



USAID | DELIVER PROJECT

FROM THE AMERICAN PEOPLE

TASK ORDER I ANNUAL REPORT



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USAID | DELIVER PROJECT, Task Order 1

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CONTENTS

- Acronyms..... vii**
- Executive Summary..... 1**
- Overview of Task Order I 5**
- Project Start Up 7**
- Improve and Strengthen In-Country Supply Systems..... 9**
 - Systems Strengthening Indicators 9
 - Number of In-Country Staff Trained 14
 - Working with Local/Regional Institutions for System Strengthening..... 15
 - Supply Chain Strengthening and Last Mile Delivery Examples 16
 - Strengthening Country Level Commodity Security 18
 - Indicators 18
 - Countries with Commodity Security Strategies 18
 - Countries with Active Coordination Mechanisms in Place..... 19
 - Percent of MOH Requirements Covered by Government Resources 19
 - Drug Policy and Regulatory Issues 19
 - Quarterly Reporting Rates and MIS Updates 21
 - Examples of Strengthening Commodity Security..... 21
- Improve Advocacy and Collaboration with Global and Regional Partners for Commodity Security..... 23**
 - Indicators 23
 - Number of International and Regional Commodity Security Events with Project Presence 23
 - International Coordinating Groups Are Using Project Materials 24
 - Examples of Improving Advocacy and Collaboration 24
 - Dissemination of Best Practices 26
 - Collaboration with Other Partners..... 26
- Improve USAID’s Provision of Commodities to Programs 29**
 - Indicators 29
 - Support to USAID’s Central Contraceptive Procurement (CCP) System..... 30
 - Percentage of orders shipped <=30 days of desired date..... 30
 - Percentage of warehouse and production memos issued > than 15 days prior to ship date..... 30
 - Transition to a New MIS..... 31
 - CSL Informed of Transition Progress, Approves Key Reports from New MIS 31
 - MIS Achievements 32
 - Direct Procurement Services 33
 - Percent of Contracts Adhering to All USG Guidelines and Requirements..... 33
 - Supplier Fill Rate (full quantity on time)..... 33
 - Improvement in Appropriate Inventory Turns over Time 34

Progress on Implementing the Project’s New Business Model	37
Innovation and Best Practice	37
Software Innovation	37
Bangladesh	38
New Innovations.....	38
Partnering with Local Organizations and Strengthening Local Capacity	39
International Association of Public Health Logisticians	39
Contract with PRISMA for Regional Supply Chain Management Training.....	39
LAC	40
Utilizing Local Hires in Project Implementation	40
Using Subcontractor Capacities.....	41
Lead from Family Planning	42
Procurement.....	43
Central Management Information system	43
Supply Chain technical assistance.....	43
Tool development.....	43

Figures

1. Trend in Median Forecast Accuracy Rate	11
2. Stockout Rates for Oral Pills, Injectables, and Male Condom.....	12
3. Stockout Rates on the Day of Visit, ILS and Indent regions, Tanzania, 2007.....	13
4. Trend in On-time Shipments, FY2005 to FY2007	30
5. Trend in On-time Shipment Notes.....	30
6. MIS Benchmarks.....	32
7. Trend in the Percent Distribution of Full Quantity Supply Fill Shipments According to Delay Period, by Method and Contract Fiscal Year	33
8. Trend in Inventory Turnover Rate for Contraceptive Methods	34
9. Percentage of Task Order 1 LOE Expenditure by Sub-contractors	42

Tables

1. Key System Strengthening Indicators from Performance Monitoring Plan	9
2. Percentage of Facilities Reporting during the 3 rd and 4 th Quarters of Fiscal Year 2007.....	11
3. Project Partnerships with Local Organizations.....	15
4. Key Country Level CS Indicators from the Performance Monitoring Plan.....	19
5. Status of Main Contraceptive Methods and National Essential Medicines Lists.....	21
6. Key Advocacy and Collaboration Indicators from the Performance Monitoring Plan	24
7. Key Indicators from the Performance Monitoring Plan.....	30
8. Project Field Offices	41

ACRONYMS

ACT	artemisinin-based combination therapy
AED	Academy for Educational Development
AI	avian influenza
AIDS	acquired immunodeficiency syndrome
ARV	antiretroviral
CAR	countries at risk
CAUSA	Crown Agents USA, Inc.
CCP	Central Contraceptive Procurement
CIDA	Canadian International Development Agency
COC	combined oral contraceptives
COCU	Condom Coordination Unit
CPT	Contraceptive Procurement Table
CS	contraceptive security
CSL	Commodities Security and Logistics Division (USAID)
CTO	Cognizant Technical Officer
DFID	Department for International Development (UK)
DGFP	<i>Direccion General de Salud Reproductivo</i> (now the DGSR, Mexico)
DPMA	depot medroxyprogesterone acetate
DTTU	Delivery Team Topping Up
EC	emergency contraceptive (pills)
EDI	electronic data interchange
EML	essential medicines list (Paraguay)
FHI	Family Health International
FP	family planning
FP/RH	family planning/reproductive health
FY	fiscal year
GOB	Government of Bangladesh
GOG	Government of Ghana
HIDN	Health, Infectious Diseases and Nutrition

HIPNET	(communications working group that shares resources and job aids)
HIV	human immunodeficiency virus
IBP	Implementing Best Practices
ILS	Integrated Logistics System
IPS	international partners
IQC	Indefinite Quantity Contract
IUD	intrauterine device
JSI	John Snow, Inc.
LAC	Latin America and the Caribbean
LIAT	Logistics Indicators Assessment Tool
LMIS	logistics management information system
LSAT	Logistics System Assessment Tool
M&E	monitoring and evaluation
MCH	maternal and child health
MIS	management information system
MOH	Ministry of Health
MOHP	Ministry of Health and Population (Nepal)
MSH	Management Sciences for Health
NEML	National Essential Medicines Lists
NGO	nongovernmental organization
OAA	Office of Acquisition and Assistance
OGAC	Office of the U.S. Global AIDS Coordinator
OHA	Office of HIV/AIDS
PDA	personal digital assistants
PMTCT	preventing mother-to-child transmission
POP	progestin only pills
PPMR	Procurement Planning and Monitoring Report (formerly the CPT Status Report)
PRISMA	<i>Proyectos en Informática Salud Medicina y Agricultura</i> (Peru)
RH	reproductive health
RHCS	reproductive health commodity security
RHI	Reproductive Health Interchange
RHSC	Reproductive Health Supplies Coalition
RWH	Regional Warehouse

SCM	supply chain management
SCMS	Supply Chain Management Systems (project)
SDP	service delivery point
SIBASI	basic system for integrated health (in El Salvador)
SOP	standard operating procedure
SPARHCS	Strategic Pathway to Reproductive Health Commodity Security
STTA	short-term technical assistance
TA	technical assistance
TB	tuberculosis
TO	task order
TOT	training of trainers
UIMS	Upazila Inventory Management System
USAID	U.S. Agency for International Development
USG	United States Government
WAHO	West Africa Health Organisation
WHO	World Health Organization
WIMS	warehouse information management system

EXECUTIVE SUMMARY

The first USAID | DELIVER PROJECT Task Order 1 (TO1) annual report covers the period from October 2006 to September 2007. TO1 has been very effective and responsive in its first year of operation. The project continued field work in 21 countries, including 15 with field offices; provided D.C.-based support to USAID's central contraceptive procurement system; established new core-funded teams; transitioned to a new management information system (MIS); and provided direct procurement services. During the first six months, the activities overlapped with those of the DELIVER project. TO1 works in a wide range of country settings and health systems, including countries that focus primarily on family planning (FP); countries that work on FP in an integrated health service delivery context; countries that work with a range of essential health medicines; and programs that specialize in HIV/AIDS.

During this first year, the project made numerous achievements; highlighted below are a few of the key accomplishments and activities. Further details and highlights are available in the *Task Order 1 Annual Report*.

- Launched the new project and transitioned from the DELIVER project to the new USAID | DELIVER PROJECT central and field activities.
- Understood and aligned the project's workplans, staffing, structures, budgets, and processes with USAID's priorities and the new business model.
- Established a direct procurement capacity and issuing contracts for the purchase of \$10.4 million in commodities on behalf of USAID.
- Supported the distribution of USAID contraceptives and increased on-time deliveries of USAID-procured commodities during a period of transition and change. See figure 4 for a summary of the value and destinations of commodities shipped under TO1.
- Provided technical assistance to 21 countries; maintained a resident presence in 15 of those countries. This was in addition to fielding 32 requests for short-term technical assistance.
- Implemented the Delivery Team Topping Up (DTTU) system in Zimbabwe, which ensured that 99 percent of service delivery points (SDPs) are being supplied with FP products and now HIV/AIDS commodities, despite the difficult economic circumstances.
- Provided in-country support to the entire supply chain, including strengthening condom forecasts in Uganda; identifying and meeting FP commodity financing needs in Ghana; continuing procurement support in Bangladesh, including alerting government and donors to impending procurement delays; strengthening warehouses in Ethiopia; and making last mile distributions in Nepal, Zambia, and Zimbabwe.
- Strengthened global contraceptive security efforts by collaborating with the Reproductive Health Supplies Coalition and the Reproductive Health Interchange, as well as through a revised Contraceptive Procurement Table (CPT) reporting format.

- Strengthened local and regional capacity by creating the IAPHL. Within three months of launching the IAPHL, its website membership grew to over 115 members from 44 countries and 52 organizations.
- Awarded a regional training contract to *Proyectos en Informática Salud Medicina y Agricultura* (PRISMA) in Peru to increase a local organization's capacity to provide supply chain management training. The contract supports PRISMA's ongoing efforts to conduct high-quality supply chain management training courses in the Latin American region and to improve their knowledge of supply chain management of health commodities.
- Provided field-funded supply chain management (SCM) training to over 3,200 health workers and program staff, as well as two core-funded training events for 41 participants from 11 countries.
- Promoted data-based decision making by enhancing the monthly Procurement Planning and Monitoring Report (PPMR, formerly the CPT Status Report). This new format integrates qualitative information on contraceptive security with up-to-date stock levels in USAID | DELIVER PROJECT presence countries; it is used by the Reproductive Health Supplies Coalition Countries at Risk (CAR) group to avert stockouts and expiries of products around the world.
- Continued to produce and serve as a repository for useful data and information on supply chain best practices, as evidenced by nearly 300 percent increases in project website traffic, including more than 430,000 visits to the website, approximately 92,000 publication downloads, and more than 14,000 requests for publications from 54 countries.
- Established monitoring and evaluation tools and mechanisms that enable the project to monitor and report on project progress overall and on country progress in contraceptive security.
- Supported the rapid roll-out of the newly designed National ARV Logistics System in Zambia. In only six weeks, a national team of trainers conducted 23 competency-based workshops for more than 282 service delivery and supervisory personnel.
- Conducted a training of trainers (TOT) workshop in El Salvador; 14 technical personnel at the regional level and SIBASI participated. These 14 trainers then held 11 training events with approximately 420 regional and SIBASI technicians, hospital personnel, and secondary-level service providers. Health promoters took part in trainings on various supply chain management issues, including use of computerized logistics systems, inventory management, quality control and utilization of logistics management information system (LMIS), and community-based distribution systems.
- Ensured reliable financing and supply in Nicaragua after donor support was withdrawn. The project worked closely with the contraceptive security (CS) committee to ensure that a Ministry of Health (MOH) budget line item for contraceptives and commitment of funds was included. The MOH has allocated \$100,000 to procure condoms.
- In Ghana, identified gaps; drawing on multiple partners to address the gaps ensures financing for the short- and long-term. Under TO1, the project helped USAID/Accra delay an impending shortage of condoms by providing 21 million no-logo condoms to fill the gap.
- Ensured that condoms reached high-risk groups/areas in Uganda. The project moved the system for condom requisition and distribution from a push to a pull system; also collaborated with the MOH condom coordination unit to train 30 district condom focal persons on condom

logistics and the new national condom distribution plan. This resulted in districts being able to determine their order quantities and order condoms depending on existing stock.

- Researched several new innovations, including adapting technology, such as personal digital assistants (PDA) devices, for SDP-level data entry; collaborated with the MIT-Zaragoza program on international logistics to adapt logistics segmentation techniques to help strengthen system design, and developed virtual leadership tools with USAID's Leadership Management and Sustainability (LMS) program.

