

IMPLEMENTATION LETTER NO. 3

**AN AGREEMENT TO SUPPORT GOVERNMENT OF UGANDA EFFORTS TO ADDRESS
KEY POLICY ISSUES, AND STRENGTHEN SYSTEMS AND STRUCTURES THAT WILL
IMPROVE THE TRANSPARENCY, EFFECTIVENESS AND EFFICIENCY OF THE
HEALTH COMMODITIES SUPPLY CHAIN SYSTEM.**

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF UGANDA

AND

THE GOVERNMENT OF THE UNITED STATES OF AMERICA



USAID
FROM THE AMERICAN PEOPLE



THE REPUBLIC OF UGANDA



December 15, 2017

Hon. Busingye M. Karooro Okurut
Minister in Charge of General Duties
Office of the Prime Minister
Kampala, Uganda

Hon. Matia Kasaija
Minister
Ministry of Finance, Planning & Economic Development
Kampala, Uganda

Hon. Dr. Jane Ruth Aceng
Minister
Ministry of Health
Kampala, Uganda

Hon. Tom Butime
Minister
Ministry of Local Government
Kampala, Uganda

Hon. Betty Kamya Turomwe
Minister for Kampala City
Kampala, Uganda

Mr. Moses Kamabare
General Manager
National Medical Stores
Entebbe, Uganda

SUBJECT: Implementation Letter for Support to GoU efforts to address key policy issues, and strengthen systems and structures that will improve the transparency, effectiveness and efficiency of the health commodities supply chain system

Dear Honorable Ministers Karooro Okurut, Kasaija, Aceng, Butime, Kamya Turomwe and Mr. Kamabare,

This Implementation Letter (IL) No. 3 is issued in accordance with the terms of the Development Objective Assistance Agreement for Improved Health and Nutrition Status in Focus Areas and Population Groups signed by the Government of the Republic of Uganda (GoU) and the Government of the United States of America (USG), acting through the United States Agency for International Development (USAID), on September 29, 2011, as amended (the DOAG), including provisions which exempt taxation on goods and services as provided below. This IL No. 3 follows Supply Chain IL No. 2 signed on February 15, 2017. (Annex 1).

Purpose

The purpose of this IL (Supply Chain IL No. 3), between the GoU, acting through the Ministry of Finance, Planning and Economic Development (MoFPED), and acting through and with the concurrence of the Office of the Prime Minister (OPM), Ministry of Health (MoH), Ministry

of Local Government (MoLG), and National Medical Stores (NMS), and the USG, acting through USAID, (each a Party and collectively the Parties), in collaboration with the Global Fund for AIDS, Tuberculosis and Malaria (Global Fund), is to establish an agreement between the Parties, to support MoH efforts to address key policy issues, and strengthen systems and structures that will improve the transparency, effectiveness and efficiency of the health commodities supply chain system.

While this IL No. 3 addresses the purchase and provision of specific commodities described herein, the principles which underlie the systems strengthening and improvements to the transparency, effectiveness and efficiency of Uganda's health commodities supply chain system, are intended to apply to all commodities purchased or provided by the USG, including those described in other ILs between the Parties.

This IL describes respective roles and responsibilities that each signatory will assume toward the achievement of this purpose, subject to the availability of funds and the applicable laws and regulations of each Party. In particular, all under-signed Parties agree to work toward an improvement in policies, warehousing and distribution, quantification processes, and information systems that impact Uganda's health commodities supply chain. The Parties understand that nothing in this IL is intended to amend any existing agreements between the Parties or between any Party and a third party.

This IL further describes actions that USAID will take to: a) provide approximately \$3 million for a comprehensive Enterprise Resource Planning (ERP) tool at NMS, b) provide \$18.7 million in anti-retrovirals (ARVs) to fill gaps in public health facilities, c) install storage-in-a-box (SiB) units at health facilities, d) provide tetanus toxoid (TT) vaccines for voluntary medical male circumcision (VMMC), and e) pay warehousing and distribution costs to NMS as described herein.

