



USAID | DELIVER PROJECT

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IQC Annual Report

October 2009 to September 2010



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Cover Photo: Stock monitoring at a warehouse in Zambia.

USAID | DELIVER PROJECT

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Acronyms

3-D	Depopulation, Decontamination, and Disposal (kit)
ACT	artemisinin-based combination therapy
AHD	Animal Health <u>Directorate</u>
AI	avian influenza
AI.COMM	Global Avian Influenza Behavior Change and Communications Support Activity
AICSOG	AI Commodity Support Optimization Group
AIDS	acquired immunodeficiency syndrome
AIIS	Avian Influenza International Stockpile
AL	Artemether-Lumefantrine
ANC	antenatal care
API	Avian and Pandemic Influenza
ARV	antiretroviral
AS/AQ	artesunate/amodiaquine
BPS	Business Process Studies
CA	cooperating agency
CAR	Countries at Risk
CCB	Change Control Board
CD-ROM	compact disk/read-only memory
CHT	County Health Team
CIRD	Centro de Información y Recursos para el Desarrolla
CMS	central medical stores
COCU	Condom Coordination Unit
CPT	Contraceptive Procurement Table
CS	contraceptive security
CSL	Commodities Security and Logistics Division (USAID)
CSOG	Commodity Support Optimization Group
COTR	Contracting Officer's Technical Representative
DFID	Department for International Development (UK)
DGFP	Directorate General of Family Planning

DHO	District Health Office
DLS	Department of Livestock (Bangladesh)
DRC	Democratic Republic of the Congo
D'TTU	Delivery Team Topping Up
EDI	electronic data interchange
EDLS	Essential Drugs Logistics System
EDT	Eastern Daylight Time
EMMA	End-Use Malaria Monitoring Activity
ENANA	Empresa Nacional de Exploracao de Aeroportos e Navegacao Aerea (National Company for Airports and Air Navigation)
ERP	enterprise resource planning
ESAMI	Eastern and Southern Management Institute
FAO	Food and Agriculture Organization
FBO	faith-based organization
FHI	Family Health International
FP	family planning
FPLM	Family Planning Logistics Management (project)
FP/RH	family planning/reproductive health
FY	fiscal year
G8	Group of Eight
GH	Bureau for Global Health or global health
H1N1	Influenza A virus subtype, also known as “swine flu”
H5N1	Influenza A virus subtype, also known as “bird flu” or “avian influenza”
HIDN	Health, Infectious Diseases and Nutrition
HIV	human immunodeficiency virus
HQ	headquarters
HHS	Health and Human Services
IAPHL	International Association of Public Health Logisticians
IBP	Implementing Best Practices
IEC	Information, Education, and Communication
ILS	Integrated Logistics System
IQC	indefinite quantity contract
IRS	indoor residual spraying

IV&V	Independent Verification & Validation
JSI	John Snow, Inc.
KfW	Kreditanstalt für Wiederaufbau (German funding agency for international development)
KOMNAS	National Committee for Avian Influenza Control and Pandemic Influenza Preparedness
LGA	local government area
LMIS	logistics management information system
LN	long-lasting insecticide-treated bed net (preferred term)
LOE	level of effort
LSO	Logistics Support Officer
m	million
M&E	Monitoring and Evaluation
MCHS	Malawi College of Health Sciences
MDG	Millennium Development Goals
MIS	management information system
MIT	Massachusetts Institute of Technology
MOH	Ministry of Health
MOP	Malaria Operational Plan
MSD	medical stores department
MSH	Management Sciences for Health
NDS	National Drugs Service
NGO	nongovernmental organization
NMCP	National Malaria Control Program
NUR	National University of Rwanda
OAA	Office of Acquisition and Assistance
OR	Operational Research
OS	Organizational Strengthening
PATH	(acronym only)
PDF	portable document format
PHCI-I	Public Health Training Institute
PMI	President's Malaria Initiative
PPE	personal protective equipment
PPMR	Procurement Planning and Monitoring Report

PPMRm	Procurement Planning and Monitoring Report for Malaria
PRH	Office of Population and Reproductive Health
PRISMA	Proyectos en Informática Salud Medicina y Agricultura
PSI	Population Services International
PST	preservice training
Q	quarter
QA	quality assurance
QMS	quality management system
RDC	regional distribution center
RDMA	Regional Development Mission for Asia
RDT	rapid diagnostic test (malaria)
RFP	request for proposal
RH	reproductive health
RHCS	reproductive health commodity security
RWH	Regional Warehouse
SBS	Surveillance and Biosecurity (kit)
SC	supply chain
SCMS	Supply Chain Management System
SDP	service delivery point
SIBASI	basic system for integrated health (in El Salvador)
SOP	standard operating procedure
SOT	Supply Operations Team
SPARHCS	Strategic Pathway to Reproductive Health Commodity Security
SSA	Sub-Saharan Africa
STOP-AI	Stamping Out Pandemic and Avian Influenza (project)
STTA	short-term technical assistance
TA	technical assistance
TB	tuberculosis
TO	task order
TOC	Technical Oversight Committee
UIMS	Upazila Inventory Management System
UNEPI	Uganda Expanded Programme on Immunization

UNFPA	United Nations Population Fund (formerly United Nations Fund for Population Activities)
USAID	U.S. Agency for International Development
USG	U.S. Government
WAHO	West Africa Health Organisation
WHO	World Health Organization
WIMS	warehouse information management system

IQC Vision

The objective of the USAID | DELIVER PROJECT is to increase the availability of essential health supplies for public and private services and programs. The purpose of this Indefinite Quantity Contract (IQC) is to design, develop, strengthen, and, upon request, operate safe, reliable, and sustainable supply systems that provide a range of affordable, quality essential health commodities, including drugs, diagnostics, and supplies to clients in country programs. USAID field missions indicate a strong desire for technical support that strengthens all aspects of in-country supply chains, including forecasting, procurement, distribution, management information systems (MIS), quality assurance, storage, and infrastructure. While family planning and reproductive health remain a priority in the field and for this project, field missions also seek supply chain systems that are designed to handle a range of health products, including contraceptives and condoms, essential drugs, and select commodities for HIV and AIDS, malaria, maternal and child health, and infectious diseases. This project seeks to strengthen supply systems for all essential health commodities and create environments that are conducive to their sustainability.

The project was awarded as an IQC, with individual task orders being issued for specific scopes of work. This IQC annual report provides an IQC perspective of how the project has responded to the overall mandate of the IQC in the past year. It addresses IQC-specific issues and cross-cutting themes. Additional task order specific details are available from the individual task order annual reports. As of September 2010, three task orders have been awarded under this IQC:

- Task Order 1 on September 29, 2006, by the Office of Population and Reproductive Health to support public health programs, including family planning and reproductive health programs
- Task Order 2 on March 21, 2007, by the Bureau for Global Health's Avian Influenza and Pandemic Response Unit
- Task Order 3 on April 6, 2007, by the Office of Health, Infectious Diseases, and Nutrition to support the President's Malaria Initiative.

Product availability is a simple yet powerful concept. At the IQC level, product availability is supported through the three IQC objectives:

- Improve and strengthen in-country supply systems.
- Improve advocacy and collaboration with global and regional partners for commodity security.
- Improve USAID's provision of commodities to programs.

In addition to achieving the project's objectives, USAID wanted the project to do business in a new way, referred to as a new business model for the project. The main attributes of the new business model are:

- Innovate and use best practices in supply chain management.
- Promote data-based decision making along the entire supply chain.

- Partner with local organizations.
- Use the private sector.
- Utilize local hires in project implementation.
- Use subcontractor capacities.
- Lead from family planning.
- Serve as the “go to place” for information on strengthening public health supply chains.

While retaining a common overall objective to increase the availability of essential health supplies, these IQC objectives and new business model have been implemented and emphasized differently by USAID among the three task orders.

In this report, we provide a summary of the IQC, its task orders, and their accomplishments during the past year and describe progress against IQC-wide indicators and the new business model.

IQC Implementation

Each task order has a separate full-time management team. That team is the primary point of contact for the task order COTR; it works with the COTR to set task order priorities, budgets, and workplans and to monitor progress on deliverables, the quality of the work being conducted under the task order, and spending against budgets and obligations. In addition to the TO management teams, several central service teams provide support to each of the task orders, including country programs, finance and administration, communications, MIS, and supply operations. These teams execute many of the activities included in task order workplans.

Each task order promotes improved product availability, but focuses on different products and customers and places a different emphasis on each of the three objectives. Table 1 summarizes key activities across the task orders under the three IQC objectives.

As table 1 shows, each task order continues to emphasize the three IQC subcomponents differently. TO1 continues to focus on all three IQC objectives, with field support–funded, in-country activities and commodity procurement dominating TO1’s portfolio. Under TO2, the commodity provision subcomponent continues to dominate, although due to the project’s central role in implementation of the USAID support to the WHO H1N1 pandemic response, there is an increase in the level of funding for and the number of countries receiving technical assistance. Commodity funding dominates TO3’s portfolio as well, although there are increasing amounts of field support funding and technical assistance.

Table 1. Summary of IQC Objectives and Task Order Implementation

	Task Order 1	Task Order 2	Task Order 3
Start date	September 29, 2006	March 21, 2007	April 6, 2007
USAID Technical Office	GH/PRH/CSL	GH/AI	GH/HIDN
<i>Strengthen in-country supply systems</i>			
In-country supply chains strengthening (see table 2 for more details)	Technical assistance to 25 countries, with a total budget of \$37,367,636 in FY2010.	Technical assistance to 18 countries, with a total budget of \$6,906,226 in FY2010.	Technical assistance or support in 19 countries, with a budget totaling \$9,829,271 in FY2010.
<i>Improve advocacy and collaboration with global and regional partners for commodity security</i>			
Donor coordination, global advocacy, and resource mobilization (illustrative examples)	<p>Provided data, through the PPMR, for global donor coordination through the Coordinated Assistance for Reproductive health supplies (CARhs) group.</p> <p>Participated with over 10 global, regional, and local partners and organizations at meetings, events, and workshops throughout the world.</p>	<p>Worked with WHO/ Geneva, WHO/AFRO, and PAHO to provide technical support to central, regional, and country-level activities in support of the H1N1 global pandemic response.</p> <p>Collaborated with international organizations, such as FAO and OIE, in key countries to support global AI and emerging pandemic threat preparedness and response efforts via the USAID/EPT Program</p>	<p>Participated in Roll Back Malaria (RBM) Procurement and Supply Management working group (PSM-WG) meeting, contributed to the Procurement and Supply Management of LLINs Workshop, presented at the Alliance for Malaria Prevention annual meeting in collaboration with WHO, and provided technical support to the WHO Malaria Diagnostic Task Force to update the RDT Procurement Guidelines.</p>
<i>Improve USAID's provision of commodities to programs</i>			
Product categories	Family planning and other public health commodities	Outbreak response commodities	Malaria prevention, detection, and treatment commodities
Value of commodities ordered in FY2010*	\$65,572,171 - central contracts; \$2,234,483 - field support funded actions [Total: \$67,806,654]	\$1,131,410	\$101,263,555
Number of orders shipped in FY2010	318**	174**	91**
Value of orders shipped in FY2010	US\$73,789,766***	US\$10,008,009***	US\$98,085,603

* Commodity procurement only; does not include the value of the freight forwarding and warehousing sub-contract

** Total orders shipped in FY2010. An order may have multiple items and may have been delivered in multiple shipments.

*** Based on project information on 12/08/2010.

IQC Indicators

To measure progress against project objectives and against the new business model, each task order has its own set of indicators, which is presented in the individual task order annual reports. In addition to this, a set of IQC indicators measure USAID's provision of commodities to programs for each task order. We also present anecdotal evidence of progress in strengthening in-country supply systems, improving advocacy and collaboration with global and regional partners for commodity security, and addressing the new business model priorities.

