, a robust supply chain architecture took shape. Order Turn Around Time (OTAT) adhered to the highest standards, driven by SOPs.

Proposed funding commitments, budget, and expenditure management became a reality. The CEWAS data, capturing commodity trends, intertwined with the LMIS, creating a nexus of precision. A module for development partners and government to update commitments, budgets, and funds utilized formed the backbone of financial transparency. But the journey doesn't stop here. The Integrated FP LMIS, now intertwined with the Visual Analytics Network (VAN), extends its reach upstream. The data-driven approach, once confined to FP commodities, now surges forward, impacting the entire supply chain.

August 2023 witnesses not just a system but a movement, a revolution in healthcare logistics. As KEMSA, we stand united in our commitment to revolutionize healthcare accessibility, efficiency, and precision. The Integrated FP LMIS isn't just a program; it's a testament to the power of innovation and collaboration.

In the symphony of progress, the LMIS notes play loud and clear, guiding us to a future where every Kenyan's healthcare is ensured, where stockouts and inaccuracies are tales of the past. Together, we move toward a tomorrow where healthcare isn't just a word but a promise fulfilled, a promise that the Integrated FP LMIS holds close to its heart.







### **USAID Transitioning Back to KEMSA**



midst the intricate fabric of Kenya's healthcare tapestry, a tale of transformation has been quietly unfurling. A collaboration forged in 2021 between the United States Agency for International Development (USAID) and the Government of Kenya (GoK) set the stage for a reimagined future, one where KEMSA would emerge as a beacon of reform and resilience. In the wake of a stormy past, this partnership embarked on an audacious mission - to recalibrate KEMSA's foundations and rebuild it as a bastion of transparency, accountability, and efficiency. The blueprint for this endeavor, the KEMSA Reforms Framework, was meticulously crafted. It encompassed a spectrum of domains, ranging from operational streamlining to enterprise resource management, from distribution optimization to management controls. As the partnership set forth, these guiding principles became the bedrock upon which the future was constructed.

From its inception, this collaboration was underpinned by a commitment to impartiality. Recognizing the need for objective oversight, USAID introduced an independent third-party monitor. This sentinel, endorsed by both the Ministry of Health (MOH) and KEMSA, meticulously assessed the reform journey. Its findings, captured in the KEMSA Reforms Assessment Report, were an unfiltered mirror reflecting the strides made and the gaps that remained. This candid evaluation served as a compass, pointing the way forward for other government entities seeking to chart a similar course. As the sun sets on August 2023, the fruits of this steadfast alliance have begun to bloom. The planned re-engagement of USAID with KEMSA is on the horizon, a testimony to the partnership's prudence and foresight. This reunion is not merely a return but a resurgence, a testament to the transformative power of a well-structured alliance. The phased approach, rooted in wisdom, hinges on the milestones etched within the KEMSA Reforms Framework. Each stride made, each milestone achieved, reverberates with lessons for others navigating the challenging terrain of reform.

This collaboration's echoes extend far beyond KEMSA's precincts. It resonates within the broader realm of Health Products and Technologies (HPT) supply chain reform, underlining the vitality of shared accountability. The symphony of coordination among varied stakeholders – governmental bodies, oversight entities, and

healthcare institutions - embodies a collective commitment to seamless supply chain dynamics, safeguarding the wellbeing of the nation. Amidst this narrative, a symmetrical choreography is evident between the two entities. USAID infuses not just funds but expertise, capacity-building, and technical support. In tandem, the Government of Kenya, embodied by the Ministry of Health, embraces the mantle of stewardship, ensuring that the reform symphony resonates harmoniously within KEMSA's corridors. This orchestration is a testament to the potency of aligned intent, where roles blend seamlessly to actualize change.

