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Yemen: Mapping the Procurement Process for Family Planning and Reproductive Health Commodities

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Yemen: Mapping the Procurement Process for Family Planning and Reproductive Health Commodities

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USAID | DELIVER PROJECT, Task Order 4

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Abstract

In June 2014, the USAID | DELIVER PROJECT, Task Order 4, provided technical assistance to the Population Sector of the Ministry of Public Health and Population (MOPHP) to document the procurement process for family planning and reproductive health commodities, identify bottlenecks, and recommend ways to improve the process. This report details the findings from the study.

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Acronyms

CSB	Commodity Security Branch
DMPA	Depo-Provera (injectable)
EKN	Embassy of the Kingdom of the Netherlands
HQ	headquarters
IUD	intrauterine device
KfW	<i>Kreditanstalt für Wiederaufbau</i> (German funding agency for international development)
MOPHP	Ministry of Public Health and Population
MOS	months of stock
NGO	nongovernmental organization
NOL	no objection letter
PI	pro forma invoice
PIU	Programme Implementation Unit
PO	purchase order
RH	reproductive health
RHCS	Reproductive Health Commodity Security
RHI	Reproductive Health Interchange
RHTWG	Reproductive Health Technical Working Group
SC	supply chain
SOH	stock on hand
TPA	third-party agreement
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	U.S. Agency for International Development
WB	World Bank
Whse	warehouse
YE	Yemen

Acknowledgments

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Introduction and Purpose

In mid-2012, the family planning program in Yemen was in a state of crisis: intrauterine devices (IUD) and injectables were out of stock at the central level, funds were not obligated, procurement actions were not underway, and deliveries were not scheduled. The problem has since been alleviated, but commodity security remains vulnerable. It was at this time that the USAID | DELIVER PROJECT began to work with the Population Sector of the Ministry of Public Health and Population (MOPHP) in Yemen; its main objectives are to strengthen the supply chain for family planning commodities and to improve the availability of these commodities. However, the project will not procure commodities. Because of this, improving the family planning program's procurement process is critical to achieving these objectives.

Parallel to improving the procurement process, consistent funding must be secured for a sufficient supply of commodities. Given the historical funding shortages for the supply and distribution of commodities, an important step toward achieving commodity security is to develop a long-range funding strategy to manage donor funds and also manage the funding process. The strategy can be used as a management and planning tool to improve the reliability and sustainability of the system.

Developing a long-range funding strategy requires an understanding of the procurement process, which the United Nations Population Fund (UNFPA) currently carries out. While UNFPA is responsible for executing the transactional activities with the suppliers, the end-to-end procurement process involves multiple players and it relies on inputs and decisions from the MOPHP and its donor partners. This report reviews the end-to-end procurement process, maps the key activities, identifies critical decision points, and identifies the procurement documentation requirements of key stakeholders. The report also identifies common or recurrent bottlenecks in the procurement process, followed by recommendations for improvement.

Documenting these findings will benefit the overall procurement process, which the MOPHP depends on to maintain its supply of contraceptives. The output will be a guide for the Reproductive Health Technical Working Group (RHTWG) commodity security subgroup to facilitate advance planning and coordination of funds; it will also inform the long-range funding strategy. Addressing the commitment to contraceptive security at the national level, among government ministries and donor partners, supports both short-term reliability and long-term sustainability of the system.

A long-range funding strategy, coupled with an improved forecasting process, will enable the MOPHP to drive the procurement process from an informed position, rather than a reactive position caused by delays, a lack of information, or unforeseen critical needs.

Methodology

A combination of key informant interviews and document review was used to produce this review of the procurement process for contraceptives and reproductive health commodities. In June and July, 2014, key informant interviews were carried out with representatives of the main stakeholders in the procurement process, including the population sector of the MOPHP, donor partners, nongovernmental organizations (NGO), social marketing organizations, and the procurement agent. These interviews were the main source of qualitative and descriptive information relevant to the context and processes being reviewed.

To better understand key issues identified by stakeholders, identify root causes, and propose recommendations that can be reasonably implemented by these stakeholders; the 2013 annual procurement request for contraceptives and its supporting documentation were also reviewed.

Analysis and Findings

Supply Chain for Contraceptives and Reproductive Health Commodities

The supply of contraceptives is procured and managed by the Population Sector of the MOPHP; it is separate from the supply chain for essential drugs and other health commodities, including reproductive health supplies. The drugs program procures and manages the essential drug supplies. However, the supply of contraceptives is entirely donor funded. Recently, the Population Sector began working with partners to procure selected *life-saving* maternal and child commodities. At the time of this report, four shipments of oxytocin had been completed, with the support of partner UNICEF.

The Population Sector manages the national procurement and supply centrally, maintaining a central warehouse in Sana'a, from which it supplies the governorates. Because Sana'a is inland, ocean freight is principally received at the port of Hodeidah and then directed to Sana'a; while air freight is received directly in Sana'a.

The Population Sector distributes contraceptives to the governorates semi-annually, usually in January and July. Data collection and planning for the January distribution is also used to inform annual supply planning, which usually takes place in January.

Supply Chain and Procurement Partners

While the MOPHP takes the lead role in managing the supply chain for contraceptives and selected reproductive health commodities, *Kreditanstalt für Wiederaufbau* (KfW), UNFPA, and the USAID | DELIVER PROJECT mainly provide functional support for the supply chain.

