

**INFORMATION SESSION**

# **PU/DRs: Health Product Procurement & Supply Chain Management**

12 December 2023

**This session is being recorded.**

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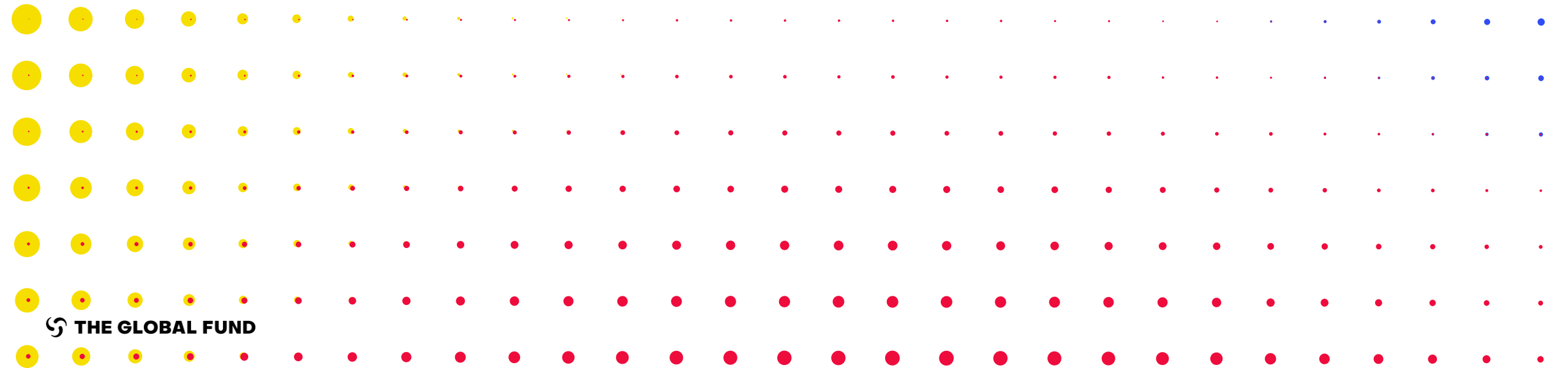
**Q&A**

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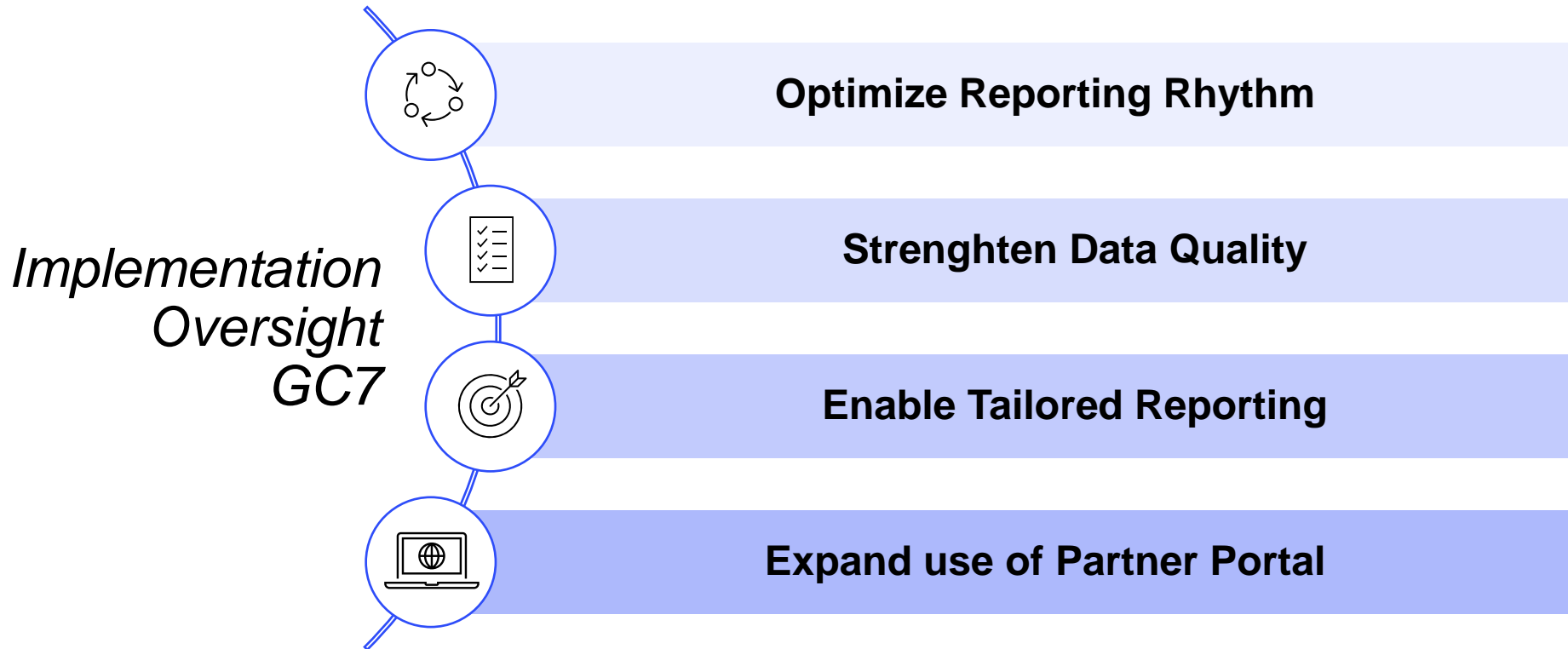


