



## IQC Annual Report

October 2010–September 2011



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# **IQC Annual Report**

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## **USAID | DELIVER PROJECT**

The USAID | DELIVER PROJECT is funded by the U.S. Agency for International Development under contract no. GPO-I-00-06-00007-00, beginning September 29, 2006. The project is implemented by John Snow, Inc., in collaboration with 3i Infotech; Abt Associates; The Center for International Health and Development at Boston University School of Public Health; Crown Agents Consultancy, Inc.; FHI 360; Fuel Logistics Group (Pty) Ltd.; The Manoff Group, Inc.; MAP International; PATH; UPS Supply Chain Solutions; and U.S. Pharmacopeia. The project increases the availability of essential health supplies to clients and customers around the world by ensuring transparent and cost-effective procurement and delivery of commodities; strengthening and integrating national and international supply chains; creating more supportive national and international legal, regulatory, and policy environments; increasing coordination, commitment, and collaboration for commodity financing, procurement, and delivery; leveraging local resources to plan, procure, and deliver supplies; and enhancing the availability and use of information for supply chain planning and monitoring.

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Cover Photo: Staff person at a warehouse in Ethiopia.

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# Acronyms

ACT	artemisinin-based combination therapy
AI	avian influenza
AIDS	acquired immunodeficiency syndrome
AL	artemether-lumefantrine
AMFm	Affordable Medicines Facility for Malaria
AS/AQ	artesunate/amodiaquine
AutoDRV	(automated system for collecting essential logistics data in the field)
CARhs	Coordinated Assistance for Reproductive health supplies
CCP	Central Contraceptive Procurement project
CDC	Centers for Disease Control and Prevention
CMS	Central Medical Stores
COR	Contracting Officer Representative
CPR	contraceptive prevalence rate
CS	commodity security
CSL	Commodities Security and Logistics Division (USAID)
DLS	Department of Livestock
DTP	delivery-to-promise
DR	Dominican Republic
DRC	Democratic Republic of the Congo
EDI	electronic data interchange
EPR	Epidemic and Pandemic Alert and Response
EPT	emerging pandemic threat
ERP	Enterprise Resource Planning
ESAMI	Eastern and Southern Management Institute
FDC	fixed-dose combination
FHI 360	(formerly Family Health International)
FY	fiscal year
GFATM	Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria
GHS	Ghana Health Service

GIS	Global Information System
GOB	Government of Bangladesh
GOI	Government of Indonesia
H1N1	influenza A virus subtype (also called <i>swine flu</i> )
HIV	human immunodeficiency virus
HMIS	health management information system
IAPHL	International Association of Public Health Logisticians
ILI	influenza-like illness
ILS	integrated logistics system (or Integrated Logistics System Gateway)
IPPF	International Planned Parenthood Federation
IQC	Indefinite Quantity Contract
IUD	intrauterine device
JSI	John Snow, Inc.
LLIN	long-lasting insecticide-treated bed net
LMIS	logistics management information system
MIS	management information system
MOH	Ministry of Health
MOHCW	Ministry of Health Child Welfare
MOP	Malaria Operational Plan
MSL	Medical Stores Limited
NEML	national essential medicines list
NMCP	National Malaria Control Program
PCR	polymerase chain reaction
PMI	President's Malaria Initiative
PMI	Project Management Institute
PPE	personal protective equipment
PPMR	Procurement Planning and Monitoring Report
PPMRm	Procurement Planning and Monitoring Report for malaria
PRH	Office of Population and Reproductive Health
PRISMA	<i>Proyectos en Informática Salud Medicina y Agricultura</i>
PSM	procurement and supply management
PSM WG	Procurement and Supply Chain Management Working Group
RBM	Roll Back Malaria (program)

RDT	rapid diagnostic test (malaria)
RHCS	reproductive health commodity security
RIDI	Regional Institute Development Initiative
SARI	severe acute respiratory illness
SCM	supply chain management
SDLC	System Development Life Cycle
SDP	service delivery point
SOP	standard operating procedure
SP	sulphadoxine-pyrimethamine
SPS	Strengthening Pharmaceutical Systems
STTA	short-term technical assistance
TA	technical assistance
TB	tuberculosis
TO	task order
U.S.	United States
UNFPA	United Nations Population Fund
USAID	U.S. Agency for International Development
USG	U.S. Government
VAT	value added tax
WHO	World Health Organization
WHO/AFRO	World Health Organization/African Regional Office
YGC	Yakubu Gowon Centre
ZIP/PHCP	Zimbabwe Informed Push/primary health care package



# IQC Vision

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

The project was awarded as an IQC; individual task orders were issued for specific scopes of work. This IQC annual report shows how the project has responded to the overall mandate of the IQC from October 2010–September 2011. It addresses IQC-specific issues and cross-cutting themes. Specific details about additional task orders are available from the individual task order annual reports. As of September 2011, this IQC has been awarded seven task orders:

Task Order 1, Public Health, on September 29, 2006, by the Office of Population and Reproductive Health to support public health programs, including family planning and reproductive health programs. The estimated end date is March 31, 2012.

Task Order 2, Avian Influenza, on March 21, 2007, by the Bureau for Global Health's Avian Influenza and Pandemic Response Unit. This task order ended on March 18, 2011.

Task Order 3, Malaria, on April 6, 2007, by the Office of Health, Infectious Diseases, and Nutrition to support the President's Malaria Initiative. The end date is April 4, 2012.

Task Order 4, Technical Assistance for Public Health, on September 30, 2010, by the Office of Population and Reproductive Health, builds upon Task Order 1 to provide technical assistance for supply chain strengthening and commodity security in public health.

Task Order 5, the Procurement and Distribution of Essential Public Health Supplies, was awarded on September 30, 2010, by the Office of Population and Reproductive Health to support public health programs. It continues the work of Task Order 1, Objective 3: Improving USAID's Provision of Commodities to Programs.

Task Order 6, Emerging Pandemic Threats, on February 18, 2011, by the Bureau of Global Health's Avian Influenza/Other Emerging Threats Unit.

Task Order 7 on March 28, 2011, continues support to the President's Malaria Initiative, which began under TO3.

Activities and results for TO1 and TO4, TO1 and TO5, TO2 and TO6, and TO3 and TO7 are provided in this report because of the similar objectives and overlap in time periods for the respective task orders.

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

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

This report summarizes the IQC, its task orders, and their accomplishments during the past year; included is a description of progress against IQC-wide indicators.

# IQC Implementation

Each task order has an individual full-time management team. That team is the primary point of contact for the task order Contracting Officer Representative (COR); they work with the COR to set priorities, budgets, and workplans; and to monitor progress on deliverables, the quality of the work being conducted under the task order, and the spending against budgets and obligations. In addition to the task order (TO) management teams, several central service teams provide support to each of the task orders, including country programs, contracts administration, procurement, and supply operations. These teams execute many of the activities included in the TO workplans.

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

Table 1 shows that each task order continues to emphasize the three IQC subcomponents differently. TO1 and TO4 continue to focus on the first two IQC objectives, with field-support funding, for in-country activities and core funding for new initiatives and research. The third objective, commodity procurement for the IQC, is now under TO5. Under TO2 and TO6 this year, in addition to the commodity provision subcomponent, the role of the TOs has expanded to include a broad array of technical assistance activities that support USAID's Emerging Pandemic Threats (EPT) program, partners and projects in the areas of outbreak response, disease surveillance, and laboratory strengthening. Commodity funding also dominates TO3's and TO7's portfolio, although field-support funding and technical assistance are increasing.

**Table 1. IQC Objectives and Task Order Implementation**

	<b>TO1 and TO4</b>	<b>TO5</b>	<b>TO2 and TO6</b>	<b>TO3 and TO7</b>
Start date	TO1: September 29, 2006 TO4: September 30, 2010	TO5: September 30, 2010	TO2: March 21, 2007 TO6: February 18, 2011	TO3: April 6, 2007 TO7: March 28, 2011
USAID Technical Office	GH/PRH/CSL	GH/PRH/CSL	GH/AI	GH/HIDN
<b>Strengthen in-country supply systems</b>				
In-country supply chains strengthening (see table 2 for more details)	Technical assistance in 21 countries, with a budget of \$42,669,784 (TO1 and TO4) in FY2011	n/a	Technical assistance in 3 countries, with a budget of \$1,074,312 (TO2 and TO6) in FY2011	Technical assistance or support in 13 countries, with a budget of \$11,939,058 in FY2011
<b>Improve advocacy and collaboration with global and regional partners for commodity security</b>				
Donor coordination, global advocacy, and resource mobilization (examples)	<p>Provided data through the PPMR; for global donor coordination through the Coordinated Assistance for Reproductive health supplies (CARhs) group.</p> <p>Participated with over 15 global, regional, and local partners and organizations at meetings, events, and workshops throughout the world.</p>	Used DFID funds to channel through USAID; procured and delivered contraceptives to Tanzania.	<p>Presented at EPT partners' quarterly meeting in Washington, DC.</p> <p>Attended EPT partners' Congo Basin regional meeting in Kinshasa, DRC.</p> <p>Visited WHO/AFRO Brazzaville to discuss technical SOW for USAID/EPT program secondment through the TO to strengthen regional and national logistics capacity for outbreak response.</p> <p>Shared USAID   DELIVER PROJECT laboratory supply chain resources with FAO and OIE to support laboratory capacity building for disease surveillance and outbreak response.</p>	Participated in Roll Back Malaria (RBM) Procurement and Supply Management working group (PSM-WG) meeting, contributed to the Procurement and Supply Management of LLINs analysis; presented at: GFATM Market Dynamics and Commodities Technical Meeting the Alliance for Malaria Prevention annual meeting, Tropical Medicine Annual Conference, and Health and Humanitarian Logistics conference

	TO1 and TO4	TO5	TO2 and TO6	TO3 and TO7
<b>Improve USAID's provision of commodities to programs</b>				
Product categories	See TO5	Family planning and other public health commodities	Disease surveillance supplies (laboratory equipment, reagents, and consumables); Outbreak response supplies (personal protective equipment, infection control and decontamination supplies); cold chain equipment and vaccine ancillary supplies	Malaria prevention, detection, and treatment commodities
Value of commodities ordered from suppliers FY2011*	See TO5	\$114,177,698—family planning & HIV; \$967,300—other public health [Total: \$115,144,998]	\$378,444	\$138,283,135+
Number of orders shipped in FY2011	See TO5	365**	44**	162**
Value of orders shipped in FY2011	See TO5	\$102,826,552***	\$1,752,998***	\$137,346,395

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

\*\* Total orders shipped in FY2011. An order may have multiple items and may have been delivered in multiple shipments.