UNFPA acts as the procurement agent for all contraceptive commodities for the MOPHP and also provides funds for equipment, supply chain operations, materials, training, and other activities. With the Population Sector, UNFPA was a lead partner in developing the 5-year Reproductive Health Commodity Security Road Map. UNFPA manages the funds provided by KfW for operational support.

The USAID | DELIVER PROJECT supports the MOPHP by providing technical assistance to strengthen the supply chain. Areas of focus include support to commodity security and advocacy at the national level, supply chain performance improvement through system enhancements and capacity building, and organizational development for the Population Sector. It should be noted that, at present, the USAID | DELIVER PROJECT does not provide funds for procurement of commodities. Together, the USAID | DELIVER PROJECT and UNFPA are taking a collaborative approach to support the Population Sector with a comprehensive nationwide plan to strengthen the supply chain.

In addition to direct functional support, the Embassy of the Kingdom of the Netherlands (EKN), the World Bank, KfW, and UNFPA provide funds to support procurement. This is discussed further in a later section.

A number of other local and international organizations participate in or lead activities, in coordination with the Population Sector. Coordination of activities among partners is facilitated through the Reproductive Health Commodity Security (RHCS) subgroup, which was recently reactivated; they meet periodically. Part of the sub-group's mandate is to address the status of procurement and distribution of commodities.

Planning and Funding for Family Planning and Reproductive Health Commodities

Forecasting Family Planning Commodity Needs

Historically, a long-term forecast has been carried out approximately every two years, producing a five-year projection of contraceptive needs. Until recently, the long-term forecasts were based on demographic data and were produced as a collaborative effort between the Population Sector and UNFPA. The last demographic-based forecast was produced in 2011. In 2013, efforts shifted to producing a demand-based forecast, this time a collaborative effort between the Population Sector and the USAID | DELIVER PROJECT. To produce national estimates of demand and average monthly consumption, recent data on consumption (demand/issues), inventories, and receipts were collected from the governorates; then aggregated and analyzed at the central level. This data were compared to existing demographic forecasts and the two were reconciled to produce a five-year forecast and a two-year supply plan for contraceptives that was acceptable to the MOPHP and its funding partners. See appendix A for the 2014–2018 forecast and supply plan for contraceptives.

Going forward, the Population Sector should consider updating the demand-based forecast annually and using it as the main input to the supply plan. Regular, periodic collection and analysis of demand data, like this, can highlight trends in consumption and signal *in advance* when action is needed. Moreover, doing so can create a consistent base of information for procurement planning, as well as other management decisions related to commodity needs. In the future, to improve visibility of demand at the lower levels and quality of data collected, the Population Sector may also consider working with governorate counterparts to carry out their own annual demand forecasting exercise.

In addition, the recently implemented *Annual Stock Survey* provides another useful data source for forecasting and planning for commodities. At the time of this report, there was no formal functioning management information system with standardized forms and regular collection of data. As such, data from the stock survey can be used to validate consumption and stock levels, better informing the forecast process and its outputs.

Sources of Funding for Family Planning Commodities

At this time, the MOPHP/Population Sector has four main sources of funding for contraceptive procurement:

- EKN
- the World Bank
- KfW
- UNFPA.

UNFPA, as the procurement agent for the Population Sector, manages funds and executes procurement under three different types of agreements: third-party agreements, co-finance

agreements, and in-kind support. Each of these funding agreement types has different documentation requirements and approval processes; they are discussed below.

1. **Third-party agreement (TPA):** With a TPA, the donor signs an agreement directly with the beneficiary—MOPHP/Population Sector—indicating the amount of funds and the expiry date for the agreement. UNFPA liaises between the donor and beneficiary, and acts as a procurement agent only. To tap donor's money after the beneficiary has made a request, UNFPA provides their quote for supplying the required family planning commodities by producing a *pro forma invoice*¹ (PI). Both donor and beneficiary must approve the PI and funds transferred to UNFPA's headquarters (HQ) before procurement can take place. UNFPA's field office involvement is minimal; it is limited to being copied in correspondence between the headquarters of the donor and UNFPA's HQ. The World Bank typically uses a TPA to provide funds.
2. **Co-finance agreement:** In this protocol, the donor entrusts UNFPA with the funds, in addition to controlling and moderating the beneficiary's access to it. Funds are transferred in advance to UNFPA's HQ; and, in turn, to their field office. UNFPA's field office is more involved and has more control using this protocol. EKN and KfW typically use a co-finance agreement to provide funds.
3. **In-kind support:** UNFPA provides commodities *in-kind*—with its own funds—rather than through an agreement with another donor. In the most common scenario, UNFPA HQ informs all of its field offices that they plan to have a stock of a certain commodity that will be available at the HQ warehouses on a certain date in the future. Field offices, in turn, solicit their beneficiaries, such as MOPHP, about their interest to be supplied from that stock. After the stock is available, the beneficiary can be supplied in approximately four months. This method is generally faster than receiving planned shipments because the procurement process is already underway by the time the procurement order is issued, thereby shortening the end-to-end process.

UNFPA may also offer in-kind support for urgent requirements or to fill other gaps in supply. In this scenario, UNFPA follows its normal procurement process, which is described in this report. In 2014, in-kind support was provided through its Commodity Security Branch (CSB).