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# Introduction



# Implementation Oversight 2024 Updates



Look out for information sessions:

Pulse Check:  
February/March

PU/DR: May/June

**Today's session:** Expansion of PSCM metrics to more High Impact and Core countries

# Context

Procurement and Supply Chain Management (PSCM) processes are critical enablers to programmatic and Principal Recipient (PR) performance

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- Equitable access to quality assured health products is crucial in the fight against HIV, TB and malaria.
- How effectively the PR manages PSCM processes significantly impacts programmatic performance.
- Weak PSCM systems impair the overall health system's ability to respond to surges and shifts in demand, thus leading to stock-outs, expiries and wastage.

Therefore, additional **PSCM metrics** have been added to the PU/DR for High Impact and Core portfolios\* to enable implementers and the Global Fund to **identify critical delays and risks** and **take corrective actions** promptly when necessary.

\*Currently applicable for reporting for High Impact/Core Grant Cycle (GC) 7 grants only.

# New PSCM Metrics

The three additional metrics are incorporated into the Health Products tab of the PU/DR for High Impact and Core portfolios\*



**1.** Quantification and Forecast Timeliness and Comprehensiveness



**2.** Grant Procurement Planning Performance



**3.** Stocked According to Plan

In addition, all PRs with budgeted health product procurement are expected to continue to complete the Price and Quality Reporting (PQR), including quality assurance compliance. PRs also continue to report on risk of stock out and expiry and PQR value & reporting compliance in the PU/DR.

**\*Currently applicable for reporting for High Impact/Core Grant Cycle (GC) 7 grants only.**

# Phased rollout of the new PSCM Metrics

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## **Pilot phase**

- New metrics were introduced in preselected High Impact and Core grants.
- For the selected grants, targets were set in collaboration between PRs and CTs for Jul-Dec 2023 reporting period (apart from defined off-cycle grants) and confirmed by the HPMs.
- Results to be reported with PU/DR and to be submitted to the Global Fund in line with the standard PU/DR timelines.