Additionally, the Global Fund agrees to cooperate with the Parties, including by providing commodities, supporting an integrated forecast and supply plan and strengthening supply chain systems, consistent with its grant agreements. Global Fund agrees to participate, communicate and collaborate with the Parties to ensure that Uganda benefits from appropriate policies, effective systems, strong structures, and transparency and accountability throughout the supply chain system. Global Fund agrees to become a Member of the Inter-Ministerial Task Force on the Governance of the Reform of the Health Commodities Supply Chain System. The Parties acknowledge that this IL is not an obligation of funds on the part of either Party or on the part of the Global Fund, and does not create any rights vis-à-vis the Global Fund in favor of any Party or person.

I. Policy Issues

A. Increase equity in the allocation of financial resources provided to health facilities and build their capacity to manage, forecast and order stock.

USAID will:

1. Collaborate with MoH to establish and support the Medicines Equity Task Team to analyze and recommend guidelines to the Technical Working Group (TWG) to ensure that financial resources for health facilities are allocated equitably according to national policy and based on population served and the health needs of the population.

2. Provide technical assistance to MoH to support all districts to build their capacity through training and support in stock management, forecasting, and ordering of medicines and health supplies.

GoU will through:

MOH:

1. Revise the manner by which funds are allocated to facilities to be consistent with the National Medicines Policy 2015–2020 that calls for funds for procurement of medicines and health supplies to be allocated in an equitable manner, based on the populations served and their health care needs.
2. Take the lead to establish, convene, and act as Chair of the Medicines Equity Task Team to develop a “population and needs-based” allocation tool as well as guidelines for implementation of the tool.
3. Review recommendations made by the Medicines Equity Task Team, through the approval systems of MoH. MoH top management will then discuss those recommendations with MoFPED and other ministries as applicable.
4. Adjust the types of commodities provided to correlate with facility needs and quantities consistent with the revised credit line provided for the facility from MoFPED for facilities that receive pre-determined commodity kits.
5. Review and revise the current MoH Medicines re-distribution strategy to allow for transfers intra-district and within regional levels.

MoFPED:

1. Provide funds per facility based on the “population and need-based” allocation tool that will be developed by the MoH.
2. Designate a member to be part of the Medicines Equity Task Team, and implement policies that may arise from the MoH equity allocations as recommended by the Medicines Equity Task Team.

MoLG:

1. Designate a member to be part of the Medicines Equity Task Team.
2. Ensure that district health facilities will use the new allocation principles in quantification and ordering of medicines and supplies.
3. Ensure that all MoH policy changes resulting from studies, evaluations supported by USAID, and policy dialogue processes, are effectively implemented at the district and facility levels.
4. Support the operationalization of the revised medicines re-distribution strategy.

NMS:

1. Designate a member to be part of the Medicines Equity Task Team
2. Monitor and inform health facilities that order directly from NMS of the amount of funds available for ordering.
3. Adjust the procurement of medicines and health supplies to accommodate changes in the composition (types and quantities) of orders and kits in facility procurement plans.

B. Improve efficiencies to eventually allow all public facilities to order their essential medicines directly from the NMS in accordance with available budgets.

USAID will:

1. Support the MoH to conduct a pilot test in 36 health center III facilities that are currently receiving medicines and health supply kits. The pilot will enable these facilities to order commodities relative to actual budget.
2. Support MoH to train personnel, analyze data from the pilot districts, and support the dissemination of the results.
3. Participate in a policy dialogue and support the scale-up of this system based upon the pilot test results as endorsed by MoH.

GoU will through:

MOH:

1. Guide and conduct the pilot in 36 health centers, and lead the policy dialogue based on the pilot results and support the establishment and implementation of the policy.
2. Conduct training for personnel, analyze data from the pilot districts, and support the dissemination of the results.
3. Update MoLG on implications of the revised policy as the need arises.

MoLG:

1. Ensure that the 36 pilot health centers make timely and accurate orders to NMS based upon their procurement plans.
2. Provide feedback to MoH on actions needed to implement the new policy.
3. Devise a mechanism to increase accountability of medicines and supplies.

NMS:

1. Participate in the pilot described above, provide feedback on what is reasonable based upon MoH recommendations, and implement scale up of feasible actions as advised by MoH.