Funds for Clearing and Distributing Family Planning Commodities

In addition to commodity procurement support, UNFPA provides the Population Sector with an advance quarterly payment of U.S.\$60,000 to finance customs clearance of shipments, transport them to the central warehouse, and distribute the commodities to governorate warehouses. At the end of each quarter, the advance is cleared and a new advance is issued.

UNFPA and the Population Sector began this arrangement during the last year to address customs clearance delays that UNFPA previously faced. By initiating the clearing process itself, the Population Sector can work directly with the government's clearing team to clear the shipments and pay any fees due. If all required documents are on-hand and funds are available, shipments can be cleared and released in approximately 30 days.

¹ A preliminary bill of sale sent to buyers before a shipment or delivery of goods. Typically, it describes the purchased items, notes the cost, as well as other important information like shipping weight and transport charges. Pro forma invoices are often used for customs purposes on imports (Source: <http://www.investopedia.com/terms/p/pro-forma-invoice.asp>)

Funding and Procuring Reproductive Health Commodities

Recently, the Population Sector has begun receiving shipments of a small number of reproductive health (RH) commodities through the United Nations Children's Fund (UNICEF). Because this is a relatively new development, it is not clear, at this time, whether or not funds for RH commodities, or the commodities themselves, will be regularly provided to the Population Sector.

At the time of this study, UNICEF was only supplying oxytocin, and was using UNICEF funds. As a United Nations agency, the procurement process for UNICEF is similar to that of UNFPA. At this time, commodities are being provided directly by UNICEF; no other donors are providing funds for RH commodity procurement.

Procurement Process and Timeline

Overview of Procurement Process

The Population Sector and UNFPA are jointly managing the procurement of goods and services. The end-to-end procurement process can be divided into five main activity areas: supply planning, preparing the procurement request, approving the request and preparing the order, executing the order, and clearing and receiving the order. Each activity area is discussed below, the time line and specific challenges identified by informants are highlighted. See appendix C for detailed process maps.

Figure 1. Overview of Procurement Process

	1 Update Supply Plan	2 Prepare Request	3 Approve Request & Prepare Order	4 Execute Order	5 Clear & Receive Order
Key Activities	<ul style="list-style-type: none">Assess stock statusAnalyze quantities issued or consumption, stock on hand, orders in processEstimate quantities and dates needed, and funds required	<ul style="list-style-type: none">Confirm funding sourcePrepare request for procurementSubmit request to UNFPA and inform funder	<ul style="list-style-type: none">Approve request (Y)Issue requisition and request HQ approval (Y)Prepare documents according to funder agreement (PS)Issue purchase order to UNFPA HQ (Y)	<ul style="list-style-type: none">Place order with supplier (HQ)Inform MOPHP/PS of expected arrival date (Y)Track orders in process (Y)Inform MOPHP/PS of changes (Y)	<ul style="list-style-type: none">Email UNFPA/Y and MOPHP/PS shipping documents (HQ)Send MOPHP/PS original documents (Y)Clear shipment (PS)Receive into inventory and perform QA (PS)Send delivery report to funder (Y)
Responsible	MOPHP/PS	MOPHP/PS	UNFPA Yemen MOPHP/PS	UNFPA HQ UNFPA Yemen	UNFPA HQ UNFPA Yemen MOPHP
Outputs	<ul style="list-style-type: none">Supply plan is updated based on annual forecast and stock surveySupply plan includes quantities, dates, and values needed	<ul style="list-style-type: none">Request for commodity procurement is approvedFunder is informedAdequate funds are available for procurement	<ul style="list-style-type: none">Purchase requisition accurately reflects request and is fundedDocuments required by funder are complete	<ul style="list-style-type: none">Order and estimated arrival dates are confirmed with supplierMOPHP/PS is informed of estimated arrival date	<ul style="list-style-type: none">Shipping & clearance documents are receivedRequested stocks are received into inventoryFunder receives delivery report
Timeline	4-6 weeks	1-3 weeks	3-10 weeks	4-6 months	4-6 weeks

Y = UNFPA Yemen; HQ = UNFPA HQ; PS = MOPHP Population Sector

Supply Planning

Estimation of contraceptive supply needs takes place annually, usually during the first quarter of the calendar year. The activity is typically a collaborative effort between the Population Sector and the procurement agent, UNFPA. Together, the supply chain manager (Population Sector) and the RH officer (UNFPA) agree on the quantities needed for each type of contraceptive; they prepare a procurement request for the items needed, detailing the commodities, quantities, and costs.

The process of determining the quantities needed should consider some estimate of demand, the amount of inventory currently in the warehouses, and the amount already on order; however, the exact methodology used to determine the quantities needed was not explored in detail. The Population Sector does collect commodity requirements from the governorates twice a year, but these requirements do not drive the planning process; rather, they are collected as part of the semi-annual commodity distribution process. The commodity distribution process is not reviewed in this report, because it is a separate process from the procurement process.

Issues and recommendations

Establish a deadline for supply planning. While both parties involved in supply planning noted that it can take several weeks to complete it; because there are no fixed deadlines, the length of time is not causing delays. However, because supply planning should take place annually and procurement should subsequently be initiated, the Population Sector should fix a date or a deadline by which supply planning should be completed each year. This will help formalize the activity as an annual event that stakeholders will expect and can plan for.