As the sands of time trickle into August 2023, the USAID-GoK partnership stands as a living testament to dedication, collaboration, and transformation. The foundation laid in 2021 has borne fruit, evident in the reinvigorated KEMSA and its resilient reform journey. This unfolding saga, an embodiment of strategic planning and persistent effort, serves as a guiding star for other government agencies poised on the cusp of transformation. The chronicles of KEMSA underscores that reform, once distant, is indeed attainable, beckoning those who dare to tread the path of change.



# **Streamlining Supply Chain: Drive for Operational Excellence**

NEWS I INDUSTRY I FEATURES

#### Prioritizing Urgent Needs: Strategy to Eliminate Slow Stock and Improve Order Fill Rate

n its pursuit of operational excellence, KEMSA has launched a raft of measures to streamline its supply chain and enhance efficiency. Top on its list is prioritizing urgent HPT's needs, as an end to eliminate slow moving stocks and achieve an impressive Order Fill Rate for essential medical supplies.

In its quest to reposition, KEMSA has set in motion an extensive action plan to rid accumulation of slow-moving stocks. The organization's plans is to supply vital supplies, tracer items, and class A products that are a necessity in all levels of healthcare.

KEMSA is actively engaging with the counties to support their effort in demand and forecasting. This will support the counties in commodity management and facilitate effective HPT's budgeting.

The Authority plans to host a series of county engagement in collaboration with the Council of Governors to encourage the leadership to ring fence health budgets. This will empower counties to effectively plan their Health Products and Technologies needs and make prompt payment to KEMSA.

Currently, counties are bogged down by outstanding payments running into 12 months and beyond, this has interfered with their ability to place HPT's orders for resupplies. Through collaboration, KEMSA seeks to jointly implement a system that identifies individual county needs and orders, enabling efficient planning and stocking of tracer items and class A products.



Harry Kimutai, CBS, and Principal Secretary Medical Services

To further enhance its operational efficiency, KEMSA is actively seeking to improve its cash flow through maintain a healthy revolving fund and re-capitalization. The organization is also exploring avenues to sell slow-moving stock,

In addition, the Authority is focused on secure of resources from the Ministry of Health, and collaborate with development partners to ensure the effective functioning of the institution.

By adopting these measures, KEMSA aspires to fulfil its mission with greater precision and timeliness in providing quality, affordable essential Health Products and Technologies and supply chain solutions to save and transform lives.



Participants at KEMSA Suppliers and Stakeholders Brainstoming Conference





ENVIRONMENTAL SUSTAINABILITY

### **Greening the Future:** KEMSA's Tree Planting Initiative in Makueni County



CECM, Makueni County and KEMSA Ag. CEO

n a powerful stride towards a more sustainable future, the launch of the tree restoration programme by His Excellency President William Ruto has set the stage for a transformative environmental initiative. With an ambitious target of planting 15 billion trees by 2032, the programme aims to combat climate change, halt deforestation, and rejuvenate millions of hectares of landscapes through the African Landscape Restoration initiative. In perfect harmony with this nation-wide endeavor, the Kenya Medical Supplies Authority (KEMSA) has unfurled a remarkable tree planting campaign in the heart of Makueni County. This venture, not only aligned with the government's visionary agenda but also reflecting KEMSA's commitment to a greener future, aims to sow the seeds of environmental renewal by planting 1,100 trees across five schools in the county. This remarkable initiative, taking root within the Makueni community, seeks to raise awareness about the pivotal role of trees in preserving our delicate ecosystem. The participating schools - Kako Special School for the Mentally Handicapped, Watuka Primary School, St. Paul's Kyaume Primary School, Miau Primary School, and Kako Primary School - have become vibrant canvases for a greener tomorrow.





The scheduled tree planting exercise poised a landmark event, demonstrating KEMSA's unwavering commitment to environmental sustainability. With the presence of representatives from diverse sectors, including KEMSA's own leadership, the event was a celebration of unity and shared responsibility towards our environment.