\*\*\* Based on project information accessed January 20, 2012.

+ Based on project information accessed November 22, 2011.

++ Total number of orders placed in FY2011.

**Note:** All dollar amounts are U.S. dollars.



# IQC Indicators

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

## **Strengthen In-Country Supply Systems**

Table 2 shows that the project continues to provide a variety of in-country logistics support across the task orders. For TO4, assistance is aligned with the President's Global Health Initiative (GHI). TO4 supports strengthening local capacity across the supply chain, as well as forecasting, financing, last mile distribution, supply chain innovations; and, to increase country ownership and commodity security, building sustainability by leveraging partners. By comparison, supply chain technical support under TO2 and TO6 has focused primarily on warehousing, distribution, logistics management information system (LMIS) implementation; including a web-based LMIS that monitors avian influenza (AI) commodities and capacity building; and the design and implementation of a laboratory logistics system and LMIS for a national influenza surveillance program. TO3 and TO7 have focused primarily on distribution, performance improvement, and LMIS and monitoring. For TO5, the main objective is to achieve a 95 percent delivery-to-promise (DTP) ratio for task order shipments and short-term technical assistance (STTA), upon request. In all cases, support is tailored to local priorities.

**Table 2. In-Country Technical Assistance Support**

Country	Budget FY11 <sup>1</sup>		System		Type of commodity							Type of technical assistance provided							
	TOI	TO4	Vertical	Integrated	Contraceptives	HIV/AIDS	Essential Medicines	Influenza and other Emerging Threats <sup>2</sup>	Malaria	Tuberculosis	Forecasting	Finance	Procurement Strengthening <sup>3</sup>	Warehousing	Distribution	Performance Improvement	LMIS & Monitoring	SCM Innovations	Commodity Security
<b>TASK ORDER 1<sup>4</sup> and 4</b>																			
Bangladesh	\$ 46,579	--	•		•					•	•	•	•	•	•	•	•	•	•
Ethiopia	\$ 837,952	\$ 3,600,000		•	•		•			•	•		•	•	•	•	•	•	•
Dominican Republic	\$ 176,435	--	•		•					•	•				•	•	•	•	•
Ghana	\$ 449,701	\$ 2,100,000		•	•	•	•		•	•	•		•	•	•	•	•	•	•
Honduras	\$ 280,000	\$ 300,000	•		•					•	•				•	•	•	•	•
Jordan	\$ 37,585	--																	
LAC Regional	\$ 52,927	\$ 450,000			•						•	•			•				•
Liberia	\$ 55,400	\$ 210,000	•							•			•	•	•				
Madagascar	\$ 71,329	--	•																
Malawi	\$ 135,093	\$ 1,125,000	•	•	•		•			•	•		•	•	•	•	•	•	•
Mozambique	\$ 664,415	\$ 775,000		•	•		•			•	•		•	•	•	•	•	•	•
Nepal	\$ 124,700	\$ 1,000,000		•		•				•	•		•	•	•	•	•	•	•
Nicaragua	\$ 77,451	\$ 1,065,020		•	•		•			•	•		•	•	•	•	•	•	•
Nigeria	\$ 594,954	\$ 2,300,000	•		•	•			•	•	•		•	•	•	•	•	•	•
Pakistan	\$ 1,475,917	\$ 2,000,000	•									•	•						•
Paraguay	\$ 209,641	\$ 800,000	•		•					•	•	•	•	•	•	•	•	•	•
Paraguay MCC	\$ 2,351,440	--										•							
Philippines	\$ 217,397	\$ 410,000																	
Rwanda	\$ 276,970	\$ 1,329,000		•	•					•	•		•	•	•	•	•	•	•
Tanzania	\$ 747,606	\$ 1,200,000		•	•		•			•	•	•	•	•	•	•	•	•	•
West Africa	\$ 57,160														•	•	•	•	•
Zambia	\$ 4,387,485	\$ 7,900,000		•		•				•	•		•	•	•	•	•	•	•
Zimbabwe	\$ 1,777,627	\$ 1,000,000	•		•	•			•	•			•	•	•	•	•	•	•

Country	Budget FY11 <sup>1</sup>		System		Type of commodity							Type of technical assistance provided						
			Vertical	Integrated	Contraceptives	HIV/AIDS	Essential Medicines	Influenza and other Emerging Threats <sup>2</sup>	Malaria	Tuberculosis	Forecasting	Finance	Procurement Strengthening <sup>3</sup>	Warehousing	Distribution	Performance Improvement	LMIS & Monitoring	SCM Innovations
<b>TASK ORDER 2 and 6<sup>5</sup></b>	<b>TO2</b>	<b>TO6</b>																
Bangladesh	\$ 209,728	\$ 153,038	●				●						●	●	●	●		
Indonesia	\$ 493,595	\$ 189,000	●				●						●	●	●	●		
Nepal	\$ 28,951	--	●				●						●		●			
<b>TASK ORDER 3 and 7<sup>6</sup></b>	<b>TO3</b>	<b>TO7</b>																
Angola	\$ 867,568	\$ -	●					●					●	●				
Benin	\$ -	\$ -	●					●						●				
Burkina Faso	\$ 533,926	\$ -	●					●		●				●	●	●		
Burundi	\$ 1,297,833	\$ -	●					●						●				
Ghana	\$ 1,395,750	\$ -		●				●		●				●	●	●	●	
Liberia	\$ 682,320	\$ -	●	●				●		●				●	●	●		
Madagascar	\$ 504,815	\$ -	●	●				●		●				●	●			
Malawi	\$ 467,443	\$ -	●	●				●		●				●	●	●	●	
Mozambique	\$ 1,210,755	\$ -	●	●				●		●	●			●	●	●		
Nigeria	\$ 2,240,951	\$ -	●					●		●				●	●	●		
Rwanda	\$ 370,038	\$ -	●	●				●		●				●		●		
Tanzania	\$ 818,916	\$ -	●	●				●		●				●	●	●	●	
Zambia	\$ 1,210,350	\$ -	●	●				●		●				●	●	●	●	
Zimbabwe	\$ 338,393	\$ -	●	●				●		●				●	●	●	●	
<b>TASK ORDER 5</b>	n/a																	

## Notes

1. Budget figures include FY2010 funding and carryover funding from previous years.
2. Influenza and Other Emerging Threats commodities include PPE, infection control and decontamination supplies; laboratory equipment, reagents and consumables; cold chain equipment; and vaccine-related auto-disable syringes and safety boxes.
3. This category does not include direct procurement services, only TA to strengthen local procurement capacity.
4. Budget figures for Task Order 1 include only carry over funding from previous year. All new FY2010 funding was awarded under Task Order 4.
5. In FY11, TO2 and TO6 EPT country activities for Bangladesh, Indonesia and Nepal were core funded.
6. All TA funding obligated into Task Order 7 was received after the end of the 2011 fiscal year and therefore not included in this report.

## Task Order 1 and Task Order 4

The core of the project's work is using field support and core funds to improve and strengthen in-country supply systems. In fiscal year (FY) 2011, the project received \$3,763,327 in core funds and \$27,564,020 in field funds. During the fifth year of TO1 and the first year of TO4, the project provided technical assistance (TA) to 22 countries—including five GHI Plus countries (Bangladesh, Ethiopia, Malawi, Nepal, and Rwanda) and 14 family planning priority countries (Bangladesh, Ethiopia, Ghana, Guinea, Liberia, Madagascar, Malawi, Nepal, Nigeria, Pakistan, Philippines, Rwanda, Tanzania, and Zambia.) The project also made 74 technical trips (i.e., non-management) to these countries during FY2011, compared to 69 and 62 trips during the previous two years. During FY2011, Guinea and Ukraine received assistance for the first time. A key accomplishment of the project was the seamless transition from TO1 to TO4. Country and core teams recognize the change in emphasis for the new TO and the need to align work with GHI principles.

Examples of achievements from the reporting period include—

- In Ethiopia and Rwanda, continued progress in strengthening the family planning supply chain has been crucial to the impressive contraceptive procurement rates (CPR) gains in those countries.
- In Ghana, participated in supply chain strategy work to support the Ghana Health Service (GHS) and USAID Mission to identify possible actions to address problems with contraceptive product availability.
- In Malawi, the establishment of the augmented supply chain, despite difficult circumstances, has helped ensure product availability even with a dysfunctional public sector system.
- In Tanzania, development of the Integrated Logistics System (ILS) Gateway has helped improve reporting rates and accountability.
- In Paraguay, according to an Abt Associates, Inc. assessment report, the project's work has positioned the country well for graduation from USAID family planning support.
- In Pakistan, adapting the web-based LMIS from Bangladesh has been a key south-to-south sharing that will increase data visibility.

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

The project has routinely monitored contraceptive availability at the central and facility levels in most project-presence countries that receive TO1 and TO4 funding. During FY2011, the number of countries reporting in the Procurement Planning and Monitoring Report (PPMR) increased from 19 to 22, even though there was a loss of two countries because of the closing of the reporting agencies' offices. The number of project presence countries in the report increased from 14 to 15.

During this 12-month reporting period, seven project-presence countries had no stockouts at the central level: the Dominican Republic (this office has since closed), Ethiopia, Malawi, Mozambique, Nepal, Rwanda, and Zimbabwe. Eight of the 15 project-presence countries reported at least one stockout at the central level (Ghana, Honduras, Liberia, Nicaragua, Nigeria, Paraguay, Tanzania, and Zambia). Of these eight countries, Depo-Provera was the most common product to stockout because of the continuing after-effects of a product recall at the beginning of the previous year's reporting period (FY2010), difficulty replacing the product, and production limitations caused by increasing global demand for this product. Depo-Provera accounted for 29 percent of all stockouts

in FY2011. Intrauterine devices (IUDs) accounted for 15 percent of all stockouts. For most months, the eight countries had very few stockouts. In July, no stockouts were reported; in January, May, and September these countries reported only one stockout.

