1 Defining Reproductive Health Supply Requirements

Three Phases	*Ten Elements*
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	2. Specifications
	3. Assessment of Procurement Options
	4. Budget, Funding, and Procurement Requisition
II. Procurement Process	**5. Procurement Planning**
	6. Developing Bidding Documents and Inviting Offers
	7. Selecting Suppliers
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III. Performance	**9. Contract Performance and Monitoring**
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A. Introduction

This module covers Element 1 of the reproductive health (RH) supply process. It describes the requirements and processes necessary to quantify and forecast needs for RH commodities. Defining requirements, in most cases, is the first step in the program planning phase, followed by specification development, selection of a procurement method, and budgeting.

Forecasting is not an exact science. Many factors must be determined in order to estimate consumption within a given time for a certain group of commodities: the rate of consumption, user behavior, level of demand, whether the commodity tends to be out of stock, and a number of other factors. Factors such as target coverage and the time it takes an order to arrive at its point of consumption must also be considered. Looking into the future and making estimations for procurement purposes is always challenging.

When reading Module 1, consider these four key concepts, used throughout this section:

- **Need** is when an individual is exposed to a risk or a condition (e.g., unintended pregnancy or HIV transmission) that could be prevented or satisfied via access to specific products or services. The individual may *need* a particular service, but may not wish to satisfy the need or may not be aware of their exposure to risk.
- **Demand** refers to the quantity of products or services that an individual or household wants at a specified price and time.
- **Consumption** refers to what individuals and households are able to utilize to meet their needs, whether bought on the market or provided free by government agencies or nongovernmental organizations (NGOs).
- **Supply** refers to the goods and services that are provided to businesses, to public agencies, or directly to consumers.

If forecasting were not conducted regularly, RH programs would face serious consequences. Health programs would not have the right supplies available for treatment or prevention programs. This would affect service protocols, disease and transmission rates, and maternal mortality.

B. Learning Objectives

At the end of this module, the reader will be able to:

- Discuss programmatic considerations for forecasting.
- Name the types of forecasting methods and the basic principles of how they are used.
- Explain how to monitor the supply system.
- Explain how to arrive at the required program quantity.

C. Components, Considerations, and Challenges

1. Components

Each element of RH supply forecasting is made up of several components. Three broad components (and representative subcomponents) for defining requirements are:

a. Program

- Program goals.
- Target population.
- Factors affecting the success of RH programs.

b. Commodity Based

- Commodity mix based on standard treatment guidelines and essential medicines lists.
- Quantities needed per person.
- Commodity-sharing among programs.

c. Estimating Requirements

- Choice of forecasting methods.
- Data collection.
- Forecast development.
- Forecast validation and consolidation.
- Order planning.
- Lead time.

2. Considerations

The main considerations for Element 1 are:

a. Overarching Principles of Quality and Timeliness

Good procurement practice allows a country to benefit from economies of scale by undertaking direct procurement from qualified suppliers. The country will be able to

procure low-cost, quality-assured commodities without resorting to unreliable sources. Timeliness depends on the ability of the forecasting team to mobilize resources and information so that forecasting can be carried out at the beginning of the financial year or at a suitable time convenient to the country, and subsequently, at the same time on an annual basis.

b. Critical Component: Data

- Data must be available to proceed to budget development and the securing of finances.

c. Key Decision Points

- Choosing a forecasting methodology.
- Determining the forecast period.
- Ensuring that the appropriate staff are engaged in developing and providing the forecast.

d. Expected Outputs

- Validated forecast.
- Commodity requirements based on stock-on-hand, orders in the pipeline, losses, adjustments, and transfers.
- Determination of final quantities, cost estimates, and staggered orders based on consumption patterns.

3. Challenges

The main challenges of Element 1 are:

- Maintaining and improving coordination between those with forecasting and procurement responsibilities.
- Limited capacity of RH programs to collect data and conduct routine forecasts.
- Reliance on short-term forecasts as opposed to medium- to long-term planning.
- Budgets available for product procurement—available funds often drive procurement, rather than the other way around.
- Poor-quality data.