Align supply planning with annual forecast. Preparing the supply plan should align with the annual forecast update. Generally, the forecast update and supply planning should be timed to coincide with the budget planning cycle. In the case of the Population Sector, contraceptive commodity procurement is entirely donor-funded, and is not impacted by the government of Yemen's budget cycle. In addition, the main funders make funds available at different times during the year and for different time periods. Nonetheless, establishing forecasting and supply planning activities as annual end-of-year activities will support standardizing and formalizing them.

Use forecast and stock survey as data sources. The annual forecast and data from the Annual Stock Survey should be used as the main data sources for supply planning.

Improve visibility and quality of demand data at governorate level. Improved visibility of demand at lower levels will improve the quality of the forecast and supply plan, ultimately contributing to better use of resources. The Population Sector may consider working with governorate counterparts to implement processes and tools to collect and analyze demand data, and carry out governorate-level forecasts.

Preparing the Request for Procurement

Funding for commodities is reviewed to ensure adequate funds are available and also to consider funder-specific requirements, or funds validity dates, that may impact their use. After the funding source has been selected and the Population Sector has confirmed it, a formal request for procurement is prepared. The request typically identifies the item, quantity requested, funding source, and desired date (month) of delivery. The Population Sector then submits the approved procurement request to UNFPA and notifies the relevant funder(s) of the procurement action being

initiated. For the World Bank, the MOPHP should send a formal notification of the procurement action via the Programme Implementation Unit (PIU).

Issues and recommendations

Use forecast as an advocacy tool with RHCS subgroup. The output from the annual forecast exercise should be used as a tool to plan and advocate for short-term and long-term funding needs. An ideal forum for this activity is the RHCS subgroup, because all relevant stakeholders will be present. This will help eliminate duplication and gaps, and will result in a better use of resources. Timing of this annual activity should follow the completion of the annual forecast.

Approving Request and Preparing Order

UNFPA primarily carries out the activities in this area.

Because the items and quantities in the supply were agreed to and prepared jointly by the Population Sector and UNFPA, approving the request for procurement is usually a formality; but, it is a necessary step. After approval, the type of funding agreement in place dictates the next steps. (For more information, see the section *Sources of Funding for Family Planning Commodities*.)

The no objection letter must contain the following elements:

- target population for distribution
- quantities of commodities distributed
- distribution rate.

For co-finance agreements, UNFPA issues and approves the purchase requisition, which is sent to UNFPA's HQ in Copenhagen. A purchase order is then issued to the supplier(s).

For third-party agreements, UNFPA must wait for the funder to request a PI. For World Bank (WB) funds, WB's policy is to verify that any commodities previously procured with WB funds have been received and distributed prior to initiating a new procurement action. To do so, the Population Sector must be able to track which donor has funded which orders and shipments. To verify distribution has been completed, WB requests that its PIU provide a *no objection letter* (NOL) or *utilization report* from the MOPHP (see inset box). The NOL does not have a standard format. The Population Sector prepares it—typically the supply chain manager—and submits it to the director of the PIU; who then submits the letter to the procurement officer at the WB. Because the PIU represents WB in the MOPHP, WB protocol is that all MOPHP sectors must communicate with the WB *through the PIU*.

After the distribution has been verified as complete, WB's procurement officer requests a PI from UNFPA's HQ via the RH officer, identifying UNFPA as the supplier for the items and quantities indicated on the approved request for procurement.

The PI is valid for two weeks from the date of issue. During this time, it must be approved by WB's procurement officer, approved by the Population Sector, and then submitted to UNFPA HQ. This signals HQ to request that funds be transferred from WB to UNFPA, in the amount indicated on the PI. After WB transfers the funds, HQ issues a purchase requisition and then issues a purchase order to the supplier(s).

Issues and recommendations

Check transaction documents for accuracy. Accurate information throughout the procurement process is an important component to ensure that the right goods are received in the right quantities, at the right time, and at the right place. Details on the items and quantities requested are transferred several times during the procurement process. To ensure accuracy, at each information transfer

point, the details should be checked against the original request to prevent errors or delays later in the process. This is particularly critical early on when the Population Sector submits the formal procurement request to UNFPA—including items, quantities, and desired delivery dates—and UNFPA, subsequently, initiates the procurement transaction in their system.

Track order status. To monitor the status of requests and orders, a tracking sheet should be updated and reviewed periodically—ideally, monthly. It should include all new and in-process orders. This tool can help flag potential delays and ensure the accuracy of orders throughout the procurement process. In addition, the tracking sheet can be a documentation trail to confirm which orders and shipments are supported by each donor’s funds. See appendix B for an example tracking sheet.

Follow communication protocols. Finally, and most important, funder communication protocols must be followed to ensure the timely completion of documentation requirements and to ensure the funds availability or executing procurement actions are not delayed. In particular, communication and reporting to WB must be channeled through its PIU.

Executing the Order

After the purchase order is issued to the supplier and while the order is being processed, the supplier is primarily responsible for the procurement activity. However, UNFPA, as the procurement agent and main point of contact with the supplier, should track the status of the order and inform the Population Sector of the expected arrival date and any changes that may occur.