Strengthen In-Country Supply Systems

Table 2 shows that the project continues to provide a variety of in-country logistics support across the task orders. For TO1, the assistance supports strengthening local capacity across the supply chain, as well as forecasting, financing, performance improvement, and supply chain innovations. By comparison, technical support for TO2 and TO3 has focused primarily on distribution, performance improvement, and LMIS & monitoring. In all cases, support is tailored to local priorities.

Table 2. In-Country Technical Assistance Support

Country	Budget FY10 ⁵	System		Type of commodity							Type of Logistics TA provided						
		Vertical	Integrated	Contraceptives	HIV/AIDS	Essential Medicines	Influenza and other Emerging Threats	Malaria	Tuberculosis	Forecasting	Finance	Procurement Strengthening ⁶	Warehousing	Distribution	Performance Improvement	LMS & Monitoring	SCM Innovations
TASK ORDER 1																	
Bangladesh	\$ 505,329	•		•						•	•	•	•	•	•	•	•
El Salvador	\$ 92,475	•		•						•	•			•	•	•	•
Ethiopia	\$ 3,926,705		•	•	•					•	•	•	•	•	•	•	•
Dominican Republic	\$ 605,013	•		•						•	•			•	•	•	•
Honduras	\$ 101,299	•		•						•	•			•	•	•	•
Ghana	\$ 1,203,711		•	•	•	•		•		•	•	•	•	•	•	•	•
Jordan	\$ 81,014																
LAC CS	\$ 551,420			•						•	•			•			•
Liberia	\$ 186,060								•					•			
Madagascar	\$ 75,592																
Malawi	\$ 1,267,850		•	•		•				•	•	•	•	•	•	•	•
Mozambique	\$ 1,509,731		•	•		•				•	•	•	•	•	•	•	•
Nepal	\$ 685,839		•	•	•	•				•	•	•	•	•	•	•	•
Nicaragua	\$ 530,365		•	•	•	•				•	•	•	•	•	•	•	•
Nigeria	\$ 2,555,401	•		•	•			•		•	•	•	•	•	•	•	•
Pakistan	\$ 1,728,191										•	•					•
Paraguay	\$ 1,160,159	•		•						•	•	•	•	•	•	•	•
Paraguay MCC	\$ 3,504,381									•							
Rwanda	\$ 788,264	•		•						•	•	•	•	•	•	•	•
South Africa	\$ 142,381	•			•												
Tanzania	\$ 2,012,746		•	•		•				•	•	•	•	•	•	•	•
Uganda	\$ 81,810		•	•		•		•		•	•	•	•	•	•	•	•
West Africa	\$ 73,976													•	•	•	•
Zambia	\$ 12,176,596		•		•					•	•	•	•	•	•	•	•
Zimbabwe ²	\$ 1,821,328		•	•	•			•	•	•	•	•	•	•	•	•	•
TASK ORDER 2³																	
Bangladesh	\$ 335,450											•	•	•			
Indonesia	\$ 587,538	•				•						•	•	•			
Nepal	\$ 45,926	•				•						•	•	•			
Nigeria	\$ 22,828	•				•						•	•	•			
TASK ORDER 3⁴																	
Angola	\$ -							•					•				
Benin	\$ -							•					•				
Burkina Faso	\$ 623,563																
Burundi	\$ 779,625																
Ghana	\$ 440,179		•					•				•	•	•	•		
Liberia	\$ 273,801	•	•					•				•	•	•			
Madagascar	\$ 661,621	•	•					•				•	•	•			
Malawi	\$ 1,022,693	•	•					•				•	•	•	•		
Mozambique	\$ 863,066	•	•					•		•		•	•	•			
Nigeria	\$ 1,922,738	•						•				•	•	•			
Rwanda	\$ 623,020	•	•					•				•	•	•			
Senegal	\$ 130,165							•				•	•	•			
Sudan	\$ 118,044							•				•	•	•			
Tanzania	\$ 439,376	•	•					•		•		•	•		•		
Zambia	\$ 1,089,737	•	•					•		•		•	•	•	•		
Zimbabwe ⁷	\$ -							•				•	•	•			

Notes:

1. Influenza and other Emerging Threats commodities include PPE, infection control, laboratory equipment and consumables, animal health cold chain, and vaccine-related auto-disable syringes and safety boxes.
2. AI Country activities are core funded and, with the exception of Bangladesh, Indonesia, Nepal, and Nigeria, not tracked separately by country.
3. Most countries thus far have integrated storage but vertical distribution; for Malawi future distribution will be integrated.
4. Budget figures include FY2009 funding and carryover funding from previous years
5. This category does not include direct procurement services, only TA to strengthen local procurement capacity.

Task Order 1

The core of the project's work is to improve and strengthen in-country supply systems using field support and core funds. In FY2010, the project received \$5,789,815 in core funds and \$31,029,640 in field funds. During the fourth year of TO1, the project provided technical assistance (TA) to 22 countries—including four GHI Plus countries (Bangladesh, Ethiopia, Malawi, and Rwanda) and 10 PHN focus countries (Bangladesh, Ethiopia, Malawi, Mozambique, Nigeria, Pakistan, Philippines, Rwanda, Tanzania, and Zambia.) The project also conducted a total of 69 trips (i.e., non-management) to these countries during FY2010 compared to 62 trips last year, reflecting an increase in assistance to countries that did not receive TA the previous year: The Gambia, Jordan, Philippines, Togo, and South Africa.

Some examples of achievements from the reporting period include—

- In Ethiopia, TO1 worked with SCMS to roll out the Health Commodity Management Information System (HCMIS), a locally-developed computerized inventory management system. The system was implemented in over 100 facilities and its success was recognized when PFSA (the central medical stores in Ethiopia) decided to use it in its regional hub warehouses.
- In support of USAID's US\$10 million donation for contraceptives to Pakistan, the project carried out a forecasting and supply planning exercise to identify quantities, recipients, and shipping schedules for all programs offering services, include the Ministry of Population Welfare (MOPW), the MOH, Greenstar Social marketing, and various NGOs. The exercise ensured contraceptive availability for all programs.
- TO1 was a key partner in piloting a new supply chain system in Zambia, which dramatically increased medicine availability. The system helped stockouts of DMPA decrease to less than 5 percent in intervention districts versus a rate of 40 percent in control districts. The pilot was a partnership between the project, USAID, the Ministry of Health (MOH), the World Bank, and the UK Department for International Development (DFID).

Reporting Rates and Stockout Rates at All Levels of the System Served by the Project

The project has been routinely monitoring contraceptive availability at the central and facility levels in most of the countries that have a project presence and receive TO1 funding. Over FY2010, the number of countries reporting in the Procurement Planning and Monitoring Report (PPMR) increased from 16 to 19, and the number of project presence countries in the report increased from 13 to 14.

During this twelve-month reporting period, six project presence countries did not experience any stockouts at the central level: Ethiopia, Malawi, Nepal, Paraguay, Rwanda, and Zimbabwe. Eight of the fourteen project presence countries reported at least one stockout at the central level (Dominican Republic, Ghana, Liberia, Mozambique, Nicaragua, Nigeria, Tanzania and Zambia). On average, there were four individual product stockouts per month over the fiscal year in project presence countries. Thirty-five percent of these stockouts were of Depo-Provera, which was subject to a product recall at the beginning of the reporting period. Due to quality concerns and the need to reexamine their manufacturing line, Pfizer had difficulty meeting existing Depo-Provera orders, which contributed directly to stockouts experienced in these countries. Two countries (Dominican Republic and Nicaragua) stocked out of Depo-Provera only. Only two countries experiencing stockouts did not experience a stockout of Depo-Provera.

In addition to the project presence countries reporting to the PPMR, ten of the same countries also submit quarterly figures for contraceptive availability from the SDP level, available through each country's LMIS.

Countries with Procurement Plans Reviewed and Updated Semi-Annually

Semi-annually, most project countries are expected to review procurement plans against current stock and update the plans accordingly. All of the reporting countries reviewed procurement plans for family planning products in the first half of FY2010, and all except Paraguay reviewed them in the second half of FY2010 as well.

Reporting countries comprised Bangladesh (in the first quarter), Dominican Republic, El Salvador (in the first quarter), Ethiopia, Ghana, Malawi, Mozambique, Nepal, Nicaragua, Nigeria, Paraguay, Rwanda, Tanzania, Uganda, Zambia, and Zimbabwe.

For additional TO1 in-country results and activities, please refer to the *Task Order 1 Annual Report*.

Task Order 2

Core funding allocated to countries totaled US\$6,818,813 for FY2010 (Bangladesh, Indonesia, Nepal, and Nigeria) with core-funded TA to support the H1N1 pandemic influenza response (Bangladesh, Cambodia, El Salvador, Ghana, Kenya, Laos PDR, Malawi, Mongolia, Nicaragua, Pakistan, Philippines, Senegal, East Timor-Leste, and Togo).

The project continued to support the Government of Bangladesh (GOB) Department of Livestock Services (DLS) in its proactive H5N1 prevention and response programs, ensuring that the DLS logistics management systems are able to manage AI commodities. Building on work conducted in the first two years of the project, the local team implemented the rollout of the newly designed LMIS, including training for central, district and upazilla-level storekeepers. TO2 also assisted the GOB in its implementation of the supply chain elements of the USAID-funded Technical Assistance Project Proforma (TAPP).

Task Order 2 has been active in supporting the Government of Indonesia (GOI) and its avian influenza partners since March 2007. Over the past year the project continued to provide procurement and logistics management support to the H5N1 Avian Influenza Poultry Vaccination Operations Research (OR) activity. This support included conducting a study of the existing cold chain network and writing a lessons learned document based on the project's experience with the OR programs. In addition, TO2 worked with the GOI to strengthen Ministry of Agriculture (MOA) capacity to manage cold chain and logistics in the Vaccination Intensification Program (In-Vak) through training and mentoring of MOA provincial and district animal health officers. A new activity included the addition of a human health laboratory logistics system design activity, implemented in collaboration with WHO, CDC and the GOI. This laboratory system design focused on the central influenza surveillance network, and resulted in a training of key lab personnel on the newly-designed system. The project continued to support the finalization of the distribution plan for the 10,000 PPE to be managed by KOMNAS-FBPI.

In Nepal, in accordance with the one-year workplan approved by USAID/Washington in December 2008, the project supported AI prevention and response activities at the central level and in two high-risk districts in the Eastern Development Region: Jhapa and Ilam. The project worked with the established national AI logistics committee (for which TO2 serves as the secretariat) on improving storage conditions and management practices at the central storage facility, assisting with a nation-

wide distribution plan for AI-related commodities, and providing targeted support to the two high-risk districts

In Nigeria, as agreed in the one-year workplan approved by USAID/Washington in December 2008, the TO2 team followed up on the initial assessment and logistics system design conducted in October 2008. Based on the results of that system design activity, the team worked with the Ministry of Agriculture to develop standard operating procedures for the system and to train the State Desk Officers in the new procedures for management of avian influenza commodities. Implementation of the new system, especially the LMIS, was supported through project staff seconded to the MOA to facilitate the use of the data by MOA leadership. The workplan called for the stockpile currently located in Kaduna to be relocated to a more central location in Abuja to ensure regular access to AI supplies, but this activity has been stalled due MOA delays in identifying suitable space in Abuja. While the activity began very successfully, due to a steep decline in interest in the program on the part of MOA leadership, after consultation with the TO2 COTR the project closed its operations in June 2010, transitioning all management responsibility for the logistics system to the MOA.

