Annual Program Statement Addendum

Addendum O: Supply Chain Oversight and Compliance

U.S. Department of State
Bureau of Global Health Security and Diplomacy (GHSD)

A. Basic Information

1. ***Overview***

The Department of State's Bureau of Global Health Security and Diplomacy (GHSD) invites organizations to submit a Statement of Interest (SOI) proposing a project (or projects) to strengthen oversight, compliance, and accountability for the procurement, warehousing, and distribution of GHSD-funded health commodities under the bilateral Memoranda of Understanding (MOUs) and Multi-Year Plans (MYPs) between the Department of State and the governments of the countries listed below. The purpose of this addendum is to indicate specific areas where the Department of State would like to receive SOIs. Submission instructions are included in the "Advancing Global Health" Annual Program Statement (APS). The submission of the SOI is the first step in a two-step process, in which applicants must first submit a concept note that presents a project approach and intended outcomes. Importantly, this is not a full application and will not result in a federal assistance award at this step; the SOI process allows interested organizations to submit project ideas for evaluation prior to requiring the development of a full proposal application.

Countries in scope are: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cote d'Ivoire, Democratic Republic of the Congo, Eswatini, Ethiopia, Guinea, Haiti, Liberia, Kenya, Madagascar, Tanzania, Lesotho, Malawi, Mali, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Tanzania, Uganda, and Zambia.

Funding opportunity title	Advancing Global Health
Funding Opportunity Number	DFOP0017890
Addendum title	Health Foreign Assistance MOU Implementation: Supply Chain Oversight and Compliance
Deadline for Questions	December 3, 2026 [1700 PM EST GMT-5]
SOI Due Date	January 29, 2027 [1700 PM EST GMT-5]
Number of awards anticipated	Up to 3 awards
Total estimated funding	Up to $10M, subject to availability

Proposed projects should be completed in five years or less.

This notice is subject to availability of funding.

2. *Executive Summary*

Consistent with the America First Global Health Strategy (AFGHS), the Department of State invites eligible organizations to submit SOIs to support the effective and efficient implementation of bilateral Memoranda of Understanding (MOUs) and Multi-Year Plans (MYPs) between the Department of State and partner-country governments through risk-based oversight, compliance monitoring, and accountability for the procurement, warehousing, and distribution of GHSD-funded health commodities. The program will support recipient governments, ministries of health, national medical stores, designated parastatals, and other authorized partners in fulfilling their respective MOU commitments, establishing appropriate management controls, and ensuring that U.S. government resources are used transparently, responsibly, and in accordance with applicable requirements. The program will focus on two complementary objectives: (1) strengthening oversight and compliance of health commodity procurement through government and local procurement partners; and (2) strengthening oversight and compliance of warehousing, inventory management, and distribution systems. Through assessments of institutional capacity and operational risks, performance monitoring, verification of transactions and commodity movements, and implementation of corrective actions, the program will identify and address gaps that could impede MOU implementation. Expected outcomes include improved government accountability, reduced financial and operational risks, enhanced visibility into the use and movement of GHSD-funded commodities, and timely execution of agreed activities. Ultimately, the program will help ensure that bilateral MOUs are implemented as intended, GHSD investments are safeguarded, and essential health commodities reach their intended beneficiaries reliably and efficiently.

The overall outcome is the successful implementation of bilateral MOUs between the Department of State and partner-country governments through effective, efficient, and accountable procurement, warehousing, and distribution of GHSD-funded health commodities and supply chain services. The program will give recipient governments and GHSD timely, verifiable information on whether agreed activities are being executed as intended, resources are protected, implementation challenges are addressed promptly, and recipient governments are equipped to sustain their responsibilities over time. The program will also strengthen recipient country capacity and accountability, while supporting to GHSD's assistance objectives.

B. Program Description

Under the AFGHS, bilateral MOUs and MYPs are moving U.S. health assistance from a partner-driven model to a government-led, performance-based model. As this transition proceeds, recipient governments, central and national medical stores, and designated parastatals are taking on greater responsibility for buying, storing, and moving health commodities paid for with U.S. government funds. These commodities are life-saving, high in value, and exposed to loss at every step between purchase and patient. Weak procurement practices, unreliable inventory records, theft, diversion, expiry, and stockouts waste taxpayer resources, interrupt essential services, and slow progress on MOU commitments.