During this first year, the project has made excellent progress against our performance indicators and the new business model. The second year will see an increased emphasis on a longer-term procurement strategy; completion of the transition to the new MIS and procurement structure; increased development and implementation of new supply chain and policy tools, techniques, and methodologies; and a continued emphasis on the new business model and last mile delivery in-country.

OVERVIEW OF TASK ORDER I

The first USAID | DELIVER PROJECT TO1 annual report covers the period from October 2006 to September 2007. The report discusses the project’s start up, progress toward achieving its objectives, and progress in implementing USAID’s new business model for the project.

The overall objective and component objectives for TO1 reflect those of the wider Indefinite Quantity Contract (IQC). The overall task order objective is increased availability of essential health supplies in public and private services. The component objectives include—

- Improve and strengthen in-country supply systems (with a particular emphasis on last mile delivery).
- Improve advocacy and collaboration with global and regional partners for commodity security.
- Improve USAID’s provision of commodities to programs.

In addition to these objectives, USAID expects the project to operate differently than the previous DELIVER project—this is the *new business model* for the project; it has the following attributes:

- innovation and use of best practices
- promotion of data-based decision making along the entire supply chain
- partnering with local organizations
- using the private sector
- using local hires in project implementation
- using subcontractors’ capacities
- “leading from family planning.”

The following sections describe the project’s efforts during the first year in starting up and in meeting the objectives of the contract and the requirements of the new business model. In the section on meeting the objectives of the contract, we use indicators from the performance monitoring plan to highlight project performance, as well as anecdotes that illustrate the work. In the section on the new business model, we provide a combination of data and narrative to illustrate our progress. Finally, the report discusses expected challenges in the year ahead that will inform next year’s work plan priorities.

PROJECT START UP

The project's first directive was to understand its mandate and operating instructions and to transition from the old DELIVER contract to the new one. For the first six months of the new project, the old and new projects operated simultaneously, which enabled JSI and USAID to smoothly complete old activities; ensure continuity for programs that were transitioning to the new project; and transition project staffing, structures, and processes from the old to the new project.

We completed the preparation of core-funded and field support-funded work plans, priorities, and budgets. USAID budget uncertainty, the need to *right size* the project to a lower core budget level, and the need to synchronize the fiscal year and core budget cycles required several iterations for the core-funded workplans. Guidance from CSL helped us adjust the staffing structure of the project to reflect expected future funding levels. The field services management structure was revised, staff roles and responsibilities were redefined, and the staff were reduced to achieve a leaner home office structure while, simultaneously, strengthening day-to-day oversight and management support.

The project established offices in 14 countries; country directors and senior staff members were recruited. Office and staff sharing arrangements with the Supply Chain Management Systems (SCMS) project were made to achieve efficiencies in field office operations while strengthening coordination of field activities with that project.

We established the procurement and MIS transition teams; they are well into their new tasks. We also established standard operating procedures for procurement and MIS operations, and launched the new ORION enterprise resource planning software.

The project's official launch took place March 5–16, 2007. More than 150 project staff, partners, and USAID staff, including more than 20 staff from field offices, attended the first week of the launch. The second week included country team meetings and skills building workshops. The launch energized the staff, reinforcing the new themes and the new business model based on CSL's vision for the project.

During the first year, the project examined and revised many internal processes and procedures. These changes resulted in more efficient, transparent, accountable, and responsive processes for country strategy and work plan preparation, country budgeting, CPT preparation, short-term technical assistance (STTA) resource allocation, and subcontractor work order preparation.

With CSL, the project developed and received approval for an IQC and TO1 monitoring and evaluation indicator matrix, including project-wide performance indicators and country-level indicators, which will be the basis for TO1 and IQC performance monitoring and evaluation.

IMPROVE AND STRENGTHEN IN-COUNTRY SUPPLY SYSTEMS

The core of the project’s work is to improve and strengthen in-country supply systems, which are funded through field support and core funds. During the first year, the project provided technical assistance to approximately 21 countries, with field offices in 14 of those countries. Our interventions covered all aspects of the supply chain, including forecasting, financing, procurement, storage, distribution, inventory control, LMIS, and disposal of medical waste, and the policy environment in which supply chains operate. Core-funded interventions focused on innovation, promoting data-based decision making, and strengthening local capacity.

SYSTEM STRENGTHENING INDICATORS

Table 1 summarizes the key indicators from the performance monitoring plan. The data were drawn from surveys, qualitative analyses, and quarterly reports from field offices. Each indicator is reported separately.

Table 1. Key System Strengthening Indicators from Performance Monitoring Plan

Objective 1: Improve and Strengthen In-Country Supply Systems	
Outcome	Indicator
Subcomponent 1: Supply chain strengthening for selected countries	
1.1.1 Strengthen the ability of local systems to forecast, finance, procure, and deliver a range of essential public health supplies.	Forecast accuracy for contraceptives and other products
	Stockouts at all levels of the system the project serves
	Reporting rates
1.1.2 Strengthen the local capacity to design, operate, and manage logistics systems, affect policy change, ensure the quality of supplies, and monitor and evaluate logistics system performance.	No. of in-country staff trained
	Countries receiving assistance where project partners with local/regional institutions for supply chain strengthening activities

We will continue to report on these indicators, tracking performance over time. For comparison, we include several graphs with data from earlier time periods. In several cases, the data for 2006 only overlaps by three months with the project’s reporting period, but we included them as they will be the bench mark for judging future performance.

Forecast Accuracy for Contraceptives

Accurate forecasting of contraceptive requirements maximizes the efficient use of scarce public health resources to—

- avoid wastage when surplus products expire
- avoid program failure, including an increase in unmet need and unintended pregnancies that may result from stockouts
- efficiently plan contraceptive procurements to account for storage and distribution capacity and to align with funding schedules.

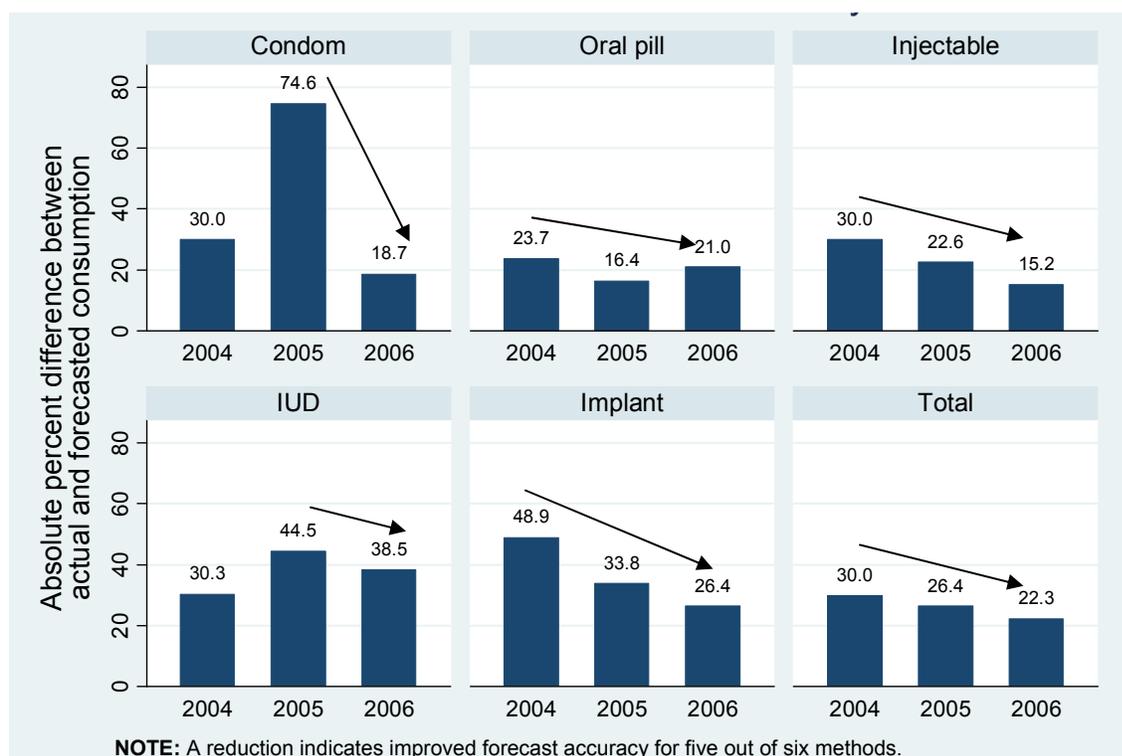
Family planning programs that receive USAID | DELIVER PROJECT technical assistance are expected to improve the management of their supply chain. This should provide more reliable contraceptive consumption data and enable better forecasting. To illustrate this, forecast accuracy of the previous DELIVER-supported programs should improve. This improvement should continue as the project moves forward. To estimate their annual contraceptive needs, all USAID contraceptive assistance recipient or program prepares a CPT every year for each commodity. As consumption data improves, the accuracy of forecasts will improve. The project tracks this indicator annually to examine trends in the impact of the SCM investment. The forecast accuracy of a CPT can be assessed by comparing the forecasted annual consumption of a contraceptive with the actual consumption available in the CPT for that contraceptive two years later. Forecasting accuracy largely depends on the availability of information on past consumption.

According to U.S. industry standards, optimum forecast accuracy (i.e., the absolute percent variation between forecasted and actual consumption of a contraceptive) of the CPTs should be 25 percent or less. That is, the smaller the percentage, the better the forecast accuracy, which is consistent with the benchmark set by Smith (1997) for U.S.-based commercial industries.¹ As figure 1 shows, DELIVER's trend analysis in 2004 showed the trend in the median forecast accuracy of 284 CP's from 39 programs in 24 countries. Figure 1 shows that in 2006 the variation between forecast and actual consumption was better than the 25 percent industry optimum in all but IUDs and implants. Overall, as expected, the median forecast accuracy for all contraceptive products other than IUDs has improved, from 30 percent in 2004 to 22 percent in 2006.² We will continue to update this analysis and reference will be made to previous years in future annual reports.

¹ Smith, B. T. 1997. *Focus Forecasting*. Fredericksburg, Va.: BookCrafters.

² Data for 2007 will only be available at the end of the year; it will be reported on in the next annual report.

Figure I. Trend in Median Forecast Accuracy Rate



Source: Project data

Reporting rates and stockout rates at all levels of the system the project serves

In the third quarter of 2007, the project began quarterly monitoring of product availability at all levels of the in-country supply chains it is currently serving. Contraceptive availability at all levels of the supply chain is monitored in Bangladesh, El Salvador, Ethiopia, Ghana, Nepal, Nigeria, Malawi, Mozambique, Nicaragua, Paraguay, Rwanda, Tanzania, Uganda, and Zimbabwe. HIV test kit availability is monitored in Zambia and Ghana, while availability of antiretroviral (ARV) drugs is monitored in Zambia.

The project's ultimate goal is commodity availability at the SDPs. This information is monitored in Bangladesh, El Salvador, Ghana, Malawi, Nepal, Nicaragua, Paraguay, Rwanda, South Africa, Zambia, and Zimbabwe using data from the in-country LMIS. Currently, the in-country LMIS is not providing SDP-level product availability data in Ethiopia, Nigeria, Uganda, and Tanzania; facility surveys are the source of data in these countries. For Ethiopia, data are obtained through ad hoc surveys and supervisory visits. Mozambique does not have facility-level product availability data.