Task Order 3

An important part of TO3's work is to help strengthen and sustain local systems that are working with malaria commodities; establish and support procurement and delivery of commodities; and, with other key malaria partners, reach those in need. The project added three new countries to its portfolio—Burkina Faso, Burundi, and Zimbabwe, increasing to 12 the number of countries where it has a long-term presence. To carry out workplan activities, such as improving in-country distribution, solving storage capacity problems, or conducting quantification exercises, TO3 provided STTA in Angola, Belgium, Burkina Faso, Burundi, Ghana, Kenya, Liberia, Madagascar, Malawi, Mozambique, Netherlands, Nigeria, Rwanda, Sudan, Switzerland, Tanzania, and Zambia.

Some examples of achievements from the reporting period include—

- In Sudan, the project assisted the Malaria Control Program, the Directorate of Pharmaceutical Services, and the Central Medical Store of Government of Southern Sudan (GOSS) MOH in executing the clearance, receipt, and storage of 1,140,450 blisters of AS/AQ.
- In Tanzania, the project undertook an intensive data collection exercise to capture facility-level data from report and requisition (R&R) forms. A total of 1,035 facility R&R forms from all nine zones were analyzed. The project used geographic information system (GIS) mapping to transform and use the data as both an advocacy and operational tool to increase commodity security and enhance system functionality. The data continues to be used to inform the quarterly malaria stock status meetings for data visibility, as well as meetings with the pharmaceutical supplies unit and the medical supplies department to address ILS strengthening initiatives.
- In Zambia, the project demonstrated that supply chain improvements can significantly increase the availability of ACTs, RDTs, and other malaria medicines through its essential medicines logistic system pilot. Availability of pediatric ACTs increased from 51 percent in the control facilities to 88 percent in the pilot facilities that used the district as a cross-dock facility, where products arrived pre-packed for facilities and the districts' role was to arrange transport to the facility level. Availability of adult ACTs also increased to more than 90 percent availability from approximately 50 percent in the control districts. Based on a World Bank analysis, if the cross-

dock model was implemented nationally, child mortality due to malaria could be reduced by 37 percent, resulting in 27,000 child deaths averted by 2015.

TO3 also developed and deployed several tools and approaches to strengthen local capacity to manage and monitor malaria commodities.

- The project customized the EpiSurveyor software—software that enables the gathering of data via mobile phone—and piloted its use in Liberia, Tanzania, and Zambia, in conjunction with the End-Use verification exercise. The End-Use verification exercise continued quarterly in Ghana, Liberia, Tanzania, and Zambia; the results were used to immediately address stock imbalances and to design strategies to address system performance issues; the NMCPs used it to monitor and report on facility-level stock status.
- Conducted four quarters of reporting on the PPMRm. This report provides central-level stock status for PMI-focus countries and three non-focus countries—Burkina Faso, Burundi, and Southern Sudan. Reported data include months of stock available and planned shipments by supplier/funding source. The report summarized and highlighted countries that are currently stocked out, understocked, or overstocked. It also recommended ways to address critical stock issues. During the last quarter of fiscal year (FY)2010, with the support of SPS, the report was expanded to include RDTs and sulphadoxine pyrimethamine (SP), in addition to ACTs; 16 countries reported.
- To share the lessons learned and the best practices under TO3, the project published technical series briefs covering topics that included how to ensure sustained availability of ACTs using better reporting and pipeline monitoring, and how to improve monitoring at the health facility level using End-Use technology.

For additional examples of TO3 country activities, please refer to the *Task Order 3 Annual Report*.

Improve Advocacy and Collaboration with Global and Regional Partners for Commodity Security

The following are illustrative examples of how each TO contributed to improve commodity security advocacy with global and regional partners.

Task Order 1

TO1 enabled UNFPA staff from country offices to conduct RHCS strategy work by providing technical support to UNFPA's Commodity Security Branch (CSB) at a global UNFPA strategic planning workshop on RHCS in Nairobi.

Task Order 2

TO2 has spent the past year in extensive collaborations with the World Health Organization and other international partners to implement the international response to the H1N1 pandemic influenza. This activity supported the availability of laboratory equipment, consumables and reagents to ensure the effective implementation of H1N1 influenza surveillance in sub-Saharan Africa and Latin America. In addition, the procurement and distribution of ancillary vaccination equipment in support of the WHO-led H1N1 vaccination were a significant contribution to the effort. Advocacy at international levels for bundling of adequate quantities of ancillaries with the WHO-provided

vaccine promoted commodity security to support safe injection practices in implementation of the campaigns.

Task Order 3

As a member of the Roll Back Malaria (RBM) Partnership and the PSM-WG, TO3 participated in four meetings during the reporting period: Procurement and Supply Management of LLINs Workshop, in October 2009; a PSM-WG Meeting, in January 2010; a PSM-WG meeting, focused on the use of mobile phones to improve stock visibility, in May 2010; and the Workshop on Procurement and Supply Management for Malaria Products, in September 2010. Through these meetings, the project was able to share country implementation experiences and best practices with its global and regional partners.

Improve USAID’s Provision of Commodities to Programs

Common indicators across task orders are related to USAID’s provision of commodities. These are drawn from procurement records and ORION. The MIS data are drawn from MIS documents. The indicators are shown in table 3 and discussed thereafter.

Table 3. IQC Indicators

Improve USAID’s Provision of Commodities to Programs	
Outcome	Indicator
1. Support USAID central commodity procurement system	<ul style="list-style-type: none"> • On Time Orders: percent of orders received by desired receipt date (within the time frame defined by each task order)
2. Establish an effective, competitive, transparent capability to procure required commodities compliant with USG regulations	<ul style="list-style-type: none"> • Contract Compliance: percent of contracts adhering to all USG guidelines and requirements—the compliance rate for this reporting period was 100% • Supplier Fill Rate: percent of purchase orders where the full quantity is made available on time by the supplier (within the time frame defined by each task order)

Support to USAID’s Central Procurement System and Direct Procurement Services

The Supply Operations Team provided a broad range of services to each of the task orders during this reporting period. The team has continued to provide support through the ongoing processing of orders, demand planning, and contract management. The project continues to manage funds, accounts, and invoices for both USAID and project contracts.

During this fiscal year, the Supply Operations Team (SOT) invited FHI to perform an internal audit of SOT procedures. The resultant report deemed the Supply Operations Team “a high functioning organization that works extremely well facing daily challenges.” The report included general recommendations, all of which have been or will be implemented. The SOT will complete all remaining actions in FY2011.

Task Order 1

Under Task Order 1, the emphasis has been on supporting routine order management and shipping and managing contracts.

During the period, the project completed 10 successful contract awards, issued purchase and release orders against them valued at just over US\$65.5 million, and shipped 318 orders to Mission programs in 42 countries with a total value of US\$73.8 million.

While most procurement under Task Order 1 is in support of the well-established central model, the project effectively responded to orders from Nicaragua, Paraguay, Pakistan, Zambia and Mozambique for a variety of medical, pharmaceutical and electronic equipment for a total value of over \$2.2 million.

In addition, JSI expanded its sub-contract with UPS to incorporate freight forwarding and warehousing services. The CCP team worked closely with JSI to ensure a smooth transfer of these responsibilities to the project over a two-month period. During this time, UPS set up two fully operational warehouses, one in Singapore and one that is pharmaceutical-grade in Roermond, Netherlands. The CCP and JSI teams coordinated shipment scheduling to minimize the effect of the change on country programs.

Task Order 2

Under Task Order 2, the project focused on procurement and distribution of commodities in support of the USAID and WHO international H1N1 influenza A pandemic response.

TO2 actively engaged the international response, providing USAID with responsive procurement services to meet the various aspects of the H1N1 response. This was achieved through procurement of \$1,751,432 worth of auto-disable syringes and \$416,352 worth of safety boxes to match the first 35 million doses of H1N1 vaccine pledged by donor countries to be distributed by WHO. The project procured these items and secured transit warehouse space within 2 months of receiving the request from USAID/W for the supplies.

From October 2009 to July 2010 the team collaborated closely with the H1N1 Vaccine Deployment Team at WHO Headquarters in Geneva to ensure that the quantities and timing of delivery were harmonized with WHO vaccine shipments to recipient countries. During this period, shipments to 34 countries were executed. In addition to the shipments managed directly by Task Order 2, the project also made 10,591,800 syringes and 95,775 safety boxes available for WHO pickup from the Norway and Spain warehouses to support the WHO “Global Basket”.

In support of the USAID/WHO effort to strengthen laboratory surveillance capacity for H1N1, TO2 procured and distributed real-time Polymerase Chain Reaction machines and associated consumables for 25 recipient countries. The total value of this procurement action was \$3,378,546. As of the time of this report, the project has completed shipments to 20 of the 25 countries, and awaits direction from USAID/Washington on the destination for the remaining 5 machines. The project also procured \$759,750 worth of infection control equipment for clinical settings (non-sterile gowns, surgical masks, gloves and goggles) to support H1N1 sample collection and patient care.

In addition, TO2 continued to ship commodities from the USAID International Stockpile, located in Savannah, Georgia. In the past year, 294,450 Personal Protective Equipment kits, 54 Laboratory Kits and 232 10lb units of Virkon disinfectant were shipped to support outbreak response for AI and other emerging threats in 21 countries.

Task Order 3

For Task Order 3, the project is actively involved in reviewing orders, clarifying specifications, and procuring malaria commodities, working closely with PMI and the TO3 Management Team to track orders against MOPs.

The principal activity of TO3 is to support PMI by procuring malaria commodities in response to requests placed by USAID Missions, which are based on the needs outlined in the yearly MOPs. From October 2009-September 2010, TO3 continued to increase its procurement activities by providing US \$101,263,555 worth of malaria commodities to 21 African countries; including, \$64,008,563 for long-lasting insecticide-treated bednets (LNs) (63.2 % of the total), \$31,634,851 for pharmaceuticals (31.2%), \$4,712,793 for Rapid Diagnostic Test kits (4.7%), and \$907,348 for lab equipment (0.9%). During the twelve month reporting period, the value of procurements was 59% more than was procured in the preceding fiscal year, continuing the trend of almost doubling the amount procured every twelve months. Included in procurement figures for this reporting period are emergency orders from eight countries.

In FY2010, the project processed 68 requests for procurement assistance from Angola, Benin, Burkina Faso, Burundi, the Democratic Republic of the Congo (DRC), Ethiopia, Ghana, Kenya, Liberia, Madagascar, Malawi, Mali, Mozambique, Nigeria, Rwanda, Senegal, Sudan, Tanzania, Uganda, Zambia and Zimbabwe. A total of 112 sub-contracts were placed.

A graphic view of shipment values for all task orders appears in the individual task order achievement section of this report.

On Time Orders: Percent of Orders Received by Desired Receipt Date (Within the Time Frame Defined by Each Task Order)

During this year, the project continued to measure performance against scorecard indicators, with a focus on the timely response to the commodity needs requested by country programs. The project monitors responsiveness to the client by measuring on-time shipment rates. The difference between the desired receipt date and the actual receipt date is used as the basis for the on-time shipment analysis. While each task order has defined slightly differently what on-time means to it, a summary of orders measured is below:

- TO1: 73 percent of orders measured during this period (243 of 334) were received within 30 days of the desired receipt date.
- TO2: 88 percent of orders measured during this period (120 of 137) arrived at port in the destination country within the defined timeframe based on mode and urgency.
- TO3: 90 percent of orders measured during this period (72 of 80) were received within 30 days of the desired receipt date.