- Understanding and quantifying how consumers obtain their supplies from the commercial or NGO sector.
- Monitoring the supply chain and making supply decisions based on consumption patterns.

D. Defining Reproductive Health Supply Requirements

Estimating requirements is in most cases the first step in the procurement process. The estimate triggers a series of actions to obtain low-cost, quality-assured commodities. An estimate that is too low could negatively affect the budget and eventually limit clients' continued access to products. An estimate that is too high could cause excess holding costs, storage-capacity strain, and increased potential for obsolescence. For these reasons, a good relationship between the forecasting and procuring departments is fundamental.

Quantification tends to happen in isolation from the rest of the supply chain—it is often considered a chore, rather than an opportunity to efficiently utilize resources. Forecasting is not a solitary activity; it involves groups of people or departments, depending on the forecasting approach. When RH stands alone as one department, the program managers and their staff—namely, information systems, warehousing, and logistics officers—conduct quantification, receive the logistics management information system (LMIS) data when available, and make estimates. Sometimes this is done by one person who performs multiple functions within the health supply system. When family planning is included in the health care system, forecasting often falls to the program manager rather than to experienced essential medicines forecasters, because this level of integration frequently does not exist. If there is donor support for the commodity, technical assistance may be provided to help ensure more accurate forecasting.

In some national programs, particularly those that receive donor assistance, stakeholders approve the forecast after being presented with the required quantities and informed of the assumptions and issues that accompany them. Regardless of donor assistance in the procurement process, procurement departments tend to act as functional silos for other departments, limited to only the requests and timelines provided by program managers. The benefits of procurement staff reaching out to other program and technical staff to clarify requirements and timelines are discussed in Modules 4 and 5.

E. Program Goals

Without appropriate commodity quantification, RH programs face serious challenges, such as greater unmet need, inadequate supplies, and possibly increased morbidity and mortality. Though quantification is not complicated, it is a complex and dynamic activity with no right or wrong answers; it is an "informed guess" based on a number of issues that have been carefully examined and considered.

1. Program Objectives

Program objectives are significant to the quantification exercise. If, for instance, the objective is to gain a greater outreach by growing the program progressively on a compounded 10 percent growth per annum, there should be a corresponding annual addition. However, program objectives are often qualitative, rather than quantitative: to "decrease maternal mortality"; to "provide a comprehensive family planning service, including its associated method mix"; or to improve certain indicators. Those responsible for quantification must understand program objectives and incorporate them to help ensure an effective commodity-quantification process.

Inexperienced and/or cautious forecasters tend to overestimate quantities on a "just in case" basis. This is as counterproductive as underestimating the program's needs, as the result will be a commodity surplus that may strain the service delivery capacity and result in a waste of valuable resources.

A new program with minimal data beyond population demographics and perceived need should establish a 6-month monitoring mechanism to track quantities according to real consumption. See Section G for more information on forecasting methods.

It is also important to determine the unmet need for specific products within the program product mix. To do so, the supply chain can be supervised at the user point to ensure that the appropriate product mix (with the nationally available brands) is available at each service delivery point, or that clients who require an unavailable product or brand can be logged for tracking purposes.

2. Population Demographics

The primary demographic for RH programs is sexually active individuals; family planning programs, for example, often focus on women of child-bearing age (generally 15 to 49

years). Many developing countries have a very young population base, and demand for RH services often surpasses available financial resources. Depending on the product to be purchased, a subset of the population may be of interest, such as pregnant women or those at risk of sexually transmitted infections (STIs).

3. Target Coverage

It is important to clarify the population sector on which each RH program is focused. RH services and their associated commodities must be carefully planned. Different contraceptive methods will have different levels of demand, due to access, acceptability, culture, lifestyle, or personal preference. These factors will directly impinge on the demand of each of the methods and the need for each of the commodities. Treatment drugs for STI programs target a smaller set of clients with different requirements.