Table 2. Percentage of Facilities Reporting during the 3rd and 4th Quarters of Fiscal Year 2007

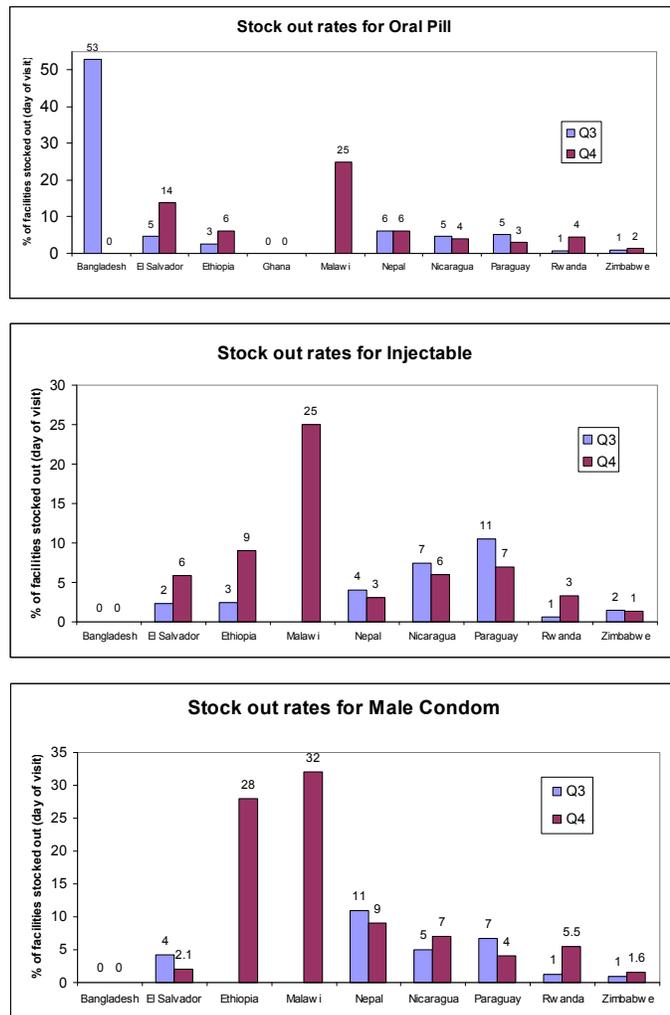
Country	3rd Quarter	4th Quarter
Bangladesh	99	99
El Salvador	95	100
Ghana	70	100
Malawi	80	38
Nepal	88	89
Nicaragua	23	98
Paraguay	100	75
Rwanda	84	87
South Africa		85
Zambia	82	85
Zimbabwe	95	94

Table 2 displays the SDP-level reporting rates for the countries with functioning LMISs. Reporting rates are monitored to assess the performance of the country’s LMIS and data reliability. In most cases, other than Malawi during the fourth quarter, the SDP-level reporting rates of the countries are high (i.e., more than 80 percent)—indicating a well-functioning LMIS with reliable data.

Based on LMIS data, figure 2 shows the SDP-level stockout rates for pills, injectables, and male condoms for Bangladesh, El Salvador, Ethiopia, Ghana, Malawi, Nepal, Nicaragua, Paraguay, Rwanda, and Zimbabwe. In most countries the level of stockout rates for oral pills, injectables, and male condoms were optimum (below 15 percent)—indicating good supply chain performances for the countries receiving project support. Nevertheless, high stockout rates for contraceptives were observed in Bangladesh, Ethiopia, and Malawi. In Bangladesh, about half of the SDPs were stocked out for oral pills during the third quarter; in Ethiopia, about one-fourth of the SDPs were stocked out for male condoms during the fourth quarter; and in Malawi, more than one-fourth of the SDPs were stocked out for all the three contraceptive methods that are accessed.

The duration of stockouts for oral pills during the third quarter in Bangladesh was only for one month, which corresponded to the low stock level for that commodity at the central warehouse. This was due to Government procurement delays that have since been rectified. Although there is sufficient stock of male condoms at the central warehouse in Ethiopia, about one-fourth of the facilities were stocked out for the product due to supply chain inefficiencies. Similarly, supply chain inefficiencies were also observed in Malawi. The project needs to identify the causes of the supply chain inefficiencies in Ethiopia and Malawi and identify strategies to overcome them.

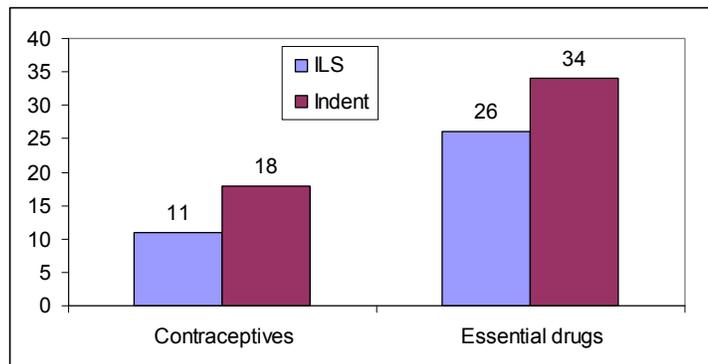
Figure 2. Stockout Rates for Oral Pills, Injectables, and Male Condom during 3rd and 4th quarters of FY2007



Tanzania has multiple supply chain systems. A facility survey, Logistics Indicators Assessment Tool (LIAT), was conducted in that country in July 2007 to compare contraceptive and essential drugs availability at the SDPs of the new Integrated Logistics System (ILS) with that of the older indent system,³ and to determine the effectiveness of the vertical logistics systems for HIV test kits, ARV drugs, and antimalarial drugs. The project supports the roll-out of the ILS.

The comparative assessment showed that product availability, while not optimal, is better in the ILS than in the indent system (see figure 3). On average, the stockout rate on the day of the visit for family planning commodities at the SDPs is lower (11 percent) in the ILS regions than it is in the indent regions (18 percent). Similarly, the average stockout rate on the day of the visit for essential medicines is also lower in the ILS regions (26 percent) compared to the indent regions (34 percent). Other product

Figure 3. Stockout Rates on the Day of Visit, ILS and Indent Regions, Tanzania, FY2007



availability indicators, such as stockout rate and stockout duration during the last six months of the survey also indicated similar findings. Among the vertical logistics systems, the availability of ARV drugs at the ART sites is optimal. On average, the assessment found that the stockout rate on the day of visit for ARV drugs is only one percent. Nevertheless, moderate stockout rates on the day of visit were observed for HIV test kits and antimalarial drugs (13 percent and 7 percent, respectively).

Compared to the facility survey (LIAT) conducted in 2005, the 2007 LIAT indicates that stockout rates on the day of the visit for family planning commodities in the ILS regions improved from 22 percent in 2005 to 11 percent in 2007.

In Nigeria, an LIAT was conducted in 2002, 2005, and 2007, which allowed logistics indicators to be compared over time for five states (Bauchi, Edo, Enugu, Oyo, and Sokoto). Substantial improvements in contraceptive commodity availability were observed between 2002 and 2005 and continued in 2007. On average, the stockout rate on the day of visit for contraceptive commodities decreased from 77 percent in 2002 to about 40 percent in 2005; it remained more or less the same level (35 percent) in 2007. Despite these improvements, the high rate of stockouts suggests that more sustained effort is needed. The percentage of facilities with stock cards available and stock cards updated for contraceptive commodities in the five states improved during the analysis period. Indicators for storage conditions also improved during that period. Both of these reflect the completion of training efforts during the past two years and increased supervision.

In Ghana, for HIV test kits, there were no SDP-level stockouts reported during the third and fourth quarter of the fiscal year 2007, while 6 to 9 percent stockouts were reported for Determine and Unigold in Zambia. There were also reports of small quantities of expired test kits in Zambia during the period. The SDP-level stock status of 12 ARV dugs was reported from Zambia during the reporting period. Although there were no stockouts for ARVs at the central level, moderate to high

³ The ILS, which had been implemented in 38 districts during the assessment, integrates the supply chains for contraceptives, STIs, and essential drugs, all of which remain vertical in the indent system. The ILS will also include the antimalaria drug supply chain in the future. Both the ILS and the indent are pull systems, but the supply chains for health and family planning commodities are not integrated in the indent system.

levels of stockouts for some of the ARV commodities were observed at the SDP level, which indicates that the ART program is still adapting to the new ARV logistics system in the country, the roll-out of which was completed December 2006. On average, 13 percent stockout rates were reported for ARV drugs, which ranged between 1 and 49 percent and remained approximately at the same level during the last two quarters of FY2007.

NUMBER OF IN-COUNTRY STAFF TRAINED

The project has done and continues to do an enormous amount of capacity building at the local level through country-specific and institutional training. During the last year, over 3,200 health workers and program staff participated in SCM training activities. Two core-funded training events took place during the first year of the project: one on supply chain management for commodity security for 21 participants from 11 countries; and one for newly employed personnel (NEPs) and IDIs from USAID for 20 participants.

At the country-level, numerous training events took place from March–September; they were entirely or partly supported by field funds.

- Supply chain management for HIV/AIDS commodity security for Zimbabwe for 21 participants.
- In Bangladesh, 42 government field staff participated in refresher training on the web-based LMIS; more than 150 government field staff received on-the-job training on various logistics management issues.
- In El Salvador, a TOT workshop was held; 14 technical personnel at the regional level and SIBASI participated. These 14 trainers then conducted 11 training events, including approximately 420 regional and SIBASI technicians, hospital personnel, and secondary-level service providers. Health promoters took part in trainings on various supply chain management issues, including use of computerized logistics systems, inventory management, quality control and utilization of LMIS, and community-based distribution system.
- In Ethiopia, about 1,000 government field staff were trained on the Ethiopian contraceptive logistics system.
- In Ghana, 12 mid-level program managers were trained on quantification and forecasting and procurement planning for ARV and tuberculosis (TB) drugs and test kits; seven SDP staff were trained on LMIS for ARVs; and 22 mid-level program managers were trained on logistics systems for lab supplies.
- In Nepal, 525 community health workers were trained on logistics; 53 doctors, nurses, and technicians were trained on HIV/AIDS logistics; 159 health assistants and assistant health workers were trained on essential drugs logistics; and 29 district store keepers were trained on basic logistics.
- In Paraguay, 286 staff from SDPs were trained on logistics management at the facility level; seven MOH, UNFPA, USAID, and project staff were trained on logistics in times of health reform.
- In Uganda, 49 facility health workers and extension health workers were trained on contraceptive logistics; 82 district condom focal persons were trained on the new condom logistics system; and 54 health workers were trained on logistics management for contraceptive and essential drugs.
- In Zambia, 110 laboratory technicians, nurses, and midwives were trained on HIV test kit logistics; 158 preventing mother-to-child transmission (PMTCT) coordinators, maternal and child health (MCH)

coordinators, and district pharmacists were trained on PMTCT roll-out; and 48 pharmacy technologists, pharmacy technicians, clinical officers, and nurses were trained on ARV logistics.

WORKING WITH LOCAL/REGIONAL INSTITUTIONS FOR SYSTEM STRENGTHENING

The project has worked with local and regional partners in 57 percent of the countries with field offices. In addition, we worked with the West Africa Health Organisation (WAHO) in West Africa, the FUEL Group in South Africa, and PRISMA in Peru. As table 3 shows, this work has ranged from contracting out supply chain services to local private firms to providing supply chain support to local nongovernmental organizations (NGOs) to supporting international and regional agencies and donors working in several countries.

Table 3. Project Partnerships with Local Organizations

Countries	Private and NGO sector
Bangladesh	Supports DGFP in contracting contraceptive transportation to private transport provider Provides product availability monitoring support to bilateral (USAID) funded NGOs. Supports the Social Marketing Company. Provides an intern program for 2 students from Dhaka University. Partners with CIDA/UNFPA to provide FWA training.
Ethiopia	Works with Jimma University and the Carter Center's Ethiopian Public Health Training Initiative to revise the Health Systems Management training.
Ghana	Partners with Vicdoris Pharmacy to monitor the supply chain of the social marketing project Supports MOH and donors to strategize the optimal distribution of condoms using the private sector. Coordinates family planning commodity order with UNFPA and MOH. Works with MOH, UNFPA, DFID, and AED on family planning/reproductive health (FP/RH) issues.
Nicaragua	Partners with Nicasalud to monitor contraceptive availability in hard to reach regions. Developed proposal with UNFPA to integrate health commodity LMIS in 3 regions. Works with PRONICASS to develop curriculum for LMIS development in 2 regions.
Paraguay	Partnered with MSH to strengthen the leadership of the contraceptive security committee participated in by CEPEP, MSPBS, and international partners (IPS). Participated in the regional workshop in Dominican Republic on logistics during health sector reform. Partnered with IPS to assess the LMIS.
Mozambique	Develops tool to collect data on facility level products stockout for bilateral (USAID) NGOs.
Nepal	Partners with Social Marketing Sector to provide logistics training.
Nigeria	Partnered with UNFPA to conduct facility survey. Signed an MOU with COMPASS to undertake effective M&E activities in all LGAs and SDPs in Kano, Nassarawa, and Bauchi states.