Issues and recommendations

Provide order confirmation to the Population Sector. After the order is placed with the supplier, UNFPA should provide confirmation to the Population Sector that the quantities and requested arrival dates can be met. Should details of the order deviate at any point, UNFPA should ensure that the Population Sector acknowledges and agrees with the changes; ideally, by a confirmation memo or email. This is particularly important given the Population Sector’s limited storage space for commodities.

Monitor order status throughout procurement process. Orders should be regularly monitored—ideally, monthly—throughout the procurement process. Here, again, regular updating of the proposed tracking sheet would be a useful tool to monitor orders and communicate any changes to the Population Sector and the subgroup. Monitoring order status can help identify potential problems and enable stakeholders to make timely decisions to prevent or resolve problems early on, rather than react to them at the last minute. In addition, the tracking sheet will create a documentation trail that will support accountability of all partners and will minimize communication gaps.

For as-needed order status updates, the Population Sector and all stakeholders may also refer to the Reproductive Health Interchange (RHI) at www.myaccessrh.org/rhi-home. The RHI database reflects all of UNFPA's contraceptive purchases; UNFPA updates it three times a week.

Clearing and Receipt of Order

Prior to shipment, the supplier sends the original shipping documents to the Population Sector so they can prepare to clear the goods through customs. At the same time, the supplier emails a copy to UNFPA’s RH officer in Yemen. The RH officer should, in turn, email a copy to the Population

Sector. When the Population Sector receives the *original shipping document*, they ask UNFPA for a *Gifting Letter* or exemption letter, which is also needed for customs clearance.

During the last year, the Population Sector took over managing the clearance process from UNFPA. The Population Sector now gathers the required documents and works directly with the ministry clearing team to clear the shipments and to pay the required fees and any demurrage. If all documents are in order, and funds are available to cover fees, clearing takes approximately 30 days; shipments will be released to the consignee and can be received into inventory. While the time for clearing has improved, the Population Sector often does not receive the advance notification of shipment arrivals and/or the correct original documents, when needed.

Recent examples include documents being sent to the wrong consignee—with incorrect consignee information on the documents—and incorrect information about the port where the goods were delivered.

However, UNICEF manages the clearing for RH commodity shipments. The organization's policy does not allow for transferring funds to beneficiaries to cover the expense of clearing. Because of this, UNICEF has been experiencing delays in clearing shipments, similar to UNFPA when they previously managed clearing of their shipments. For RH commodities, this poses a more serious problem—some commodities may be at risk of damage due to prolonged exposure to heat. At the time of this study, a shipment of oxytocin had been held up in customs for several months (the exact time could not be confirmed). UNICEF acknowledges that the MOPHP could complete customs clearance more efficiently; however, as noted above, UNICEF's policy prohibits them from paying the MOPHP to do so.

The final step is quality assurance. The ministry inspects and tests the goods received. After testing is complete, several parties are required to sign off on the shipment; including the supply chain manager, warehouse manager, finance department, procurement department, and deputy minister of the Population Sector.

Issues and recommendations

Quality check information on shipping documents. Here, again, ensuring accurate information is critical for the timely clearing of goods and for minimizing the demurrage fees. The order information on the shipping documents, which are sent by email, should be verified and any discrepancies immediately addressed with the supplier. Both the procurement agent and the customer should participate in the document review—UNFPA's RH officer and the Population Sector's supply chain manager. UNFPA, as the procurement agent, is responsible for communicating any needed changes to the supplier. In addition, UNFPA, as a courtesy, should request confirmation from the Population Sector that they received a copy of the emailed documents and that they are correct.

Prepare gift letter in advance. To speed the clearing process, if feasible, UNFPA can also consider preparing the gift letter for the Population Sector when they receive the shipping documents by email.

Recommendations

While the procurement process for contraceptives and reproductive health commodities is lengthy, it is not complex. Rather than modifying the steps of the process, the main opportunities for improvement are related to improved communication among partners and more consistent information sharing throughout the process. Moreover, MOPHP and their partners should leverage the RHCS subgroup as a forum to share updates, highlight potential problems, and find solutions early on; before the effects of problems are realized later: delays, order discrepancies, or other errors. In particular, the RHCS subgroup should review supply and order status as standing agenda items.

- The RHCS subgroup is used as a forum to share regular updates on the status of supply and orders. The subgroup convenes at least quarterly; however, more frequent meetings may be preferred. A standing agenda is developed that, at a minimum—
 - reviews the current stock status, including months of supply—led by the supply chain manager
 - reviews the order tracking sheet—led by the UNFPA RH officer (tracking sheet to be developed—see appendix B for an example).
- The Population Sector carries out annual demand forecast exercise with partners to create a base of information for planning and decisionmaking. The forecast exercise takes place before the end of the calendar year:
 - uses data from Annual Stock Survey to produce more robust forecast
 - uses demand-based forecast as main input for supply planning and procurement request.
- The Population Sector works with governorates to improve visibility and quality of demand data at governorate level by implementing processes and tools to collect and analyze demand data, and carry out governorate-level forecasts.
- The Population Sector establishes a fixed deadline for annual supply planning:
 - aligns supply planning with annual forecast exercise, ideally at the end of the calendar year
 - uses forecast and data from Annual Stock Survey as data sources for supply plan.
- The Population Sector and RHCS subgroup use outputs from the annual forecast to plan for short- and long-term funding needs:
 - identifies funding gaps and advocates with donor partners for funds or other assistance.
- UNFPA quality checks the purchase requisition, purchase order, and other transaction documents for accurate information transfer from the Population Sector's original purchase request:

