



Empowered lives.  
Resilient nations.

# Procurement and Supply Chain Management in Zimbabwe

Strengthening Health Systems to deliver  
life saving medicines  
to HIV, TB and malaria patients

Preparing deliveries of ARVs  
and other essential medicines in  
the NatPharm central warehouse.  
Harare – Zimbabwe.



# Content

- Introduction: Health in Zimbabwe..... Pag 3
- Zimbabwe's Response: Key Achievements..... Pag 4
- Strengthening the Procurement and Supply Chain in Zimbabwe..... Pag 5
- Identification of Needs..... Pag 6
- Central Storage and Distribution: The National Pharmaceutical Company's 'Roadmap To Improvement'..... Pag 6
- Storage at Service Delivery Points..... Pag 8
- Laboratory Services..... Pag 8
- Ensuring the Quality of Drugs..... Pag 9
- Key Results to Strengthen PSM..... Pag 10
- Building for the Future..... Pag 11
- Support to Zimbabwe's response: UNDP, the Global Fund and Partnership..... Pag 11
- Partnership for the DHIS..... Pag 13

## Introduction:

# Health in Zimbabwe

In 2015 Zimbabwe is still recovering from a prolonged period of economic decline that occurred from 1999 to 2008, which resulted in a decrease in funding for social services. This contributed to a deterioration of health infrastructure, loss of experienced health professionals, drug shortages and a decline in the quality of health services available. The capacities of most national institutions declined due to insufficient financial resources and difficulty in retaining sufficient numbers and skills in the workforce. It is estimated that over two million Zimbabweans left the country during this period, including many skilled health professionals.

Since 2009 economic growth and a more stable macroeconomic environment have returned to Zimbabwe, but the economic recovery remains fragile. The challenging environment has made service delivery difficult for the Government of Zimbabwe and this has impacted on the country's health system.

Three key diseases continue to impact heavily on Zimbabwe: about 15% of the adult population aged 15-49 are HIV-positive, and Malaria and Tuberculosis continue to be a challenge for the country.





## Zimbabwe's Response: Key Achievements

Significant progress has been achieved over the last decade. The HIV prevalence rate declined from more than 25% in 2000 to 15%, the Malaria incidence dropped 79% from 2000 to 2013 and Tuberculosis detection and treatment rates increased significantly in the same period.

As of September 2014, 747,384 people living with HIV are now accessing life-saving anti-retroviral therapy; this is a significant increase from 147,804 people at the end of 2008. During 2009-2014, 8,364,223 people were tested for HIV, and 10,203 patients diagnosed with TB have completed treatment.

These results are underpinned by the strengthening of the Procurement and Supply Systems, ensuring that the necessary medicines, home-based care kits, laboratory equipment for testing and other vital supplies are brought into the country in a timely manner and transported to where they are needed throughout the country.

This case study was commissioned to catalogue the improvements in the Procurement and Supply Chain and to document how the partnership between the Zimbabwe Ministry of Health and Child Care (MOHCC), UNDP, the Global Fund and key partners have worked to support this.