SUPPLY CHAIN STRENGTHENING AND LAST MILE DELIVERY EXAMPLES

Improving the availability of health commodities remains the project's top priority, with an emphasis on last mile distribution. While the data already presented indicate that progress is being made in project-supported systems, the *last mile*, defined as getting the product to the final client or user, remains a challenge. Project efforts at the field and central levels are focused on strengthening this segment, finding new and innovative ways to do so, and engaging new partners in these activities, whenever possible. Examples of the project's work in strengthening the last mile are provided below.

Zimbabwe: Direct delivery expands from contraceptives to HIV commodities, ensuring client access to products for more than 95 percent of the time

Despite continuing difficulties from the ongoing economic crisis, the DTTU system continues to function at full capacity; it supplies contraceptives and condoms to approximately 1,200 clinics nationwide. After a joint strategic planning session between the project and SCMS, it was determined that integrating HIV rapid tests and nevirapine into the DTTU system would make the best use of the resources from both projects. This is a good example of how improvements achieved by the family planning system have facilitated further achievements by USAID for the President's Emergency Plan.

The piloting process for the integration began in Mashonaland Central and Matebeleland South provinces. When the DTTU teams first went into the Matebeleland South Province in July 2007, they were given a list of 34 clinics that needed deliveries of HIV rapid test kits and nevirapine. The teams discovered that 18 more SDPs had been registered as HIV testing sites, but they were still waiting to receive their first consignment of HIV rapid test kits, nevirapine tablets, and nevirapine solution. The DTTU teams gave these sites their first consignment of HIV rapid test kits, which enabled the sites to initiate testing for HIV. The situation was the same in Mashonaland Central in August 2007 where 64 out of 112 SDPs received HIV test kits. Those that did not receive test kits were not yet commissioned as HIV testing sites.

Despite the tragic economic instability in Zimbabwe, the DTTU system in Zimbabwe is highly effective and has maintained stockout rates below 5 percent for all commodities in full supply; in contrast, basic food and commercial household supplies are very scarce. Before DTTU, stockout rates were more than 40 percent for many commodities, but since the DTTU system has been operational, many improvements have resulted, including the following:

- The project has achieved 99 percent coverage of SDPs. In the past, not all SDPs were covered, due, in part, to a shortage of commodities.
- The success of the project, especially the reliability of the MIS data, has resulted in increased donor commitment to supporting the system over the next several years.
- Despite the small training budget, only two delivery teams, comprising only four members, are required to carry out deliveries in the entire province.
- The process is less burdensome to SDP staff as they do not need to place orders for condoms and contraceptives.

- From 1998 to 2005–2006, the fertility rate decreased from 5.4 to 3.8 births per woman. (ZDHS 2005–2006). The increased availability of contraceptives through the DTTU system directly contributed to this success.
- The contraceptive prevalence rate is rising; 58 percent of currently married women report using a modern method. Government-sponsored facilities remain the main providers of contraceptive methods; 68 percent of users are obtaining methods from the public sector, which is served by the DTTU system.

As the situation in Zimbabwe became increasingly unstable and resources (diesel and trained personnel) became scarcer, the DTTU system quickly became one of the few viable options for reliable delivery of health-related commodities. NatPharm has requested that essential drugs parcels be added to the system; SCMS is exploring the possibility of managing ARVs through DTTU as well.

Uganda: Ensuring that condoms reach high risk groups/areas

Until recently, condoms were distributed in Uganda through a push system, which led to overstocking and expiries in some districts and stockouts in others. With the training of condom district focal persons, the system for condom requisition and distribution has moved from a push to a pull system. In July 2007, the project in Uganda collaborated with the MOH condom coordination unit to train 30 district condom focal persons from the newly created districts on condom logistics and the new expanded national condom distribution plan. As a result, the districts will now be able to determine their order quantities. Districts will now be able to order condoms depending on existing stock and what they have distributed to the various high risk areas. District personnel have been trained and tools developed and disseminated to monitor this system.

Beginning in October 2007, when the first district reports are expected to help improve forecasting and procurement, the Condom Coordination Unit (COCU) of the MOH will have data on distribution and condom availability in the districts. This data is being tracked in a database at the central level, which was jointly developed by COCU and the project. From the district reports, the MOH will also be able to evaluate how well the targeted high risk groups/areas (uniformed forces, bars, lodges, night clubs, landing sites, etc.) are being covered with condom distribution.

Nepal: Reaching the last mile for underserved populations

In Nepal, the Ministry of Health faced the challenge of expanding its ART program to underserved populations—those most affected by HIV/AIDS. The USAID | DELIVER PROJECT helped design a streamlined, two-tiered distribution system for HIV/AIDS commodities. USAID resources were leveraged to procure a much-needed vehicle that delivers HIV/AIDS commodities to hard-to-reach facilities every two months. Additionally, a core-funded ART site readiness assessment tool was adapted in Nepal to expand the capacity of facilities to provide ART services. These key interventions helped increase the number of those in the public sector on ART—from two sites serving approximately 104 patients in September 2005 to 16 sites with more than 1,000 patients on treatment in September 2007.

Zambia: Rapid roll-out of a national ARV logistics system

With the approval of the MOH permanent secretary, the project supported the rapid roll-out of the newly designed National ARV Logistics System. In only six weeks, a national team of trainers conducted 23 competency-based workshops for over 282 service delivery and supervisory personnel. In January 2007, the MOH at the central level was receiving, for the first time, actual consumption and stock data

from the 160 accredited ART sites in the national system. Since January 2007, more than 30 ART and 72 PMTCT-only district sites have been added to the system; an additional 290 service delivery and supervisory personnel were trained. The project conducted a TOT workshop for the newly designed National HIV Test Logistics System. The HIV test trainers then conducted 21 competency-based workshops for 458 participants from 275 sites in two pilot provinces (Copperbelt and Eastern). The pilot system will be evaluated in November 2007 before the nationwide roll-out.

STRENGTHENING COUNTRY-LEVEL COMMODITY SECURITY

Logistics systems are not independent of the environments in which they operate; they cannot operate effectively without continued support and resources. Project efforts have been deployed at the country and central levels to resolve policy, financing, legal, regulatory, and procurement issues that impede the longer-term availability of contraceptives and other essential supplies.

INDICATORS

Table 4 summarizes the key indicators from the performance monitoring plan. The data for these indicators are drawn from quarterly reports from field offices and centrally managed core-funded activities. Development of baseline contraceptive security indicators was possible for 13 out of 15 project countries where field teams completed their quarterly reports and annual reports.

Table 4. Key Country-Level Contraceptive Security Indicators from the Performance Monitoring Plan

Subcomponent 2: Country-Level Commodity Security	
Outcome	Indicator
1.2.1 Promote a policy environment that strengthens commitment to the improved availability of contraceptives, pharmaceuticals, diagnostics, and other essential health supplies through public and private sources, over the long term.	Countries receiving assistance with commodity security strategies in development and/or implementing
	Countries receiving assistance with active coordinating mechanisms in place
	Percentage of MOH requirements covered by government resources
	Countries receiving assistance with drug policy and regulatory issues identified and working towards resolution
1.2.3. Improve data management and decision making.	Quarterly reporting rates and MIS updates

COUNTRIES WITH COMMODITY SECURITY STRATEGIES

The presence of a contraceptive security (CS) strategy in a country can be indicative of an in-country commitment to CS. Even where countries are not systematically implementing the strategy, it can help partners determine priorities and develop activities to strengthen CS. Of the 14 project countries considered (South Africa is not included for this indicator because the project has a limited mandate), six countries—Ghana, Malawi, Nigeria, Uganda, Rwanda, and Nicaragua—reported having a CS strategy, or another strategy that contained a significant CS component that was being implemented. Of course, the degree of implementation varies by country. Ghana has a CS committee that prioritizes their plans based on their CS strategy, while Malawi implements a more

limited strategy. Nepal reported having a CS strategy that is awaiting endorsement; Ethiopia has a strategy that is not being implemented; and Mozambique is currently developing a strategy, while Bangladesh has an outline strategy. Zambia is currently developing a HIV/AIDS commodity security strategy. Tanzania does not have a CS strategy, but it has recently undertaken a CS assessment—a key step toward developing the strategy.

COUNTRIES WITH ACTIVE COORDINATION MECHANISMS IN PLACE

The presence of an active CS coordination committee can help maintain a focus on CS, strengthen coordination between stakeholders, and reduce duplication and the waste of resources. Apart from three countries—South Africa (where the project’s mandate does not extend beyond condoms), Bangladesh, and Mozambique—all the project countries had an active CS coordination body. Mozambique has drawn-up the Terms of Reference for a group, but it has not yet been formally established.

PERCENTAGE OF MOH REQUIREMENTS COVERED BY GOVERNMENT RESOURCES

Financing of contraceptive procurement using national government resources is indicative of a strong national commitment to CS. Of the project presence countries, most are using their own national resources to finance contraceptives to a greater or lesser degree. Paraguay finances about 57 percent of the public sector need for contraceptives from its internally generated funds, Ghana about one-third, Uganda about 14 percent, Rwanda 10 percent, and Ethiopia about 8 percent (including contributions of regional governments). In addition, a number of countries use World Bank credits to finance contraceptive procurements, including Bangladesh, Tanzania, and Nicaragua. Countries using basket funds to finance contraceptive procurement include Nepal (which also contributes internally generated funds), Malawi, Mozambique, and Tanzania. In addition, Mozambique has committed to funding contraceptives in 2008. Nigeria and El Salvador do not finance contraceptives. By comparison, a core-funded project survey of contraceptive financing in USAID-presence countries found that, of the 44 responses received, only 28 were actually using their own resources to finance contraceptives.

DRUG POLICY AND REGULATORY ISSUES

Inclusion on National Essential Medicines List

Inclusion of contraceptives on the National Essential Medicines Lists (NEML) can be vital to strengthening contraceptive security; and influencing decisions on resource allocation, procurement, provider training, etc. Generally, the trend in project countries regarding the inclusion of various methods in the NEML is positive. All project countries responding had some method listed on their NEML, and many countries had most of the major methods listed in the Interagency List of Essential Medicines for Reproductive Health (WHO 2006) on their NEML (see table 5). The exceptions were Paraguay, where only combined oral pills (COC) and injectables are on the NEML; Bangladesh, which does not include progestin only pills (POP); and Uganda, which does not include IUDs on their NEML. Emergency contraceptive (EC) pills are found on only five country lists. A number of methods that are not included on the interagency list—female condoms and implants—are not listed as often on the NEML as well. Female condoms are found on only six country lists and implants on eight. By country, percentage coverage of these eight methods varied from a low of 25 percent in Paraguay to 100 percent in Ethiopia and Ghana, with a country average of 75 percent. This compares favorably with a 2003 WHO-sponsored study of 112 NEMLs, which determined that

coverage of the nine interagency medicines was 33 percent (WHO 2003). While the lists are not identical—the interagency list includes two injections, diaphragms, and two COCs, and does not include implants and female condoms—the difference in coverage is significant. However, non-inclusion on a list does not necessarily mean methods are not available. For instance, Uganda’s list does not include male condoms, which are a priority item in that country. Nevertheless, inclusion on the list makes it more likely that methods will be available.

Table 5. Status of Main Contraceptive Methods and National Essential Medicines Lists

	COC	POP	EC	DPMA (3-month)	IUD	Male condoms	Female condoms	Implants	% Coverage (by country)
Ethiopia	✓	✓	✓	✓	✓	✓	✓	✓	100
Ghana	✓	✓	✓	✓	✓	✓	✓	✓	100
Malawi ⁴	✓	✓	✗	✓	✓	✓	✗	✓	75
Mozambique	✓	✓	✓	✓	✓	✓	✓	✗	88
Nigeria	✓	✓	✓	✓	✓	✓	✓	✗	88
Rwanda ⁵	✓	✓	✗	✓	✓	✓	✓	✓	88
South Africa	✓	✓	✓	✓	✓	✓	✓	✗	88
Tanzania	✓	✓	✗	✓	✓	✓	✓	✓	88
Uganda	✓	✓	✗	✓	✗	✗	✗	✓	50
El Salvador ⁶	✓	✗	✗	✓	✓	✓	✗	✗	50
Nicaragua ⁷	✓	✗	✗	✓	✓	✓	✗	✗	50
Paraguay	✓	✗	✓	✓	✗ ⁸	✗ ⁹	✗	✗	38
Bangladesh	✓	✗	✓	✓	✓	✓	✗	✓	75
Nepal	✓	✗	✓	✓	✓	✓	✗	✓	75
% Coverage (by method)	100	64	57	100	86	86	50	57	75

Source: Project quarterly reports, ✓ indicates yes and ✗ indicates no

Drug registration

In most cases, contraceptive brands procured by USAID and other major donors are registered in the country. There are a few exceptions. Mozambique does not require registration for medicines procured by the government or donated by major donors. Lo-Femenal is not currently registered in Tanzania, but the process to register it has begun; the same situation applies to Implanon and Jadelle in Nigeria. Emergency contraceptive (EC) pills are not registered in a large number of countries, which is not surprising because they are not widely distributed in countries.