In addition to the project-presence countries reporting to the PPMR, eight of the same countries also submitted quarterly figures for contraceptive availability from the service delivery point (SDP) level; they are available through each country's LMIS.

#### *Countries with Procurement Plans Reviewed and Updated Semi-Annually*

Semi-annually, most project countries are expected to review procurement plans against current stock and to update the plans accordingly. All but one of the project presence countries reviewed procurement plans for family planning products in the first half of FY2011; two-thirds conducted a mid-year review in the second half of FY2011.

Project-presence countries include Ethiopia, Ghana, Honduras, Liberia, Malawi, Mozambique, Nepal, Nicaragua, Nigeria, Pakistan, Paraguay, Rwanda, Tanzania, Zambia, and Zimbabwe.

For additional TO4 in-country results and activities, please refer to the *Task Order 4 Annual Report, October 2010–September 2011*.

## **Task Order 2 and Task Order 6**

Core funding allocated to countries totaled \$910,234 for FY2011 in Bangladesh, Indonesia, and Nepal, with core-funded TA to support the H1N1 pandemic influenza response under TO2; and to support the EPT program, partners, and projects under TO6.

Under TO2, the project continued to support the Government of Bangladesh (GOB) Department of Livestock Services (DLS) until the USAID | DELIVER PROJECT Bangladesh office closed in July 2011. To support the transition of key logistics activities to the DLS, the project, under TO6, contracted three consultants to continue SITA to the DLS through September 2012. This technical support will continue implementing and strengthening the local capacity to manage the web-based LMIS for outbreak response commodities at the central-, district-, and upazilla-levels. TO6 continues to support the GOB DLS in implementing the inventory management system and the Rapid Response system for outbreak response, which were designed and initiated under TO2.

Under TO6, since February 18, 2011, the project has continued to support the EPT partners and the Government of Indonesia (GOI). The project continued to provide procurement services and logistics technical assistance to the national Influenza-like Illness (ILI) and Severe Acute Respiratory Illness (SARI) laboratory surveillance system. This support included assessment, design, and the implementation of a laboratory logistics system to better manage supplies for specimen collection and transport from ILI and SARI sites; and an inventory control system and LMIS to monitor and manage resupply of polymerase chain reaction (PCR) reagents and supplies at the national reference lab and regional ILI and SARI testing labs. In addition, the Indonesia program has collaborated closely with international EPT partners to provide supply chain technical assistance for the Centers for Disease Control and Prevention (CDC) and the World Health Organization (WHO)-funded influenza surveillance projects in Indonesia.

## **Task Order 3 and Task Order 7**

An important part of TO Malaria's work is to help strengthen and sustain local systems that are working with malaria commodities; establish and support procurement and delivery of commodities; and, with other key malaria partners, reach those in need. The TO worked in 13 President's Malaria

Initiative (PMI)-focus countries and three non-focus countries (Burkina Faso, Burundi, Zimbabwe) in FY2011. TO Malaria has had a long-term presence in 11 of the 20 PMI-focus countries. To carry out workplan activities—improving in-country distribution, solving storage capacity problems, or conducting quantification exercises—TO Malaria provided STTA in Angola, Belgium, Benin, Burkina Faso, Burundi, Denmark, Ghana, Kenya, Liberia, Madagascar, Malawi, Mozambique, Nigeria, Rwanda, Sudan, Switzerland, Tanzania, Zambia, and Zimbabwe in FY2011.

Some examples of achievements from the reporting period include—

- **Burkina Faso:** During FY2011, the National Malaria Control Program (NMCP) developed a malaria database to improve the reporting of statistics and logistics data in the country. An analysis of the reported data helped identify priority districts for action (i.e., to improve product availability, case management, data quality, and reporting). An important finding from the analysis was a discrepancy in the total number of cases of uncomplicated malaria, the number of cases treated, and the number of artemisinin-based combination therapy (ACTs) dispensed.
- **Malawi:** In October 2010, at the request of the USAID Mission, an augmented system was designed and rolled out; the objective was to achieve commodity security for United States Government (USG)-procured products, starting with malaria commodities: ACTs, sulphadoxine-pyrimethamine (SP), and rapid diagnostic tests (RDTs). Because the augmented system performed well during the first quarter of the past fiscal year, the Global Fund recommended that the malaria commodities they procure for Malawi should be distributed through the same system. When commodities and fuel are available, the augmented system achieves countrywide distribution of commodities, to all facilities, within two weeks. When these conditions are met, stockouts are reduced. With malaria commodities, the augmented system, as mentioned above in the TO1 and TO4 section, also distributes USG-procured family planning commodities—male condoms and implants (Jadelle). Beginning in December 2010, the augmented system has successfully completed nine countrywide distributions. It also successfully distributed 6.3 million artemether-lumefantrine (AL) treatments and more than 1 million RDTs.
- **Nigeria:** A total of 16,294,606 long-lasting insecticide-treated bed nets (LLINs) were distributed in more than 18,000 distribution points across the states. Additionally, the project averted the potential wastage of several months' supply of medicines procured through the Global Fund Primary Recipient, Yakubu Gowon Centre (YGC), but were *stranded* at the state capitals, because funds were not available for last mile distribution. The project supported the distribution of 311,100 doses of short-dated ACTs from the state Central Medical Stores to 1,030 service providers in six states. This support informed deliberations by NMCP and its partners, and facilitated the beginning of actions to correct the situation.

To manage and monitor malaria commodities, TO Malaria also developed and deployed several tools and approaches that would strengthen local capacity.

- **Analysis of health management information system (HMIS) and LMIS data.** TO Malaria conducted an analysis of HMIS and LMIS data in one province in Zambia. The analysis looked at the differences between the data, investigated the root causes of discrepancies between the data, and proposed solutions for managing those discrepancies. Additionally, the report identified options to improve the link and use of these data for decisionmaking.
- **End-Use verification.** Over the last year, TO Malaria continued quarterly rounds of data collection and reporting in Ghana, Tanzania, and Zambia; and added two new

countries—Malawi and Mozambique. Findings from the End-Use activity are routinely shared with ministries of health and in-country stakeholders; they have also been used throughout this year in a number of presentations related to ACT availability at the country level.

- **Procurement Planning and Monitoring Report for Malaria (PPMRm).** This tool provides data on central-level stock availability for malaria commodities, including ACTs, sulphadoxine-pyrimethamine (SP), and RDTs. The tool continues to play a critical role in identifying current or impending shortages, stockouts, and expiries. Data on RDTs and SP were added during the first quarter of FY2011. One non-focus country—Burundi—was added, as were three focus countries—Democratic Republic of Congo (DRC), Nigeria (including eight states), and Zimbabwe. Reporting to the PPMRm increased from 16 to 18 countries in FY2011.

For additional examples of TO Malaria country activities, please refer to the *Task Orders 3 and 7 Annual Report, October 2010–September 2011*.

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

The following examples show how each TO, with global and regional partners, contributed to improved commodity security advocacy.

### **Task Order 1 and Task Order 4**

The project worked with the International Planned Parenthood Federation (IPPF) to improve their capacity to quantify health commodities by conducting workshops and providing technical assistance to individual country member associations.

The project worked with several local and regional partners on capacity building activities, ranging from pre-service training for pharmacists and pharmacist technicians to supportive supervision in Burkina Faso, Mali, Rwanda, and Zimbabwe. As part of sustainability efforts, the project awarded more than \$685,316 in subcontracts to local and regional institutions in seven countries to provide technical services to strengthen the projects supply chain activities in those countries.

The project contributed substantially to the RHSC Addis Ababa meeting and helped make that event a success by increasing attention to supplies by policymakers and advocates, which will be reflected in future funding and policy commitments.

The project worked with the People that Deliver initiative, helping to ground that movement with practical tools and experience from the field.

### **Task Order 2 and Task Order 6**

From October 2010–February 2011, TO2 continued extensive collaborations with WHO and other international partners to implement the response to the H1N1 pandemic influenza. This activity supported the availability of laboratory equipment, consumables, and reagents to ensure the effective implementation of H1N1 influenza surveillance in sub-Saharan Africa. In addition, the procurement and distribution of ancillary vaccination equipment in support of the WHO-led H1N1 vaccination were a significant contribution to support commodity security. The virtual bundling of ancillary supplies and the stockpile of syringes and safety boxes by TO2 contributed to the success of a global vaccination campaign and recommended as actions to be replicated for future vaccination

campaigns. TO2 participated in a WHO-hosted stakeholder meeting on the H1N1 global vaccination campaign, with representatives from the governments of Australia, Japan, Canada, the U.S., and the Netherlands, to discuss successes and review lessons learned from the campaigns.

Under TO6, meetings were conducted with the WHO/African Regional Office (AFRO) Disease Prevention and Control Cluster, and the Epidemic and Pandemic Alert and Response (EPR) Program team in Brazzaville, Republic of Congo; to discuss the selection, placement, and technical scope of work for a USAID EPT program consultant who works with outbreak response logistics. The consultant would be seconded through the project to WHO/AFRO. Priorities for WHO/AFRO include developing a five-year regional outbreak response logistics strategy; and the need for a LMIS to strengthen decisionmaking and outbreak response capacity at WHO/AFRO regional and country levels. The TO6 and WHO/AFRO EPR program manager worked together successfully to recruit a candidate for the seconded position.

### **Task Order 3 and Task Order 7**

As a member of the Roll Back Malaria (RBM), Partnership and the Procurement and Supply Chain Management Working Group (PSM WG), TO3 participated in the PSM WG meeting in February 2011. Of particular interest and concern to TO3 and PMI were the discussions on the RDT quantification; fixed-dose combination (FDC) artesunate/amodiaquine (AS/AQ) quantification, especially for the lower two weight bands; and the impact of Affordable Medicines Facility for Malaria (AMFm) on production capacity and supply chain for AL and FDC AS/AQ. As a result of the meeting, TO Malaria was asked to co-chair the PSM Bottleneck workstream from September 27–28, 2011. The TO presented plans for the PSM Bottleneck workstream and solicited input for future activities.