The 73 percent on-time rate for Task Order 1 is an increase from the FY2009 overall on time rate of 67 percent. While short of the goal, an analysis of late shipments highlighted a product recall, followed by the freight transition and shipping issues as the primary reasons for late shipments.

There was a variety of reasons for the 17 late shipments on Task Order 2 that contributed to the 88 percent on-time rate. Four shipments were late when large shipments were split due to lift capacity; in three cases, the supplier was late; in three cases the delay was related to pre-clearance requirements; and in three cases the shipments arrived a few days late.

Supplier Fill Rate: Percent of Purchase Orders Where the Full Quantity is Made Available on Time by the Supplier (Within the Time Frame Defined by Each Task Order)

The procurement team tracks the on-time full quantity delivery rate, called the supplier fill rate, as one of the indicators to monitor how well USAID and the project are managing procurement

contracts. The order is considered on time if it is made available up to seven business days after the goods available from the purchase or release order date.

During the project, the supplier fill rate for Task Order 1 has continued to improve—it increased from 31 percent during FY2006 to 42 percent in FY2007 to 67 percent in FY2008 and now to 84 percent in FY2009. During the FY2010 reporting period, the rate continued at the same high level, as 83 percent (151 of 183) orders counted for TO1 were supplied on time by the manufacturers.

During FY2009, 98 percent orders for TO2 met the order fill rate requirement. In FY2010, that remained high at 96 percent (107 of 111 orders counted).

For TO3, during FY2009, 94 percent of orders met the fill rate parameters. In FY2010, that has dipped somewhat to 85 percent (77 of 91 orders), given the increased volume and challenge of procurement in the Malaria environment.

Procurement Excellence

During this past year, JSI convened two meetings of the TO1 Procurement Technical Oversight Committee in January and July 2010. The meetings gathered external participants with large-scale procurement expertise from diverse environments as well as representatives from USAID and team members from the USAID | DELIVER PROJECT's Supply Operations Team. The first meeting was an opportunity to share information about USAID's general procurement strategy for TO1 and gain insights and expert opinions on practices and processes from external perspectives. The second meeting focused on the current design, process, and metrics used by the project for procurement and asked external participants to comment and provide recommendations for strategic improvements.

JSI conducted an analysis of freight forwarding contract options and strategies, including a report on current industry practices to help CSL develop the request for proposal (RFP) and evaluate bids for the TO1 freight forwarding contract.

A third significant Procurement Excellence activity was a buffer stock study and analysis. A PhD student from Georgia Tech, interning with the project, worked with project staff to document current internal practices for managing USAID contraceptive buffer stock and model alternative buffer stock scenarios. The objective was to inform strategic decision making by providing insight to private sector practices and developing recommendations for the project to optimize buffer stock levels amidst significant demand variability and market uncertainties. The analysis found that current practices are close to optimal but could be strengthened by defining explicit service levels for fulfilling product demand.

Management Information System

The USAID | DELIVER PROJECT management information system plays a central role in the project's efforts to increase the availability of essential health supplies. Improving the visibility of, access to, and use of information along the supply chain is a fundamental approach and key to the success of the project. During this reporting period, the MIS team was composed mainly of the resources necessary to run the operations of the system. The team focused primarily on day-to-day maintenance, such as preparing status reports and working on bug fixes and minor enhancements, as directed by the Change Control Board (CCB). The CCB process ensures input from USAID and other stakeholders and assesses the business impact of individual issues; it ensures that the most critical problems are addressed first. The MIS team completed the business requirements and

technical solution design for EDIs with freight forwarders. The requirements are ready for implementation in FY2011.

MIS Highlights

View Shipments Report

Implemented upgrades to the search criteria for the “View Shipments Report” on the USAID | DELIVER PROJECT WEBSITE providing more detailed sub-category and Task Order reporting. Specifically these changes provide for sub-category grouping within a task order. When selecting a sub-category and a task order, or when selecting all and a task order, only the appropriate, to that task order, sub-categories will be reported.

Multi-Bill-Booking/Contract Utilization

The project team successfully implemented phase two (Multi-Bill-Booking) of the Multi-Bill-Booking/Contract Utilization project. This phase provided the capability to apply multiple freight bills to a shipment while ensuring financial accuracy. This project was extensive, running eight months, but is now complete providing more timely funding information. This improved funding information may prevent delays in procurement of commodities.

EDI Analysis

The MIS team successfully developed business requirements and technical solution design to implement EDIs with the planned freight-forwarder. Design is complete and implementation in FY2011 will include the 211/214/940/944 EDIs with UPS and the 211/214 EDIs with Logenix.

Implementation of the New Business Model

At the start of the project, USAID key staff told project management that they wanted the project to do business in a new way. The project has reflected that requirement in its workplans and its monitoring tools under TO1 and to the extent possible in the other task orders. Each task order has its own priorities under the IQC, and TO2 and TO3, while supportive of the whole new business model, have emphasized different aspects of it. The new business model does not have specific indicators in the project performance monitoring plan, so progress against each of the requirements is described qualitatively below.

Innovate and Use Best Practices in Supply Chain Management

To improve product availability, USAID challenged the project to seek innovative technical, procedural, and policy solutions. The project responded at the country and central levels. Each of the task orders pursued innovations and best practices throughout its operations and demonstrated the pursuit or adoption of innovative approaches.

Task Order 1

The innovation employed by TO1 includes both cutting edge applications of mobile technology and integrated automated LMIS and the new application, in several countries, of tried and tested paper based LMIS. It also includes the adaptation and application of commercial best practice for supply chain management to the public health setting, both as innovations and as roll out of previously developed innovations. Following are selected examples of innovation:

The USAID | DELIVER PROJECT in Zambia was a key partner in the piloting of a new supply chain system that helped stockouts of DMPA decrease to less than 5 percent in intervention districts versus a rate of 40 percent in control districts. The pilot was a partnership between the project, USAID, the Ministry of Health (MOH), the World Bank, and the UK Department for International Development (DFID). It tested two operational models, and the project is currently rolling out the more successful model in the other trial districts; the MOH has approved a plan for a nationwide rollout. The pilot was the largest such experimental implementation of its kind.

In Ethiopia, the project supported the ongoing roll-out of Ethiopia's HCMIS that automates information flow from district and facility levels. From June 2009 to June 2010, Ethiopia had no stockouts of contraceptives at the central level. Government commitment and partner financial support, combined with project support for preparing and monitoring supply plans and stock levels, meant that products were available to fulfill orders placed by facilities in Ethiopia.

The project, in collaboration with Abt Associates, developed the Supply Chain Costing Tool, which improves supply chain decisionmaking. In Zimbabwe, the tool helped donors and the MOHCW to determine that expanding the DTTU model to other commodities was a viable option.

The Zimbabwe Informed Push (ZIP) system was first piloted and then rolled out, adapting the DTTU approach to other products includes Malaria and TB including lab supplies. The project

helped with the design and implementation of the ZIP pilot and then the subsequent roll out by NatPharm. The approach was then harmonized with Primary Health Care kit distribution.

In Tanzania, the project began work on a cell phone based SMS system for commodity monitoring that evolved into the ILS Gateway covering 10 FP products. Extensive work went into requirements gathering, reviewing alternative technology options and building stakeholder consensus.

In Ghana, with GHS staff, the project used the Lot Quality Assurance Sampling method and DataDyne software to undertake supply chain monitoring for family planning, ARVs and essential medicines in the Central Region. The approach was also used in the Western Region and has since become part of the Ghana Health Service's routine monitoring.

In Nigeria, the project applied supply chain segmentation techniques, whereby commodities are classified according to key characteristics, to help with supply chain system design. In Edo and Kano states local staff were trained on the concept of supply chain segmentation and shared analysis on system performance and how different vertical systems could be integrated and managed more effectively.

The project has started to examine scope for using GIS systems for monitoring and analyzing supply chain performance. Initial work in Rwanda and Zambia has shown that GIS representation of data holds promise to improve performance monitoring.

Task Order 2

As the H5N1 avian influenza virus has contracted, the USAID strategy for global distribution has necessarily shifted away from pre-positioning supplies at the national level in many countries throughout the globe, to a more focused strategy of re-supply to select high-burden countries. Based on the recommendations of the USAID Inspector General's audit conducted in the fall of 2008, the project worked in close collaboration with USAID and sub-partner UPS to develop a plan to close the Regional Distribution Center in Bangkok, Thailand. Based on USAID direction, the project successfully identified recipients for a large portion of the remaining PPE and laboratory kits stored in Bangkok. To completely liquidate the inventory, the remaining PPE kits were returned to the MAP warehouse for quality assurance testing and incorporation into the re-packing of the stockpile PPE. Now that the RDC is closed, all project shipments of stockpile commodities will originate from the MAP Savannah warehouse, thereby providing USAID with maximum control of the items in the stockpile. The project will work with USAID over the next year to develop a strategic vision for the distribution of the stockpile items and any other items that USAID may distribute in the future.

Task Order 2 provided an agile distribution approach to the warehousing strategy in support of the H1N1 vaccination activity and the laboratory and surveillance activity. For the vaccination activity, TO2 worked through subcontractor UPS to establish bonded warehouses in Spain and Norway to house syringes manufactured in those countries prior to shipment to designated recipients throughout the world. The procurement and distribution of the laboratory and surveillance commodities required a segmented approach, as the product list included dangerous goods, cold chain items which required a manufacturer verification that the recipient lab had capacity to store the cold chain items upon arrival, equipment requiring installation and training, and items which needed consolidation at a central warehouse prior to shipment. Both of these activities demonstrated the capacity of the project to maximize its options to manage a flexible and responsive supply chain.

Task Order 3

In FY2010, the project continued to support the ongoing implementation of the End-Use verification activity, a quarterly facility-level monitoring activity that provides quick, actionable information about the malaria supply chain, as well as a window into how malaria is being diagnosed and treated throughout the system. TO3 also provided technical assistance to the countries conducting End-Use for the first time, or adopting EpiSurveyor—software that enables the gathering of data via mobile phone—to decrease the time between data collection and reporting for this activity.

Since the introduction of the End-Use activity in Ghana in June 2009, the office has implemented the activity during each successive quarter, working closely with staff from the Ghana Health Services (GHS) and the NMCP. Concrete results from this activity include the adaptation of regular monitoring efforts in the Western Regional Health Administration to incorporate elements of the End-Use survey, as well as revising the criteria for selecting health workers to receive training on inventory management.

In May 2010, in Liberia, the project rolled out the End-Use activity, including EpiSurveyor, TO3 provided technical assistance to train Liberian project staff on the activity. Twenty-two health facilities were visited in four different counties; data collection was carried out by project staff, as well as personnel from NMCP, MOH M&E unit, National Drug Service (NDS), and MOH/HMIS unit. One result was immediate action taken to address widespread stockouts of ACTs in Grand Bassa county. The Liberia project office has since conducted a subsequent quarter of the End-Use verification activity without outside technical assistance; it has included MSH/SPS staff in order to facilitate the transfer of the activity in 2011.

End-Use in Tanzania has been conducted every quarter since January 2009, with TA provided by TO3 in January 2010 for the adoption of EpiSurveyor. The results are regularly shared in ACT working groups and PMI partners meetings, and have been included in the NMCP newsletter that is routinely distributed to district and regional medical officers. These findings have led to implementing interventions to address stockouts of AL. The activity enables staff from the NMCP and the Pharmaceutical Supplies Unit (PSU) the opportunity, as data collectors, to see firsthand what is happening with the malaria supply chain at public health facilities.