This Addendum supports risk-based oversight, compliance monitoring, and accountability for GHSD-funded health commodities and supply chain services from procurement through delivery. Projects will assess institutional capacity and operational risk, verify transactions and commodity movements, monitor performance, and help recipient governments resolve problems

through documented corrective action. The level of oversight should match the level of risk, with simple, lower-cost approaches where systems are strong and more intensive verification where risks are material. Recipient governments should use the findings to strengthen their own systems, so that external oversight can decrease as government performance improves. Activities should complement, and not duplicate, MOU Implementation Plans, government-to-government (G2G) agreements, and other U.S. government-funded supply chain activities. This Addendum does not fund the purchase of health commodities or the routine operation of warehouses or distribution networks. Multi-country SOIs covering both objectives, as well as focused SOIs addressing a single objective, function, or group of countries, are encouraged.

1. ***Goals and Objectives***

The goal of this Addendum is to ensure the successful implementation of bilateral MOUs and MYPs through effective, efficient, and accountable procurement, warehousing, and distribution of GHSD-funded health commodities and supply chain services, so that U.S. government investments are protected, essential health commodities reach their intended beneficiaries, and recipient governments are equipped to sustain these functions over time.

Interested organizations may submit SOIs in response to one or both of the following objectives. SOIs should clearly identify the objective(s) and countries addressed and demonstrate the technical, operational, and institutional capacity required for implementation. Applicants should describe tiers of oversight that can be matched to each country's level of risk, from simple, low-cost approaches to more intensive verification.

Objective 1: Strengthen Oversight, Compliance, and Accountability for the Procurement of GHSD-funded Health Commodities and Services through Government and Local Procurement Partners

Award recipients will support the effective implementation of bilateral MOUs by establishing and strengthening risk-based oversight, compliance, and accountability mechanisms for the procurement of GHSD-funded health commodities and services through recipient governments, central medical stores, supply chain parastatals and other designated public-sector procurement entities. The program will conduct ongoing assessments of local procurement partners' institutional capacity, financial management systems, internal controls, procurement procedures, and mechanisms for preventing and detecting fraud, waste, abuse, conflicts of interest, and other risks to GHSD-funded resources. Activities may include ongoing procurement risk assessments, due diligence of procurement entities and suppliers, review of procurement plans and specifications, verification of competitive and value-for-money purchasing practices, forensic and financial audits, assessment of product quality assurance and regulatory compliance, and monitoring of supplier selection, contract management, pricing, delivery performance, and expenditure reporting.

The program will establish risk-based monitoring and reporting mechanisms to provide GHSD and recipient government counterparts with timely visibility into procurement activities, expenditures, risks, and results. It will support the identification and resolution of procurement irregularities through documented corrective action plans, performance reviews, and appropriate escalation procedures, including timely notification to the recipient government and GHSD of suspected fraud, waste, abuse, or diversion. Where capacity or control gaps are identified, the

program will recommend proportionate safeguards and targeted technical assistance to mitigate risk while strengthening local systems.

Through these activities, the program will advance MOU implementation, reinforce recipient government accountability for GHSD-funded resources, and support the transition toward country-led procurement systems that reliably deliver quality-assured health commodities while protecting U.S. Government investments and promoting long-term sustainability.

Objective 2: Strengthen Oversight, Compliance, and Accountability for the Warehousing, Inventory Management, and Distribution of GHSD-funded Health Commodities
Award recipients will support implementation of bilateral Memoranda of Understanding (MOUs) with recipient governments through strengthened oversight, risk management, and accountability for the warehousing, inventory management, and distribution of GHSD-funded health commodities. The program will help ensure that commodities received in-country are securely stored, accurately accounted for, protected against loss or diversion, and distributed efficiently to authorized health facilities and service delivery points. The program will assess the capacity, performance, and control environments of government warehouses, national medical stores, public-sector distribution networks, and contracted logistics providers. Activities may include evaluating inventory management systems, physical security, storage conditions, stock reconciliation, product traceability, transport controls, distribution documentation, proof of delivery, and the reliability of logistics data. The program will identify and mitigate risks associated with theft, diversion, loss, expiration, damage, inappropriate storage, inaccurate inventory records, stockouts, and delays in delivery to intended beneficiaries.

Risk-based oversight mechanisms will be established to monitor commodity movements, reconcile inventory and distribution records, verify receipt and delivery, assess logistics-provider performance, and identify discrepancies between commodities procured, received, stored, and distributed. The program will support clear roles and responsibilities among recipient governments, designated public-sector entities, and third-party logistics providers, including appropriate service standards, reporting requirements, performance indicators, and corrective action procedures. Where government systems have insufficient capacity to safely and reliably manage commodities, the program may recommend proportionate risk-mitigation measures, including qualified third-party warehousing and distribution services operating under recipient government oversight.