The TO also presented summary findings from the detailed study of LLIN procurements to-date to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) Market Dynamics and Commodities Technical meeting in February 2011; presented at the Alliance for Malaria Prevention activities; presented two posters at the Tropical Medicine annual conference; and presented at the Health and Humanitarian Logistics conference.

### **Improve USAID's Provision of Commodities to Programs**

Common indicators across task orders are related to USAID's provision of commodities, which were drawn from procurement records and ORION. See table 3 for a list of indicators.

**Table 3. IQC Indicators**

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

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

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

During this fiscal year, the Supply Operations team invited FHI 360 to do an internal audit of the team’s procedures. The report showed the Supply Operations team as “a high functioning organization that works extremely well facing daily challenges.” The report included general recommendations; all have been or will be implemented. The team will complete all remaining actions in FY2011.

The Management Information System (MIS) team modified the ORION Enterprise Resource Planning (ERP) system and the USAID | DELIVER PROJECT website to support the transition to the new task orders. This was complicated because we needed to transition over an extended period of time, while providing a combined view of orders and shipments across task orders.

### **Task Order 1 Objective 3/Task Order 5**

To meet the goal of achieving 95 percent DTP ratio, the task order provides procurement, supply operations, MIS, and STTA, upon request.

During the period, the project completed 21 successful contract actions of CCP standard catalogue commodity items valued at \$114,177,699; and shipped 365 orders to Mission programs in 48 countries, for a value of \$116,494,336.

The procurement team worked in close collaboration with CSL to coordinate a smooth transition from TO1 to TO5. The foremost requirement for both task orders was to ensure that public health commodities remain available throughout the process.

Since its launch in October 2010, TO5 has made new long-term awards for the methods and products traditionally offered by CCP: male and female condoms, oral contraceptives, IUDs, lubricant, contraceptive implants, and cycle beads. Additionally, the TO made a long-term award for a new contraceptive implant and is undertaking ad hoc procurements of emergency contraceptives.

The task order issued orders for these items, which were valued at \$131,857,036 in FY2011 (see table 4). The task order is also doing one-off procurements for a variety of other commodities, including an ambulance and ready-to-use therapeutic food.

**Table 4. Orders for Contraceptives and Freight Issued by Task Order I, Objective 3/Task Order 5, FY2011**

<b>Contracts</b>	<b>Award Value (\$)</b>
Contraceptives implants	13,713,000
Oral contraceptives	16,230,074
Cycle beads	70,760
Female condoms	6,254,600
Emergency contraceptives	33,000
Intrauterine devices	1,052,793
Male condoms	29,573,810
Injectable contraceptives	47,049,373
Lubricant	200,288
Freight	17,679,338
<b>TOTAL</b>	<b>131,857,036</b>

For a graphic view of shipment values for all task orders, see the individual task order achievement section in this report

During FY2011, TO5 worked with CSL to develop and implement a new freight strategy. Implemented in December 2010, the new strategy focuses on obtaining the best value for reliable shipping services that are consistently reaching the DTP goal, as well as to begin sub-contracting with a U.S. small business freight-forwarder. Between December 2010 and June 2011, the small U.S. business freight-forwarder had 47 percent of shipments bid out. In July 2011, the TO and CSL modified the freight strategy, based on our experience during the first six months of implementation. A price reasonableness study showed that TO5 freight forwarding partners saved 15 percent on air shipments and 67 percent on ocean shipments.

## **Task Order 2 and Task Order 6**

Under TO 2 and TO6, the project processed 10 direct procurement requests for laboratory diagnostic equipment and reagents, and cold chain equipment for EPT partners and projects, for a total value of \$378,444. The project also distributed stockpile commodities (personal protective equipment [PPE], infection prevention and control supplies, laboratory equipment, and supplies) to complete 44 orders shipped to 19 countries in Africa, Latin America, and Asia: Angola, Bolivia, Brazil, Colombia, DRC, Ecuador, Ethiopia, Haiti, Indonesia, Malawi, Malaysia, Mexico, Mongolia, Mozambique, Peru, South Africa, Tanzania, Uganda, and Vietnam.

## Task Order 3 and Task Order 7

For Task Order Malaria, the project is actively involved in reviewing orders, clarifying specifications, and procuring malaria commodities; and working closely with PMI and the TO Malaria management team to track orders against the Malaria Operational Plan (MOPs).

The principal activity of TO Malaria is to support PMI by procuring malaria commodities requested by USAID Missions; these are based on the needs outlined in the yearly MOPs. From October 2010–September 2011, TO Malaria continued to increase its procurement activities by providing \$138,283,135 in malaria commodities to 24 countries; including \$89,327,681 for LLINs (65 percent of the total); \$36,603,419 for pharmaceuticals (26 percent); \$9,947,241 for rapid diagnostic test kits (7 percent); and \$2,404,794 for lab equipment (2 percent). During the 12-month reporting period, the value of procurements was 37 percent more than was procured during the preceding fiscal year, continuing the trend of increased procurement activities from year to year. Included in procurement figures for this reporting period are emergency orders from six different countries.

In FY2011, the project processed 123 procurement requests from 24 countries: Angola, Benin, Burkina Faso, Burundi, the DRC, Ethiopia, Ghana, Guinea, Kenya, Liberia, Madagascar, Malawi, Mali, Mozambique, Nigeria, Rwanda, Senegal, Somalia, South Sudan, Tanzania, Thailand, Uganda, Zambia, and Zimbabwe.

## On-Time Orders: Percentage of Orders Received by Desired Receipt Date (within the Time Frame Defined by Each Task Order)

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

- TO5: 77 percent of orders measured during this period (256 of 333) were received within 30 days of the desired receipt date.
- TO2 and TO6: 82 percent of orders measured during this period (37 of 45) arrived at port in the destination country within the defined time frame, based on mode and urgency.
- TO3 and TO7: 66 percent of orders measured during this period (117 of 177) were received within 30 days of the desired receipt date.

The 77 percent on-time rate for TO5 is an increase from the FY2010 overall on-time rate of 73 percent, based on the FY2010 Scorecard and the FY2011 Delivery-To-Promise Monitoring Tool. This shows continued progress to meeting the task orders 95 percent DTP goal. The primary reasons for late shipments during FY2011 were, in descending order of importance: registration issues, the residual effects from a commodity recall for one of our primary products, delays in customs clearance, and shipping pre-approval delays. See the TO5 annual report for a list of the reasons for late shipment, by month.

A variety of reasons contributed to the 8 late shipments and 82 percent on-time rate for TO2 and TO6. In three cases, the supplier was late; in three cases, the delay was related to pre-clearance

requirements; and, in two cases, the delay was due to customs clearance after the goods arrived in-country.

TO3 had 117 out of 177 shipments on time, resulting in only a 66 percent on-time delivery, because of many different reasons. The most significant was supplier production-related issues. Other reasons included pre-clearance delays in destination countries, customs clearance delays after the goods arrived in-country, in-country transportation for the final distribution, and quality assurance testing.

## **Supplier Fill Rate: Percentage of Purchase Orders When the Full Quantity is Made Available on Time by the Supplier (within the Time Frame Defined by Each Task Order)**

### **Task Order 1 and Task Order 5**

The procurement team routinely monitors supplier performance (goods released on time), quality assurance, and customer service and communication. We made regularly scheduled calls with all our vendors, and we made a management visit with our oral contraceptive vendor. Every week, we worked with all our vendors to ensure that we were informed of any production-line issues, including regularly scheduled maintenance and challenges associated with raw materials or packaging. We gave suppliers regular demand forecasts to help them plan production. Supplier performance, as evaluated by the DTP tool, is measured by percentage of orders that vendors release on time. During FY2011, on-time release of orders, by method, was as follows:

- IUD orders were released 100 percent on time.
- Contraceptives implants were released 92 percent on time.
- Male condom orders were released approximately 88 percent on time.
  - One supplier released 100 percent of orders on time; other suppliers released 92 percent and 73 percent of orders on time, respectively.
- Oral contraceptives were released approximately 84 percent on time.
  - One supplier released 100 percent of orders on time; other suppliers released 85 percent and 67 percent of orders on time, respectively.
- Female condom orders were released 83 percent on time.
- Injectable contraceptives were released 67 percent on time.

Each month, most vendors released their shipments on time. For seven of the past 12 months, all vendors released their shipments every month on time. Even when they were late, most orders were released within a week of the expected date, enabling us to deliver commodities, as promised, in most cases. If shipments were going to be delayed, we worked with CSL to prioritize the shipments to ensure that the countries with the greatest need received shipments first.

The overall supplier performance on TO2 and TO6 was very good. Only three shipments were delivered or released late by suppliers, causing the project to deliver the orders late. Two resulted

from a paperwork error and the third from a packaging delay. Overall vendor performance was very good for this task order.

For TO3, supplier performance had a significant impact for on-time delivery. Most issues were, for various reasons, caused by the pharmaceutical manufacturer's production delays. Additionally, there were delays with the rapid diagnostic test manufacturers, as well as some of the wholesale distributors.

## Management Information System

The MIS is always available for authorized users from the project, the USG, and partners, both centrally and in the field, through a secure web-based user interface—the *My Commodities* section of the USAID | DELIVER PROJECT website. The MIS uses project management standards as identified by the Project Management Institute (PMI); we use a standard System Development Life Cycle (SDLC). Periodic updates of the MIS, based on requests from internal and USG sources, ensure customer satisfaction.

## Management Information System Highlights

### Modifications and Enhancements

The MIS team modified the ORION ERP system and the USAID | DELIVER PROJECT website to support the transition to the new TO.