⁴ Listed in Malawi’s Essential Health Package Commodity list; a prerequisite for resource allocation, procurement and availability in the public sector.

⁵ Rwanda NEML also includes cycle beads.

⁶ El Salvador’s NEML also lists two-month injections.

⁷ Nicaragua’s NEML also lists a monthly injection.

⁸ IUD reportedly about to be added to the new EML for Paraguay.

⁹ The same is true for male condoms.

QUARTERLY REPORTING RATES AND MIS UPDATES

Quarterly reports from field offices are crucial to tracking progress against project performance indicators and to providing data that are included in the contraceptive security report shared with the countries-at-risk group of the Reproductive Health Supplies Coalition. To date, there is 100 percent reporting for the quarterly reports from our field offices. We have, in collaboration with CSL, designed and started publishing the monthly Procurement Planning and Monitoring Status Report, which uses much of the data in the quarterly reports; and we have started building a repository to hold all the data from those reports.

EXAMPLES OF STRENGTHENING COMMODITY SECURITY

As the section above shows, commodity security efforts are integral to most of our country workplans, and they are the focus of the core-funded policy team, as well. Following are a number of examples of commodity security achievements.

Bangladesh: Early warnings and support limit stockouts due to procurement delays

The project has supported the Government of Bangladesh (GOB) procurements since the previous DELIVER project, including local consulting support, procurement training, and advocacy with officials at different levels to keep the procurement process working. The GOB delays earlier in 2007 contributed to widespread stockouts, but with constant support from the project, bottlenecks and delays were overcome and procurement orders were confirmed in order to minimize further stockouts. Support included following up with GOB officials and donor partners and providing technical input to the procurement process to ensure dossiers continued to move through the bureaucracy. If deliveries arrive on time, Bangladesh will have a stable supply of contraceptives, with injectables stocked until June 2010, condoms until January 2012, oral pills until May 2009, and IUDs until October 2009.

Ghana: Identifying gaps and drawing on multiple partners to address them ensures financing for short- and long-term

Between January and February 2007, the project helped USAID/Accra address an impending shortage of condoms (caused by a misunderstanding of expectations between GHS and Department for International Development (DFID), the acknowledged provider of condoms to GHS) by providing 21 million no-logo condoms to fill the gap.

After the CPTs were prepared in February 2007, the project worked with the Government of Ghana (GOG) (MOH/GHS) to use an initial \$1 million to purchase contraceptives through UNFPA. The project also advocated with UNFPA for the purchase of contraceptive commodities worth \$2.5 million to fill the gap for the remainder of the year. UNFPA will provide 31 million condoms; the project has started discussions with other contraceptive stakeholders about their distribution to ensure the maximum impact. Although the condoms belong to the public sector, proposals for distribution from the private sector have been sought and are being studied.

The Financial Sustainability Plan for contraceptive procurement was developed by the project and presented to the Inter Coordinating Committee for Contraceptive Security for adoption. We were subsequently tasked to finalize the document with the addition of GOG financial commitments for 2007–2011. This was completed and the document was adopted in October 2007.

LAC: Are countries achieving contraceptive security? Indicators developed and tracked by CS committees help measure progress

To periodically measure the Latin America and the Caribbean (LAC) country progress toward attaining contraceptive security, a key set of indicators was developed, piloted in El Salvador, and adjusted for application in the LAC region. Initially, these data are to be collected by CS committees and the project staff where there are active committees. The eventual goal is to institutionalize both the collection of these indicators and the use of this information for decision making. To facilitate ease of data collection by host country counterparts without the need for outside technical assistance, a guideline for how to collect these data was developed. These data will serve MOH staff, the CS committees in-country, USAID missions, and USAID/Washington. To date, data have been collected from Bolivia, Paraguay, Peru, Dominican Republic, Nicaragua, and Guatemala. A guideline and template are forthcoming in the first quarter of FY2008 for the practical use of these data for decision making.

Nicaragua: Ensuring reliable financing and supply after donor support is withdrawn

In 2007, the project worked closely with the CS committee to ensure that an MOH budget line item for contraceptives and commitment of funds was included. The MOH has allocated \$100,000 to procure condoms. To obtain information about local prices for contraceptives, the project and the MOH discussed the importance of issuing a tender for Depo-Provera to assess the cost of this product in the local market and to prepare financial scenarios that will help the MOH make decisions about potential contraceptive suppliers. With this information, the Minister of Health requested that UNFPA become the procurement agent for future contraceptive purchases on behalf of the MOH.

Zambia: Procurement plan established for HIV test kits and ARVs

With 27 participants from 22 different organizations, the MOH, with project assistance, finalized an HIV test quantification and procurement plan for 2007–2009 that encompasses diverse funding and supply sources. Prior to the quantification exercise, a review of policy documents and HIV testing guidelines, as well as discussions with key MOH laboratory staff, were conducted. This was followed by the two-day quantification workshop with the representatives from the MOH and stakeholders. During the participatory workshop, key assumptions were discussed and documented. ProQ, an HIV test kits quantification tool developed by JSI, was used to project the required number of HIV test kits.

With 21 participants from 12 different organizations, the MOH, with assistance from the project, completed a three-day quantification and procurement planning exercise for ARVs. Agreement was reached on a target of 150,000 patients (adult and pediatric; first and second line) by the end of 2007. A target of 200,000 patients was used for 2008 and 230,000 was used for 2009. Agreement was also reached on the percentage of cases expected to be treated by each treatment regimen.

IMPROVE ADVOCACY AND COLLABORATION WITH GLOBAL AND REGIONAL PARTNERS FOR CS

A central component of the project’s work is coordinating with global partners to improve CS, including disseminating information and best practices and leveraging the project’s work to strengthen CS in countries where we do not necessarily have a presence or where funding is limited.

INDICATORS

Table 6 summarizes the key indicators from the performance monitoring plan that we report on. The data for these indicators are taken primarily from centrally managed core-funded activities.

Table 6. Key Advocacy and Collaboration Indicators from the Performance Monitoring Plan

Objective 2: Improve Advocacy and Collaboration with Global and Regional Partners for Commodity Security	
Outcome	Indicator
2.2. Generate knowledge about commodity security and disseminate it among international and regional partners.	Number of international and regional commodity security events with project presence
	International coordinating groups (CAR, RHSC, RHI) are using project materials

NUMBER OF INTERNATIONAL AND REGIONAL CS EVENTS WITH PROJECT PRESENCE

During the last year, project staff were part of a number of commodity security initiatives and meetings with international and regional partners. Staff participated in consultative meetings with teams from various international organizations that visited the project to discuss a range of product availability issues; the groups included Roll Back Malaria, consultants working on the artemisinin-based combination therapy (ACT) subsidy, the Medicines Transparency Alliance, WHO, and UNFPA. The project also collaborated in several international events:

1. Reproductive Health Supplies Coalition (RHSC) meeting in April 2007
2. UNFPA reproductive health (RH) commodity security champion’s meeting in September 2007
3. UNFPA-sponsored Regional Caucasus–Central Asia RHCS workshop
4. Latin America regional workshop that focused on logistics in the context of health reform

5. WAHO meetings to move the informed buying concept forward
6. WHO in Geneva to develop a tool to cost existing and alternative supply chain options.

INTERNATIONAL COORDINATING GROUPS ARE USING PROJECT MATERIALS

UNFPA, as part of its new global strategy, is undertaking reproductive health commodity security (RHCS) assessments and strategic planning in a number of conflict-affected countries, including Angola, Rwanda, Haiti, Sudan, Liberia, Sierra Leone, DR Congo, and Senegal. The assessments have used a combined tool based on DELIVER's Logistics System Assessment Tool (LSAT) tool and the Strategic Pathway to Reproductive Health Commodity Security (SPARHCS) tool, which was jointly developed by the project with other partners. JSI staff have to a large extent carried out the work under a separate UNFPA contract, drawing on and disseminating project best practices for RHCS and strengthening coordination with USAID activities in-country. For instance, in Liberia, the UNFPA-funded assessment focused on other RH commodities and built on an earlier USAID-funded assessment for contraceptives. In Mozambique, the JSI teams working with UNFPA improved coordination in-country with other partners, including the project office. These activities illustrate how USAID's investment in commodity security leadership is generating additional dividends by agencies, such as UNFPA-funded activities that are based on and use USAID-developed technical resources to advance global contraceptive security.

EXAMPLES OF IMPROVING ADVOCACY AND COLLABORATION

The project is able to leverage the extensive work it does in-country and translate it into policy and financial requirements, lessons learned, and best practices at the international level. This enables the project to be a powerful advocate on behalf of country programs and, ultimately, for end users. Several examples of improved advocacy and collaboration are presented below.

Reproductive Health Supplies Coalition

At the RHSC semi-annual meeting, held in London in April 2007, the project contributed extensively to the session on LAC country-level perspectives. This meeting presented an overview of the donor community's future plans to support CS in different regions, as well as a discussion of commodity security and country perspectives on CS. The project participated in both the larger meeting of the coalition as well as internal meetings. It also facilitated the session on RH commodity security where country representatives shared experiences in working with or being part of contraceptive security committees in their countries. The substance and success of the April country-focused sessions informed the development of the LAC regional theme for the subsequent October 2007 RHSC meeting in Washington, D.C. The project played a key role in developing strategic messages for the October meeting, and they facilitated sessions in partnership with USAID, USAID | HPI, and the RHSC secretariat.

Reproductive Health Interchange

Project resident advisors and their team members provided either direct assistance and/or guidance to the Reproductive Health Interchange (RHI) team for in-country data collection in Ethiopia, Ghana, Rwanda, Guatemala, and Honduras. Drawing on our established relationships, the USAID | DELIVER PROJECT team organized technical meetings, provided background information, and served as one of many interviewees for the RHI team. One outcome from this collaboration is that,

as we move forward, the RHI data can help the project with its commodity management activities while enhancing donor collaboration and, therefore, CS in these countries. Support was also provided by project procurement staff, who shared cycle bead procurement information with the RHI. This is a new method, and considered important to groups working to improve awareness about and knowledge of fertility awareness-based methods.

Regional Caucasus—Central Asia RHCS workshop

UNFPA is a key partner for CS. A project advisor attended this workshop and facilitated a session on the use of the SPARHCS and LSAT tools—key tools developed by the project. The workshop was held in Georgia and attended by the MOH and UNFPA representatives from nine countries in the region: Armenia, Azerbaijan, Georgia, Moldova, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

Latin America: Logistics in the context of health reform

An eight-country regional interactive workshop took place on logistics in times of health reform for managers and RH staff. The goal of this workshop was to operationalize decentralization and integration reforms within the logistics system in order to maintain contraceptive logistics gains. The workshop relied heavily on two documents produced by DELIVER in 2006 on the decentralization and integration of contraceptive logistics systems in LAC. Topics covered included an analysis of the logistics cycle during times of decentralization and integration, including all functions in the logistics cycle (e.g., MIS, procurement, and inventory management systems).

Collaboration with WHO

Project staff traveled to Geneva to present to WHO Divisions and Global Fund staff a prototype costing tool—developed jointly by USAID, the project, the World Bank, and WHO—that analyses the cost of the current logistics system and compares it to a number of system options in terms of warehousing, transport, and inventory, taking into account customer service levels. Further meetings have been planned with the following WHO Divisions: Reproductive Health, HIV/AIDS, Roll Back Malaria, and Essential Drugs.

In addition, project staff were contracted directly by WHO to support work with the East African Economic Community on pooled procurement.

Organizing forums to strategize investment

The project contributed to the support of global advocacy and collaboration by helping to organize several high-profile events, including the State of the Practice: Contraceptive Security in Latin America and the Caribbean, held in Washington, D.C., in October 2006. This event focused on common findings across countries and recommendations that merited investment at the regional and country level to ensure future contraceptive security.