4. Private-Sector Involvement

During the planning stage of forecasting, it is necessary to understand the percentage of the need that is covered by the private sector (the market share). This percentage could include services provided through public-private partnerships, NGOs, or other international service providers. A national RH program might not be the only program providing RH services and its associated commodities; therefore, other service providers must be considered.

F. Commodity Considerations

Prior to gathering data to conduct a quantification exercise, issues surrounding commodity mix and quantity need to be thoroughly considered. This can be done once a program's needs and coverage goals have been determined.

1. Commodity Mix

Commodity mix refers to the number of products used in a particular national RH program given the program's stated objectives and target coverage. This could include different contraceptive methods for the family planning program, or various antibiotics for an STI program. No matter what the "mix," the products generally need to come from standard treatment protocols and essential medicines lists in the country.

In family planning programs, different countries have very different commodity mixes. In some countries, sterilization and intrauterine devices (IUDs) are the most prevalent contraceptive methods; in other countries, pills or injectables may be more prevalent. The particular method mix used in a country is important, as forecasters must be able to ascertain both the commodity mix and the percentage of each commodity relative to the overall method mix.

2. Person Year of Use

Calculations will differ depending on the type of RH program and the commodities it offers. For family planning programs, requirements per person are calculated in terms of "couple years of protection" (CYPs). One CYP is equal to 1 year of contraceptive protection for one couple. For example, a year's worth of protection using oral contraceptives is calculated as 15 cycles of pills. For infectious disease clinics, a client may need one course of antibiotics over a year, which may be 3 doses. For condom programs, a year's protection is often calculated as 120 condoms.

3. Sharing Among Programs

When defining requirements for forecasting, it is important to keep in mind the commodities that are used across a number of programs. Condoms, for instance, may be dispensed in family planning, STI, and HIV/AIDS programs for different health reasons drawing from different data sets:

- Sometimes cross-program use is perceived as a problem: one service outlet might hesitate to give condoms to a client if the client seeks them for a use different from the program objective.
- If condoms are given out, the distribution may not be recorded at all if they are not given for the purpose the program is intended to serve.

These situations compromise the success of a program, either by denying commodities to a client and potentially endangering that person's life or someone else's, or by improperly tracking quantities and creating an undersupply problem.

Emergency contraception is another commodity for which use and distribution may be dependent on context: for example, emergency contraception may be available in some countries as part of post-exposure prophylaxis treatment in cases of rape, but not routinely available at family planning clinics.

G. Calculations of Desired Procurement Quantities and Time Frame

After examining, analyzing, and understanding the forces that affect national RH programs and their planning processes, the next step is to understand what types of forecasting methods are commonly used to estimate commodity requirements and how forecasting is done. This section provides tools for understanding the most popular forecasting methods.

1. Forecasting Methods

Different methods can be used to estimate commodity requirements, depending on the time frame to be projected, the geographic area to be covered, the purpose of the forecast, and the availability of data to develop the forecast. Four of the most common methods utilize forecasts based on historical consumption data, logistics data, service statistics, and population data. They are compared in Exhibit 1-2. Forecasts are usually made with more than one method; these forecasts are then compared and reconciled. This is done because data from one method alone are inadequate, and because different methods have different advantages. Consolidating forecasts from different data sources improves the accuracy of the overall forecast.

a. Forecasting Using Historical Consumption Data

This method develops a forecast extrapolated from quantities of products dispensed to clients in the past. It can be used for short- and medium-term planning (1 to 5 years).

Basis for the method

The historical consumption data method assumes that future consumption can be predicted by past trends. If consumption has been increasing, for example, it is assumed that future trends will increase at the same rate. The data may need to be adjusted for missing time periods and seasonal patterns.