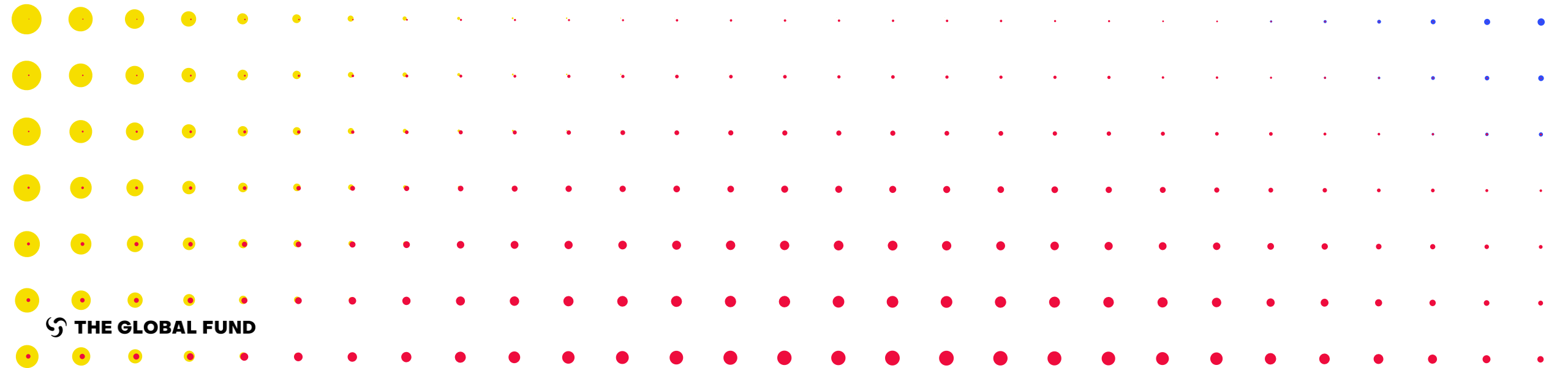
## **Rollout for the rest of the GC7 High Impact and Core grants**

- The new metrics will be integrated into PUDR reporting requirements for ALL High Impact and Core GC 7 grants as of 2024.
- The target setting is forward-looking and is completed prior to the start of the annual reporting cycle.



# 2

## PSCM Metrics





# PSCM Metrics:

## Quantification and Forecast Timeliness and Comprehensiveness



### Description:

Timely quantification and preparation of a comprehensive forecast enables timely initiation of the procurement process, order placement and arrival of required products into the country.

A red starburst icon with the word "New" in white text, located in the top right corner of the description box.

New

### Metrics

- 1 Timeliness** measures whether the forecast of selected product categories was completed per agreed timelines. Calculated as the average number of days between planned date and actual forecast completion date for selected product categories.
- 2 Comprehensiveness** measures whether all selected product categories were covered in the quantification exercise. Calculated as percentage of health product categories that were quantified during the reporting period from the total # of product categories selected for quantification and forecast.

# PSCM Metrics: Grant Procurement Planning Performance



## Description:

Timely and effective procurement of health products requires proper planning. PRs are required to develop a procurement plan with details of health products, quantities, budgeted reference prices, order placement dates and procurement channels.

The grant procurement/supply plan is ideally derived from a national plan that is the result of the national quantification and forecast exercise.

## Metric

- 1 Procurement Planning** measures the PR's effectiveness in procurement planning and execution considering published and indicative lead times, by assessing proportion of orders placed as per plan.  
Calculated as percentage of orders for selected tracer health products that are placed on time, as per the grant procurement plan, considering international/national lead times.

# PSCM Metrics: Central Stock (Stocked According to Plan)



## Description:

Effective inventory management is a key process in health products supply chain management. PRs are required to maintain optimum health product stock levels as per the national guidelines for supply chain management and logistics.

This metric measures PR's effective management of inventory at the central level by looking at proportion of products maintained within min and max stock levels.

**New**

## Metric

- 1 Stocked according to plan (SATP)** measures PR's effective management of inventory at the central level by looking at proportion of products maintained within minimum and maximum stock levels.  
Calculated as percentage of the tracer health products whose stock status are within designated min/max stock levels, as per the central stock report.

# The PU/DR form has been revised to incorporate the new PSCM metrics (section 8)

8A: Price Quality Reporting

8B: Risk of Stock out and Expiry

8C: **Quantification & Forecast**



8D: **Grant Procurement Planning Performance**

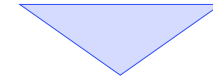
8E: **Central Stock (Stocked According to Plan)**

8F: Additional Information (*revised*)

8G: Value of Pharmaceuticals and Health Products in the PQR

**\*The requirement to report on the *new metrics* applies to High Impact and Core portfolios only.** Focused portfolios will continue reporting on existing sections – 8A, 8B, 8F and 8G.