## Strengthening the Procurement and Supply Chain in Zimbabwe

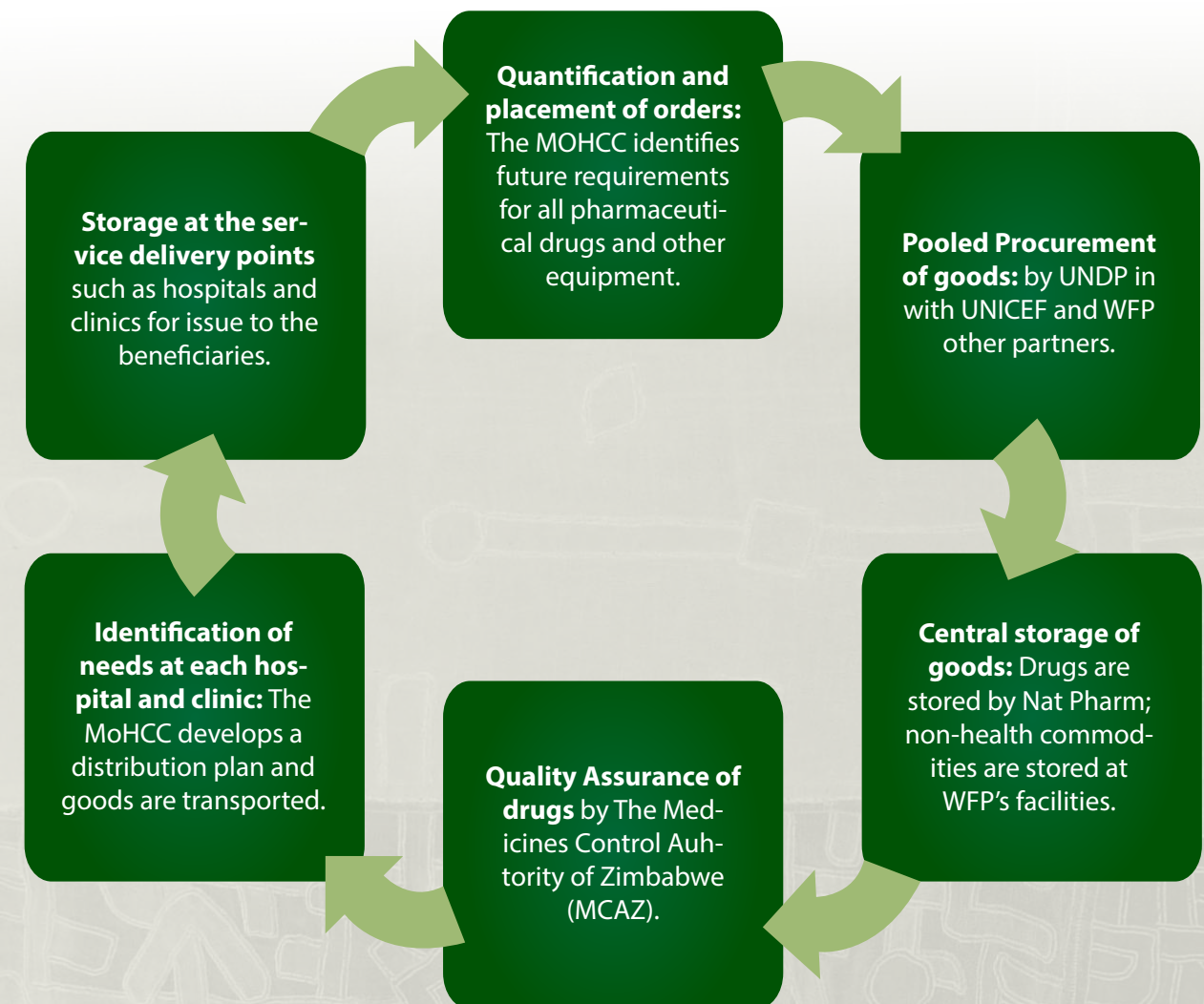
The key to any successful health system is the supply of medicines, availability of essential commodities and equipment to enable testing, treatment, care and support. If this is not fully effective it severely impacts the performance and quality of national disease responses, interventions and programmes. The conduit that enables the required medicines and materials to reach the beneficiaries or patients is the supply chain. When considering how to respond to the HIV, TB and malaria epidemics, one of the main factors is the risk of stock outs, where the necessary medicines do not arrive on time or are in insufficient quantities to meet the needs of patients. For existing patients already taking ARVs and TB medicines, any disruption to treatment has the potential risk of developing drug resistance.

The supply chain process of getting vital supplies from the manufacturer to the service delivery outlets, such as hospitals and clinics, and then to the patients is a complex and sometimes lengthy task.

### Procurement and Supply System

Between 2010 and 2014 the MOHCC and its procurement and supply chain management partners in Zimbabwe, have collaborated to create an effective procurement and supply chain system.

**Diagram 1:**  
An overview of the Procurement and Supply Chain (PSM) for HIV, TB and Malaria in 2014.





## Identification of Needs

Ensuring the right quantities of the correct medicines are procured at the right time is essential in order to guarantee that patients have the life saving treatment they need; and that drugs do not pass their expiry date before use, wasting valuable funds.

The MOHCC is responsible for forecasting needs of health commodities, such as essential medicines and medical supply items including Antiretroviral medicines, rapid HIV Test Kits and laboratory diagnostics etc. The MOHCC specify the type and quantities required in the country, as well as timelines for expected delivery dates.

To support this activity the MOHCC set up a 'Quantification Team' working in partnership with UNDP and other key stakeholders to forecast national requirements. They have also developed Standard Operating Procedures to guide the Quantification Team in developing the forecasts, verifying the products to be received and flagging possible shortages to all stakeholders in time to avoid stock outs of critical medicines.