C. **Strengthen the functioning of the medicine credit line (under MoH account "vote014"), through the Joint Medical Stores (JMS) to more readily procure medicines and supplies for private-not-for profit (PNFP) facilities**

USAID will:

1. Continue to provide technical assistance to JMS, the Medical Bureaus and to PNFP facilities to increase transparency, accountability, accessibility, and reduce the cost of essential medicines in the PNFP sector.
2. Support MoH efforts to monitor use of funds and distribution of medicines per the credit line.

GoU will through:

MOH:

1. Develop PNFP credit line implementation guidelines.
2. Ensure timely allocation and release of funds to JMS for PNFP facilities in accordance with those guidelines.

3. Assess whether the credit line is working and take necessary action to correct problems.
4. Track usage of credit line funds and medicines procured through the PNFP supply chain to monitor availability of funds remaining and amounts of medicines procured.

MoFPED:

1. Monitor overall absorption of the funds provided.
2. Release funds in a timely manner to MoH for the PNFP credit line.

MoLG:

1. Conduct regular inspections in collaboration with MoH to ensure that district authorities supervise and monitor implementation of the credit line for PNFPs in line with national guidelines.
2. Monitor the availability of medicines and supplies in PNFP facilities through district authorities who will provide feedback to district governments, Medical bureaus, and MoH.
3. Strengthen the ability of PNFP facilities to monitor and track stock of medicines and supplies in PNFP facilities.

III. National Level Warehousing and Distribution

All Parties agree to work together to strengthen NMS to perform its functions to ensure availability of high quality medicines and health supplies for the benefit of the Ugandan population.

USAID will:

1. Support NMS to revise its administrative cost schedule based on the estimated costs of procurement, storage and distribution services provided. USAID, NMS, and key stakeholders will negotiate a revised administrative cost schedule within 90 days of signing this IL No. 3 that reflects estimated costs that are reasonable to allow NMS to continue providing services effectively. The administrative costs will be periodically reviewed and, where needed, adjusted based on data analysis from the ERP and other key indicators that are critical for determining the costs.
2. Support NMS to conduct a distribution study in collaboration with MoH, to identify more efficient ways to distribute commodities, while maintaining internal controls.
3. Collaborate with MoH to evaluate the impact of Good Pharmacy Practices (GPP) for health facilities.
4. Support MoH efforts to implement the supportive supervision model and strategy referred to as the "Supervision Performance and Recognition Strategy" (SPARS) including SPARS for TB, Laboratory and ART, referred to as A4T (ARV Therapy Test-Treat-Track) at national, regional, district and institutions.
5. Provide technical assistance to improve ordering, warehousing and distribution and provide approximately 30 cost-effective storage-in-a-box (SiB) units to ensure the security and proper handling of commodities through the public system.

GoU will through:

MOH:

1. Provide NMS with policy and logistical guidance to procure, warehouse and distribute medicines and health supplies throughout the country.
2. Coordinate with all Parties to ensure that all national forecasts are accurate and that supply and procurement plans are adjusted as needed.
3. Ensure accountability for receipt, inventory, warehousing and utilization at national and regional referral hospitals and institutions.
4. Collaborate with Kampala Capital City Authority (KCCA) to ensure accountability for receipt, inventory, warehousing, and utilization at facilities in Kampala.
5. Ensure SPARS implementation countrywide including the maintenance of the information systems needed to receive, store, relay and analyze data.
6. Work with all Parties to ensure completion of the studies and dissemination of results.
7. Oversee the policy dialogue process and implementation of supply chain policy decisions taken based on the results of these studies.

MoFPED:

1. Provide NMS with timely access to funding needed to procure, insure, warehouse and distribute medicines and health supplies.
2. Ensure that funds provided are used for the intended purposes.

MoLG:

1. Ensure that medicine and health supply needs of districts are correctly estimated, appropriately ordered, and well managed at the district and facility level.
2. Provide access to USAID and/or its representatives to the inventory records of districts and health facilities to track ordering, receipt, storage and distribution of ARVs and tetanus toxoid (TT) vaccines.