In November of 2009, two TA providers from the core TO3 team traveled to Zambia to train office staff on the use of EpiSurveyor, as well as to standardize routine data collection for this activity. The use of EpiSurveyor proved beneficial; it was adopted by the office to continue End-Use verification, as well as to carry out a large evaluation of the EDLS, which yielded additional information on the supply chain for antimalarial commodities in Zambia. Zambia continued to conduct End-Use verification in subsequent quarters.

In addition to the programmatic benefits mentioned above, results from these End-Use countries have been used by PMI/Washington as components for the ongoing evaluation of the initiative's impact.

Promote Data-Based Decisionmaking along the Entire Supply Chain

To promote data-based decisionmaking along the entire supply chain, the project continued to support and enhance the MIS, which serves all three TOs by collecting, processing, and distributing data. Project staff and other stakeholders use this information to make decisions and achieve project objectives.

Under TO1, the project continued to enhance the monthly Procurement Planning and Monitoring Report (PPMR), expanding visibility into country-level stock issues from 16 to 19 countries. The report is used by the Coordinated Assistance for Reproductive health supplies (CARhs) group to avert stockouts and expiries of products around the world. As a result of this critical data, the group took actions that helped resolve 45 distinct stock issues between January and August 2010.

Country-specific examples also exist for each of the task orders where the project has helped programs implement improved logistics management information systems and improved inventory management systems.

Under TO1, almost every country workplan includes a component for data collection and use whether it is for operational decisionmaking or policy-level decisionmaking. Some examples include the implementation of a computerized inventory management system—the Health Commodity Management Information System (HCMIS)—for district hospitals and larger facilities in Ethiopia and, in the Philippines, a monitoring system to provide data on contraceptive stock levels to regional and national decisionmakers and an inventory management system to help local government units better manage the medicines they procure.

Under TO2, the freight team works closely with the supply operations team to conduct ongoing price reasonableness studies to ensure we are getting competitive rates for shipments from the USAID International Stockpile. As part of this study, the supply operations team requests a separate freight estimate from PHD for every fifth shipment. The SOT maintains the price reasonableness data and reports them, as requested. TO2 has also enlisted the use of new functionalities in the ORION system to track shipping and freight forwarding milestones for shipments that are not shipped by the vendor. It is now easier for the team to identify areas for possible improvement or increased efficiency.

During the H1N1 pandemic response, Task Order 2 developed several tracking tools which monitored the ever-changing vaccine dose allocations per WHO, the subsequent adjustments to syringe and safety box quantities, remaining inventory in the Norway and Spain satellite warehouses, and other key data points related to this complex endeavor. WHO and other partners looked to Task Order 2 as the coordinating body for shipment data, and to the TO2 tracking tool as the one common data source for monitoring vaccines and ancillary supplies.

In 2010, the Procurement Planning and Monitoring Report for Malaria (PPMRm) was expanded to include rapid diagnostic tests (RDTs) and sulphadoxine-pyrimethamine (SP). The tool now provides stock status updates at the central level, on a quarterly basis, for three antimalarial commodities—RDTs, SP, and ACTs—in 13 PMI-focus countries. Three non-focus countries—Burkina Faso, Burundi, and South Sudan—were also added to the report this year. The PPMRm will continue to provide a valuable snapshot of in-country situations and to serve as an early warning system for stock imbalances, impending shortages, expiries, and stockouts.

Partner with Local Organizations, Including the Private Sector

The project continues to work with local and regional organizations across all three task orders in implementing its activities. Local and regional organizations provide a wide variety of services in support to the project, including freight and logistics, software development, monitoring and supervision, and training.

Task Order 1

The project routinely works in close collaboration with local and regional partners in all of the countries where we have field offices. As table 4 below shows, the project has used local partners for a broad range of activities.

Table 4. Project Partnerships with Local Organizations

Countries	Project Partnerships
Burkina Faso	Provided assistance to Bioforce, a private professional training institute, to facilitate supply chain management courses.
Dominican Republic	Worked with Eugenio Maria de Hostos University to establish pre-service training in logistics for sexual and reproductive health supplies at the School of Nursing. Planned and facilitated mini-workshops in HIV/FP service integration for 102 community leaders to increase access, demand, and quality of services. The work was coordinated with the Peace Corps.
Ethiopia	Collaborated with the Arba Minch Health Science College (HSC), Hosanna HSC, the Aman HSC, and Hawassa HSC to establish pre-service training. Logistics courses were added to the curriculum in two of the colleges.
Honduras	Provided assistance to Asociación Hondureña de Planificación de Familia (ASHONPLAFA), an International Planned Parenthood Federation (IPPF) affiliate, to develop a marketing plan and identify new procurement resources, especially for oral pills.
Malawi	The project, in collaboration with Howard University Technical Assistance Project (HUTAP), provided technical assistance to establish pre-service training at Malawi College of Health Sciences by including a supply chain component in the laboratory training curriculum.
Nepal	Contracted with two private sector companies, Yellow Digital Pvt. Ltd. and Information System Solutions Pvt. Ltd., to complete the district-level orientation on the web-based LMIS and inventory management systems in all 75 districts.
Nicaragua	Collaborated with the National University of Nicaragua (UNAN) to include logistics in the Pharmacy School curriculum and shared the teaching methodology guides with the School of Medicine. Worked with PRISMA, a Peruvian NGO focused on sustainable development, to facilitate supply chain management courses and coordinate efforts with national public health schools to carry out regional workshops. Collaborated with PASMO's Women's Health project to strengthen coordination of family planning efforts.
Tanzania	Advocated for contraceptive funding to the Tanzania Midwives Association. Provided assistance to the Eastern and Southern Africa Management Institute (ESAMI), a private professional training institute, to facilitate supply chain management courses.
Zimbabwe	Assisted Population Services Zimbabwe (PSZ), a Marie Stopes International affiliate, in quantifying Jadelle requirements for a start-up project. Contracted with a local private sector company, WestChase Consultants, to develop and upgrade software to automate deliveries and data encoding under the Delivery Team Topping Up system (DTTU) Distribution system.

Task Order 2

TO2 has a limited number of in-country activities, so the use of local partners has been similarly limited. In Indonesia, TO2 worked extensively with the local PATH office to strengthen cold chain

management in-country and with a local vaccine supplier, PT Medion, to ensure the on-time delivery of commodities to the districts.

To support in-country use of specific AI commodities, TO2 coordinated with the manufacturer of the injection supplies and PCR laboratory equipment to train recipients in the field on the use of these supplies for vaccination and surveillance activities. Additionally, the project has arranged for the manufacturer to provide maintenance for the products.

Through the H1N1 pandemic influenza response activity, TO2 engaged local private sector distribution firms in the Philippines and Pakistan, to manage the distribution of vaccines and ancillary supplies from central level to point of use. In select recipient countries including Bangladesh, Cambodia, East Timor, El Salvador, Ghana, Kenya, Lao PDR, Malawi, Mongolia, Nicaragua, Senegal, and Togo the project collaborated with local authorities and partners to provide financial support to the vaccine distribution activity.

Task Order 3

To achieve its objectives under TO3, the project continued to work with in-country partners and to strengthen local capacity. TO3 worked on the following activities with partners:

In Liberia, in collaboration with the NMCP and with seven local nongovernmental organizations (NGOs), the project organized and implemented a door-to-door distribution campaign (*Hang Up, Keep Up, and Follow Up* initiative) of 480,000 LLINs, in eight zones, located within Montserrado county.

In Angola, because of repeated leakage from the Angomedica stores, PMI decided that, for the foreseeable future, the logistics services of both the National Essential Drugs Program and the Angomedica warehouse in Luanda should not be used for PMI shipments. In response to this, the project developed a plan to use private sector alternatives for storing and distributing PMI-funded antimalarial commodities. The project supported the implementation of this plan for the first shipment of ACTs in February 2010. This included coordinating the delivery by charter aircraft, temporary storage by PSI, and provincial distribution by UPS of 1.7 million treatments of ACTs. All products were received into provincial MOH depots within two weeks after the charter aircraft arrived. The project successfully delivered a second shipment of Coartem and RDTs in July 2010, moving another 1.7 million treatments and 282,000 RDTs to 18 regional warehouses.

In Rwanda, the project conducted a supply chain management training, including 10 lecturers, from the pharmacy department of the National University of Rwanda (NUR), to develop the local capacity of university lecturers.

In Madagascar, the project assessed the feasibility of conducting an LLIN recycling pilot, in collaboration with the National Coordination Committee (NCC) for LLIN campaigns, Ministry of the Environment, WHO/SAICM Project, PSI, and the mission, in conjunction with the upcoming LLIN distribution campaign planned for September 2010. This private/public partnership initiative will be implemented in November 2010.

Using Local Hires in Project Implementation

The project employs many national and regional country directors and key staff, demonstrating its commitment to using local and regional hires in project implementation. While there have been a number of senior staff changes there has thus far been no net change in the proportion of national, regional third country nationals and US citizens employed in project offices.

Of note is the very sad loss of Emmanuel Taylor in Liberia. We have included a dedication to him in the inside cover of this report. His death left somewhat of a vacuum that is being covered temporarily by the former Country Director from Malawi. Her position is currently vacant. Elsewhere changes happened in calendar year 2010 in Rwanda, Tanzania, Mozambique and Nigeria, with staff returning from the field to the USA or from one field office to another.

The trend to increase the number of technical national staff in each office and to reduce STTA from the U.S. continues. This is particularly pronounced in that M&E activities are being implemented in-country with limited or virtual technical assistance. Another example is that eight countries now have local staff developing CPTs with no outside assistance. In an additional six countries, limited technical assistance is provided to local staff to complete CPTs.

For Task Order 2, in-country technical support is provided exclusively through locally hired staff. In Indonesia, the local TO2 staff—a resident expatriate manager and local logistics and finance specialists—provide technical expertise in designing and monitoring logistics networks for poultry vaccination campaigns and for coordinating the distribution of vaccines and cold chain equipment.

In Nepal, the local team includes a program officer/AI logistics officer and a senior specialist in systems and policy who provide management oversight to local logisticians for monitoring these logistics activities.

In Bangladesh, a priority AI and Emerging Pandemic Threats country for USAID, the local team that manages the USAID | DELIVER PROJECT office in Bangladesh helps to support the AI preparedness and response strategy and executes the continuing AI and EPT work.

Using Subcontractor Capacities

We use subcontractor capacities across all three task orders with the dedicated subcontractor personnel in the procurement, communication, and MIS teams. A PATH staff member serves as the Procurement Manager, and a Crown Agents staff member was recently promoted to the role of Deputy Procurement Manager on the procurement team. Both provide ongoing leadership and technical expertise across all three task orders. In addition, The Manoff Group staff support the project's knowledge-sharing and dissemination efforts, and staff from 3i Infotech work on-site to provide ongoing support for the maintenance of ORION.

Task Order 1

The project continues to leverage subcontractor capacities, both through on-site staff and short term assistance. Subcontractor expertise is often used for specific projects and assignments. Abt Associates continued to provide assistance in the development of the supply chain costing tool with application of the tool in Zimbabwe.

Subcontractor staff have made significant contributions in procurement activities. For example, PATH staff member serves as the Procurement Manager and a Crown Agents staff member was recently promoted to the role of Deputy Procurement Manager. Both provide on-going leadership and technical expertise to the Procurement Team across all three task orders. The Manoff Group staff support the project's knowledge sharing and dissemination effort. Two staff from 3i Infotech work on-site to provide on-going support for the maintenance of ORION—MIS software used procurement and shipment tracking of all commodities. Full time PATH, Crown Agents and The Manoff Group staff all contribute to TO1 work.