C. Quantification and Forecast			
Product categories selected for annual quantification	Target date for quantification completion (1st quantification cycle)	Selected for 2nd quantification cycle during the period (if applicable) (Yes/No)	Target date for quantification completion (2nd quantification cycle, if applicable)
Condoms	15-Dec-22	Yes	31-Dec-22



D. Grant Procurement Planning Performance			
Tracer products selected for grant procurement planning indicator	Planned order placement date according to Health Products Management Template or procurement plan (quarter)	Actual order placement date during reporting period (Q1-Q4)	Order placed according to plan (Yes/No)

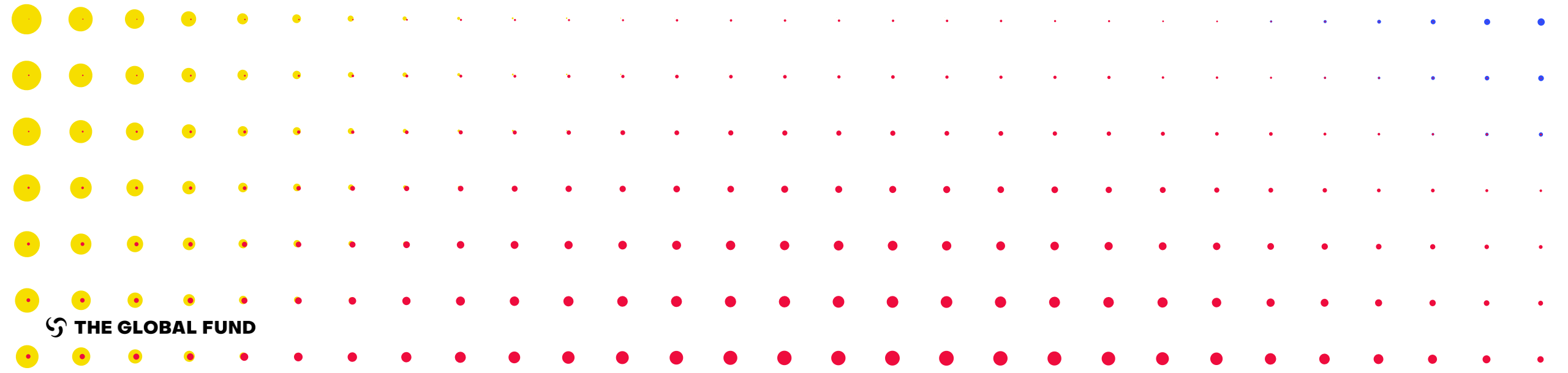


E. Central Stock Level (Stocked to Plan)			
Tracer products selected for stocked to plan indicator	Minimum stock level (months of stock)	Maximum stock level (months of stock)	All stocked to plan during the reporting period (Yes/No)
Male condom-53 mm - with color - pack of 144	5	10	No



# 3

# Target Setting



# Target setting is completed for the Jan-Dec 2024 period for all HI/Core GC7 grants

- As part of a consultative process between the Global Fund and the PR, the targets are set for tracer products for each of the three new PSCM metrics.
  - For e.g., for the metric on procurement planning, the PR and the CT will need to agree on “target” order placement dates (Quarter/Year) for selected tracer health products*
- Target setting is always forward-looking and is for annual reporting cycle.
- The process consists of two main steps:
  - Selection of tracers; and
  - Agreeing on targets for each of the tracers for the three PSCM metrics.

Targets are entered and set in the Global Fund’s internal system (GOS) and will be pre-populated in PU/DR forms.

Once targets are set, it is possible to modify them, as long as this happens before the start of the next reporting period.

# PR and CT complete tracer health product selection through a consultative process

- Tracer products (also referred to as ‘tracers’) represent core categories procured under grants and are selected at product category or individual product level.
- **Criteria for selection:**
  - **Health products of strategic importance** to achieving grant objectives **and/or representing a major expenditure under the grant.**
  - **Core product categories** (LLINs, ARVs, etc.,)
  - **Individual products:** Regimens that majority of patients are on, or a key product that represents a major proportion of the grant budget (TLD in ARVs, AL in antimalarials etc.,).