Dr. Andrew Mulwa, the Acting CEO of KEMSA, voiced his enthusiasm about this transformative initiative, saying, "Happy to be associated with Makueni in restoring Mother Nature by planting 1,100 trees. It marks the beginning of KEMSA's journey to avert the impact of climate change and its effects on disease patterns." This step towards a greener future not only showcases KEM-SA's commitment to its mandate but also its broader role in championing societal well-being.

The resounding support from local authorities further underscores the significance of this undertaking. Dr. Sonia Musyoka, the County Executive Committee Member for Lands, Environment & Climate Change in Makueni County, praised KEMSA's efforts, stating, "I encourage all institutions to conserve the environment. Hongera KEMSA for this great initiative." The event, more than just a ceremonial tree planting, represents a



CSR Activity

strategic and meaningful step in securing a healthier future. Dr. Andrew Mulwa and Dr. Sonia Musyoka, standing side by side, set an inspiring example by taking the first steps towards the fulfillment of the President's Agenda to plant 15 billion trees by 2032.

As KEMSA joins hands with schools and communities, the message of environmental consciousness resonates far and wide. The sight of trees being lovingly planted in school compounds symbolizes the nurturing of both the land and future generations. With these 1,100 saplings taking root, Makueni County becomes a living testament to the potential of collective action in preserving our natural world.

KEMSa

With excitement building and momentum growing, KEMSA's tree planting exercise stands as a milestone in a nation's journey towards a greener, more sustainable future. Each tree nurtured today, each seedling planted, signifies a commitment to safeguarding our environment and leaving a legacy of responsibility for generations to come. Through unity, partnership, and conscious action, KEMSA's tree planting initiative echoes the sentiment that together, we can nurture a healthier, more vibrant planet.





**CSR Activity** 



# FEDERATION OF KENYA PHARMACEUTICAL MANUFACTURERS

FKPM is the umbrella body through which local pharmaceutical manufactures articulate and convey their interests to relevant forums regarding policies, regulations, trade and quality. It has 21 members who comprise of local Manufacturing companies for both Human and Veterinary medicines.

#### **VISION OF FKPM**

Development of "robust, diversified and competitive manufacturing".

#### **OUR AIM**

To advocate for the strengthening of local pharmaceutical manufacturing of medicines so as to enhance, sustain and expand the market share in Kenya, East African region and beyond medicines.

#### **OBJECTIVES OF FKPM**

To promote, protect and regulate the interests of the Manufacturers of pharmaceutical, surgical and justified allied products manufactured in Kenya through, to name but a few;



- Advocating for the strengthening of local pharmaceutical manufacturing of medicines so as to enhance, sustain and expand the market share in Kenya, East African region and beyond medicines.
- Promoting and advocating for policy change that is friendly and providing higher incentive for domestic pharmaceutical production.
- Engaging stakeholders and in particular regulatory agencies in the formulation of laws, regulations and guidelines that inform and impact on good manufacturing practices.
- Promote and protect at all times the interests of the manufacturers of pharmaceutical products in Kenya.
- · Promote development of pharmaceutical products in Kenya in consultation with the authorities to meet the needs of the country.
- Project the ethical image of the manufacturers and pharmaceutical products manufactured and marketed in Kenya.
- Encourage the use of locally available raw materials of right quality in manufacture of their products in view of making the manufacturing industry self-reliant.
- Ensure availability of locally manufactured products that are affordable and of the right quality and safety.
- Strive to maintain quality as per International GMP standards through continuous improvement.