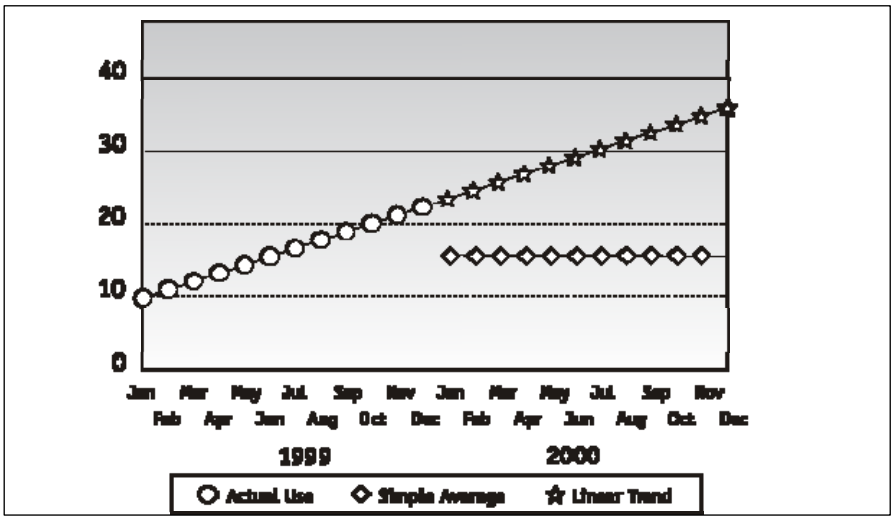
Data requirements and sources

Data are required on commodity quantities for a specific product consumed over a period of time. Data need to be available from at least 8 quarters (2 years) to obtain sufficient information. Sources of data include program data, quantities dispensed to users, and quantities distributed to the lowest service delivery points.

Exhibit 1-1, taken from *Principles of Forecasting: A Handbook for Researchers and Practitioners*, illustrates the historical and future trends for a hypothetical Clinic 1 for IUDs.

Exhibit 1-1

Quantity of IUDs Consumed by Clinic 1 in 1999 and Forecasts for 2000



Source: Principles of Forecasting: A Handbook for Researchers and Practitioners.

Advantages, limitations, and disadvantages

Projecting past consumption into a future trend is a reliable method, particularly if past consumption demonstrates a stable trend. However, the method is limited if consumption is erratic. For example, if a certain method/brand was temporarily out of stock and its regular clients switched to an available method/brand, this use pattern will create troughs and peaks in the consumption pattern. Data must be available, and the most accurate information will come from the lowest level of dispensing in the service system (ideally, dispensed to the end user). If either the method or program is new, then sufficient historical data will not be available. Additionally, if program expansion is foreseen, past consumption will not be a useful basis for future forecasts.

b. Forecasting Using Logistics Data

When combined with consumption information, logistics data bring the benefit of additional information not utilized in other forecasting methods, such as stock-on-hand, orders in the pipeline, desired buffer stock, and replenishment frequency. Consideration of these factors reduces the risk of overestimation, overstocks, and stock shortages.

If consumption information is not available, logistics data can be used to develop a forecast based on the stock issued from higher levels in the distribution system. This is not ideal,

however, since stock issued has not necessarily been consumed; it may be in storage or expired. A logistics data forecast can also be based on quantities that the program wants to have available in-country for the next year.

Logistics data-based forecasts are best used in short-term planning. Forecasting out 1 to 3 years is ideal, using 2 to 3 years of past consumption data to determine the quantification.

Basis for the method

The forecast needs to take into account a country's desired supply beyond the forecasted period of time. The logistics forecast aims to provide a constant supply of commodities so that at the end of the year, commodities are at desired levels, taking into account consumption patterns and lead time needed for resupplying.

Data requirements and sources

This method requires stock records (e.g., receipts, issues, and inventory levels) for at least the 2 most recent years, for as much of the supply chain as possible. Visiting facilities and taking physical inventories is critical in verifying the data. Information is needed on products that have been ordered but are not yet received, as well as on product losses or adjustments (such as whether products have expired, been damaged, or are otherwise unusable). Information is also needed regarding the expected minimum and maximum stock levels throughout the supply chain, and whether the country is expecting to have a buffer stock or a different quantity.