## Central Storage and Distribution: The National Pharmaceutical Company's 'Roadmap To Improvement'

The economic crisis in Zimbabwe had left the National Pharmaceutical Company (NatPharm) with a number of challenges. After the situation had stabilized there was a need to understand whether NatPharm, including its six central storage facilities, had the capacity, resources and systems to adequately manage the supply chain. This includes receipt, storage, issuance and transport of essential health commodities, particularly in view of the increased amount of medicines that UNDP would be procuring under the Global Fund grants.

In September 2010, NatPharm conducted an assessment with the aim of identifying capacity needs and specific actions to address gaps. Accomplished with technical assistance from the Supply Chain Management System (SCMS) Project and the USAID Deliver Project.

The assessment resulted in a 24-month 'Roadmap to Improvement', which donors and other technical partners grouped together to support in June 2011.

### The two-year Roadmap support has come in two different ways:

- Direct funds provided to NatPharm to enable them to carry out the national storage and distribution;
- Capacity development activities that contribute to full implementation of the Roadmap, and ultimately aim to lead to NatPharm's sustainability.

A number of development partners have contributed over the two years, including UNDP, USAID through the SCMS project, UNICEF and the EU. Up to 2014 UNDP, acting as the interim Global Fund Principal Recipient (PR), has contributed nearly US\$3 million in direct payments to Nat Pharm and US\$854,047 as direct funds for capacity development.

Twenty-four months after the inception of the Roadmap, NatPharm has implemented the majority of capacity development activities including:

- Update of warehouse procedures and processes.
- Completion of programs for improving storage space at the Harare and Bulawayo regional stores.

- Many changes to infrastructure and equipment were completed, including generators for all stores, new cold room compressors for the Harare regional store, and installation of insulation at the Harare regional auxiliary store.
- Increased security and fire protection, following burglaries and fires in warehouses.
- Additional pallet racking was provided to optimise the storage in Harare and Bulawayo regional stores.
- Electrical systems at the Harare regional store were upgraded.
- Twenty-four 40-foot containers were provided to meet the growing storage needs resulting from increased procurement.
- Financial systems are now in place providing timely information.
- All key line manager positions were filled including the crucial positions of finance manager and accountant.
- A new organizational structure was approved; staff skills are known, and a training program was developed to improve staff skills.
- A pooled system has been implemented; commodities from various donors are stored at one facility and jointly distributed, ensuring effective coordination of service delivery.





## Storage at Service Delivery Points

Following the development of the storage facilities at NatPharm an assessment of facilities responsible for the storage of health products at each distribution point was carried out, and an action plan developed to improve storage conditions. This aimed to extend the strengthening programme to storage areas in health centres throughout Zimbabwe.

The assessment report focused on renovating old existing storage structures as well as building new storage facilities in areas that did not have any.

The assessment identified 52 priority health facilities which were vital to store large amount of drugs and other pharmaceutical products. These 52 facilities covered the whole of Zimbabwe and were mostly located in rural areas. The 52 facilities have now been strengthened, with the Global Fund through UNDP investing nearly US\$4 million. A further commitment of US\$ 18 million by the Global Fund programme, managed by UNDP, is underway to renovate a significant number of the remaining 207 facilities that were not covered in the first phase.



## Laboratory Services

Diagnostic services play a critical role in strengthening a health system. They provide evidence of the disease burden, and the effectiveness of interventions. The Directorate of Laboratory Services (DLS) of the MOHCC is the responsible government agency for developing and implementing public health laboratory initiatives.

The support from the MOHCC / UNDP Programme funded by the Global Fund, to the laboratory services in Zimbabwe covers the three disease components; HIV, TB and malaria. UNDP participates, alongside other partners, in the Laboratory Services Partnership Forum and has been critical in establishing the laboratory quantification and forecasting committee.

The support from the MOHCC / UNDP Programme funded by the Global Fund has also supported the development of the 'Zimbabwe Laboratory Commodities Quantification and Supply Plan' in 2014, which aims to assist the DLS to carry out laboratory commodities quantification, and to prepare the forecasts and supply plan. It has provided a refrigerated truck dedicated to cold chain storage, to ensure the safe transportation of samples; and has set up systems to service and maintain all laboratory machines throughout Zimbabwe.

