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## Success Story

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# Better, Faster, More Transparent: MCC Helps Paraguay Strengthen Its Health System

Imagine having to provide essential drugs and medical supplies for free to more than 6 million inhabitants at 1,500 public health facilities scattered throughout Paraguay.

Now imagine that you must do this without adequate systems to buy, track, store, and distribute those medicines and supplies, in an environment where they are not properly stored, and often diverted for use as political favors.

Until recently, this was how medicines and medical supplies were purchased and distributed in Paraguay. In 2009, the country spent U.S. \$60 million on medicines and supplies. Due to weak controls, logistical challenges and corruption, only a fraction of that amount reached beneficiaries.

This situation is changing with the support the Millennium Challenge Corporation's (MCC) second Threshold Program in Paraguay, administered on MCC's behalf by USAID.

With Threshold Program support, Paraguay's Ministry of Health, starting in 2009, developed a new, integrated logistic system for medicines and supplies to ensure that all Paraguayans have access to essential medicines. For the first time, the Ministry developed an "Essential Drugs List," which defines the medicines required by each local health unit to address the most prevalent health problems.

Complementing the list is the "Automated Information and Inventory Control System," known by its Spanish acronym SICIAP. Engineered by the Threshold Program, this cutting-edge logistics application allows health officials to track medicines through the country's supply chain of warehouses, hospitals and clinics, preventing temporary shortages and waste. This system also helps officials provide the right drugs in the quantities needed, while avoiding the purchase of unnecessary drugs and controlling their improper storage and use.



The new integrated logistic system for medicine and supplies will allow Paraguayans to have better access to prescription drugs.

The SICIAP is already being used by many public clinics and hospitals throughout Paraguay. In the coming months, the tool will be rolled out to dozens more hospitals and clinics, each of which has been determined to have both the infrastructure and human capacity required to manage the automated system. The remaining health units are already using the system, but in a manual format. The government estimates that this new system will save approximately U.S. \$6.2 million each year by maximizing the distribution of medicines and avoiding preventable losses.

Additionally, MCC's Threshold Program has put an end to a system that required health staff from the countryside to make long, regular trips to the capital city of Asuncion to pick up medication and supplies. This haphazard arrangement often meant sensitive medicines were delivered in improperly equipped vehicles. Today, thanks to the Threshold Program, the Ministry of Health uses six new trucks to distribute medicines to locations around the country. For its part, the Ministry of Health is refurbishing warehouses in each of Paraguay's 19 sanitary regions to store the medicines. The Threshold Program will provide these facilities and the health personnel who staff them with equipment and training to comply with international standards for warehousing these products.

Threshold Program support for this activity will conclude in April 2012, after which the Ministry of Health will maintain and continue the system using budgetary and management provisions it has made.

These health reforms are making a vital public service much more efficient, accountable and transparent.