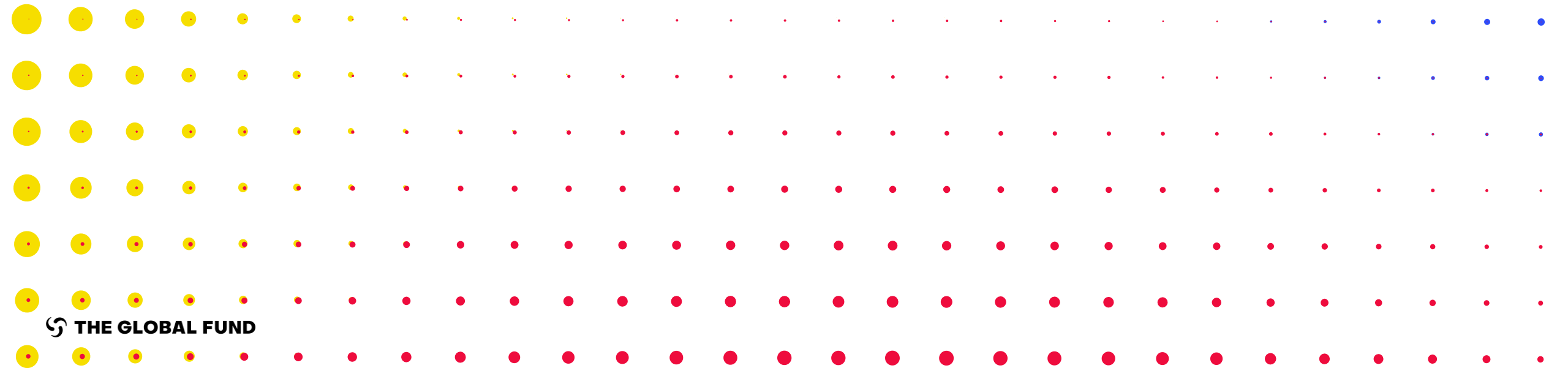
## Note:

- **Recommended products for selection are 'core' product categories where the sum of selected tracers represent at least 50% of the product category budget** (e.g., select necessary number of ARVs to reach at least 50% of the product category budget).
- **Anticipated number of tracers: 2-5 tracer product categories per metric** (Quantification and Forecast) **and 5-10 tracer products per metric** (Grant Procurement Planning Performance; Central Stock (Stocked According to Plan)).
- Target setting is per annual reporting cycle and therefore, list of tracers may vary from year to year (e.g., if grant supports procurement of LLINs in Y1 but no longer in Y2)
- It is **not** mandatory to select all health product categories presented in the HPMT as “tracers”.