#### FKPM POSITIVE IMPACT OF LOCAL PHARMACEUTICAL MANUFACTURING ON ECONOMIC DEVELOPMENT AND PUBLIC HEALTH

- a. Medicine prices
  - Price comparisons vary immensely from product to product and between manufacturers
  - Two Kenyan studies show that if local products exist, procurement prices are lower on average than for imports
  - KEMSA tender data shows that local manufacturers have become more competitive
  - KEMSA works with FKPM closely and publishes advertisements for tenders on the local dailies
  - Tanzanian study finds that locally made products are cheaper on average than imports



- a. Better quality of medicines
  - · Quality assurance of local products through regulators is very strict
  - · No major difference observed in quality of imports versus locally-made medicines
- b. Higher availability and health security
  - · Lead times of local manufacturers o lf in stock: 1-2 days
  - o If raw material in stock: 1-4 weeks
  - o If raw material not in stock: 1-2 months
  - Delivery time for imported medicines: 2-3 months
  - Survey: 88% of distributors have used local manufacturers to respond to stock-outs in emergencies
- c. Local adaptation of medicines
  - · Adaptations of formulas (e.g. reformulation for rural consumption)
  - · Adaptation of packaging (e.g. information in Kiswahili)
  - Product development cooperation in international partnerships (e.g. DNDI or CHAI)
- d. Revenue and potential for growth
  - · 2017 total EAC industry revenue: USD 500 million
  - Projected 2027 industry size and market share:
  - o growth rate of 12% (2014 estimates): USD 1 bn (16.49% market share)
  - o growth rate of 15 % (industry estimates): USD 1.3 bn (20.58% share)
  - · growth rate of 25.17% (RPMPOA target): USD 3.18 bn (50% share)
- e. Employment
  - · 2017 employment EAC total: 8500 jobs (29% university graduates) · Projections for 2027
  - o at 12% growth: 21933 jobs
  - o at 15% growth: 34210 jobs
  - o at 25.17 % growth: 79834 jobs

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- Annual training of ~800 students and interns
- f. Attraction of investment
  - · FDI implemented and schedule since 2010: > USD 130 mio
  - · Planned investment of local industry until 2023: ~USD 140 mio

dawc

Zain Pharma Ltd

Biodeal

Skylight

Chemicals Ltd.

MEDIVET PRODUCTS LTD.

# THE CURRENT FEDERATION MEMBERS ARE:











Elys Chemical Industries Ltd.













Federation of Kenya Pharmaceutical Manufacturers Panesar Center, Mombasa Rd after Airtel, Opposite Auto Express, 2nd Floor, Room 206 P.O. Box 53362-00200 Nairobi, Kenya Tel: +254 723916980 E-mail: info@fkpm.co.ke or fkpm.ke@gmail.com



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# VAGHJIYANI ENTERPRISES LIMITED

#### WHO WE ARE Civil & General Building Contractors

Vaghjiyani Enterprises Limited (VEL) is one of the leading and fastest growing contractors in Kenya. With specialization in Civil & General Building Construction work, Under the leadership of qualified & passionate directors the success of VEL is attributed to proactively managing change while upholding the values of probity, services and community culture.



TRANSPORTATION

WATER, SANITATION & IRRIGATION



#### **BUSINESS AREAS**

**1. Building :** VEL provides end-to-end construction solutions for all types of Commercial & Institutional buildings. The company's real estate expertise spans Residential, Commercial and Institutional, covering the complete range of services including core and shell, electrical, HVAC, and finishing works. We specialize in holistic campus development that involves construction of multiple buildings along with support infrastructure, as well as in the development and construction of Green Buildings. Multistory buildings Residential developments Commercial developments Institutional developments

2. Water, Sanitation & Irrigation: Water is the most precious resource on earth. VEL has over time developed a reputation as Kenya's most experienced and trusted execution agency for water solutions, having built water treatment plant and aqueduct. Dames Water treatment plant Transmission and distribution pipelines Sewerage treatment plants Sewer networks Irrigation canals & structures

**3: Transportation :** VEL is a complete transportation infrastructure solutions provider, having executed all-terrain, all-weather roads and highways with builtin structures such as tunnels, major and minor bridges, cross drainage works, and toll plazas Asphalt concrete roads Low volume seal roads Construction of a box culvert bridge & other construction of box culverts bridges and other structures.