*"While challenges are many, the Global Fund Programme has made substantial impact in the area of diagnostic for patients in Zimbabwe. Crucial diagnostic equipment such as CD4 machines are being serviced and maintained regularly",*

**says Mr. Douglas Mangwanya, MOHCW,  
Director of Laboratory Services.**

## Ensuring the Quality of Drugs

It is important to ensure that the drugs arriving in-country are good quality before they are sent to the hospitals and clinics and given to patients. The Medicines Control Authority of Zimbabwe (MCAZ) has the mandate to ensure that all medicines being procured by UNDP are safe and up to standard.

Since 2011, the Global Fund and UNDP has supported MCAZ in preparing Quality Assurance plans, conducting pilot sampling and testing, and training analysts.

UNDP also supported MCAZ in setting up a Task Force of national and international partners to provide ongoing support to this activity, and has provided training for the Task Force.

In 2014 MCAZ Quality Assurance support activities received \$107,000 of support.

Support for MCAZ has enabled them to apply for pre-qualification against WHO guidelines. The pre-qualification meets international requirements and allows services to be provided through a Quality Assurance Programme, ensuring patient safety from the time the shipments of drugs arrive in country to when the patient receives them.

### TB Grant: Improving Laboratories and Access to TB Diagnosis

In an effort to improve access to diagnostic services for TB, the Global Fund and UNDP have supported the renovation of laboratories to diagnose TB. Twelve polyclinics in Harare City were renovated to make diagnosis more accessible to the general population. The Global Fund grants also financed the construction of a new laboratory at Beatrice Hospital in 2012.

UNDP supported the renovation of 80 microscopy sites nationally, including some prisons, where TB prevalence is high.

This was accompanied by training of a total of 510 microscopists to work at the newly created sites, and salaries for 200 of these. Microscopes and other equipment were procured to make it possible for significant numbers of patients to access testing, and to enable rapid treatment.





### How Did The Supplies Help?

The Seke Rural Home Based Care provides care to those no longer capable of helping themselves, along with counselling and education on the diseases to those in the community. The centre currently supports 1160 patients in Seke alone.

Caregivers play an important role to people living with HIV and AIDS. They become the link between the patients and the outside world; providing the prescribed medications, physical and psychological support, therefore improving the quality of life of the patients.

UNDP, through the Global Fund programme, has provided the Caregivers with motorcycles to enable them to travel vast distances in a day, along with Home Base Care Kits. The impact of this simple and humble commodity used together with Antiretroviral drugs are far-reaching and life changing.

## Key Results to Strengthen PSM

- In Zimbabwe, national entities are leading in all steps of the procurement process, together with the Global Fund, UNDP and other partners, increasing national capacity and skills.
- Improved warehouses, transportation and storage facilities at the national level and at the level of distribution to patients have enabled drugs to get to patients when they are needed, and ensured less waste.
- Strengthening the national laboratories capacity with improved facilities and processes has led to better quality testing, enabling faster, more effective treatment.
- The formation of a Task Force of key stakeholders and partners to implement a Quality Assurance Plan for HIV, TB and Malaria has ensured safe high quality products for all patients.



## Building for the Future

To ensure the longer term sustainability of health systems ongoing PSM interventions will be required. The further strengthening of supply chain management is planned; this incorporates quality assurance for pharmaceuticals at central, provincial and facility levels. For the new TB and malaria Global Fund grants, the MOHCC will become the PR. UNDP is adopting new modalities to support the incremental capacity development and transition of the main functions for the new Global Fund Grants for TB and Malaria

The new modalities will include Capacity Development activities for the MOHCC Programme Coordinating Unit (PCU) to further enhance the functional capacities, including strengthening both procurement and supply chain management.

A MoHCC Capacity Development and Transition plan for 2015-2017 has been finalized, approved and funded in collaboration with UNDP and the Global Fund. Implementation is underway to strengthen supply management systems, to deliver National Programmes and Global Fund grants.