# 4

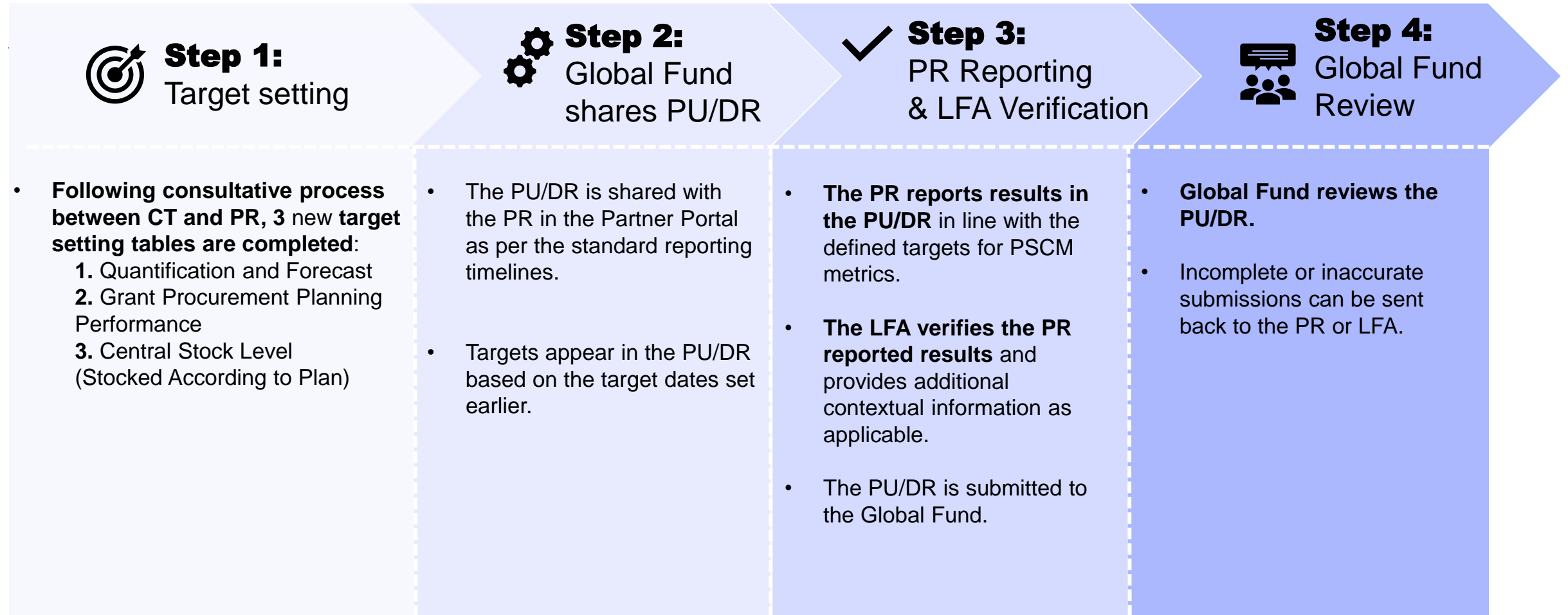
## PU/DR Process Flow





# Process Flow

## Requirement for High Impact and Core Portfolios only



**For all HI/Core GC7 grants for the reporting period Jan-December 2024**

# Target Setting and Reporting: Roles and Responsibilities

	PR and CT set annual targets	PRs are required to	LFA's are required to
<b>Quantification and Forecasting</b>	<ul style="list-style-type: none"> <li>Depending on number of quantification cycles in a year, agree on target quantification completion date(s).</li> </ul> <p><i>Each tracer product category to have 1 OR 2 quantification completion dates in each year. List of tracers may vary from year to year and each completion date is year specific.</i></p>	<ul style="list-style-type: none"> <li>Complete the quantification as per agreed timelines.</li> <li>Report on date(s) on which the quantification was completed for each of the cycles, in the PU/DR.</li> </ul>	Review and verify PR reported information, complete the relevant LFA sections in the PU/DR and provide explanation if the PR-reported information is incorrect.
<b>Grant Procurement Planning Performance (GPPP)</b>	<ul style="list-style-type: none"> <li>Based on HPMT and/or procurement plan, agree on the target order placement dates (quarter/year) for selected tracers.</li> </ul> <p><i>List of tracers and ordering quarter are specific to reporting cycle.</i></p>	<ul style="list-style-type: none"> <li>Place orders as per agreed timelines.</li> <li>Report on the actual date (quarter/year) of order placement in the PU/DR.</li> </ul>	
<b>Central Stock Level (Stocked According to Plan)</b>	<ul style="list-style-type: none"> <li>For selected tracers, enter the minimum and maximum stock level (months of stock) per national SOP/guidelines.</li> </ul> <p><i>The target date is for the central level stock. However, where central medical store (CMS) is only used as a pass-through or transit, then months of stock (MoS) at a sample number of state/provincial stores can be taken.</i></p>	<ul style="list-style-type: none"> <li>Report on i) stock on hand and ii) average monthly consumption.</li> <li>Provide brief explanation if the stock levels has gone beyond the agreed range (min-max stock levels).</li> </ul> <p><i>Stock on hand to be based on reporting period end date (PU/DR).</i></p>	

# Quantification & Forecast

## Reporting against the targets

C. Quantification and Forecast									
Product categories selected for annual quantification	Target date for quantification completion (1st quantification cycle)	Selected for 2nd quantification cycle during the period (if applicable) (Yes/No)	Target date for quantification completion (2nd quantification cycle, if applicable)	Quantification updated during IP (1st quantification cycle) (Yes/No)	For Principal Recipient use only			Average number of days between planned and actual quantification completion dates	PR comments (Including specific comments on delays of than 3 months)
					Quantification updated on [date] (1st quantification cycle)	Quantification updated during IP (2nd quantification cycle) (Yes/No)	Quantification updated on [date] (2nd quantification cycle)		
RDTs for HIV	20-Feb-22	Not applicable for this reporting period	Not applicable for this reporting period	No		N/A		6.00	
Condoms	20-Feb-22	No		No		N/A		6.00	
RDTs for TB	31-Mar-22	No		No		N/A		6.00	
RDTs for Malaria	Not applicable for this reporting period	No						6.00	
TB medicines for Prevention	20-Feb-22	Not applicable for this reporting period	Not applicable for this reporting period	No		N/A		6.00	