NMS:

1. Revise its administrative cost schedule based on the real costs of procurement, storage and distribution services provided by NMS as agreed upon by the Parties. This cost will be reviewed and revised periodically based upon data analysis emerging from the new ERP system to, as much as possible, reflect real costs.
2. Implement the recommendations of the distribution study.
3. Expand storage capacity through construction of a new warehouse foreseen to be funded by Global Fund in order to expand capacity and improve commodity security.
4. Provide timely and accurate reports as specified under this IL No. 3, including at Section XIV below.

IV. Quantification (Forecasting and Supply/Procurement Planning)

The Parties agree to work together to ensure effective quantification (forecasting and supply/procurement planning) of medicines and health supplies to meet country needs with national resources (including partners), and to reduce both stock-outs and expiries. The Parties agree that the overall objective of quantification is to maintain a level of stock on hand between an appropriate minimum and maximum number of average months of consumption for all commodities at both the national and facility level. Maintaining minimum and maximum months of commodities is to ensure continuous access to stock and not to serve as a buffer for quantification errors.

USAID will:

1. Provide technical assistance to the Quantification and Procurement Planning Unit (QPPU).
2. Endeavor to ensure that USG agencies collaborate fully to provide timely and accurate information needed to revise forecasts and supply plans.
3. Make adjustments in its procurement plan, as needed, to maintain the appropriate stock levels.

GoU will through:

MoH:

1. Strengthen capacity for quantification and procurement through supporting an increase in the number of technical staff recruited to the pharmacy department and by developing staff skills.
2. Conduct monthly meetings of the Commodities Security Group.
3. Conduct monthly meetings of the Medicines Technical Working Group where all necessary adjustments to supply/procurement plans necessary to maintain stock levels between the minimum and the maximum level, are explicitly proposed and widely shared.
4. Prepare a bi-monthly stock status report.
5. Conduct semi-annual national quantification exercises including revised forecast and updated supply plans.
6. To ensure swift delivery of USG-procured medicines and supplies into Uganda, collaborate with the National Drug Authority (NDA) to expedite approval of USG applications for verification of imports, to allow the shipment of USG-procured medicines and supplies no later than two weeks following the USG's submission of its application for verification to the NDA.
7. Use NMS updates and recommendations, as appropriate, for reporting to the Health Policy Action Committee (HPAC), on actions to be taken to avoid stock outages and expiries.

MoFPED:

1. Provide GoU funds needed to meet GoU commitments in a timely manner.
2. Ensure that funds provided based on the forecast are used in accordance with the forecast.

NMS:

1. Participate in the supply chain meetings and quantification exercises.
2. Coordinate with MoH to ensure that orders for Global Fund commodities and for other commodities are consistent with facility-level orders and within NMS warehousing capacity.
3. Participate in the development of the national forecast and supply plan, including appropriate call-off rhythms and quantities.
4. Regularly update MoH and provide recommendations to MoH on actions to be taken to avoid both stock outages and expiries.

V. Electronic Logistics Management Information System (eLMIS)

The Parties agree to work to strengthen Uganda's capacity to more efficiently manage and track stock ordering, inventory, and patient information, to more reliably respond to Ugandan citizens' medical needs through an eLMIS including, but not limited to, the RxSolution.

USAID will:

1. Support MoH to implement RxSolution in about 400 facilities. This will support hospital and health center IV capacity to effectively manage all medicines in a transparent manner and will facilitate the ability to use the NMS Enterprise Resource Planning (ERP) system for electronic ordering of all commodities procured through the NMS. The RxSolution will also serve as a repository of intra-facility commodity movement enabling commodity traceability in health facilities up to patient level once optimally used.

GoU will through:

MOH:

1. Oversee and supervise the implementation of RxSolution.
2. Coordinate the scale-up of eLIMS tools beyond the facilities that USAID will support.
3. Receive report and analyze data from sites using eLIMS tools, to assess performance and identify problems in the supply chain.
4. Address these issues for discussion and resolution to the Inter-Ministerial Task Force, which was established under IL No. 2 and which the Parties agree will continue under this IL No. 3, as more fully described at Section XI below.