New reports were developed and implemented:

- The *Loan Status Report* provides details on current loan status and projects which countries will need future loans, based on planned commodity use and estimated funding.
- The *European Union VAT Report* shows details of each shipment into and out of the Netherlands warehouse. This report ensures that the project is not charged the European Union (EU) value-added tax (VAT) for goods shipped through the Netherlands warehouse.
- The *Purchase Order History Report* displays orders for purchase orders that have been approved but have not shipped.

Additionally, the My Commodities web interface was redesigned to improve ease of use and to display current data on commodities shipped during the past year.

### View Shipments Report

New shipment status codes—*Requested* and *Booked*—were also added to the *View Shipments* screen. The redesign includes job aids that help users navigate through the available reports.

## Electronic Data Interchange Production Software Implementation

Task Order 5, in partnership with our freight-forwarders, implemented the electronic data interchange (EDI) production software and operational processes to electronically transmit and receive the data for warehouse goods receipt notification, warehouse packaging of shipments, pickup and delivery from third-party shipments, and shipment tracking legs. The implementation of the EDIs automated the transmission of data, which resulted in improved accuracy and shortened freight-forwarder response time. The most visible result from this implementation is that the freight-

forwarders now provide interim shipment legs display on the USAID | DELIVER PROJECT website in the View Shipments area of My Commodities. This automation provides a framework and positions us for growth in shipments or freight-forwarders.



# Individual Task Order Achievements

Selected highlights and illustrative examples from each task order, over the past year, are provided below.

## Task Order 1 and Task Order 4—Public Health

During this period, TO1 and TO4 continued to strengthen in-country supply chains using on-the-ground logistics work and an increased global-level advocacy and collaboration for contraceptive security. During the 12-months, no central-level stockouts were reported in the seven project-presence countries: the Dominican Republic (DR) (the office has since closed), Ethiopia, Malawi, Mozambique, Nepal, Rwanda, and Zimbabwe. Eight of the 15 project-presence countries reported at least one stockout at the central level. Depo-Provera was stocked out most often (29 percent in FY2011) because of a product recall and the difficulty replacing those products; subsequently, the recall included production limitations that needed to keep up with growing global demand.

### Strengthening Data Collection and Use

Improved data collection and strengthened information systems have been key to mitigating stockouts. As a result of consistent efforts to strengthen logistics information systems in project countries, reporting rates have remained consistently high, averaging near 80 percent during each quarter. Half of all reporting countries have maintained an average of 90 percent or greater reporting rates: Honduras, Nepal, Rwanda, Zambia (for antiretrovirals), and Zimbabwe.

Nepal and Pakistan now have a web-based LMIS, which was developed based on the LMIS in Bangladesh. These systems typically allow for paper reporting from the SDP to the district level; but, data entry at the district is through a web-based portal or the Internet. Data transmission is faster; supervisors can monitor who has and has not reported, and they can address supply issues faster.

In addition to routine monitoring through the PPMR and countries' routine LMISs, the project is using the End-Use verification (EUV) data collection tool to determine commodity availability. This tool, first developed by TO Malaria, now includes family planning commodities; it has been used in Ghana, Malawi, Mozambique, Tanzania, and Zambia. The Strengthening Pharmaceutical Systems (SPS) project also developed an SMS pilot system in Malawi; the project took it over when SPS closed out. Automated LMIS projects are being considered in Zambia and Rwanda.

The project developed global information system (GIS) maps of data in LMISs to help supply chain managers improve how they explore, analyze, synthesize, and share to improve decisionmaking. In Rwanda, Tanzania, and Zambia, staff prepared and presented maps that showed data in reporting rates, training coverage, and product availability at SDPs, over time. This showed that the supply chain, as a whole system, works and uncovers areas where the system could be improved.

## Increasing National Commitment to Commodity Security

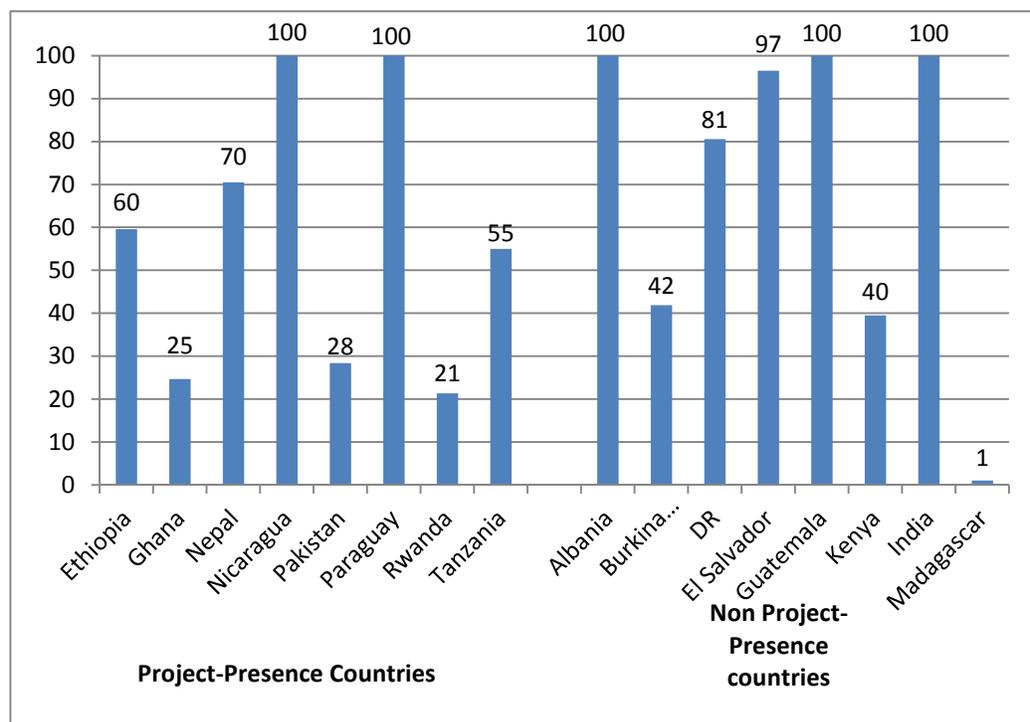
In-country partners continue to develop and implement commodity security (CS) strategies. All project-presence countries have a contraceptive security (CS) strategy, except Tanzania. As of 2011, the project-presence countries—Ghana, Nigeria, and Paraguay—have new strategies; Malawi and Pakistan have draft strategies. Zambia’s is still pending government approval.

Thirteen out of 15 project-presence countries had a committee that worked on CS during the last year. According to the CS indicators, most of the countries surveyed (35 of 40) have a committee that works on CS issues—only Gambia and Nigeria indicated that their committee did not meet last year.

Financing of contraceptives, other commodities, and the supporting health systems are fundamental requirements for CS. Using government resources to finance these commodities and systems indicate a strong national commitment to CS.

In FY2011, 12 out of the 15 project-presence countries had a budget line item for contraceptives. Of those using national financing, most (70 percent) reported using internally generated funds. The non-project-presence countries—Guatemala, the DR, Albania, and El Salvador—graduated from USAID population and project support. Figure 1 shows the share of internally generated funds, in total spending on contraceptives, in FY2010.

**Figure 1. Government Share of Total Spending for Public Sector Contraceptives, 2011**



To ensure that contraceptives are prioritized for procurement, the project continues to advocate for the inclusion of contraceptives on the National Essential Medicines List (NEML). According to the *Contraceptive Security Indicators*, the project-presence countries reported an average of seven out of nine

methods on their NEMLs/NEML equivalent. All project-presence countries reported including combined oral pills and injectables on their lists.

## Information Sharing and Dissemination

As the USAID | DELIVER PROJECT expanded into multiple task orders, addressed a broader range of health issues, engaged new partners, and supported new countries, it became clear that our approach to knowledge management would need to adapt and change. The project's technical work in commodity security, systems strengthening, and capacity building continues to expand its focus and reach new partners and programs; further strengthening the country stakeholders' understanding of and capacity in supply chain management. As the project engages other donors and funders to mobilize resources for global reproductive health commodity security (RHCS), innovative approaches and technologies must be developed—then, well documented to facilitate replication—and successfully disseminated through appropriate communications. For example, many innovative approaches already developed for individual countries may have wider applicability elsewhere.

The project has extensively developed and implemented tools that strengthen country capacity to build and maintain effective, sustainable supply chains. The project has also applied proven practices to develop and share tools to improve CS, for both project countries and globally. During the past year, the project has shared these experience, tools, and approaches at conferences and events; transferred tools and innovations to countries; expanded and used a community of practice for public health logisticians (International Association of Public Health Logisticians [IAPHL]); and increased our effort to publish or support publication of project information in outside publications.

The project website is one of the most effective ways to share with its partners the tools, resources, lessons learned, and best practices of the project. The site continues to be a primary vehicle for sharing and disseminating information. Over the past year, the project website had 375,427 visits and 466,668 downloads, including software; it received an average of 31,135 unique visitors each month. There were 544,115 pages viewed, with *My Commodities* the most visited page (14,485 views), followed by procurement news (10,664 views), resources, and the product catalog (7,271 views).

In 2011, *Concepts of Logistics System Design*, the *Logistics Handbook: A Practical Guide for the Supply Chain Management of Health Commodities*, the *Logistics Management Information System Assessment Guidelines*, the *Guidelines for the Storage of Essential Medicines and Other Health Commodities*, and the *Guidelines for Warehousing Health Commodities* were the most frequently downloaded documents.

Another outlet for sharing and disseminating project lessons learned, best practices, and resources is the IAPHL, which the project created and continues to facilitate. During this reporting period, IAPHL membership increased from 568 members in 76 countries to 907 members in 90 countries. The countries with the largest membership include the U.S., with 23 percent of all members; Nigeria (15 percent); and Ethiopia (6 percent).

## Strengthening National Supply Chains

The project continues to pursue innovative approaches for improving supply chain performance. To help frame our understanding of how supply chains evolve, the project adapted an academic, private-sector model for supply chain evolution using developing country health care supply chain case studies. The adapted model shows that sustained supply chain strengthening efforts lead to improved supply chain performance capacity by increasing the definition and clarity of logistics processes, increasing coordination between supply chain partners, and increasing centralized supply

chain oversight capacity. The model also defines four evolutionary stages that can roughly gauge a supply chain's position along a strengthening trajectory: ad hoc, organized, integrated, and extended. This trajectory helps to logically organize the suite of supply chain strengthening activities supported by the project, and it will support future efforts to develop metrics to evaluate those strengthening efforts.