- verifies that the consignee information is correct
 - verifies that items, quantities, desired delivery dates, and destination match the procurement request from the Population Sector.
- UNFPA tracks all orders/shipments and provides regular—ideally, monthly—updates on order/shipment status to the Population Sector and the RHCS subgroup (order tracking sheet to be developed). All new orders and changes to existing orders are discussed and agreed by the subgroup.
- All parties adhere to documentation and/or communication protocol, as defined in the agreement with the funder: the World Bank, in particular.
- UNFPA provides confirmation of order and estimated arrival date to the Population Sector after it has been placed with supplier—this can be done via the tracking sheet.
- UNFPA and the Population Sector verify consignee and order information on shipping documents that are sent by email
 - UNFPA requests the Population Sector to confirm the receipt of email
 - Population Sector informs UNFPA of any discrepancies
 - UNFPA addresses any discrepancies with supplier.
- If feasible, UNFPA should consider preparing the gift letter for the Population Sector when the shipping documents are received by email.

Appendix A: 2013 Contraceptive Forecast and Supply Plan

Table 1. Estimated Annual Quantities of Contraceptive Commodities Required by Yemen's Public Sector (2014–2018)

Name of Product	2014	2015	2016	2017	2018
Male condom	862,863	881,590	902,972	925,254	949,063
DMPA	208,118	230,608	255,527	283,139	313,734
IUD	47,331	51,222	55,348	59,881	64,839
Implanon	10,413	10,725	11,047	11,379	11,720
Microgynon	2,239,995	2,387,066	2,555,571	2,733,546	2,925,881
Microlut	1,938,816	2,103,918	2,296,768	2,501,311	2,724,070

Table 2. Estimated Stock Status by Commodity (as of September 2013)

Name of Product	SOH Central	SOH Govt. Store	System Total Quantity on Hand	Shipments (to be received soon)	Estimated MOS Including Upcoming Shipments	Estimated MOS Central Level
Male condom	168,982	464,009	632,991	1,532,205	30.11	23.66
DMPA	216,265	136,871	353,136	629,600	56.66	48.77
IUD	454,000	41,016	495,016	-	125.50	115.10
Implanon	25,947	10,617	36,564	27,155	73.43	61.19
Microgynon	3,520,007	657,788	4,177,795	3,559,443	41.45	37.93
Microlut	296,380	609,339	905,719	3,585,815	27.80	24.03

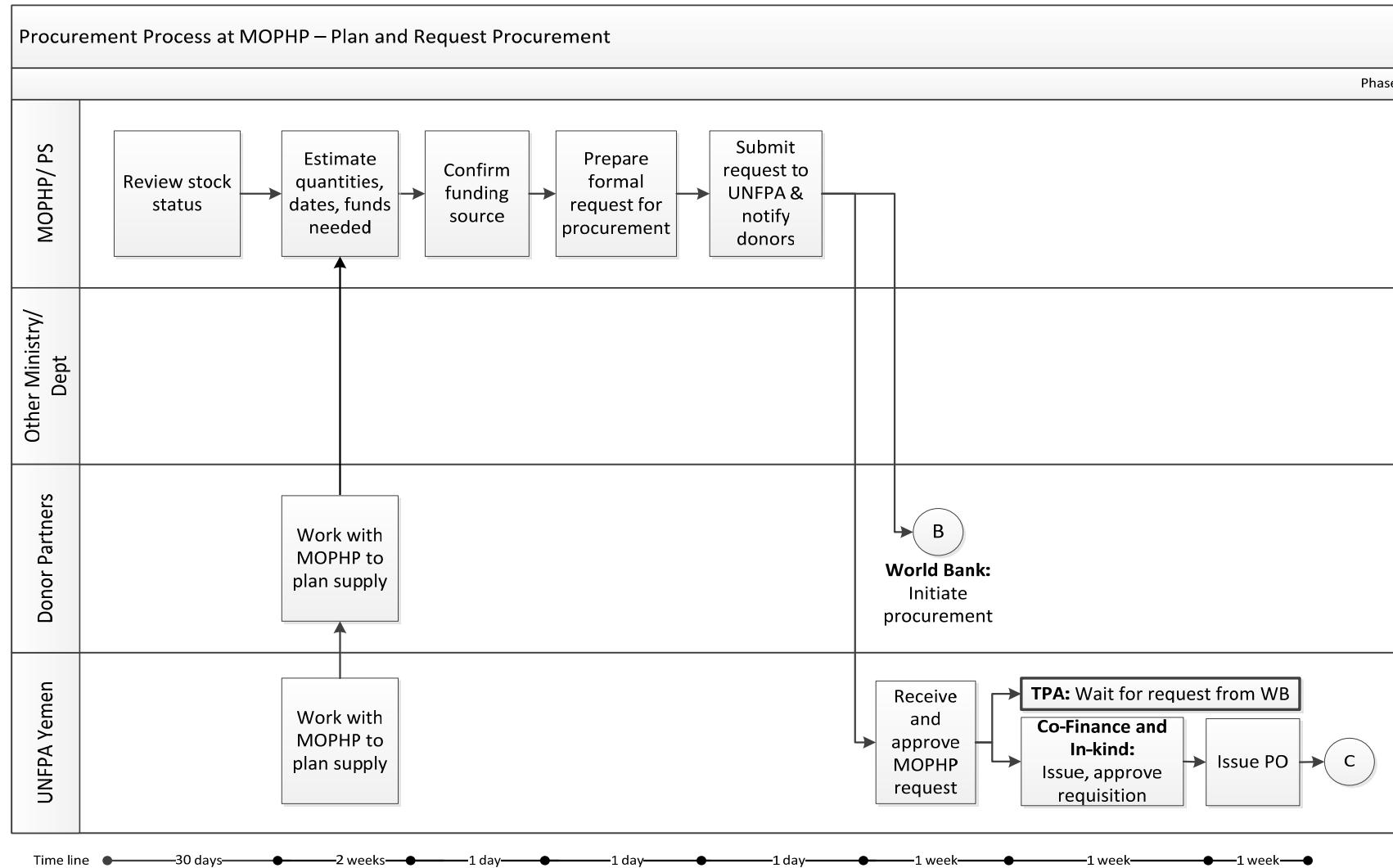
Appendix B: Order Tracking Sheet Example