Field offices also rely on subcontractor expertise: the project office in Pakistan is receiving technical assistance from PATH in the area of contraceptive procurement. LLamasoft undertook the Supply

Chain 2020 work while PHD and Transaid provided technical input to work on warehousing and transportation and VillageReach provided input to last mile distribution analysis and data capture.

Task Order 2

Under TO2, the project provides technical support to the Government of Indonesia with the help of two local senior experts in cold chain and vaccination equipment management from PATH.

To conduct internal quality assessments, Task Order 2 has called on the capabilities of our subcontractor, Family Health International (FHI). Based on a quality assessment of the USAID International Stockpile held at the MAP International Savannah warehouse, FHI identified a need for multiple improvements to the PPE kits, including updates to the commodities within the kits, as well as the actual kit packaging. Over the past year the project has updated these kits, based on the recommendations of the FHI quality assessment. In addition, TO2 benefitted from the improvements resulting from the internal process audit of the Supply Operations Team, which FHI conducted.

Throughout the past year TO2 provided technical expertise in safe injection supplies to support USAID's collaboration with WHO's distribution of H1N1 vaccine to countries around the globe. PATH provided significant expertise in procurement specifications for safe injection equipment, including auto-disable syringes and safety boxes, supporting the project's procurement of these commodities. In addition, the project seconded a PATH staff person to work directly with the WHO/Geneva central unit working on the H1N1 Vaccine Deployment. Her presence in Geneva was a key element to the project's ability to coordinate effectively with WHO on this activity.

In addition to the secondment in Geneva, partners Crown Agents-USA and PATH played a role in support of TO2's disbursement of funds to support the H1N1 vaccine deployment activity in Mongolia. PATH played a similar role for TO2 in the H1N1 vaccination activity in Cambodia and Senegal.

For the laboratory and surveillance support work related to H1N1 pandemic influenza, project partner Crown Agents-USA provided significant technical input when TO2 worked with CDC to refine the technical specifications for the procurement of the real-time PCR machines and related equipment.

MAP International continues to provide warehousing services for the Avian Influenza International Stockpile.

Task Order 3

FHI leads the QA program to ensure that the malaria commodities that PMI provides meet the highest standards. TO3 also continues to use UPS for freight forwarding, where appropriate. UPS's tasks include freight estimate preparation, vendor door pickup, freight booking, shipment tracking, customs clearance, and final recipient delivery. PHD assists with the ongoing freight reasonableness study under TO3.

Lead from Family Planning

Leading from family planning means applying the experience, lessons learned, tools, and approaches developed for family planning logistics systems under the FPLM and DELIVER contracts to other health commodities. This leadership from family planning/reproductive health helps ensure that family planning remains a focus when wider health systems reforms and system integration are

designed and implemented. As the project has evolved, the three task orders are benefiting from each other's experience; best practices from Task Order 2 and 3 are also being applied to Task Order 1. Some examples are listed below.

TO1's PPMR, an invaluable tool for making decisions at both global and national levels, served as a template for creating a similar tool for malaria commodities—the PPMRm—to which currently 15 countries report data. The PPMRm is primarily a decisionmaking tool for PMI, though inspired by the success of the PPMR, it is being shared widely with partners, including the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, WHO, and the World Bank to help in their decisionmaking and to promote coordination.

Under TO1, the project developed a costing tool to help in-country decisionmakers determine the cost of their supply chains. This data can help compare various supply chain designs or options, make better budget decisions, or advocate for resources. The tool was tested in Zambia and Zimbabwe. In Zimbabwe it showed that, for certain scenarios, the DTTU system is less costly than a traditional pull system, where facilities place orders and receive deliveries. The costing tool is being applied in Nigeria, starting with the vertical family planning supply chain; it will also be applied to the vertical malaria system to help decisionmaking.

Under TO2, the project used its experience in developing contraceptive ordering procedures, guidelines, and product specifications in a user-friendly format to create a product catalog for AI commodities. The catalog includes product specifications, instructions for product use, and shipping and ordering instructions for commodities used to detect AI. Recently, the catalog was updated to include new commodities and to accurately reflect USAID's AIIS. Like the *Contraceptive Procurement Guide and Product Catalog*, the *Avian Influenza Product Catalog* is a popular tool.

The project's experience in freight forwarding under TO2 and TO3 helped inform the strategic freight analysis that was provided to CSL as it conceptualized its approach to its new freight and warehousing contract.

The “Go to Place” for Public Health Supply Chain Improvement

Another important goal for the project was to become the “go to place” for information and best practices on public health supply chain improvements. The increased demand for project-generated knowledge serves as an indicator for this goal.

Information Sharing and Dissemination

As the project's commodity security and supply chain management work continues to evolve and become more complex (e.g., more products, more funders, increased technical breadth), an effective communications function becomes even more important to ensure that project objectives are achieved. For example, as greater emphasis is placed on devolving technical implementation directly to field offices and local partners and agencies, it is critical that these partners have access to the most current methodological advances, best practices, and lessons learned from other contexts. One of the most effective ways to make these available to all of the project's partners is through the project's website. As the project engages other donors and funders to mobilize resources for global RHCS, innovative approaches and technologies must be developed (many have been developed for individual country needs but may have wider applicability), well documented to facilitate replication, and disseminated successfully through an effective communications strategy.

The project website is a primary vehicle for sharing and disseminating information. Over the past year, there were 321,641 visits to the project website, and 344,295 downloads from the site,

including software. The most-visited pages were the Home page/News section, the Resources section, and the My Commodities section.

The project fulfilled orders for more than 16,676 print publications, tools, and software requested by individuals and organizations in more than 64 countries.

The top publications disseminated by mail or requested as a printed publication include (1) *Lessons in Logistics for Health Commodities CD*, (2) *PipeLine CD 4.0 and 5.0*, (3) *Guidelines for the Storage of Essential Medicines and Other Health Commodities*, (4) the duo pocket guides—*Transporting, Storing, and Handling Malaria Rapid Diagnostic Tests at Central and Peripheral Storage Facilities* and *Transporting, Storing, and Handling Malaria Rapid Diagnostic Tests in Health Clinics*, and (5) *The Logistics Handbook*.

The project completed or updated 90 publications during this reporting period, sharing the project's expertise and best practices related to effective supply chain management and product availability.

The top five publications downloaded from the project website were (1) *Logistics System Assessment Tool (LSAT)*; (2) *Concepts of Logistics System Design* (3) *The Logistics Handbook: A Practical Guide for Supply Chain Managers in Family Planning and Health Programs*; (4) *Logistics Indicators Assessment Tool (LIAT)*; and (5) *Guidelines for the Storage of Essential Medicines and Other Health Commodities*.

Individual Task Order Achievements

Selected highlights and illustrative examples from each task order over this past year follow.

Task Order 1—Public Health

During this period, TO1 continued to strengthen in-country supply chains through diligent on-the-ground logistics work and increased global-level advocacy and collaboration for contraceptive security. These efforts resulted in low stockout rates at the facility level in the multiple countries that receive project support. Stockout rates were at or below 10 percent for at least six to seven out of ten countries for most methods during this time period. In the past year, TO1 provided more than US\$73 million worth of commodities to 42 countries; see figure 2.

Strengthening Data Collection and Use

Improved data collection and strengthened information systems have been key to mitigating stockouts. As a result of consistent efforts to strengthen logistics information systems in project countries, reporting rates have remained consistently high, averaging around or above 80 percent during each quarter.

To support advocates and decisionmakers with user-friendly information, we created online maps with CS data, including government financing for contraceptives and contraceptive methods offered. The maps help stakeholders to easily identify advocacy messages and programmatic needs.

By conducting a longitudinal analysis of results from three rounds of the Contraceptive Security Index (2003, 2006, 2009), the TO1 identified key CS trends showing global-level improvements in all five components of the index: health environment, logistics management, financing, contraceptive access, and contraceptive use. Most regions also improved their scores from 2003 to 2009. Of special significance is that the lowest scoring countries from 2003 made the most progress in total scores by 2009, with the biggest increases observed among sub-Saharan African countries.

In Tanzania, the project supported the MOHSW in designing and developing a cell phone-based reporting system intended to strengthen the integrated logistics system (ILS). The reporting system was designed to capture service delivery point data to enhance data visibility at the central and supervisory level for more informed decisionmaking, to improve system functionality, and to monitor SDP stock levels for contraceptives.

Increasing National Commitment to Commodity Security

The project continued to work with in-country partners to develop and support implementation of CS strategies. Out of 17 project countries, 15 have contraceptive or reproductive health commodity security strategies, or broader strategies that include CS.

Country coordinating bodies are one of the most effective mechanisms for keeping CS on the agenda. The project supports these mechanisms and builds their capacity based on country needs. In

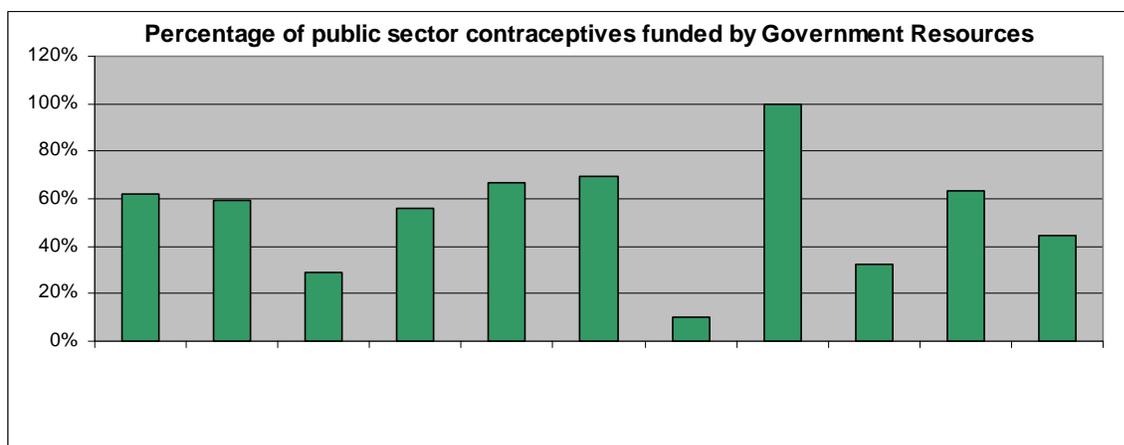
the past year, all reporting countries had a coordination body that met at least once (the majority met three times or more).

Financing of contraceptives, other commodities and the supporting health systems is a fundamental requirement for commodity security. Using government resources to finance these commodities and systems indicates a strong national commitment to CS.

We advocated for inclusion of contraceptives on the National Essential Medicines List (NEML), a critical first step in ensuring that contraceptives are prioritized for procurement. Of 17 project presence countries analyzed, all but Bangladesh had at least four of the eight major contraceptive methods included on their respective NEMLs.

Eleven project presence countries reported using national resources—either internal revenues, World Bank credits or basket funds—to finance contraceptive procurement (see figure 1). Paraguay covered 100 percent of their contraceptives with government funding. Liberia, Malawi, Mozambique, Nigeria, and Zimbabwe relied fully on donor funding. Several countries are increasing their commitment to contraceptives either by determining a target monetary amount or by setting a goal of increasing the percentage of government funding.

Figure 1. Government Share of Public Sector Contraceptive Financing



The project continued to help in-country counterparts leverage GFATM resources for contraceptives. In Rwanda, the project provided support to the MOH to help ensure that the funds included in the Global Fund proposal for contraceptives were actually used for these commodities. In the most recent fiscal year, the Global Fund financed \$855,278 in contraceptives. The project also supported countries with other proposals.