MoLG:

1. Ensure implementation of eLIMS tools in health facilities in the districts.
2. Supervise eLIMS implementation and use of data.
3. Ensure that facilities provide timely reports to the District Health Officers (DHO).
4. Make forecasting and ordering decisions based on accurate information.

VI. Enterprise Resource Planning (ERP)

USAID will:

1. Invest approximately \$3 million over a three-year period to procure and support the phased roll-out of a comprehensive and fully integrated Enterprise Resource Planning (ERP) tool, including software and hardware, for NMS and 550 facilities. This tool will increase management efficiency and transparency, and support NMS to achieve its objective of maintaining stock levels at between an appropriate minimum and maximum level and reduce both stock-outs and expiries of medicines and health supplies. Maintaining minimum and maximum months of commodities is to ensure continuous access to stock and is not intended to serve as a buffer for quantification errors. The ERP will also allow for health facilities at all levels to order and monitor the full range of commodities they order and receive through the NMS online. Support payment of NMS and health facility ERP licensing fees for the three year roll-out period, during which time, USAID will work with NMS on a transition plan to prepare NMS to assume payment of the license fees following this three year roll-out period.

GoU will through:

MoH:

1. Support the development of operational guidelines and Standard Operating Procedures for ERP users at the facility level.
2. Promote a phased roll-out of the ERP for ordering and receiving all commodities ordered through NMS, with the goal of eventually using ERP in targeted health facilities around the country.
3. Utilize ERP data for forecasting, supply planning and budgeting.
4. Integrate ERP data into the district health information systems (DHIS II) to establish a comprehensive logistics management information system (LMIS).

MoFPED:

Ensure timely and adequate assistance to enable NMS to operate with minimal disruptions.

NMS:

1. After three years of USAID support for payment of NMS license fees elapses, pay license fees necessary for at least 75 users to maintain the operations of the ERP tool at NMS.
2. After three years of USAID support for payment of health facility license fees elapses, pay the license fees for selected health facilities that are using the ERP for ordering medicines and health supplies from NMS. Estimated cost is approximately \$50 annually per facility, however, actual costs will not be known until the award is made.
3. Ensure appropriate maintenance and use of hardware and software procured by USAID for the ERP, and replace, as needed.
4. Provide quarterly updates to USAID and MOH senior management on the development and use of the ERP by NMS and health facilities, and modify the use and development of the ERP as necessary to ensure that it is being effectively utilized and that it meets the needs of MOH and NMS.
5. Work with USAID on a transition plan during the three year ERP roll-out period, to determine how best to assume the cost of NMS and health facility license fees, once those fees are no longer paid by USAID.
6. Work with NITA Uganda to ensure that the new ERP system procured with USAID support is approved for use in GoU institutions.

VII. \$18.7M Additional ARVs

USAID will:

Procure up to \$18.7 million in ARVs to meet the expected gap between the public sector targets and ARVs procured by the GoU and the Global Fund. The \$18.7 million includes the ARV purchase price, freight and insurance in transit, warehousing at JMS pending NMS tranche requests, delivery from JMS to NMS, and NMS charges for warehousing at NMS and distribution to health facilities. USAID, NMS and key stakeholders will negotiate a revised administrative cost schedule within 90 days of signing this IL No. 3 that reflects estimated costs of services provided. The administrative cost will be reviewed annually.

GoU will through:

MoH:

1. Provide a request for the types and quantities of ARVs required to meet the gap between demand and the ARVs procured through GoU or the Global Fund. This request is provided and is attached under Annex No.2.
2. Organize a monthly meeting of the Medicines Procurement Working Group to update and revise the commodity procurement plan to ensure that stocks are maintained between an appropriate minimum and maximum level based on the bi-monthly stock status report and reports from the Commodity Security Group.
3. Provide a report from the monthly meeting of the Medicines Procurement Working Group.
4. Ensure the accountability and accuracy of national forecasts.
5. Ensure the accountability and accuracy of supply plans and bi-monthly orders from referral hospitals.
6. Ensure that regional referral hospitals improve procedures regarding receipt, inventory, warehousing and use of drugs and medical commodities, including ARVs.
7. Review existing contracts for GoU procurement of ARVs to ensure fair, reasonable, competitive pricing.