Sharing best practices at international events

To widely disseminate best practices, the project developed panel presentations, poster presentations, and informational literature for the American Public Health Association Conference, the PEPFAR Implementer's Meeting, the Global Health Council Conference, the UAPS Conference in Arusha, and the XVI International AIDS Conference.

Contraceptive security ready lessons

Contraceptive Security Ready Lessons is a series of briefing documents on various aspects of CS, including suggestions for practical steps that USAID missions and their partners can take to strengthen CS. The first set of five lessons were prepared in 2005; in 2007, project staff authored or co-authored two new briefs on CS in the context of integrated supply chains and implementing whole market approaches for CS.

SPARHCS Process Guide

The SPARHCS guide, published in 2005, is one of the most widely requested and used CS documents. The guide includes a framework for reproductive health commodity security and an assessment tool. The project identified the need for a companion piece to the SPARHCS document; essentially a *how-to* manual that provides guidance on how to use a multi-stakeholder, collaborative process to implement SPARHCS in-country. The guide will be published shortly.

DISSEMINATION OF BEST PRACTICES

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 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 the project's far-flung partners is through the project's web site. 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 successfully disseminated through an effective communications vehicle.

The statistics on project web site use are indicative of the demand from the field. During this reporting period, the number of visits to the project website nearly tripled compared to the previous year—from 153,000 to 430,000 visits. There were more than 92,000 publications downloaded from the website, an increase of 77 percent. The project has also fulfilled orders for more than 14,200 print publications, tools, and software requested by individuals and organizations in more than 54 countries—more than a 40 percent increase in order fulfillment over last year. The project completed 58 new or updated publications and disseminated them to more than 45 newsletters and electronic listservs.

COLLABORATION WITH OTHER PARTNERS

DELIVER's previous successful collaboration with WHO in a pooled procurement study has resulted in other areas of technical cooperation, including recognition of similar strategic approaches to CS; work to jointly promote a set of standardized supply chain assessment tools for contraceptives, HIV/AIDS commodities, and other essential medicines; and enhanced country-level program coordination, notably in Zambia and Mozambique.

The project was one of three outside organizations serving as observers to the UNFPA RHCS Champion's meeting held in September 2007. The meeting brought together people who have advanced the cause of RHCS through country- and regional-level advocacy, policy change, and technical support. The two-day event was an opportunity for stakeholders to share experiences and

lessons learned in advocating for and supporting RHCS interventions within their various countries and for UNFPA to update RHCS champions on UNFPA's mandate, generally, and RHCS and advocacy, in particular. The participants developed a communiqué that outlines their shared commitment to RHCS and identifies key strategies of focus.

To support efforts in knowledge management, the project also helped develop WHO's *Implementing Best Practices (IBP) Initiative's Consumer Reports for Knowledge Management*. In addition, the project actively participated in HIPNET by sharing resources and job aids related to branding and marking, editing, and translating of documents.

The project also participated in the USAID Office of HIV/AIDS Communications Working Group meetings to collaborate with other partners, agencies, and organizations to discuss USAID, OGAC, and project messaging, strategy; and communications efforts to promote awareness of the HIV/AIDS work that USAID and its partners are doing.

IMPROVE USAID’S PROVISION OF COMMODITIES TO PROGRAMS

In collaboration with USAID, and project subcontractors Crown Agents USA, Inc. (CAUSA), PATH, and Family Health International (FHI), the project developed and presented a project procurement vision and strategy. This included a long-term strategy that addressed elements such as market and risk assessments, communication, quality assurance, partner relationships, and state-of-the-art procurement practices. It also included short-term strategies, such as reviewing product specifications and contract terms and conditions; coordinating the transition with Agility, USAID’s freight forwarder; and developing indicators to assess the success of project procurement.

To meet the new direct procurement mandate, the DELIVER project’s NEWVERN operations team was completely restructured. The new team includes technical experts in demand planning, procurement, finance, and customer service. To monitor and improve quality performance, standard operating procedures (SOPs) are being developed for all work processes. Additionally, the team worked with USAID to define roles and responsibilities for procurement between USAID/ Central Contraceptive Procurement (CCP) and the project.

INDICATORS

Table 7 summarizes the key indicators from the performance monitoring plan that we report on. The data for these indicators are drawn from NEWVERN and data captured by the procurement and MIS teams. Each indicator is reported on separately.

Table 7. Key Indicators from the Performance Monitoring Plan

Objective 3: Improve USAID’s Provision of Commodities to Programs—all indicators will be used to assess project performance	
Outcome	Indicator
Subcomponent 1: Support to USAID’s central procurement systems	
3.1.2. Support USAID central commodity procurement system.	% of orders shipped <=30 days of desired date
	% of notes issued > than 15 days prior to ship date
	% of memos issued with agreed lead time
3.1.3. Transition to new USAID MIS contract.	CSL informed of transition progress, approves key reports from new MIS
	Reports developed
Subcomponent 2: Direct procurement service	
3.2.1. Establish an effective, competitive, transparent capability to procure required commodities compliant with USG regulations.	% of contracts adhering to all USG guidelines and requirements
	Supplier fill rate (full quantity on time)
	Improvement in appropriate inventory turns over time

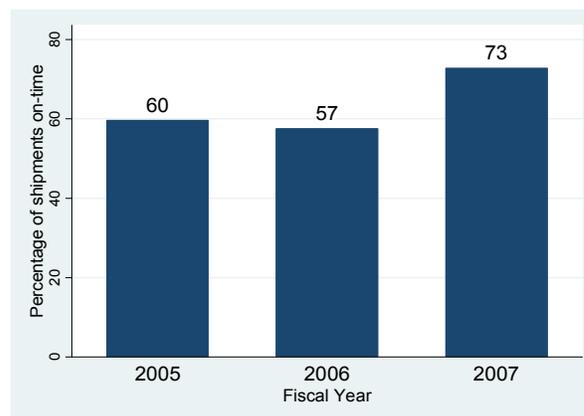
SUPPORT TO USAID’S CCP SYSTEM

In the first year, the operations team provided on-going support to CCP for funds, shipment, and inventory management; regular and special reporting; and Production and Warehouse Memos. During the transition to the new MIS, the project continued to operate NEWVERN for TO1 contracts held by USAID and JSI. Performance against project indicators is described below.

PERCENTAGE OF ORDERS SHIPPED ≤30 DAYS OF DESIRED DATE

The bottom line measurement of success for the CCP system is the timely response to the contraceptive assistance needs requested by the recipients. The project monitors the responsiveness to the client by measuring on-time shipment rates. Seventy-three percent of the 466 contraceptive shipments to 93 recipients in 57 countries during the fiscal year 2007 were within 30 days of the desired shipment date set forth by the recipients (see figure 3). The 16 percentage points increase in the on-time shipment rate in fiscal year 2007 from the rate observed in the fiscal year 2006 is impressive, particularly because the on-time shipment rate had remained more or less constant during 2005 and 2006.

Figure 4. Trend in On-time Shipments, FY2005 to FY2007

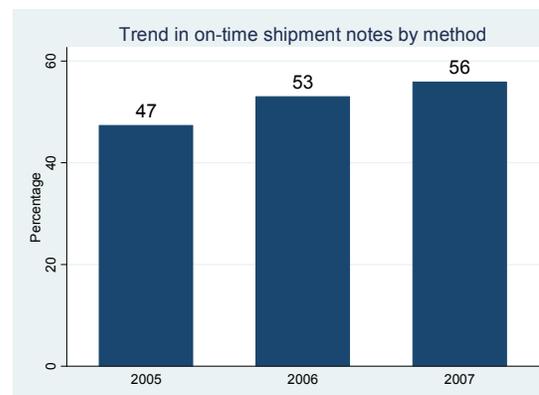


The new MIS being developed for the project, ORION, tracks on-time contraceptive shipment receipt date rather than on-time ship date. Because on-time receipt rate by contraceptive assistance recipients is a better indicator than the on-time shipment rate to monitor timely response of the CCP to contraceptive assistance needs, this will measure performance more accurately.

PERCENTAGE OF WAREHOUSE AND PRODUCTION MEMOS ISSUED > THAN 15 DAYS PRIOR TO SHIP DATE

To monitor the vital functions of the CCP team to initiate on-time shipments, the project monitors whether Warehouse Memos and Production Memos are issued on time. The Warehouse Memo initiates shipments from warehouses, while the Production Memo initiates commodity supplies from the manufacturer. During the last three fiscal years, the percentage of Warehouse Memos issued more than 15 days prior to the desired shipment date for all contraceptives increased from 47 percent in 2005 to 56 percent in 2007—which may partially explain the significant improvement in the on-time shipment rate observed between 2006 and 2007 (see figure 4).

Figure 5. Trend in On-time Shipment Notes



However, other factors may have also contributed to the improvement in on-time shipments. Through careful commodity management, buffer stock levels have risen to target levels for previously stocked out or nearly stocked out items: Depo-Provera, orals, and condoms. The data on

on-time Production Memos issued were only available for the 2007 fiscal year. Seventy-six percent of the 82 production memos issued during 2007 were issued according to the lead time agreed to in the purchase contract. The majority of the production memos that were late were due to the inability to finalize the production levels and sources with the manufacturer in the required lead time; specifically, scheduling shipments of orals because of production problems at Wyeth Pharmaceuticals. A few were late due to modification of some of the original purchase contracts.

TRANSITION TO A NEW MIS

The new MIS will support the project's new, broader procurement mandate, allow the project to effectively manage procurements for multiple task orders, and support the project's mandate to strengthen global and regional coordination and advocacy for commodity security. The MIS will operate on a web-based platform. Much more than a simple project website, it will contain real-time information about shipments of supplies procured under USAID's central procurement system, near real-time information about the commodity security status of USAID-supported countries, reference material on commodity security and logistics, and links to other sources of information. It will also facilitate communication among logistics professionals in the developing world and serve as an intranet for project staff.

As a web-based system, users will be able to access the MIS from around the globe, as well as in Washington, D.C. This evolving system is well on its way to operating as a user-friendly, *one-stop shop* for procurement of products related to family planning and other essential health commodities. Over this past year, extensive progress has been made in establishing the foundation needed for the new system to serve TO1 successfully.

The MIS comprises three major building blocks:

- *Data repository* includes the ORION Enterprise Resource Planning System from 3i Infotech, a supply chain management computer system; the data warehouse that holds historical NEWVERN and avian influenza (AI) data, as well as data views from ORION; and data storage for various smaller applications.
- *Component applications*, which includes additional commercial software packages and custom applications that provide functionality to support the supply chain, such as demand planning, online ordering, CPTs, shipping notes, freight rate calculation, and electronic data interchange (EDI) processing.
- *Project website*: deliver.jsi.com, which is a redesigned project website with permissions-based access designed to serve various audiences, including USAID/Washington, missions, project and procurement staff, recipients, affiliates, and the general public. The project website is the principal mode of access to information in the data repository.

Performance against specific project indicators is described below.

CSL INFORMED OF TRANSITION PROGRESS, APPROVES KEY REPORTS FROM NEW MIS

In March 2007, the project brought together senior managers of the project, CTOs, USAID staff related to each task order, software developers, and technical team leads to introduce all stakeholders to the MIS development plan and confirm the plan's vision and timeline. This critical

meeting set the stage for weekly meetings of a focused steering committee that would review every aspect of the MIS development and make key decisions as the work progressed.

As part of the new business model, the system must serve all three task orders seamlessly, and all underlying structures for the system must be carefully integrated. This requires careful planning and collaboration among the managers of each task order. The MIS Steering Committee has met regularly since March 2007; it will continue to play a central role as the MIS evolves.

MIS ACHIEVEMENTS

The ORION framework is the foundation of the supply chain management system; it is used to implement all sales order management, procurement, inventory management, distribution, shipment tracking, and procurement-related financial management functions. Building the ORION component is a precondition for any other component of the MIS; work on this piece was started soon after the IQC was awarded. ORION release 1 was completed in June 2007 and release 2 will be completed in November 2007. While these two releases provide operational support to Task Orders 2 and 3, the development of all functionality applies to Task Order 1 as well. Releases 2.1 (ORION enhancements) and release 3 (complete system) are currently under development.