← Pre-populated targets, no data entry needed →

← PR to complete yellow cells (3 columns) (LFA has similar columns to fill) →

- Only targets applicable for that reporting period will show in the form (for e.g., in Jan-Jun 2024 PU, the targets for Jul-Dec 2024 reporting period will show up as *“not applicable for this reporting period”*)
- Enter the **date (dd-mm-yy)** when quantification was completed for that tracer product category
- Both PR and LFA have provision to include specific comments for data reported against each of the target, to support interpretation of data

# Grant Procurement Planning Performance

## Reporting against the targets

D. Grant Procurement Planning Performance					
Tracer products selected for grant procurement planning indicator	Planned order placement date according to Health Products Management Template or procurement plan (quarter)	For Principal Recipient use only			
		Actual order placement date during reporting period (Q1-Q4)	Order placed according to plan (Yes/No)	- Score calculation - tracer product(s) procured as per the plan (Yes=1 / No=0)	PR comments (including specific comments on order placement less than 3 months)
Rapid Diagnostic Test - HIV/Syphilis-HIV/Syphilis - SD Biolin	Q1-22		No	0	
Dolutegravir-50mg tablet 30	Q2-22		No	0	
Male condom-49 mm - dotted - pack of 144	Q1-22		No	0	
Rapid Diagnostic Test - TB-Determine TB LAM Ag Test, 100	Q2-22		No	0	

← Targets populated in PU/DR

PR to complete 2 yellow cells (LFA has similar columns to fill) →

- Only targets applicable for that reporting period will show in the PU/DR form (for e.g., in Jan-Jun 2024 PU, the targets for Jul-Dec 2024 reporting period will show up as “not applicable for this reporting period”)
- Select the **date (quarter/year)** when the order was placed for each of the tracer products
- Both PR and LFA have provision to include specific comments for data reported against each of the target, to support interpretation of data

# Stocked according to plan

## Reporting against the targets

E. Central Stock Level (Stocked to Plan)									
Tracer products selected for stocked to plan indicator	Minimum stock level (months of stock)	Maximum stock level (months of stock)	All stocked to plan during the reporting period (Yes/No)	For Principal Recipient use only					
				Data source	Stock on hand in packs	Average Monthly Consumption (AMC) in packs	Actual reported stock levels in months of stock	Score calculation Tracer product(s) within stock plan (Yes=1 / No=0)	PR comments
Dolutegravir-50mg tablet 30	3	6	No					0	
Primaquine Phosphate 15mg (as base) (equivalent to 26.4mg Primaquine Phosphate)	3	3	No					0	
Isoniazid-100mg 10 tablet 10 blister (100)	2	10	No					0	
Dexamethasone-4mg tablet 100	2	3	No					0	