NMS:

1. Ensure that the distribution of adult 1st line ARVs provided under this IL is limited to the 241 ART sites indicated by USAID. This is to facilitate monitoring of these commodities relative to those that are procured by the GoU or the Global Fund. This restriction applies only to adult 1st line ARVs. If needed, USAID-provided pediatric ARVs and 2nd line ARVs may be provided to ART sites as needed.
2. Provide USAID, implementing partners working on health development in Uganda (Health Development Partners) and implementing partners working on HIV/AIDS in Uganda (AIDS Development Partners) with:
 - i. Actual expenditures (types and quantities of commodities) for GoU-procured ARVs from CIPLA/QCIL for fiscal years 2017/18 and subsequent years against budget releases from MoFPED through 2021.
3. Ensure that the GoU meets its annual ARV commitments as indicated in the supply plans for the fiscal years 2017/2018, and subsequent years within the duration of this IL.

MoFPED:

1. Participate in review of existing contracts for GoU procurement of ARVs to ensure fair, reasonable, competitive pricing.
2. Provide USAID, the Health Development Partners and the AIDS Development Partners with:
 - i) The total ARV budget for the GoU-procured commodities for fiscal year 2016, 2017, and 2018 in accordance with the supply plan for that specified period; and
 - ii) Budget release schedules for the procurement of ARVs from CIPLA/QCIL for fiscal years 2017 and 2018

VIII. SiB (Storage in a Box)

Many public health facilities lack adequate or appropriate space to properly store medicines. This lack of adequate and appropriate space renders stock management problematic.

USAID will:

1. In consultation with the GoU, procure approximately 30 cost-effective Storage-in-a-Box (SiB) units to be installed at public sector health facilities with relatively high volumes (i.e., more than 2,000) of ART patients and that presently lack adequate storage (i.e., insufficient to store four months of stock for all commodities) or appropriate storage space. Maintenance costs of the SiBs to be procured should be similar to maintenance costs of current facility stores to the extent possible, to minimize extra costs to the health facilities.

GoU will through:

MoLG:

1. Ensure that each facility receiving a SiB provides a written statement to the MoLG, with copy to the MoH, MoFPED and USAID, committing to effectively maintaining and utilizing each SiB unit.

IX. Tetanus Toxoid (TT) for Voluntary Medical Male Circumcision (VMMC):

USAID will:

1. Procure and provide to NMS the quantity of TT needed to achieve PEPFAR VMMC targets in PEPFAR focus districts.
2. Coordinate with VMMC districts and facilities conducting VMMC activities to ensure the accurate ordering and deployment of VMMC TT under the larger Expanded Program on Immunization (EPI), as well as the appropriate monitoring of VMMC clients.
3. Support the warehousing and distribution costs pursuant to the revised administrative cost schedule.

GoU will through:

MoH:

1. Ensure that TT is fully integrated into the national quantification exercises and that TT for purposes other than VMMC is procured and available in adequate quantities and in a timely manner.
2. Ensure that supplies of TT for purposes other than VMMC in accordance with MoH immunization policy are available in adequate quantities and on a timely basis.
3. Coordinate inputs provided by other donor partners.

NMS:

1. Ensure that TT for purposes other than VMMC is procured and available in adequate quantities and in a timely manner.
2. Ensure separate accounting of PEPFAR-procured VMMC TT.
3. Distribute PEPFAR-procured TT to VMMC districts in the quantities requested.

4. Provide a monthly report describing the quantities of TT distributed to VMMC districts and, by district, the starting and ending balance of USAID-provided TT.

MoLG:

1. Ensure appropriate and specific ordering, accounting, distribution and use of VMMC TT to and at VMMC facilities.

MoFPED:

1. Ensure that funds needed to procure vaccines for the national EPI program are adequate and provided to NMS on a timely basis.