Advantages, limitations, and disadvantages

This methodology does not automatically generate delivery intervals to satisfy demand and ensure an efficient throughput at the warehouse level. Stock-on-hand data may be inaccurate or misreported, and lack of reporting may require adjustments. Nonetheless, if logistics data are available and presented in a clean and validated form, they will provide a useful and realistic basis for forecasting future requirements. However, if there is a serious lack of data from large parts of the country, the amount of estimation may result in a serious underforecasting or overforecasting of needs. This is a particular risk when different regions of a country have very different consumption rates—hence the need for field inventory data collection to verify logistics data.

c. Forecasting Using Service Statistics

Forecasting using service statistics involves extrapolation techniques similar to those described above; that is, it uses historical data about client visits to project future visits and

the products each client needs. This method is suited for short- to long-term planning periods of up to 10 years.

Basis for the method

The service statistics data method assumes that future use can be predicted by past trends of consumption related to past levels of service. If the number of patients treated for malaria has been increasing, for example, it is assumed that a correlating need for malaria medications will increase at the same rate. The data may need to be adjusted for missing time periods, product mix, and seasonal patterns.

Data requirements and sources

Service data are needed from existing service delivery sites. Information is needed on new clients, continuing clients, and revisits. Information is also needed on what products are dispensed per client visit; this method works well when standardized protocols govern dispensing and when they are followed by clinic personnel.

Advantages, limitations, and disadvantages

An advantage of this method is that it collects statistics based on users, and therefore, takes into account service delivery and consumption at the lowest level. If the program has service delivery targets, they can easily be included in the forecast. As with the historical consumption method, this method assumes that the future will be similar to the past.

d. Forecasting Using Population (Demographic) Data

Population-based forecasting does not require historical program data; rather, it uses demographic or disease surveillance data. This method is suited for short- to long-term planning periods of up to 10 years.

Basis for the method

The method chooses a program goal, such as contraceptive prevalence rate or provision or use of HIV testing services. This goal is then linked to available demographic or census data, such as fertility rates or disease prevalence rates among the target population.

This method uses regression equations to calculate the relationship between the variables. Using population data, a forecast can be made based on program goals during a specific period of time to determine the number of end users required to reach the goals.

Data requirements and sources

Population-based forecasting for contraceptives requires specific information on total fertility rate (TFR) and married women of reproductive age—sometimes referred to as the

number of women in union. The method relies on demographic data from Demographic and Health Surveys, the national census, other national fertility surveys, population data sheets, and TFR projections from the United Nations Population Fund (UNFPA) or other sources. For other RH programs, data are required on the relevant disease prevalence rates among the target populations.

Advantages, limitations, and disadvantages

This methodology has a significant advantage over consumption and logistics methods because it does not require historical program data. Population data-based forecasts are particularly appropriate when historical service or logistics data are unavailable or inaccurate, and for new programs that have no past consumption yet.

Population-based forecasts tend to estimate higher quantities than those derived from logistics forecasts. They do not differentiate between brands of products used and do not include information about the capacity of the service delivery system to actually dispense the products. These are all important reasons why forecasts need to be consolidated.

Exhibit 1-2

Comparison of Forecasting Methods

Summary			
Method	**Forecast Duration**	**Conditions Favoring This Method**	**Disadvantages**
a. Historical consumption	1 to 5 years	When data are available for past consumption/past end-user distribution for a period of time no shorter than 8 quarters (2 years).	This method assumes the future trend will continue to be the same as in the past. It is not useful for commodities that have not been consistently available.
b. Logistics	1 to 3 years	Reliable method, provided data are cleaned, verified, and adjusted for nonreports. This method also includes the country stock status, which reduces the risks of overestimation, overstocks, and stock shortages.	Timely and full reporting is crucial to this method. Logistics data, such as stock-on-hand or quantities consumed, might be incomplete or unreliable, and care should be taken to ascertain the quality of the data.
c. Service statistics	1 to 10 years	When data of client visits and of product requirements per client are available, especially when prescribing protocols are standardized. Can be used to project new service targets or service expansion.	This method assumes the future trend will continue to be the same as in the past. It is not useful for services that have not been consistently available.
d. Population using demographic data	1 to 10 years	Data are usually available and reliable. Historical data not required. Useful for new programs.	Because it is goal based, this method will likely result in an overestimate. Does not take into account service delivery and logistics system constraints. Produces forecasts for the entire country; and therefore, further estimates have to be made for the public-, private-, NGO-sector split.