Strengthening National Supply Chains

The project continues to pursue innovative approaches for improving supply chain performance.

A technical brief on supply chain integration provided an essential solutions framework for system strengthening interventions. This publication was flagged by the team conducting the mid-term evaluation for the project as being a seminal technical paper that will help frame the debate on how supply chains are integrated. Supply chain integration improves customer service by better connecting supply and demand; streamlining processes; improving visibility of information; aligning objectives; improving trust and collaboration; and providing clarity of roles, responsibilities, and processes.

In Ethiopia, last mile support and national level monitoring and coordination continued to keep contraceptive stockouts low. Project advisors in Ethiopia worked at the woreda (district) level in collaboration with local personnel to ensure that facilities place and receive their contraceptive orders, and to monitor their performance. For the second year in a row, stockout rates were less than 7 percent for injectables and less than 6 percent for oral pills, compared with 25 percent and 16 percent, respectively, in 2006.

Building Local Capacity

Lack of local capacity is probably the single biggest challenge the project faces in improving product availability and helping its partners implement locally operated and supported systems. The project is using a multifaceted approach to address this through customized system design, in-country capacity building (e.g., pre-service training, on-the-job training, in-service training), improved monitoring and supervision, regional capacity building, distance learning, and creation of support networks for public health logisticians. In the last year, we accomplished the following:

During this period, more than 10,000 country-level health staff participated in logistics training activities. Even more important, the project trained more people at the service delivery point level than at any other level.

In Honduras, we coordinated south to south collaboration to build local capacity of the IPPF Affiliate ASHONPLAFA, making it more financially independent and sustainable. The Columbian IPPF affiliate, Profamila provided training in advocacy and support for development of a business plan, including strategies to improve product marketing efforts.

Between October 2009 and September 2010, the International Association of Public Health Logisticians (IAPHL) grew from 425 members in 64 countries to 554 in 75 countries. The project created a new online expert panel for members to access experts in the field of specific logistics subject areas. The IAPHL continues to grow as a forum for discussion, where members can resolve system or technical challenges, improve their knowledge and skills, and build relationships with peers and colleagues around the world.

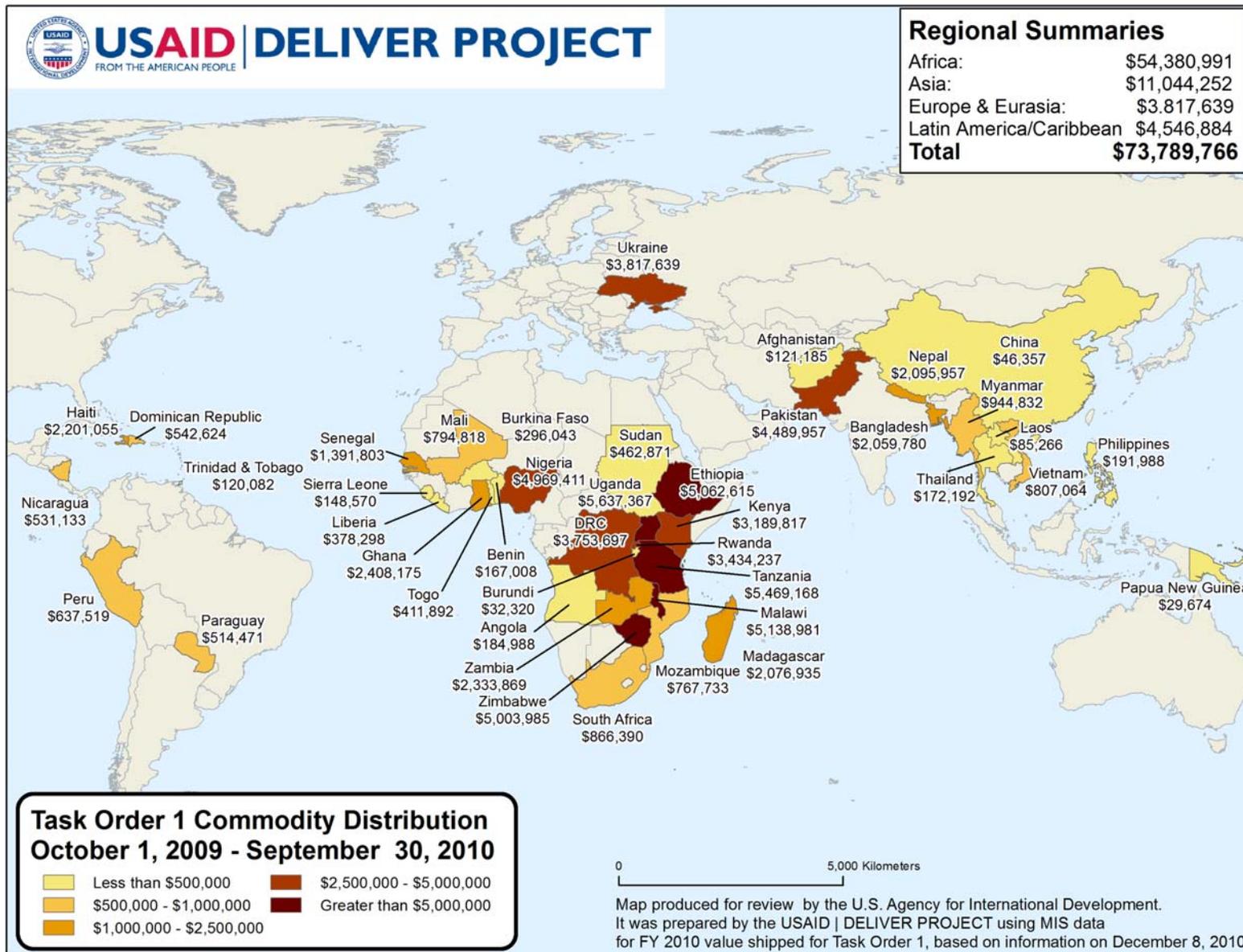
Through the Regional Institutes Development Initiative (RIDI), 350 people from many countries received training in English, French, and Spanish during FY2010. Notably, PRISMA presented all four SCM courses (with co-facilitation by the project on one course), ESAMI presented two of the module courses, and Bioforce presented one course.

Since June 1, 2009, when the *Lessons in Logistics for Health Commodities* CD launched (and until September 2009), this publication saw 55 orders and disseminated 169 CDs, becoming the most requested publication. The following year (October 1, 2009 through September 30, 2010), 762 CDs were disseminated in response to 143 individual orders. This CD allows users to study four modules on basic logistics and receive a certificate of completion when they successfully pass the tests for the modules.

The project supported pre-service training efforts in Rwanda, Ethiopia, Zambia, and Zimbabwe and published the PST guide, *Initiating In-Country Pre-Service Training in Supply Chain Management for Health Commodities: Process Guide and Sample Curriculum Outline*, to help other countries move forward with PST.

Additional details on progress the project has made and documented can be found in the *Task Order 1 Annual Report*.

Figure 2. Task Order 1 Commodity Shipments



Task Order 2—Outbreak Response

Over the past years, the epidemiological profile of the highly pathogenic avian influenza H5N1 virus contracted from its once broad range of affected countries to a concentrated incidence of new cases in a smaller number of countries. The original project strategy, when the virus' spread was more diffuse, was to pre-position equipment at national level in countries throughout the globe, with regional stockpiles to provide rapid response in highly-endemic regions. With the increased focus of H5N1 virus in select countries, TO2 narrowed its distribution strategy to concentrate on these highly endemic countries, and worked to strengthen capacities to respond in Bangladesh and Indonesia.

The project continued to ship personal protective equipment (PPE) kits on demand to countries throughout the world. In the past year, 294,450 PPE kits were shipped to 27 countries, for a total value of \$2,811,272. In addition, TO2 worked to organize the remaining items in the stockpile, in preparation for a donation/disposal action for the items which were salvaged from the original decontamination kits. This donation/disposal action will take place in the next performance period.

Responding to H1N1 Pandemic Influenza

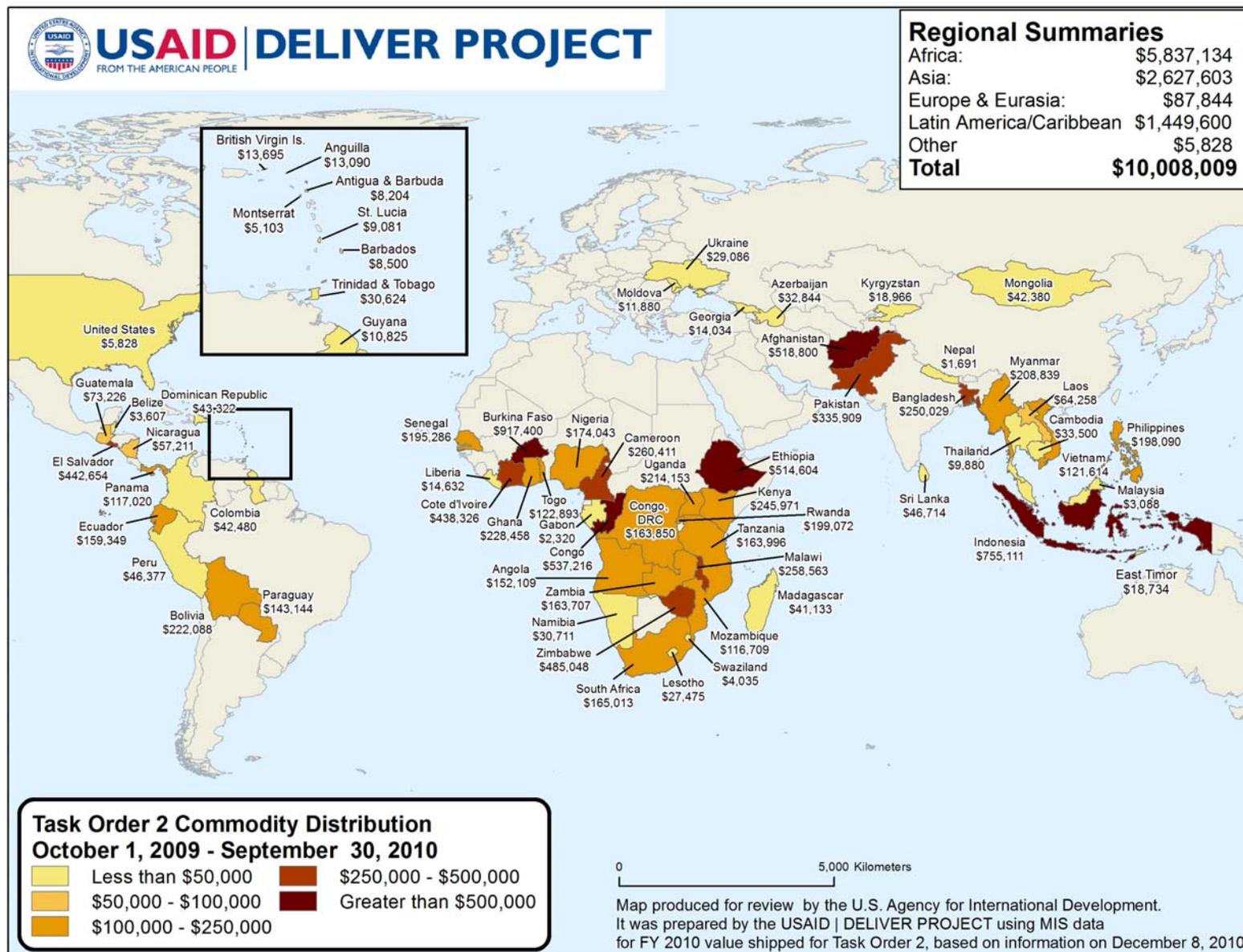
The primary activity of the past year for Task Order 2 has been support to the international response to H1N1 pandemic influenza. Since the modification of TO2's scope of work on September 14, 2009, the project played a significant role in supporting the USAID contribution to the global H1N1 pandemic response. TO2 participated in major international coordination meetings and played a key role in implementation of USAID's pandemic response. The Task Order procured infection control and laboratory equipment to support increased H1N1 surveillance capacity and technical assistance to support distribution of these commodities. In addition, the project is responsible for the procurement and distribution of safe injection equipment, including auto-disable syringes and safety boxes, to complement the H1N1 vaccine supplies that WHO will distribute to countries around the globe. TO2 provided technical assistance via short-term consultants placed in WHO central and regional offices, as well as short-term technical assistance directly to recipient countries in cold chain and supply chain management for the distribution of the H1N1 vaccine and ancillary supplies. At USAID's request, the project also provided \$2,681,123 to fund identified financial gaps in country H1N1 vaccine distribution plans in 15 countries.