The extensive existing functionality and data requirements of TO1, which is currently being served by the NEWVERN system, requires numerous applications, in addition to ORION, to be in place before TO1 can use the MIS. The implementation of these additional components, which includes the project website, is scheduled for the end of March 2008. Although the original deadline for the entire system was October 1, 2007, it became clear as requirements were developed that the complexity and scope of building a system to incorporate three different task orders was far greater than anticipated. An extension of the release for the complete system with all components operational was, therefore, requested and approved.

Figure 6. MIS Benchmarks

The USAID | DELIVER PROJECT has met the following benchmarks:

MIS Release 1.0

- ORION™ R1.0 Deployed
- Used by the Procurement Unit for all TO2 and TO3 procurement activities
- Historical TO2 shipments consolidated in spreadsheet for easy reporting.

MIS Release 2.0

- ORION™ R2.0 deployed November 12, 2007
- Functionality for TO1, TO2, TO3
- Payable and nonpayable transactions functionality implemented
- JSI Customer Service Request System deployed in November 2007.

MIS Release 2.1

- ORION™ R2.1 requirements defined
- Functionality that the Procurement Unit needs before R3.0
- Deployment in January 2008.

MIS Release 3.0

- Website framework and design, search capabilities, content management system, and access control structures in development
- Requirements for My Commodities, Freight Rate Calculation, CPTs, Shipping Notes Application, and EDIs defined November 2007
- Deployment in March 2008.

For release 3, the framework of the project website is well underway. Project staff have fully defined information architecture, site design, content management system, and access control structures. The highly detailed process of pinning down the specific requirements for every possible action an MIS user may perform is the bedrock of any successful development effort, and much effort has been made to gather input from users and to analyze existing NEWVERN functionality

for the complex “My Commodities” area of the website. In cooperation with the MIS Steering Committee, a user survey was conducted to collect comments on the NEWVERN website and user input for the new MIS. With wireframes and site specifications in hand, programmers are currently building and deploying sections of the new website to a test server.

DIRECT PROCUREMENT SERVICES

Direct procurement services is one of the new mandates for the project and the first year saw the project rapidly expand into this new role. Over the course of the year, the project and CSL spent a great deal of time working through the project and CSL’s roles and responsibilities in executing this new mandate and in developing policies, procedures, and templates. The result of this hard work is that the project has successfully procured a significant volume of commodities on behalf of USAID. Performance against project indicators is described below.

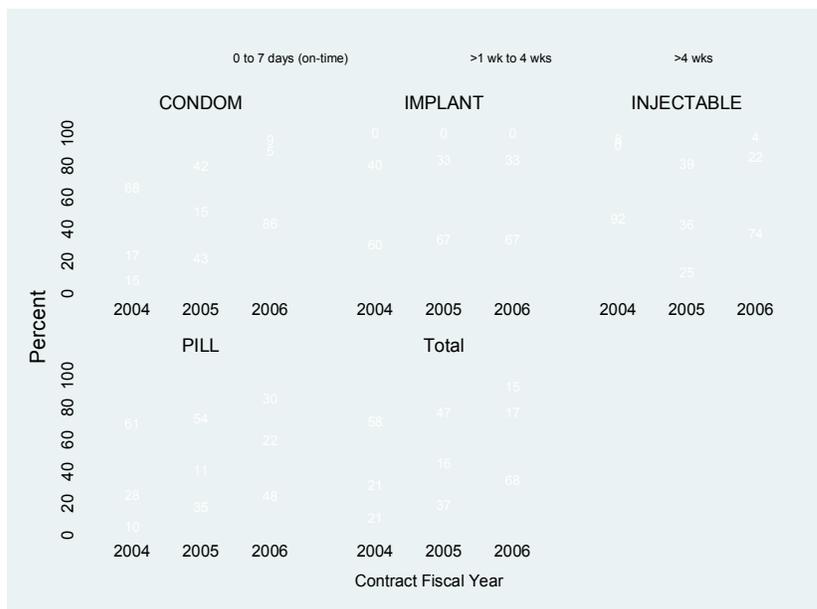
PERCENTAGE OF CONTRACTS ADHERING TO ALL UNITED STATES GOVERNMENT GUIDELINES AND REQUIREMENTS

During FY2007, the procurement team purchased 20 million cycles of the oral contraceptive, Duofem, (\$6.2 million), 5 million female condoms (\$4 million), and 20,000 cycle beads (\$19,800). All purchases were according to U.S. Government guidelines; purchases of Duofem and female condoms were approved by the Office of Acquisition and Assistance (OAA) because the value exceeded \$100,000. The team issued RFPs for major procurements of IUDs and orals, the review panels evaluated responses, and discussions with vendors are planned. HIV test kits were procured for Pakistan and Zambia.

SUPPLIER FILL RATE (FULL QUANTITY ON TIME)

The procurement team is using the supply fill rate (defined as on-time full quantity delivery rate of commodity purchase orders) as one of the indicators to monitor how well USAID and the project are managing procurement contracts. The supply fill rate within seven days of the desired date is considered on time (see figure 6). The data is presented according to method and contract fiscal year. Orders from a particular fiscal year are usually supplied through the following calendar year. For example, 74 percent of the purchase orders for injectables from the FY2006 contract were supplied on-time in calendar year 2007. The on-time supply fill rate for FY2006 contracts was the highest for

Figure 7. Trend in the Percentage Distribution of Full Quantity Supply Fill Shipments According to Delay Period, by Method and Contract FY



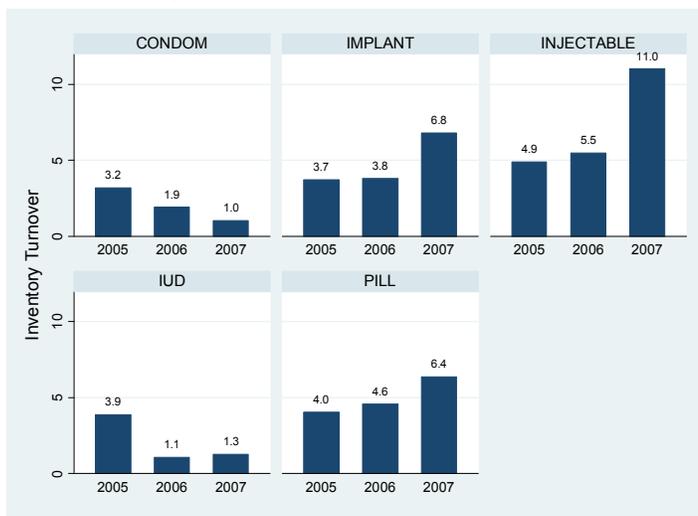
condoms (86 percent) followed by injectables (74 percent), implants (67 percent), and pills (48 percent). Even though low on-time supply fill rate for implants and pills were observed for the 2006 contract fiscal year shipments, 100 percent of the shipments for that period for implants and 70 percent for pills were within four weeks of the on-time date. Between FY2004 and FY2006 contracts, the on-time supply fill rate has been improving for all contraceptive shipments, primarily attributable to the improvement in on-time supply fill rate for condoms and oral contraceptives.

IMPROVEMENT IN APPROPRIATE INVENTORY TURNS OVER TIME

To monitor the efficiency of the central contraceptive inventory management system, the project monitors inventory turnover rate (see figure 7). The inventory turnover is a ratio indicating how many times a product in the warehouse is shipped and replaced over a period of time. For example, during the FY2007 the average inventory for implants was about 22,100, while about 150,500 implants were shipped from the warehouses during that period, indicating that the inventory turnover for implants was 6.8 ($6.8 = 150.5 \div 22.1$). Higher inventory turnover ratio for a product indicates relatively efficient inventory management, resulting in a lower inventory maintenance cost. The

inventory turnover rates for FY2007 indicate that the inventory management for injectables is most efficient (11.0), followed by implants (6.8), pills (6.4), IUDs (1.9), and condoms (1.0). The trend in inventory turnover rate indicates that inventory turnovers have been improving for implants, injectables, and oral pills; however, it has been declining for condoms and IUDs. The inventory turnover for condoms decreased mainly because of the receipt of back orders from suppliers that USAID was not sure they would receive. The inventory turnover rate for IUDs had a predictable decline as USAID built up additional buffer stock to sustain the time between the end of one contract and the beginning of another, during which time USAID revisited their IUD strategy.

Figure 8. Trend in Inventory Turnover Rate for Contraceptive Methods



PROGRESS ON IMPLEMENTING THE PROJECT'S NEW BUSINESS MODEL

USAID key staff made it clear to 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. The new business model does not have specific indicators in the project performance monitoring plan; therefore, progress against each of the requirements is described qualitatively below.

INNOVATION AND BEST PRACTICE

To improve product availability, particularly at the last mile, USAID challenged the project to seek innovative technical, procedural, policy, and organizational solutions. The project has responded at the country- and the central-level. Several examples, given below, demonstrate the pursuit or adoption of innovative approaches.

SOFTWARE INNOVATION

In collaboration with SCMS, the project has developed and released PipeLine version 4.0. PipeLine is a best-in-class desktop software tool—it helps program managers plan optimal procurement and delivery schedules for health commodities, and it monitors their orders throughout the supply chain. Policymakers, product suppliers, and donors can generate reports, estimate future product needs, and use the software as a key tool in program planning. This effective tool has been used in more than 40 countries around the world. Developed first for contraceptives, PipeLine has been expanded to manage a full range of health commodities: ARVs, malaria and tuberculosis drugs, HIV test kits, and laboratory supplies. This latest version is more user-friendly and has enhanced features, such as importing and exporting data for managing a wide range of health commodities for programs, including RH, HIV/AIDS, malaria, and tuberculosis.

New features of PipeLine version 4.0 include—

- automation for efficiency and accuracy
- enhanced visibility for demand planning, export shipment, and consumption and stock data
- information sharing with stakeholders
- flexible reporting with data export to Microsoft Excel to sort and view data
- generating health indicators.

PipeLine is available in Arabic, English, French, Portuguese, and Spanish.

BANGLADESH

Historically, with one of the longest running country programs, Bangladesh has always led the way in supply chain innovations. In the last year, several innovations have helped improve data flow and management and helped ensure that supply chain problems are identified and addressed quickly. LMIS software has been installed in 18 Regional Warehouses (RWHs), with an additional three warehouses planned. Of these, eight RWHs are currently uploading data through Internet connections; 10 RWHs will soon begin uploading data. The next step is the soon-to-be launched web-based LMIS. This will shorten the time needed to prepare the LMIS report. The information will be immediately available for viewing by the concerned officials for monitoring and quick planning.

The project has developed an e-Forum, which will be used by field-based Logistics Support Officers (LSOs) to share their knowledge, experiences, and new ideas. Periodic reports will be shared with relevant ministry staff/stakeholders for follow-up actions. The e-Forum will be available for all authorized persons beginning in August 2007.

The project has developed an UIMS (Upazila Inventory Management System) software; the goal is to install it in all 507 upazilas (subdistricts, of which 100 have recently received computers from *Direccion General de Salud Reproductivo* [DGFP]), initially starting in 10 upazilas. This software will bring overall efficiency to the upazila family planning LMS in line with the warehouse information management system (WIMS), which for the last several years has ensured the accuracy in recordkeeping and reporting, improved quality of services, and reduced time for completion of assignments for the DGFP warehouses.

NEW INNOVATIONS

Over the last year the project has investigated several new supply chain, organizational strengthening, and policy innovations. While many are still works in progress and are currently being field tested, they are worthy of mention as they hold promise for improving product availability. Outcomes of these innovations will be reported in future annual reports; here we summarize selected areas of investigation that we anticipate will yield useful results.

- A review of available PDA technology to guide data entry at the service delivery level has identified a range of technologically feasible options in even rural settings in USAID priority countries. Pilot testing of a PDA approach in Bangladesh and cell phone-based text messaging in Tanzania is planned for the second year of the project.
- Considering a supply chain, product, and customer segmentation approach to defining supply chain needs and determining how this could be applied in developing country health settings to improve effectiveness, efficiency, and timeliness of product availability. The SCM team is working in partnership with the Massachusetts Institute of Technology (MIT) international logistics program at the University of Zaragoza in Spain (MIT-Zaragoza) on this activity.
- Developing an approach to resource mapping to better track fund flow for RH in developing countries using the expertise that the project subcontractor Abt Associates has in analyzing national health accounts (NHA).
- Updating the global gap analysis originally prepared for the 2001 Istanbul Conference on Meeting the Reproductive Health Challenge; this effectively launched the concept of

contraceptive security and galvanized donors to address resource mobilization issues for family planning commodities.