X. Payment for NMS warehousing and distribution services pending revised administrative cost schedule

USAID will:

1. Contribute \$558,695 for the warehousing and distribution costs of the ARVs provided under IL No. 2. Under IL No. 2, USAID agreed to provide \$8.6 million of ARVs based on a request by the MoH for specific quantities of ARVs.
It was agreed that the Parties would conduct a cost analysis of NMS costs and that NMS would develop a new administrative cost schedule based on this cost analysis. This analysis and eventual preparation of a revised administrative cost schedule is underway. Most of the ARVs provided under IL No. 2 have been delivered to NMS and most have been delivered to facilities, prior to finalization of the revised administrative cost schedule.

GoU will through:

NMS:

1. Ensure appropriate warehousing and distribution of ARVs using the same terms and conditions set out in Section III Part B of IL No. 2.
2. Consider the costing study to inform the new administrative cost schedule for procurement, warehousing, and distribution.
3. While ARVs provided under this IL No. 3 may be transferred to NMS for distribution to facilities upon the Parties signing this IL, payment for the ARVs will be made pursuant to the revised administrative cost schedule agreed upon by USAID, NMS and key stakeholders within 90 days of the Parties signing this IL.

XI. The Inter-Ministerial Technical Task Team and the Inter-Ministerial Task Force on the Governance of the Reform of the Commodities Supply Chain System

Pursuant to IL No. 2, MoFPED created the Inter-Ministerial Task Force (IMTF). The Parties agree that this body will now be known as the Inter-Ministerial Technical Task Team (IMT3), and shall continue operations under this IL No. 3. In addition, the Parties agree to the creation of a body to be known as the Inter-Ministerial Task Force. Each body is described below:

A. Inter-Ministerial Technical Task Team (the “Technical Task Team” or “IMT3”):

The IMT3, formerly known as the Inter-Ministerial Task Force, was created under IL No. 2. It is now established and its Members have agreed to Terms of Reference for its operations.

Such Terms of Reference shall continue under this IL No. 3, with the following slight modifications:

1. The MoFPED shall preside over the Technical Task Team. The GoU shall discuss and decide which Ministry or Ministries (alone or jointly) will serve as the Secretariat for Technical Task Team operations;
2. The IMT3 will invite one representative from a civil society organization, to be designated by MoH, to join the IMT3, in addition to the original Members;
3. All Parties agree to use this forum to discuss and resolve issues between Members;
4. Policy issues that the IMT3 is unable to resolve, shall be referred to the Office of Prime Minister by the MoFPED;
5. Members will accept and apply the Terms of Reference of the IMT3, and update them as necessary;
6. All Parties agree to appoint representation to the IMT3, who will attend IMT3 meetings and have full knowledge and authority to speak for that Party during IMT3 meetings.
7. OPM will chair every third monthly meeting of the IMT3 to review progress and address all policy-related issues that the IMT3, under chair of MoFPED, was unable to resolve. Any issues that OPM cannot resolve, will be referred to the Inter-Ministerial Task Force for consideration.

B. The Inter-Ministerial Task Force: The Parties additionally agree to establish a body known as the Inter-Ministerial Task Force. The Inter-Ministerial Task Force shall address higher level budget and policy issues, referred to it by OPM. The Parties shall work with the existing IMT3 membership (formerly the Inter-Ministerial Task Force membership) to develop Terms of Reference for the operations of this higher level body.

XII. Annual Work Plans and Collaboration

Within forty-five (45) days after this IL is signed, all relevant Parties, in collaboration with USAID, will complete an annual work plan setting forth the actions necessary to comply with the terms and conditions of this IL. Within seventy-five (75) days, OPM in collaboration with USAID will complete a consolidated work plan.

To more purposefully collaborate, learn and adapt, the Parties agree that at least every six months, as part of regularly reviewing the work plan, the Parties will exchange information and knowledge generated from relevant monitoring, evaluations, surveys, data collection, analyses and experience in implementation, and use that information and knowledge to inform and adapt their actions and responsibilities, which the Parties shall reflect in revisions to the work plan.

XIII. Records and Audits

The Parties shall furnish USAID with accounting records and such other information and reports relating to IL No. 3 as USAID may reasonably request, including as specified in Annex 2 of Section B.5(a) of the DOAG. In addition, Section B.5(i) of the DOAG provides that the GoU will afford authorized representatives of USAID the opportunity at all reasonable times to audit or inspect utilization of goods and services finance by USAID, and books, records and other documents relating to the DOAG and the assistance provided under this IL.