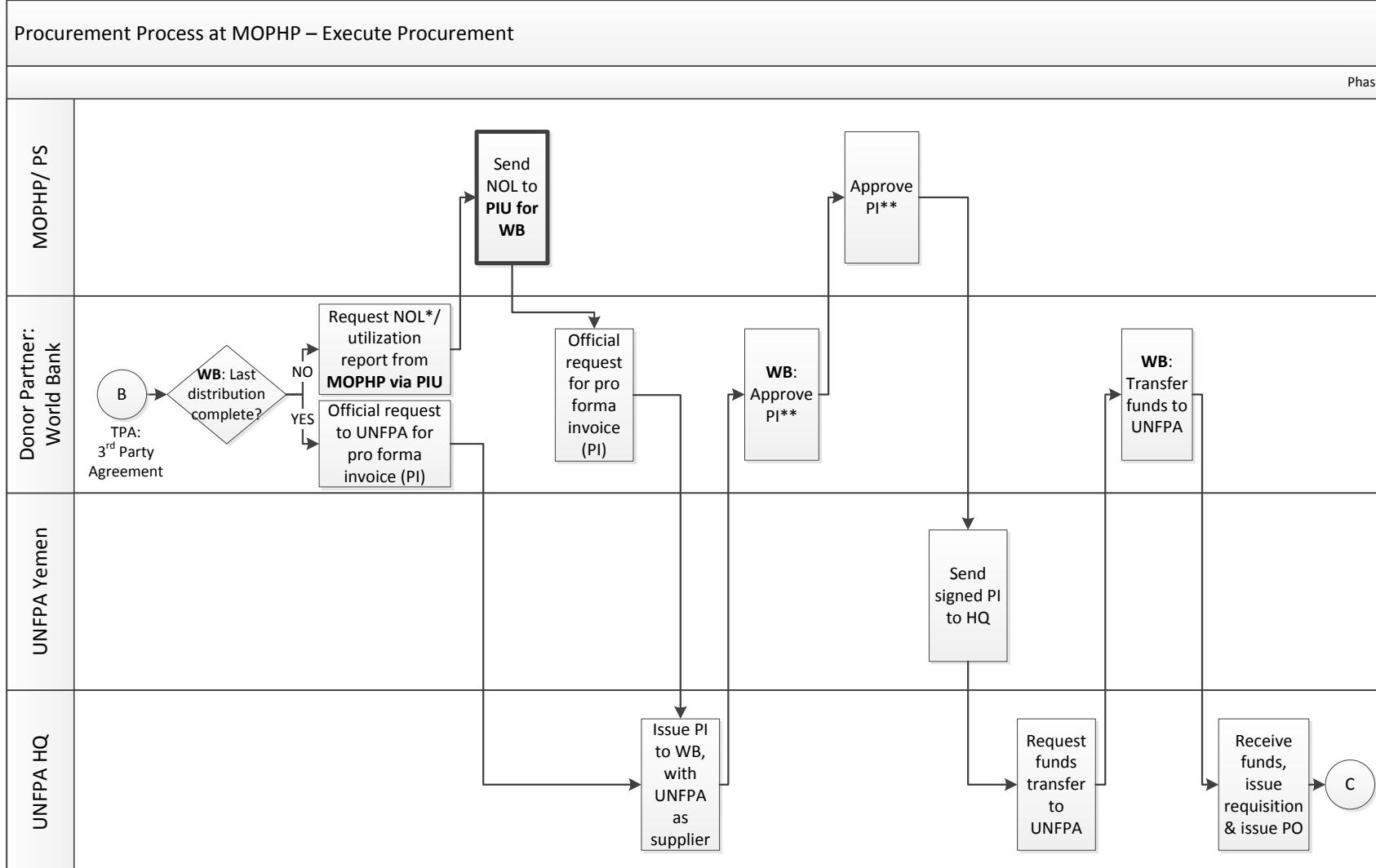
MOPHP Request Date	Item	Quantity Requested	Delivery Date Requested	Funding Source	UNFPA Approval Date	PO Number	PO Date	PO Quantity	Estimated Shipment Date									
30/02/2014	Example item	2,088,000	Sept 2014	Funder X	30/03/2014	12345	30/03/2014	2,088,000	15/08/2014									
Date	Order Status Update																	