e. Consolidation of Projections

All of the forecasting methods are useful and can be used together, as they are not mutually exclusive. In particular, quantifying with both population and demographic data, as well as comparing logistics and population quantifications, demonstrates the scope of a program. It also serves as a reality check; the logistics method is expected to be well below the population estimates, which assume 100 percent success and tend to cover the whole population (all sectors—public, private, and NGO).

f. Logistics Management Information Systems

LMIS assist in collecting, processing, and reporting logistics data. Forecast data feed LMIS and are used for calculating resupply quantities and maintaining appropriate stock levels. These data are critical to maintaining the overall inventory control system and helping personnel collect data to support procurement, transportation, and storage decisions in managing the supply chain. LMIS software ranges from simple to complex and should be selected based on a detailed evaluation of the needs within the particular supply chain.

g. Forecasting Process Timeline

As stated at the beginning of this module, forecasting is not complicated, but it is a complex activity with many variables. If done well, forecasting generates efficiency, cost savings, and program success. Depending on who is responsible for the forecast and the quality of data available, it may take up to 10 weeks to develop a forecast.

h. Forecasting Quality Assurance

To ensure that quantification is done rationally and that forecasts remain accurate over time, periodic checks should be made on forecast data versus actual data. A few monitoring measures should be adopted for both the data and the systems/personnel that generate the data:

- At the end of every quarter, LMIS data should be compiled, and nonreporting levels (regions, states, districts) should be made aware of the importance of maintaining and reporting accurate and timely data.
- For "reluctant" reporters, conduct site visits and identify the reasons for the lack or infrequency of reporting and address those issues. They may include limited understanding of the reporting form and/or limited human resources with which to undertake the reporting.

- Keep a close eye on consumption patterns and commodity availability to ensure that program orders will arrive as required.
- On a periodic basis—twice per year—take a "snapshot" of the supply system to ensure that enough commodity is available given current demand patterns. If this is not the case, identify the actions that need to be taken to rectify this.

Effective monitoring requires clear communication, clear understanding of plans and goals, regular review of the system, and adequate human and financial resources with which to provide follow-up feedback and receive corrective measures.

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2. Documents

Family Planning Logistics Management/John Snow, Inc. *Programs that Deliver: Logistics' Contributions to Better Health in Developing Countries*. Washington, DC: United States Agency for International Development; 2000.

3. Websites

Demographic and Health Surveys

The Demographic and Health Surveys program has collected, analyzed, and disseminated accurate and representative data on population, health, HIV, and nutrition through more than 200 surveys in 75 countries.

http://www.measuredhs.com

International Planned Parenthood Federation

The International Planned Parenthood Federation is a global service provider and a leading advocate of sexual and reproductive health and rights for all. Several helpful tools relative to RH programming are available on their website.

http://www.ippf.org/en/Resources/Guides-toolkits/

United States Agency for International Development (USAID) | DELIVER PROJECT

The USAID | DELIVER PROJECT, working with national and international partners, 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 and strengthening and integrating national and international supply chains. The USAID | DELIVER PROJECT website contains many useful resources on commodity planning and LMIS and logistics, as well as a wealth of information and publications on countries and RH issues.