## **Building Local Capacity**

Lack of local capacity is probably the single biggest challenge the project faces in improving product availability and in helping its partners implement locally operated and supported systems. The project uses a multifaceted approach by customizing system design, capacity building in-country (e.g., pre-service training, on-the-job training, in-service training), improving monitoring and supervision, building regional capacity, promoting distance learning, and creating support networks for public health logisticians.

During the last year, the project accomplished the following:

In FY2011, the project conducted in-service training for 16,269 participants—41 percent women and 59 percent men. Ethiopia trained the most (4,491), followed by Ghana (2,424). Women (48–49 percent) were the majority of trainees in Honduras, Mozambique, Nicaragua, Paraguay, and Rwanda, Ghana, Tanzania, and Zambia.

During this reporting period, IAPHL membership increased from 568 members in 76 countries to 907 members in 90 countries. The countries with the largest membership include the U.S. with 23 percent, Nigeria (15 percent), and Ethiopia (6 percent). Next, between 2 to 4 percent of all members are from Tanzania, Zambia, and Zimbabwe (4 percent); then, Uganda, Rwanda, Ghana, Malawi, Bangladesh, Kenya, and Liberia. Sixty-two percent of all IAPHL members are men and 34 percent are women.

Six project-assisted countries have adopted pre-service training in supply chain management (SCM) and they are working to implement these programs under TO4 (the DR, Ethiopia, Nicaragua, Rwanda, Zambia, and Zimbabwe). For example, in the DR, the project followed up on the supply chain curriculum that staff had integrated into nursing schools during the previous fiscal year (until the office closed in November 2010). In Ethiopia, four Pharm Tech colleges received an orientation; and two colleges integrated the SCM modules in their curricula. In Nicaragua, working with the National Autonomous University of Nicaragua, the project began integrating supply chain topics into pharmacy schools by presenting an academic kit to 25 lecturers in the pharmacy department. Rwanda has integrated the SCM curricula for pharmacists with a bachelor of arts (BA); the first students have graduated. In Zambia, the supply chain curriculum, which the project started integrating in Pharm Tech college curriculum during the previous year, was implemented. And, finally, in Zimbabwe, SCM curriculum has been integrated for three BA pharmacist programs; the program is awaiting approval from the pharmaceutical council.

Under the Regional Institute Development Initiative (RIDI), the project's regional institute partners held nine supply chain training courses this year, for 168 people. *Proyectos en Informática Salud Medicina y Agricultura* (PRISMA) conducted three project modules, without technical assistance. They also provided courses funded by United Nations Population Fund (UNFPA) in Panama and Ecuador. The Eastern and Southern African Management Institute (ESAMI) conducted the two modules twice and one module once; the project co-facilitated only the last module. With technical assistance, Bioforce conducted one module once. Notably, this year marked the largest number of courses given by regional institutes, with the lowest cost in subsidies. The project did not provide subsidies for the Bioforce course or the last ESAMI course. A project advisor also trained PRISMA in

curriculum development this year, so they can adapt supply chain curricula to country-specific courses.

See *Task Order 4 Annual Report* for additional details on progress the project has made and documented.

## **Task Order 2 and Task Order 6—Emerging Pandemic Threats**

The project has demonstrated flexibility as USAID's priorities have shifted from TO2 avian influenza to a wider range of emerging public health threats under TO6. The project has the technical resources and capacity to continue supporting USAID's efforts to respond to outbreaks of pandemic and emerging diseases through procurement and global distribution, and to provide country-level SCM technical assistance to EPT partners and country programs.

Under TO2, the project helped coordinate the H1N1 activities, including a review of product technical specifications, procurement, order management, warehousing, shipping, and delivery—coordinating with in-country and global partners. TO2 and TO6 conducted a review of operations and warehousing procedures to ensure quality warehouse practices and the integrity of all commodities. The project continued to provide PPE kits, infection prevention and control supplies, and laboratory equipment/supplies to countries and EPT partner programs to enable them to prevent, diagnose, and control outbreaks of emerging pandemic threats.

### **Responding to H1N1 Pandemic Influenza**

Task Order 2 supported the international response to H1N1 pandemic influenza. Since the modification of TO2's scope of work on September 14, 2009, the project has played a significant role in supporting the USAID contribution to the global H1N1 pandemic response. TO2 participated in major international coordination meetings and had a key role in implementing USAID's pandemic response. TO2 procured and distributed infection prevention and control supplies, PPE kits, and laboratory equipment to support increased H1N1 surveillance capacity and provided technical assistance to support distribution of these commodities. In addition, the project procured and distributed safe injection equipment to complement the H1N1 vaccine supplies that WHO distributed around the globe. TO2 and TO6 provided technical assistance via short-term consultants placed in WHO central and regional offices, as well as STTA directly to recipient countries in cold chain and supply chain management for distributing the H1N1 vaccine and ancillary supplies.

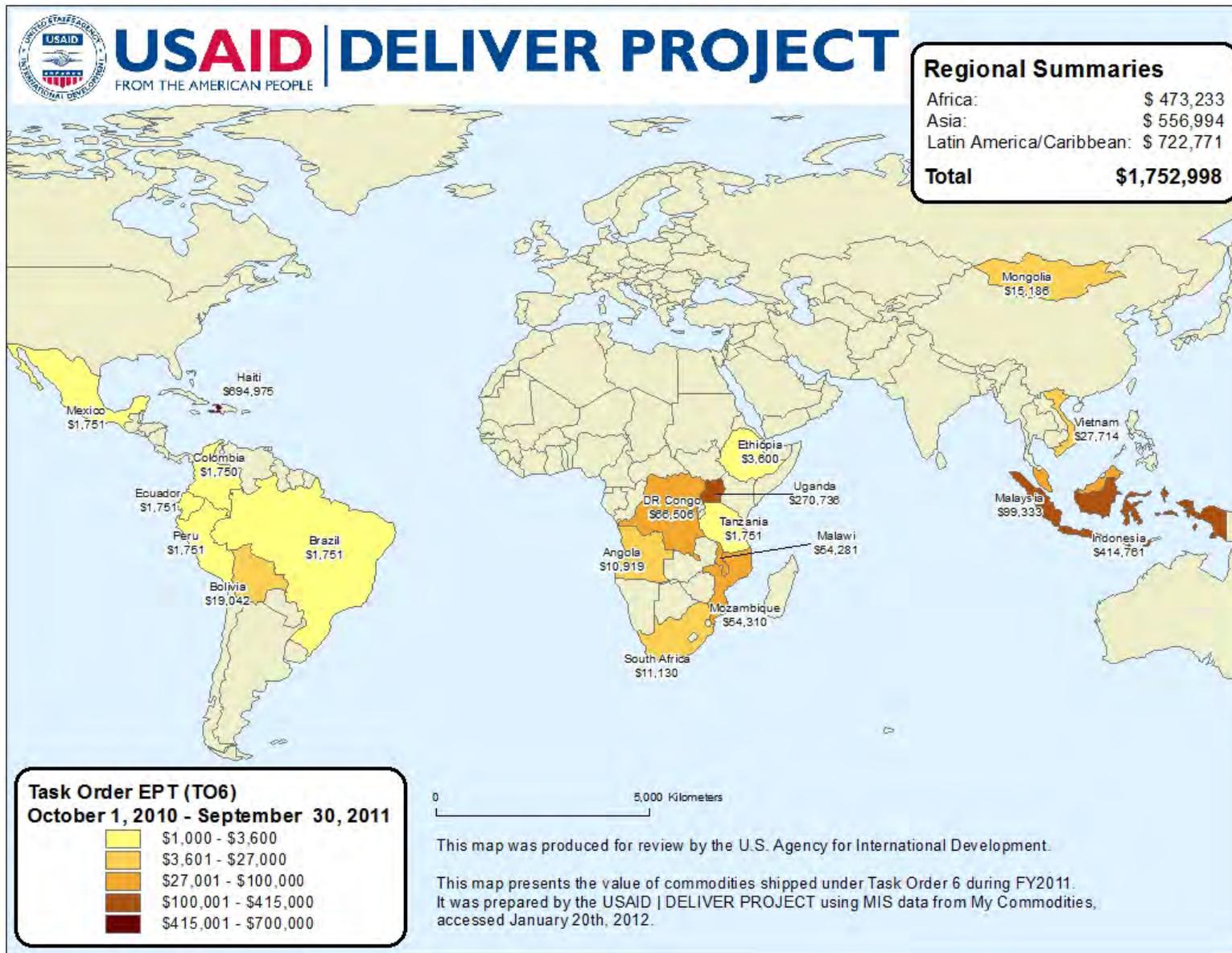
### **Support to USAID's Emerging Pandemic Threats Program**

USAID established its EPT Program in 2009, which include four projects—PREDICT, RESPOND, IDENTIFY, and PREVENT. The project continued to work closely with the project leaders to make them aware of the TO's procurement and logistics management capabilities; and to orient them to our project processes, ensuring efficient fulfillment of EPT program commodity requirements. TO2 and TO6 provided procurement and supply chain management support to these projects, when requested, and approved by USAID. TO2 and TO6 processed 44 orders to ship outbreak response commodities, including laboratory equipment and supplies valued at \$1,752,998, to 19 countries in Asia, Africa, and Latin America. These commodities will support the project's activities in field disease surveillance, including sample collection and analysis. To view commodity distribution over this reporting period, see figure 2. TO6 anticipates additional work with the EPT projects in the future by proactively supporting requests for commodity procurement and

distribution, and supply chain strengthening support, which have been identified in their respective workplans for the coming year.

TO6 recruited a candidate for the Outbreak Response Regional Logistics Advisor, who will be based at WHO/AFRO in Brazzaville, Republic of the Congo. The advisor, seconded to WHO/AFRO for two years, will develop a regional outbreak response logistics strategy, and an LMIS that will enable member countries to improve how they prevent, control, and manage outbreak responses, and to improve regional coordination when an outbreak occurs.