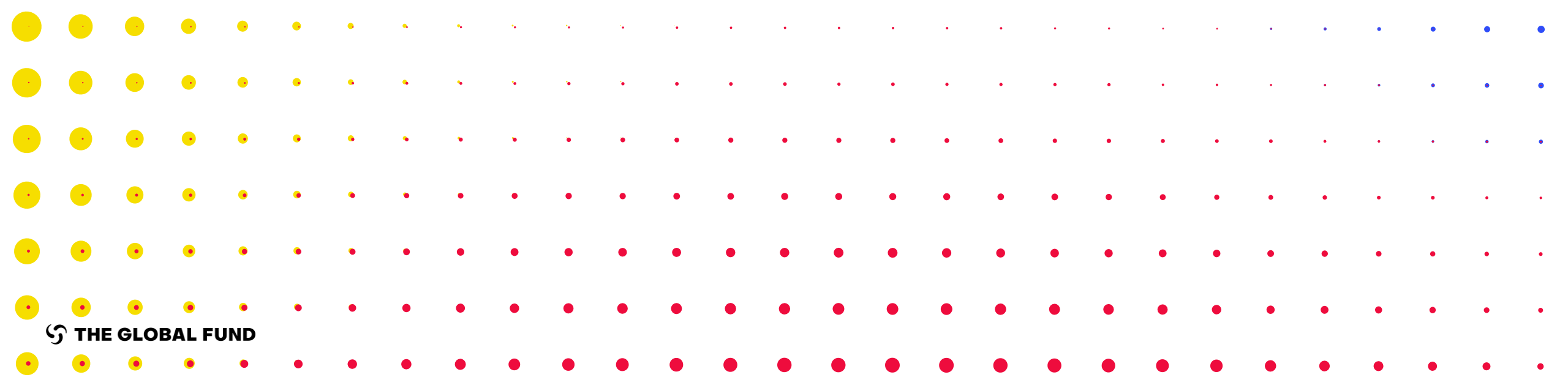
← Targets populated in PU/DR →

← PR to complete yellow cells (LFA has similar columns to fill) →

- Targets are annual and do not vary per reporting period. Hence, all targets are shown.
- Enter the **stock on hand** and **average monthly consumption** for each of the tracer products, along with an indication of the data source)
- Both PR and LFA have provision to include specific comments for data reported against each of the target, to support interpretation of data



# 5 Next Steps and Resources



# As a recap, several steps are to be completed in the coming weeks:



## **NOW and before 30 Dec 2023:**

**HPMs in consultation with PRs agree on targets**



**HPMs communicate targets to PRs to be set in GOS**

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## **UPCOMING:**

**EN/FR Information sessions for PRs and LFAs in Jan 2024**



**PRs to report on the metrics with Jan – June 2024 PU and the July-Dec 2024 PUDR**

# Resources



## Still have questions?

Contact your **CT HPM Specialist** for questions on target setting, metrics, products and categories selection.



More information on is available on the **Global Fund website:**

<https://www.theglobalfund.org/en/funding-model/implementation/reporting-and-checks/>



## PU/DR Form Instructions:

- [English](#)
- [French](#)
- [Spanish](#)

\*Updates forthcoming



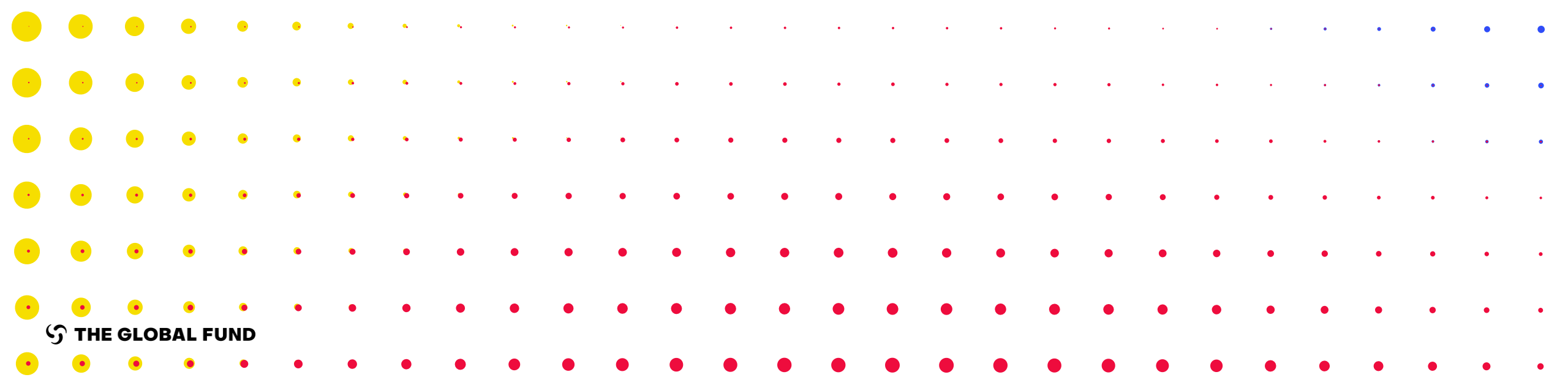
## Information Session Resources

- This presentation and the session recording will be available.
- Additional sessions for PRs and LFAs to be planned in 2024.





# 6 Questions and Answers



# Thank you!



The Global Fund to Fight  
AIDS, Tuberculosis and Malaria

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