- Working with USAID’s Leadership Management and Sustainability (LMS) program and using several tools they have developed to promote local organizational development including the Virtual Leadership Development Program (VLDP) and the Global Exchange Network (GEN) for RH.

PARTNERING WITH LOCAL ORGANIZATIONS AND STRENGTHENING LOCAL CAPACITY

The project has emphasized, at the country and central levels, the engagement of local and regional organizations to carry out or support project activities. This has included hiring organizations to execute project activities and building collaborative relationships with local or regional partners to leverage project activities.

INTERNATIONAL ASSOCIATION OF PUBLIC HEALTH LOGISTICIANS

The USAID | DELIVER PROJECT identified a need for a mechanism to enable public health supply chain professionals worldwide to connect with one another, share their expertise, and expand their knowledge, particularly among alumni who have attended our supply chain management courses. To develop this mechanism, the project tapped into the existing group of alumni, as well as various staff from Ministries of Health worldwide to launch the International Association of Public Health Logisticians (IAPHL) in early 2007.

In July 2007, the project collaborated with the WHO’s Implementing Best Practices (IBP) Initiative’s Knowledge Gateway to launch a website to facilitate dissemination of best practices, problem solving, and communication among IAPHL members. Within three months, the IAPHL website membership grew to over 115 members from 44 countries and 52 organizations, including WHO, SCMS, the USAID | DELIVER PROJECT, UNFPA, USAID, the World Bank, CAs, and members from many MOHs. The IAPHL web site is hosted by the IBP initiative and can be found at: <http://my.ibpinitiative.org/public/IAPHL/>.

Its two key start-up activities—monthly profiles of public health supply chain managers and monthly discussion forums—foster a community of practice by providing members with increased access to information and resources to improve their capacity in supply chain management. The SCM Professional of the Month promotes local expertise and enables members to become familiar with the available talent.

The monthly discussion challenges members to think critically about specific topics and new developments in supply chain management and to share their best practices or lessons learned. September’s topic, *Donor Collaboration*, generated over 25 comments (including one case study). Upcoming topics for late 2007 include *Computerizing LMIS* and the *Logistics of Avian Flu Commodities*.

CONTRACT WITH PRISMA FOR REGIONAL SUPPLY CHAIN MANAGEMENT TRAINING

The project has a strong, central team experienced in developing and conducting training in supply chain management. This experience is now being used to increase a local organization's capacity in supply chain management training. In March 2007, the project issued an RFP to 24 possible training organizations worldwide, and awarded a contract to a Peruvian NGO, PRISMA. This contract supports PRISMA's efforts to conduct high-quality supply chain management training courses in the Latin American region and to improve their knowledge of supply chain management of health commodities. It is anticipated that to complement their logistics training expertise, PRISMA staff will provide short-term technical assistance in supply chain management in the region. As part of this activity, the project has developed two course modules: *Overview of Supply Chain Management* and *Quantification and Procurement Planning*. These course modules will be used to train PRISMA and, in turn, they will be expected to use the modules in 2008 to train international, Spanish-speaking professionals.

LATIN AMERICA AND THE CARIBBEAN

The project's LAC team, working closely with the LMS project and the USAID | Health Policy Initiative, provided technical input to virtual workshops on leadership skills in the CS-VLDP. Country teams from the Dominican Republic, El Salvador, Honduras, and Paraguay participated in a six-month virtual, facilitated course on leadership, with a special emphasis on CS. The workshop was designed to build leadership and team skills, and included groups from the MOH, Social Security, and NGO sectors in each of the four countries. Country action plans, oriented around an identified challenge that could be addressed in the short term, were developed and discussed in each of the four countries. The project provided technical inputs for content, as well as facilitators for the country teams.

Results from this conference are already being seen. The El Salvador MOH team included the Director of Planning and many of her staff. The resulting increase in leadership capacity and contraceptive security awareness in the planning division created important new contraceptive security champions, as well as the first explicit budget line for family planning in the MOH budget. In the Dominican Republic, staff from public and private sector organizations developed an integrated action plan that aimed to achieve a legal instrument that protects funding for the national family planning program. As of September 2007, the legal instrument had been approved by the President, and is pending approval by the Parliament.

UTILIZING LOCAL HIRES IN PROJECT IMPLEMENTATION

The project continues to emphasize local and regional recruitment for its field office directors whenever and wherever possible, although the primary concern of the project is to make sure that the right person is in the right position, based on local requirements. Compared to the previous DELIVER project, the USAID | DELIVER PROJECT has increased the number of field offices headed by a local hire or regional hire. This percentage has grown from 47 percent at the end of DELIVER to 60 percent under the USAID | DELIVER PROJECT (see table 8).

Table 8. Project Field Offices

Field Office	DELIVER Country Director	Expat?	USAID DELIVER PROJECT Country Director	Expat?
Bangladesh	Nurul Hossain	No	M. M. Kaiser Rashid	No
El Salvador	Local Consultant	No	Local Consultant	No
Ethiopia	Bernard Fabre	Yes	Jeff Sanderson	Yes
Ghana	Parfait Edah (regional)	No	Egbert Bruce	No
Malawi	Veronica Chipeta-Chirwa	No	Jayne Waweru (regional)	No
Mozambique	Marilyn Noguera	Yes	Marilyn Noguera	Yes
Nepal	Nayanath Poudel	No	Nayanath Poudel	No
Nicaragua	Carolina Arauz	No	Carolina Arauz	No
Nigeria	Chuck Lerman	Yes	Johnnie Amenyah (regional)	No
Paraguay	Bernardo Uribe (regional)	No	Bernardo Uribe (regional)	No
Rwanda	Jovith Ndahinyuka	No	Jovith Ndahinyuka	No
South Africa	John Wilson	Yes	John Wilson	Yes
Tanzania	Tim Rosche	Yes	Tim Rosche	Yes
Uganda	Steve Wilbur	Yes	Kenneth Ofosu-Barko (regional)	No
Zambia	Walter Proper	Yes	Walter Proper	Yes
Zimbabwe	David Alt	Yes	David Alt	Yes
TOTAL Expatriates		8		6

Overall, there are only 11 expatriates out of 97 staff members (including technical and administrative staff) employed in project field offices.

USING SUBCONTRACTOR CAPACITIES

The project has pursued this mandate vigorously along a number of dimensions. The project has subcontractor staff members who sit full- or part-time in the project office. So far, the following staff are resident on-site some or all of the time.

- 3i Infotech—4 to 6 staff
- Crown Agents—1 staff (part-time on TO1)
- PATH—2 staff (1 full-time on TO1; the 2nd primarily full-time)
- Abt Associates—1 staff part-time (2nd part-time person moved to Vietnam)
- The Manoff Group—3 staff (part-time on TO1)
- The Fuel Group—recruiting for a full-time supply chain advisor (part time on TO1).

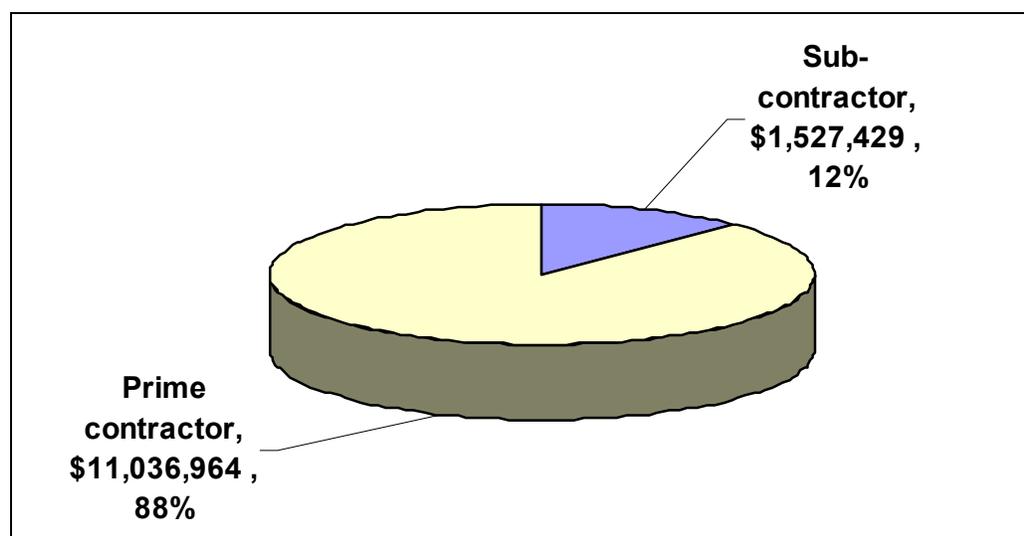
In addition to on-site staff, the project often calls on the technical expertise of its subcontractors. This has been especially true for the direct procurement activities of the project where off-site staff

from Crown Agents and PATH have provided valuable technical input in developing contract formats, specifications, terms, and conditions.

The project also uses subcontractor staff for short-term technical assistance assignments. As part of the reengineering of the project's short-term technical assistance resource allocation process, subcontractors are deliberately brought into the process. They receive the requests for short-term technical assistance and can propose staff to fulfill these requests. So far, there have been few STTA requests that the project's subcontractors have responded to; this is probably a reflection of the type of technical assistance (TA) requested and, in some cases, a lack of available capacity to provide the TA. The project has also subcontracted with other organizations to complement the skills of its primary subcontractors. For example, the project has contracted consultants from the University of Maryland and MIT-Zaragoza to provide support on SCM innovations and best practice from the private sector.

To monitor the use of subcontractor capabilities, the project tracks the percentage of total expenditure, excluding commodity cost, spent by the subcontractors. The project financial report indicates that during the reporting period, TO1 incurred a total of \$12.6 million in LOE cost, of which \$1.5 million (12 percent) was spent by sub-contractors (mainly by 3i, Abt Associates, The Manoff Group, and PATH). The effective percentage of the TO1 expenditure incurred by the subcontractors in FY2007 is higher than the 12 percent recorded in the financial report because there are pending invoices from Crown Agents and PATH, and this does not include local subcontractor expenses from field offices.

Figure 9. Percentage of Task Order I LOE Expenditure by Sub-Contractors



LEAD FROM FAMILY PLANNING

Leading from family planning means applying the experience, lessons learned, tools, and approaches developed for family planning logistics systems and contraceptive security under the FPLM and DELIVER contracts to other health commodities. This leadership from family planning/reproductive health (FP/RH) helps ensure that family planning keeps a seat at the table when wider health systems reforms and system integration are being designed and implemented.

PROCUREMENT

This is best reflected in the years of investment in central commodity management being leveraged to rapidly produce a USAID-specific procurement and distribution system that has responded quickly to TO2 and TO3 needs. The procurement and logistics team is an IQC team that provides services to all task orders and has already procured \$5.6 million worth of commodities for TO2 and TO3 in the first six months, compared to \$10.2 million for TO1.

CENTRAL MANAGEMENT INFORMATION SYSTEM

Based on the project's experience in supporting CCP and managing NEWVERN, a central MIS is currently being developed to support all task orders in their procurement transactions for order processing, financial tracking, and inventory management; and for management reporting and information sharing. Experience in promoting and pursuing stakeholder collaboration as part of a CS process has been used to facilitate stakeholder communication and planning related to procurement and distribution planning for malaria commodities in Malawi, Liberia, and elsewhere.

SUPPLY CHAIN TECHNICAL ASSISTANCE

As AI commodity shipments have increased, demands for on-the-ground support with warehousing commodities have increased. The project has responded by using existing networks of FP logistics advisors and tools to work with the Ministry of Agriculture and Veterinary services, including support from project staff in Ghana and Bangladesh. Under the DELIVER project, support from FP logistics advisors in Nepal, Togo, Benin, and Mali was identified, and WHO's *Guidelines for the Storage of Essential Medicines* was developed.

Experience in warehouse design and management and distribution system design and planning has been leveraged to support distribution planning in Malawi for Coartem; this experience will be used in Angola, Uganda, and Liberia to support malaria commodity distribution.

TOOL DEVELOPMENT

Experience in quantification, CPT preparation, and procurement planning is being used to validate and improve order planning for malaria commodities. PipeLine software, originally developed with POP funds, has been adapted to meet the needs of a growing number of commodity categories to facilitate procurement planning.

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

USAID | DELIVER PROJECT

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