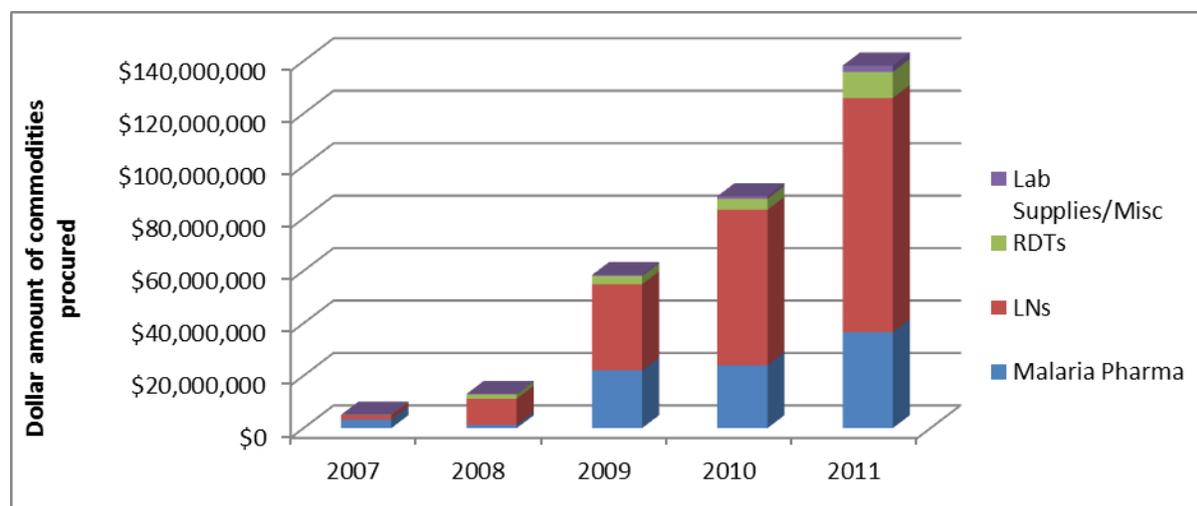
Figure 2. Task Order 2 and Task Order 6 Commodities Shipped



## Task Order 3 and Task Order 7—Malaria

Each year, the project has significantly expanded the volume of products procured, as shown in figure 3. During FY2011, the project received 123 procurement requests from 24 countries; 162 orders were placed with vendors, for a value of \$132.20 million (commodity cost only). The value of the products procured during this period was 37 percent higher than in FY2010.

**Figure 3. Total Commodities Procured, 2007–2011**



Major procurement items included—

- 22.4 million LLINs
- 47.6 million ACT treatments—37.6 million treatments of AL and 10 million treatments of FDC AS/AQ
- 17.5 million RDTs
- 14.7 million SP tablets for IPTp
- 3.3 million quinine-based treatments of tablets and injections for treating severe malaria
- 724 microscopes and kits for malaria.

To respond to significant increases in ACT demand, the project initiated three approaches:

1. Novartis agreed to offer significant discounts for orders placed 12–16 weeks in advance of demand.
2. TO3 will manage its inventory of Coartem® at the UPS Roermond warehouse in the Netherlands to enable them to respond quickly to countries' emergency orders, obtain better pricing, and mitigate supplier production risk. To date, this stock has been sent to countries in need immediately upon release; none has been held in Roermond.
3. The project asked countries to submit 12-month supply plans so orders can be placed with manufacturers earlier.

Strengthening in-country supply systems and building greater capacity for improved management of malaria commodities at the local level are critical to the success of TO Malaria and to achieving PMI's goals. Specifically, the project focuses on improving system performance, improving visibility of stock data at all levels, strengthening accountability for the products managed, bridging the gap between key supply chain entities—NMCPs and Central Medical Stores (CMSs)—and building capacity to sustain performance.

- **Guidelines for Managing the Malaria Supply Chain.** The project completed and published a malaria-specific companion guide to the logistics handbook; it focuses on the characteristics of the disease and products that affect supply chain design and implementation.
- **End-Use Verification.** Over the last year, TO Malaria continued quarterly rounds of data collection and reporting in Ghana, Tanzania, and Zambia; and added two new countries—Malawi and Mozambique. Findings from the End-Use activity are routinely shared with ministries of health and in-country stakeholders, and have also been used throughout this year to contribute to many presentations related to ACT availability at the country level.
- **Procurement Planning and Monitoring Report for Malaria (PPMRm).** This tool provides data on central-level stock availability for malaria commodities, including ACTs, SP, and RDTs. It continues to play a critical role in identifying current or impending shortages, stockouts, and expiries. Data on RDTs and SP were added during the first quarter of FY2011. One non-project-focus country—Burundi—was added, as were three project-focus countries—DRC, Nigeria, and Zimbabwe.
- **LLIN Recycling Pilot in Madagascar.** In November 2010, the TO conducted the second phase of its LLIN recycling pilot study in Madagascar. The pilot was used to determine if recycling would be a feasible option for bed nets at their end-of life use. During the second phase, retired bed nets from six districts in Madagascar were collected. The final phase was determining whether the collected nets could be recycled and used by TO3's partner, Trex, to manufacture into bio-composite plastic-wood boards. Trex recycled the polyethylene nets and used the plastic in its manufacturing process. While Trex's processing costs were within its normal range, the cost of collecting and shipping the used bed nets make this project prohibitive.

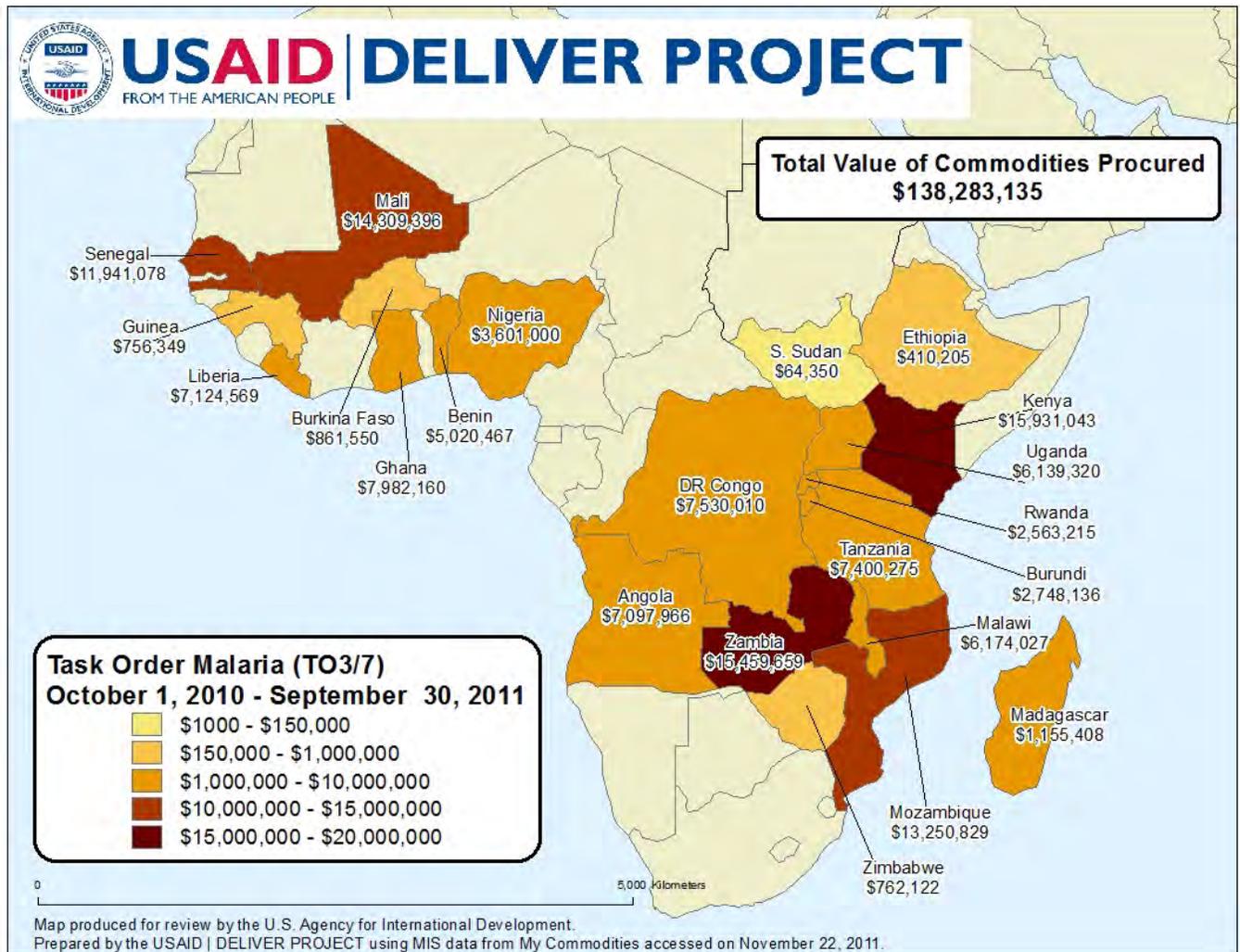
Country highlights include—

- **Zambia:** Conducted a regular review of the Supply Chain Manager software, PipeLine database, and Medical Stores Limited (MSL) reports to confirm that approved facilities have ordered or received antimalarial medicines, LLINs, and/or RDTs, as appropriate. The country instituted immediate follow-up action(s), as needed, to ensure that antimalarial drugs and RDTs are being distributed based on availability and need. LMIS data was supplemented with data collected at a select sample of sites, at the lowest level of the system, and captured information on actual program implementation—in particular, connected diagnosis patterns with treatment patterns.
- **Tanzania:** To improve visibility of the movement and availability of ACTs within the supply chain, the project and the NMCP tracked ACT commodities in the Dar zone. Data was collected from 25 percent of the total number of health facilities in each district (approximately 107 facilities). Under the same exercise, they later conducted field visits to 30 districts within the Tabora, Tanga, and Mbeya regions.