MOPHP Request Date	Item	Quantity Requested	Delivery Date Requested	Funding Source	UNFPA Approval Date	PO Number	PO Date	PO Quantity	Estimated Shipment Date									
Date	Order Status Update																	

MOPHP Request Date	Item	Quantity Requested	Delivery Date Requested	Funding Source	UNFPA Approval Date	PO Number	PO Date	PO Quantity	Estimated Shipment Date									
Date	Order Status Update																	

Appendix C: Procurement Process Maps



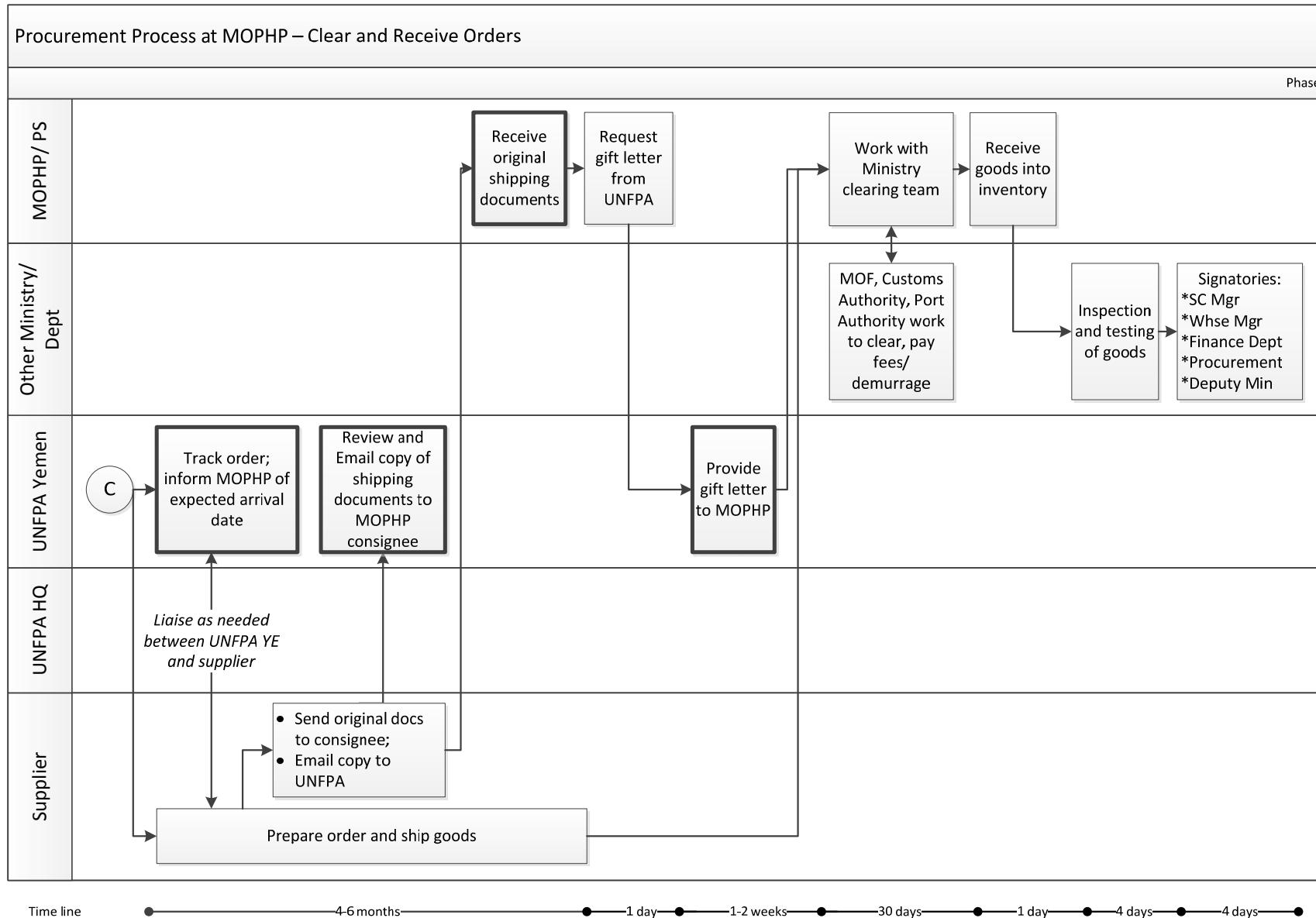


Time line ● - - - - - 1 or more weeks ● - - - 1 week ● - - - 2 weeks ● - - - 3 weeks ● - - - 1 week ● - - - 2 weeks ● - - - 1 week ●

* NOL = No Objection Letter

** Proforma Invoice (PI) terms are valid for two weeks from date of issue

Procurement Process at MOPHP – Clear and Receive Orders



Time line

●—4-6 months—●—1 day—●—1-2 weeks—●—30 days—●—1 day—●—4 days—●—4 days—●

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