The program will strengthen GHSD's and recipient governments' visibility into commodity availability and movement, improve accountability for publicly funded health commodities, and address operational gaps that contribute to supply disruptions and prevent commodities from reaching intended beneficiaries. By combining risk-based monitoring with clearly defined performance expectations, the program will advance MOU implementation and support sustainable, country-led supply chain systems that protect U.S. government investments and ensure essential health commodities reach patients when and where they are needed.

2. ***Guiding Principles***
Projects supported under this addendum will be guided by the principles outlined in the AFGHS, emphasizing targeted, results-driven investments that protect the health and security of the American people while emphasizing sustainable, country-led, and results-driven investments that

strengthen supply chain outcomes. Competitive SOIs are encouraged to demonstrate the following principles:

- Country Ownership and Leadership: Award recipients must work through and strengthen existing government systems, institutions, and accountability mechanisms rather than create parallel structures. Recipient governments must retain appropriate leadership and oversight of procurement, warehousing, and distribution activities consistent with their MOU commitments.
- MOU Implementation and Results Orientation: All activities must directly support the execution of agreed MOU commitments and approved Implementation Plans. Proposed interventions should address identified implementation gaps, establish clear responsibilities and milestones, and demonstrate measurable progress toward agreed outcomes. Technical assistance should prioritize practical solutions that enable governments to fulfill their obligations efficiently and sustainably.
- Accountability, Transparency, and Compliance: All activities must promote responsible stewardship of U.S. government resources through transparent decision-making, clear lines of authority, reliable documentation, and verifiable reporting. Procurement, inventory management, warehousing, and distribution activities must comply with applicable U.S. government requirements, relevant MOU provisions, award conditions, and applicable national laws and policies. Controls should minimize the risk of loss, theft, diversion, expiration, damage, and unauthorized use.
- Strengthening Existing Government Systems: Award recipients must prioritize improvements to existing government procurement, financial management, inventory, warehousing, logistics, and reporting systems. Activities should strengthen internal controls, data quality, and government-led performance monitoring. Where existing systems present material risks or capacity gaps, targeted safeguards and supplemental support may be introduced without unnecessarily duplicating or undermining government structures.
- Performance Monitoring and Continuous Improvement: Activities must include clear performance indicators, defined milestones, regular reporting, and mechanisms to identify and resolve implementation challenges. Monitoring should assess both compliance with established requirements and progress toward MOU objectives. Findings must inform corrective action, adaptive management, and improvements in operational performance.
- Sustainability and Institutional Capacity: Technical assistance must strengthen the ability of recipient governments to manage and oversee procurement and supply chain functions over time. Activities should promote the transfer of knowledge, development of government capabilities, and establishment of sustainable procedures and performance standards. Any reliance on third-party service providers should include clear accountability arrangements and appropriate government oversight.
- Coordination and Complementarity: Award recipients must coordinate with relevant government institutions, GHSD, and other authorized partners to align activities with MOU Implementation Plans and avoid duplication of effort. Coordination should support consistent oversight, timely information-sharing, resolution of implementation bottlenecks, and efficient use of available resources.
- Data-Driven Decision-Making and Supply Chain Visibility: Activities should strengthen the availability, accuracy, timeliness, and use of procurement, financial, inventory, and

distribution data. Reliable information must support government decision-making, GHSD oversight, early identification of risks, and verification that funded commodities are moving through the supply chain as intended. Findings and underlying data should be shared with the recipient government and GHSD on agreed terms, consistent with national data governance requirements. Applicants are encouraged to propose practical verification tools, such as product traceability standards and digital proof of delivery.

- Value for Money and Operational Efficiency: Activities should promote efficient use of U.S. government resources, appropriate cost controls, transparent pricing, and measurable results. Proposed interventions should address critical implementation barriers while minimizing unnecessary administrative burdens, duplicative processes, and avoidable supply chain costs.
- Independence and Conflict of Interest: Verification, audit, and monitoring functions must be independent of the entities and transactions under review. An organization that oversees a function should not also perform that function or supply goods or services within its scope. Applicants should explain how they will identify and manage actual or apparent conflicts of interest and how any technical assistance will be kept separate from verification and audit work.
- Leverage Local Organizations and Partnerships: There should be a priority placed on engaging qualified local audit, assurance, and supply chain organizations to build sustainable in-country oversight capacity. Applicants should also consider how U.S. and local private sector expertise, technology, and standards can strengthen oversight and reduce costs.

All activities must fully align with the Department of State's Promoting Human Flourishing in Foreign Assistance (PHFFA) policy.