- **Zimbabwe:** The project assisted the Ministry of Health and Child Welfare (MOHCW) in revising the Zimbabwe Informed Push/Primary Health Care Package standard operating procedure (SOP) and training curricula, to compliment a change from the paper-based to automated system (AutoDRV) for collecting essential logistics data in the field, including tuberculosis (TB) and malaria.

For additional details on progress the project has made and documented, see the *Task Orders 3 and 7 Report* and figure 4.

**Figure 4. Task Order 3 and Task Order 7 Commodities Procured**



## Task Order 5—Procurement and Distribution of Essential Public Health Supplies

Task Order 5, under the USAID | DELIVER PROJECT, supports USAID's procurement and delivery of condoms, contraceptives, and other essential public health supplies to USAID-supported programs worldwide. The objective of TO5, awarded on September 30, 2010, is to achieve a 95 percent DTP ratio for task order shipments by providing procurement, supply operations, MISs, and STTA. TO5 continues the work that was started under TO1.

In FY2011, we achieved a 77 percent on-time delivery, with 256 of 333 shipments delivered no later than 30 days after the desired receipt date. The project improved the level of performance by 4 percent, compared to performance during the previous fiscal year; and made progress toward meeting the 95 percent DTP goal. Figure 5 shows a summary of shipments, by country, during the last fiscal year.

During this first year, we created an integrated supply chain that stretches from suppliers to recipients.

Key accomplishments include—

- Built on more than 20 years of successful collaboration, the TO continued its partnership with CSL.
- Awarded long-term contracts for methods and products traditionally offered by the Central Contraceptive Procurement (CCP) project: male and female condoms, oral contraceptives, IUDs, lubricant, contraceptive implants, and cycle beads. The project also has a long-term award for a new implantable contraceptive and are completing ad hoc procurements for emergency contraceptives.

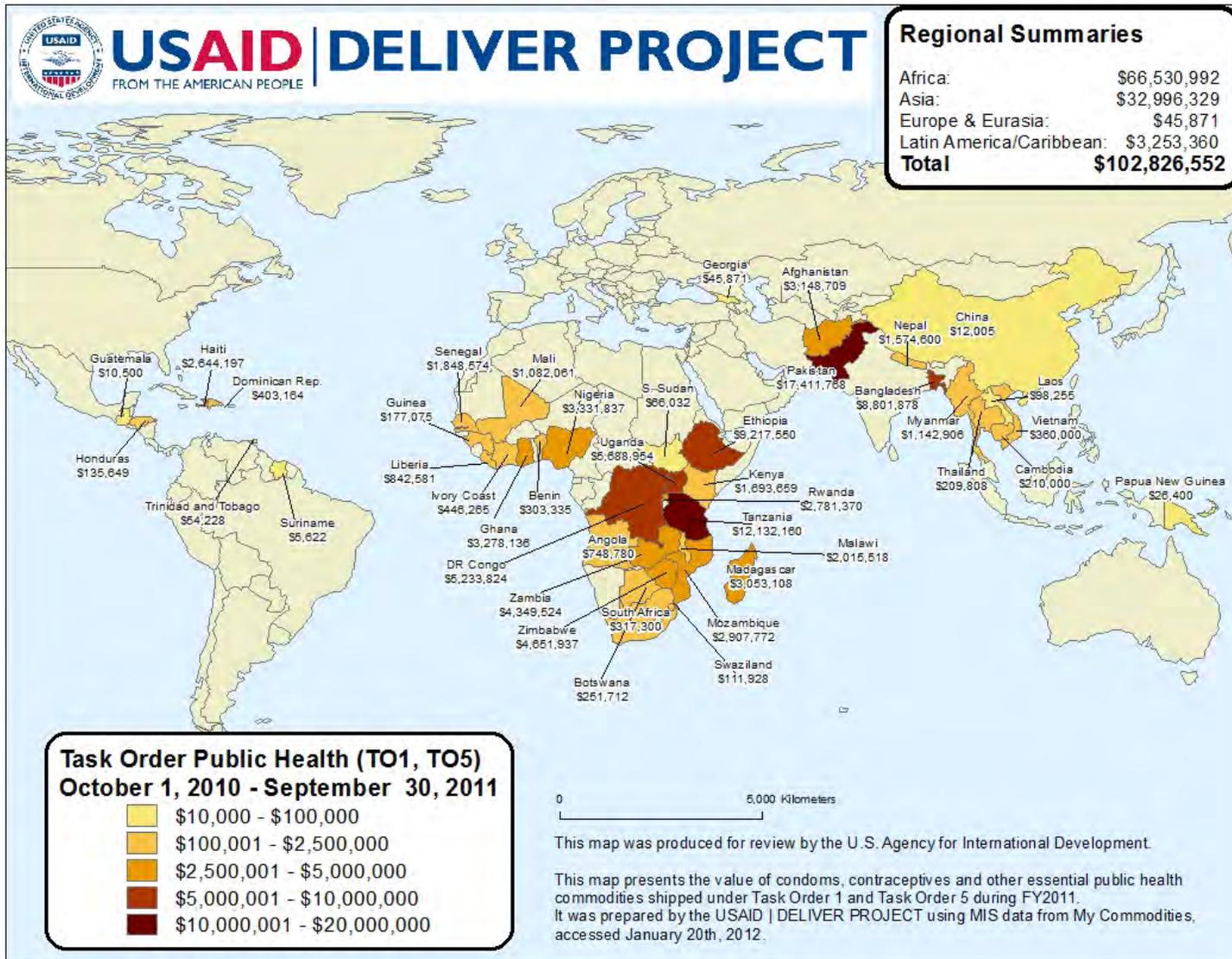
Organized a meeting of experts to discuss and solicit ideas for procurement strategies for oral hormonal contraceptives; and developed procurement strategies for oxytocin, emergency contraceptive pills, and oral hormonal contraceptives.

Completed two publications to help missions place orders: *USAID's Ordering Essential Public Health Supplies: Guidelines for USAID Missions and Country Programs* and *USAID Contraceptive and Condom Catalog 2011*.

- Implemented a new freight-forwarding strategy; most outbound shipments are competitively bid between our freight-forwarding partners; the project also implemented EDI protocols and software with our freight-forwarders to allow for automated exchange and processing of shipment and warehouse instructions and receipts.
- Implemented a risk mitigation plan for specific, foreseeable risks to achieving the goal of 95 percent DTP; it outlines a strategy of continuous improvement focused on preventing problems, managing problems when they arise, and identifying and implementing solutions to ensure they do not re-occur.
- Implemented a performance monitoring plan and DTP monitoring tool that we report on monthly. This enables the project and CSL to monitor progress and quickly identify areas for improvement.
- Improved on-time performance.
- Developed a mechanism to monitor and manage registration requirements.
- Implemented EDI with our freight forwarding and warehousing partners.
- Maintained seamless MIS operation.
- Provided visibility into the TO's performance and operations to facilitate monitoring and management.
- Created tools and a process to identify and support countries that are likely to place emergency orders or unplanned orders.
- Identified challenges to CCP's current business model and options for addressing them.

In the coming year, we will focus on streamlining the current supply chain, broadening our supplier base, improving our understanding of in-country demand, and assisting CSL as they create a long-term vision for their supply chain.

Figure 5. Task Order 5 Commodities Shipped



# IQC Financial Reporting

Table 5 includes the USAID | DELIVER PROJECT financial expenditure, obligation, and ceiling data by task order; showing the actual expenditures invoiced to USAID from October 2010–September 2011, and for the life of the project for both procurement and technical assistance.

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

<b>Expenditure</b>	<b>TO1</b>	<b>TO4</b>	<b>TO2</b>	<b>TO6</b>	<b>TO3</b>	<b>TO7</b>	<b>TO5</b>	<b>TOTAL</b>
<b>October 2010 through September 2011</b>								
Technical assistance	\$18,586,435	\$19,962,303	\$2,685,527	\$1,438,509	\$13,217,834	\$37,360	\$33,912	\$55,961,880
Procurement and distribution*	\$128,969,523	n/a**	\$1,046,550	\$594,320	\$132,325,935	\$7,147,895	\$9,404,447	\$279,488,670
<b>Total</b>	<b>\$147,555,958</b>	<b>\$19,962,303</b>	<b>\$3,732,077</b>	<b>\$2,032,829</b>	<b>\$145,543,769</b>	<b>\$7,185,255</b>	<b>\$9,438,360</b>	<b>\$335,450,551</b>
<b>Life of Project</b>								
Technical assistance	\$122,349,382	\$19,962,303	\$18,661,667	\$1,438,509	\$37,831,373	\$37,360	\$33,912	\$200,314,506
Procurement and distribution*	\$230,514,585	n/a**	\$19,883,732	\$594,320	\$308,162,562	\$7,147,895	\$9,404,447	\$575,707,541
<b>Total</b>	<b>\$352,863,968</b>	<b>\$19,962,203</b>	<b>\$38,545,399</b>	<b>\$2,032,829</b>	<b>\$345,993,935</b>	<b>\$7,185,255</b>	<b>\$9,438,360</b>	<b>\$776,021,949</b>
Current obligations	\$5,840,000	\$31,977,347	\$0	\$8,630,000	\$418,962,629	\$183,597,398	\$180,575,041	\$829,582,415
Obligations to date	\$371,822,258	\$31,977,347	\$62,109,440	\$8,630,000	\$418,962,629	\$183,597,398	\$180,575,041	\$1,257,674,113
<b>Ceiling</b>	<b>\$499,345,332</b>	<b>150,000,000</b>	<b>\$85,261,108</b>	<b>\$56,513,716</b>	<b>\$894,917,675</b>	<b>\$499,946,194</b>	<b>\$500,000,000</b>	<b>\$2,685,984,025</b>

\* *Procurement*, as defined by each task order.

\*\* TO4 technical assistance funding is extended to include some in-country warehousing and distribution activities.



# IQC Challenges for the Next Year

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

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



For more information, please visit [deliver.jsi.com](http://deliver.jsi.com).

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