Home page - http://ww.deliver.jsi.com

LMIS software - http://ww.deliver.jsi.com/dhome/resources/tools/softwaretools

Publications - http://deliver.jsi.com/dhome/resources/publications

United Nations Population Fund

UNFPA is an international development agency that promotes the right of every woman, man, and child to enjoy a life of health and equal opportunity. UNFPA supports countries in using population data for policies and programs to reduce poverty and to ensure that every pregnancy is wanted, every birth is safe, every young person is free of HIV/AIDS, and every girl and woman is treated with dignity and respect. The web page on securing essential supplies contains key information for RH program and procurement professionals.

http://www.unfpa.org/public/supplies

I. Learning Evaluation

1. What is forecasting?
2. What skill set should the forecasting/procurement team have?
3. What programmatic considerations should be taken into account for forecast planning?
4. What commodity considerations should be taken into account when planning a forecast?
5. What is CYP?
6. Which forecasting methods are suitable for quantification?
7. What period of time does a forecast cover?
8. What are the benefits of the historical consumption method?
9. How does the population method calculate requirements given a known population?
10. Why should different forecasting methods be consolidated?
11. What monitoring mechanisms should be built into the system?

Learning Evaluation Answers

1. Forecasting is the process undertaken to create a future estimate of commodity requirements needed to begin the procurement process and ensure that commodities are ordered in sufficient quantities to fill the anticipated needs. See Section D.

2. The team needs to be skilled in quantification, logistics, supplier management, and estimation. Forecasting is not a solitary activity; it involves groups of people or departments working together to produce the most accurate forecast possible. See Section D.

3. The main programmatic considerations impacting quantity forecasts are projected program growth and contraceptive method mix. However, the forecasting element should also include qualitative measurements such as decreasing maternal mortality. See Section E.1.

4. Commodity mix (the number of products used in a particular RH program), person year of use (requirements per person in terms of couple years of protection), and sharing among programs (commodities used across different programs, such as condoms) should all be taken into account. See Sections F.1–3.

5. CPY is couple years of protection, or the requirements needed to protect a couple for 1 year. For example, a CYP using oral contraceptives is calculated as 15 cycles of pills. See Section F.2.

6. The four most common methods of forecasting are historical consumption data, logistics data, service statistics, and population data. See Sections G.1.a–d.

7. Forecasts can cover a period of between 1 and 10 years and are usually expressed in a yearly quantity. See Section G.

8. The historical method is particularly accurate if the past consumption demonstrates a consistent and stable trend. See Section G.1.a.

9. Using known population, the method uses total fertility rate and the number of married women of reproductive age to calculate requirements. See Section G.1.d.

10. All of the forecasting methods are useful and can be used together, as they are not mutually exclusive. In particular, quantifying with both population and demographic data, as well as comparing population and logistics quantifications, demonstrates the scope of

a program. It also serves as a reality check and improves the accuracy of the overall forecast. See Section G.1.e.

11. To ensure that quantification is done rationally, LMIS data should be compiled every quarter, monitoring reluctant field reporters and consumption patterns and taking a periodic snapshot of the supply system. See Section G.1.h.

J. Performance Indicators

Performance indicators measure and evaluate success against a specific goal. The process begins by selecting performance indicators that are relevant for the procurement environment. This is followed by identifying and collecting appropriate data for each performance indicator to establish a baseline on the level of performance in the country. After training and corrective actions have been implemented, the same performance indicators are evaluated to determine the revised level of performance. Further information on conducting an assessment can be found in the Procurement Assessment Guide.

The following performance indicators can be used for monitoring and evaluating key aspects of this module:

1. Percentage of stock-outs at the central level for all RH commodities on the essential medicines list.
2. Percentage of districts/states reporting consumption data.
3. A program is in place to continuously monitor product supply.
4. Total dollar value of commodities disposed of due to poor management of expiration dates.