Support to Zimbabwe's response:

## UNDP, the Global Fund and Partnership

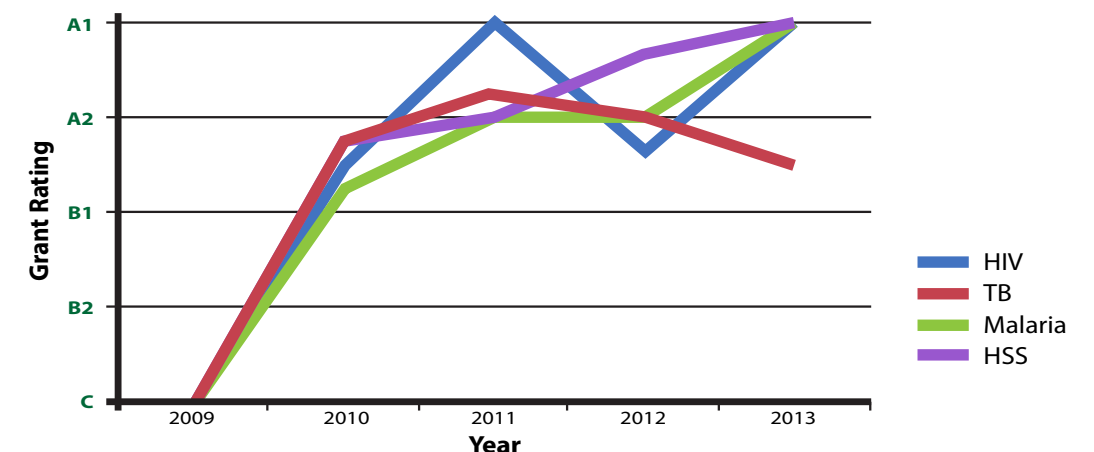
### The UNDP-Global Fund Partnership

Since Global Fund grants began in Zimbabwe, three different national organisations have held the Principal Recipient (PR) role. However in 2008, the Global Fund placed Zimbabwe under their Additional Safeguards Policy (ASP), which is invoked to ensure accountable use of Global Fund financing. Under this policy, the Global Fund Secretariat selected UNDP as the PR for Round 8 Global Fund grants in Zimbabwe. The Round 8 Grants had the following goals:

- To reduce the number of new HIV infections among adults and children as well as morbidity and mortality due to HIV and AIDS in Zimbabwe.
- To reduce the malaria incidence to less than 2.5% by 2016.
- To reduce the burden of Tuberculosis by 2015 in line with the Millennium Development Goals and Stop TB Partnership targets.
- Enhanced capacity of the health system to deliver effective scaled-up treatment for HIV, Malaria and TB.

Overall, the Global Fund has provided more than US\$ 850 million to Zimbabwe's response to the three diseases. Since UNDP was the PR, the Global Fund grants in Zimbabwe have been consistently high-performing and have achieved significant results in scaling up access to life saving services that have benefited millions of people.

- In 2013 three out of four grants recorded 'A' ratings (the highest grant rating) with the exception of the TB grant that recorded B1 ratings in one quarter (the second highest grant rating).





- In 2013 Zimbabwe was one of the pilot countries for the Global Fund New Funding Model (NFM). This was heralded as a highly successful pilot in rolling out the NFM and is being used as a best practice case in other countries. Quality data and national planning contributed towards this success.
- In 2013 the first grant under the NFM was approved for HIV and is now being implemented.
- In 2015 the TB and Malaria Round 8 will be replaced with new grants recently awarded under the New Funding Model.

The MOHCC is responsible for the delivery of health programmes in Zimbabwe and as such plays a leading role for the implementation of Global Fund grants.

The success of the programmes also depends on the support from technical partners such as WHO and UNAIDS and the collaboration of development partners.

UNDP has a dual role: Firstly, UNDP's role is to function as interim PR of Global Fund grants supported by national entities as SRs. Secondly, UNDP's role is to support the strengthening of capacities of the national entities involved with implementing the Global Fund grants, preparing the country for transition to national management and ownership.

UNDP also works closely with both government and development partners to establish a strong multi-sectoral response. This has been supported by the Global Fund and delivered in collaboration with other technical partners.



### Partnership for the PSM

The improvements in the Supply Chain system have been significantly enhanced by the partnership and collaboration between UNDP, the government, and other donors and technical partners.

USAID, through the Supply Chain Management System project (SCMS), supported the establishment of a Logistics Unit in the MOHCC, equipped with staff to convene working groups, carry out data collection, forecasting, quantification, supply planning and coordinate donor procurement. SCMS were also a key partner in the NatPharm Roadmap contributing funds, staff to coordinate the programme and additional technical support.

UNDP procures in partnership for PSM with UNICEF and WFP, who provide additional storage, support the drugs clearing through customs and other logistical support.