Support to USAID's Emerging Pandemic Threats Program

USAID established its Emerging Pandemic Threats (EPT) Program in 2009. Task Order 2 is providing procurement and supply chain management support to these projects. The project held an orientation for RESPOND and PREDICT project leadership to introduce them to Task Order 2's procurement and logistics management capabilities, and to orient them to our project processes, ensuring efficient fulfillment of EPT program commodity requirements. For the USAID | PREDICT PROJECT, TO2 has procured and shipped laboratory equipment valued at \$269,071.11, and shipped 1,400 PPE to PREDICT project offices in 7 countries. These commodities will support the project's activities in field surveillance, including sample collection and analysis. We anticipate further work with the EPT projects in the future.

To view commodity distribution over this reporting period, see figure 3.

Figure 3. Task Order 2 Commodity Distribution



Task Order 3—Malaria

During the reporting period, the project procured commodities worth US\$101,263,555, or an increase of 59 percent compared to what was procured during the preceding fiscal year, FY2009. During the last 12 months, the project procured antimalarial commodities for Angola, Benin, Burkina Faso, Burundi, DRC, Ethiopia, Ghana, Kenya, Liberia, Madagascar, Malawi, Mali, Mozambique, Nigeria, Rwanda, Senegal, Sudan, Tanzania, Zambia, Zanzibar, and Zimbabwe. This included 33,073,020 treatments of malaria pharmaceuticals (Coartem and ACTs) for 12 countries; 12,695,000 LLINs for 15 countries; 7,055,410 RDTs for nine countries; and various quantities of severe malaria medicines, laboratory kits, and laboratory equipment for eight countries. A summary of the value of commodities procured by country under TO3 is shown in Figure 4.

Following are a few of the highlights from the project's support of the President's Malaria Initiative over the last year:

Despite the significant increase in volume between 2009 and 2010, as in the past four years, shipments have been delivered on time, to the right party, and in good condition. Only one shipment generated a claim and USAID was fully compensated by the insurance company within a few weeks after the damage occurred. The *on-time* delivery performance indicator stayed in the 90 percent range, which demonstrates the ability of the project to quickly adapt to significant growth.

The project has responded to emergency orders from 10 countries since project inception, of which 11 orders were placed for eight countries in this reporting period alone.

The project procured and delivered to Madagascar its largest order of LLINs since the project began in 2007—1,120,000 units, or the equivalent of forty 40-foot containers.

The procurement of LLINs has grown significantly during the past four years, LLINs now represent the highest value of the commodity types procured (see figure 2). Due to the significant amount of LLINs that are now being procured, the project has completed a study to (1) identify potential cost drivers or consistent factors that impact lead time and (2) evaluate the efficiency or the procurement strategy currently used. The results of the study validated the current procurement strategy and justified the spot quote approach.

In Ghana, the project supported the distribution of 630,000 LLINs during the 2010 MCH integrated campaign. The support included assessing the storage and distribution system in 20 districts in the Northern regions and producing an LLIN distribution plan for vulnerable populations (children under five years and pregnant women) with local partners, the MOH, and the Ghana Health Service (GHS). The project trained all district and sub-district storekeepers on reporting documents, such as bin cards and waybills, to reinforce proper inventory control and distribution practices.

In Madagascar, the project assessed the feasibility of conducting an LLIN recycling pilot, in collaboration with the for NCC for LLIN campaigns, Ministry of the Environment, WHO/ SAICM Project, PSI, and the mission, in conjunction with the upcoming LLIN distribution campaign planned for November. Based on the positive results, the TO3 has started training, producing IEC materials, and contracting for the collection and transportation of the used LLINs.

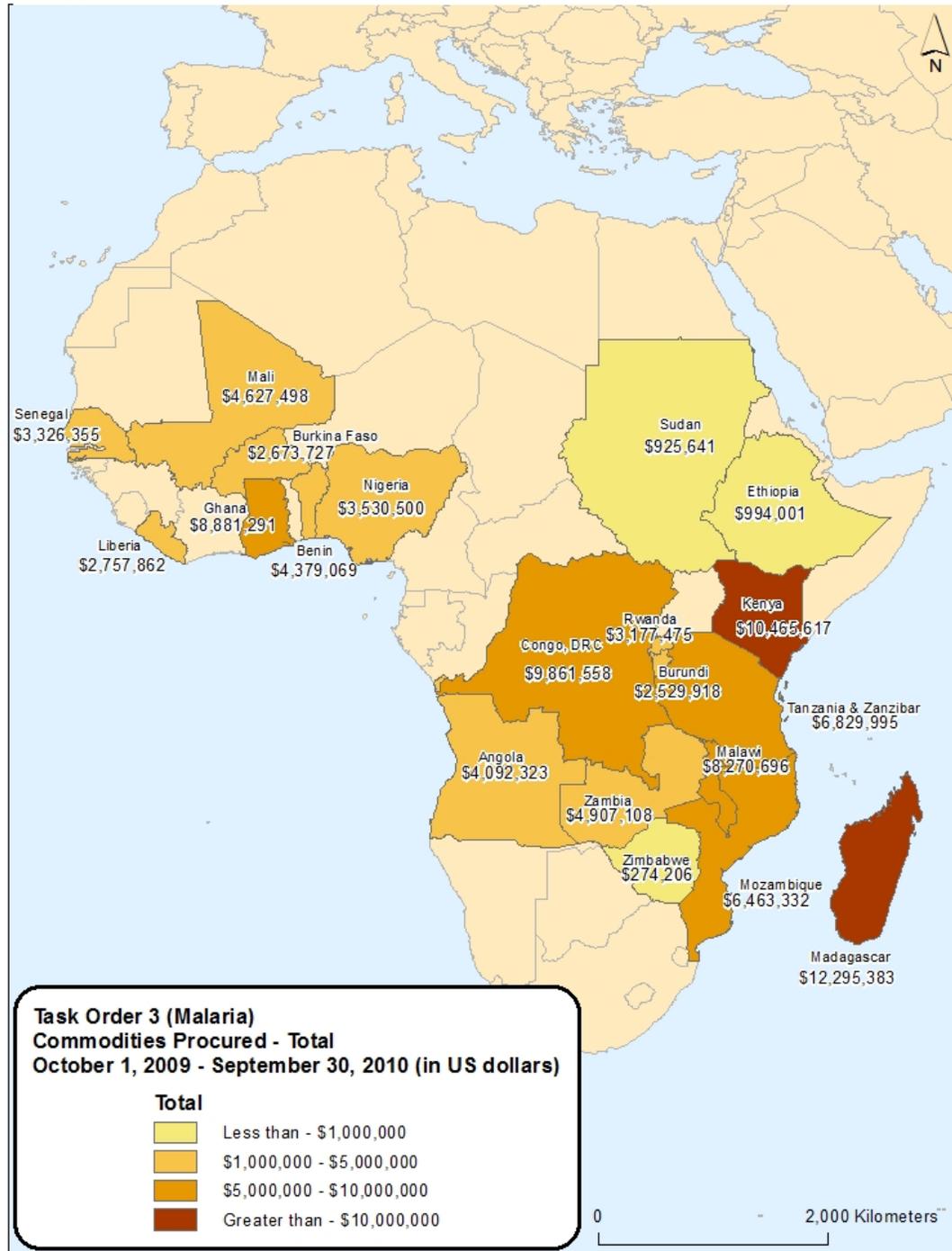
In Malawi, the project continued to strengthen the LMIS and to provide monthly stakeholders reports that summarize stock availability by district- and facility-level stockout rates for ACTs, SP, and quinine. This monitoring led to two emergency orders, funded by PMI, to ensure that ACTs were available.

In Mozambique, the project continued to support CMAM by packing 37,843 ACT kits (6,330,176 treatments) at the Maputo central warehouse and transporting them to the provinces. In response to pending stockouts of several presentations of AL, the project secured NMCP's agreement to use AS/AQ, the second line treatment, in the kits to the health facilities; while continuing to supply the community health worker kits with the remaining AL. The project also worked with the mission to place a \$1 million emergency order for AL.

In Nigeria, the project facilitated the distribution of 22,314,631 LLINs in 15 states, to support of the NMCP LLIN distribution campaign.

Additional details on progress the project has made and documented can be found in the *Task Order 3 Annual Report*.

Figure 4. Task Order 3 Commodities Procured



IQC Financial Reporting

Table 5 presents USAID | DELIVER PROJECT financial expenditure, obligation, and ceiling data by task order. It shows the actual expenditures invoiced to USAID from October 2009 to September 2010 and for the life of the project for both procurement and technical assistance.

Table 5. Expenditures, Obligations, and Ceiling by Task Order

Expenditure	TO1	TO2	TO3	TOTAL
October 2009 through September 2010				
Technical assistance	\$34,689,098	\$6,906,226	\$9,829,271	\$51,374,312
Procurement and distribution*	\$51,042,533	\$11,814,759	\$93,456,493	\$148,388,604
Total	\$85,731,163	\$18,720,985	\$103,285,764	\$199,762,448
Life of Project				
Technical assistance	\$103,762,947	\$15,976,140	\$24,613,538	\$144,277,177
Procurement and distribution*	\$101,545,063	\$18,837,182	\$175,836,628	\$285,933,890
Total	\$205,308,010	\$34,813,322	\$200,450,166	\$430,211,067
Current obligations	\$89,749,070	\$0	\$191,979,228	\$281,728,298
Obligations to date	\$365,982,258	\$62,109,440	\$411,470,332	\$839,562,030
Ceiling	\$499,345,332	\$85,261,108	\$894,917,675	\$1,479,524,115

Procurement as defined by each task order.

IQC Challenges Next Year

A number of challenges and risks were identified in the last year that are still relevant for the coming period. In some cases, these challenges and risks were managed or addressed effectively; in others, they did not emerge, but still need to be tracked:

- Ensure that the management and technical needs of all of the TOs are being met.
- Ensure good communication between country offices and USAID Missions, especially where Missions have many competing priorities in the health and population sector.
- Ensure that both USAID | Washington and USAID | Mission priorities are well understood and being addressed by our field offices.
- Ensuring a smooth close out of two of the current task orders (March 2011 and September 2011) and plan and budget for the close out of the 3rd (April 2012). For shared services, this will be especially important to ensure that there are no financial surprises and that each task order continues to receive a high level of service.

For more information, please visit deliver.jsi.com.

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