K. Glossary and Acronyms

AIDS	Acquired Immunodeficiency Syndrome.
Brand/Brand name	The registered trademark name given to a specific product by its manufacturer.
Commodity	Any piece of tangible property, supplies, or equipment that is the subject of a procurement activity.
Component	An important function or process that occurs within an element of the reproductive health supply process. Each module of the *Toolkit* focuses on one element.
Consumption	What individuals and households are able to utilize.
Contraceptive prevalence rate	Percentage of the population using a contraceptive method, frequently disaggregated by modern versus traditional methods and by individual contraceptive methods.
Contract	An agreement entered into by two parties for the execution of a certain activity (e.g., sale and purchase, construction, service provision, etc.).
CYP	Couple years of protection: The amount of contraceptive commodities that will cover a couple for 12 months from unwanted pregnancy.
Demand	The quantity of a commodity or service wanted at a specified price and time. Within the context of family planning or HIV/AIDS prevention services, price includes not only monetary and program personnel costs, but also the cost in time and inconvenience for the client who wishes to obtain services. Definition from *Contraceptive Forecasting Handbook for Family Planning and HIV/AIDS Prevention Programs* (Family Planning Logistics Management, 2000).
Direct procurement	Purchaser contracts for goods directly with a manufacturer or its representative.

Element	One of the ten key operational, broad-based activities in the reproductive health supply process.
Expiration (Expiry) date	The date beyond which the manufacturer will not guarantee the product.
Forecast	To calculate beforehand.
HIV	Human Immunodeficiency Virus.
Injectable	Injectable contraceptive.
IUD	Intrauterine device.
Lead time	The time interval needed to complete the procurement cycle.
LMIS	Logistics management information system(s): A system that collects, processes, and reports logistics data.
Method mix	Mix of products used by the target population, expressed as the percentage that each method constitutes among all contraceptives used.
Need	When an individual is exposed to risk or a condition that could be prevented or satisfied via access to specific products or services, that individual is defined as *needing* the service or product.
NGO	Nongovernmental organization: Usually involved in providing services to or alongside government entities. Often financed through projects using donor funds.
Performance indicator	Measures and evaluates success against a specific goal.
Phase	A natural division of the ten elements of the supply process into three sequential parts: program planning, procurement process, and contract performance.
Procurement method	Process a purchaser uses to reach an agreement with a seller.

Quality assurance	See Supplementary Topics, Section H: Product Quality Assurance.
Quantification	Process of estimating product quantities to supply adequate stocks according to standard medical and program guidelines.
RH	Reproductive health: A state of complete physical, mental, and social well-being—not merely the absence of disease or infirmity—in all matters relating to the functions and processes of the reproductive system. Reproductive health implies that people are able to have a satisfying and safe sex life and that they have the capability to reproduce and the freedom to decide if, when, and how often to do so; implicit in this last condition is the right of men and women to be informed and to have access to safe, effective, affordable, and acceptable methods of family planning of their choice, as well as other methods of their choice, for regulation of fertility.
Service delivery point	Any health facility that provides services directly to the customer.
Specification	A definitive description of the commodity to be procured.
STI	Sexually transmitted infection.
Supplier	The party that transfers goods out of its own control to a named recipient.
Supply	Goods and services of a specific kind that are provided to businesses, public agencies, or directly to consumers.
Target population	The collection of individuals or regions that are to be investigated in a statistical study.
TFR	Total fertility rate: The average number of live births a woman would have if she survived to age 49 and had births at the prevailing age-specific rates.

UNFPA	United Nations Population Fund: A semiautonomous United Nations agency working to ensure universal access to reproductive health, including family planning and sexual health, to all couples and individuals. Operates a global procurement service for public-sector purchasers of contraceptives and related products.
United Nations	An international organization founded in 1945 after the Second World War by 51 countries committed to maintaining international peace and security; developing friendly relations among nations; and promoting social progress, better living standards, and human rights.
United States Agency for International Development	An independent federal government agency that receives overall foreign policy guidance from the Secretary of State. Its work supports long-term and equitable economic growth and advances United States foreign policy objectives by supporting economic growth, agriculture, and trade; global health; and democracy, conflict prevention, and humanitarian assistance.
USAID | DELIVER PROJECT	A United States Agency for International Development-funded project that strengthens supply systems for essential health commodities and works to ensure their sustainability.
World Health Organization	The directing and coordinating authority for health within the United Nations system.