Therefore the MoH shall cooperate with and give reasonable assistance to USAID and/or its representatives to enable them to examine activities, records and supporting documents of

the GoU, including NMS, district local governments and health facilities or others, pertaining to the receipt, storage, processing, re-packaging and distribution of ARVs, and to inspect the commodities in storage or the facilities used in the handling or storage of such commodities, at the national, district and facility level, prior to their distribution to beneficiaries, i.e., Ugandans who receive the ARVs for treatment, care and prevention of HIV/AIDS.

XIV. Documentation and Reporting

1. NMS shall provide the following documentation and reports to USAID:

- a. As each tranche of ARVs is received from USAID and/or its representative(s), provide confirmation of the receipt of the units and quantities specified in the packing list, airway bill or invoice, including any damages, shortages and expiration dates and any other requirement deemed necessary for inspection of medical products. Such confirmation shall be provided to USAID and any designated representative within five (5) working days after the receipt of each tranche of ARVs. The confirmation documentation shall include the following information:
 - i. Product batch numbers, including expiry dates;
 - ii. Quantity of each type of ARV received;
 - iii. Verification that the batch numbers of ARVs received match the batch numbers detailed on the packing/shipping document;
 - iv. Shortages, if any;
 - v. Damages, if any, and whether replacements are needed; (Note that any damaged ARVs should be stored separately for USAID verification);
 - vi. General observations, including but not limited to integrity of packaging;
 - vii. Location where ARVs that deviate from the packing list, airway bill, or invoice are isolated in separate custody so that the deviations can be resolved by USAID and/or its representatives, which may include contractors and/or third party fiduciary agents.
- b. At least twenty-four (24) hours prior to the distribution of any of USG funded ARVs to a district and/or a facility, NMS shall provide USAID and its third party fiduciary agent with a dispatching plan ("Dispatching Plan"). Each Dispatching Plan shall include:
 - i. the destination (name of district and facility) of shipments of USG funded ARVs to be sent from NMS to each health facility;
 - ii. the composition of each shipment (types and quantities of ARVs to be included in the shipment with their batch numbers);
 - iii. the date(s) on which such shipment(s) will be effectuated; and
 - iv. any additional information that USAID and NMS may deem necessary to monitor and track the USG funded ARVs.
- c. Proof of delivery of each tranche of USG funded ARVs to facilities, e.g., record of delivery to the district and delivery to each health facility - such documentation will be sent to USAID and its representatives electronically and will include both a copy of the delivery note(s) for each health facility and details of the types and quantities of ARVs ordered by each health facility. The delivery note shall indicate:
 - i. Name, strength and formulation of each product;
 - ii. Unit pack;
 - iii. Quantity of each product; and

- iv. Name and signature with date and stamp of the authorized representative of the district and facility, respectively, when receiving the products, or if facility does not have a stamp then a photo of the recipient and copy of his/her identity card.

Hard copies of such documentation substantiating proof of delivery will be accessed by USAID and its representatives at the offices of NMS.

- d. Cumulative monthly distribution reports for all USG funded ARVs received to date by NMS, including:
 - i. Name, strength and formulation of each product;
 - ii. Unit pack;
 - iii. Quantity of each product; and
 - iv. Name and signature with date and stamp of the authorized representative of the facility receiving the products, or if facility does not have a stamp then a photo of the recipient and copy of his/her identity card.
 - e. Proof of insurance for the USG funded ARVs, while both in storage and transit, in such amounts as to cover the potential loss of the ARVs, in the event of theft, loss or damage or any other type of loss, from point of receipt until distribution to the final points of service.
 - f. Call-Off Letters detailing the types and quantities of ARVs transferred from CIPLA-QCIL to NMS for each fiscal year through December 2018;
 - g. Cumulative bi-monthly (i.e., every two months) donor and GoU stock status and delivery reports, disaggregated by source, i.e., Global Fund, GoU and PEPFAR, including stocks of all ARVs arriving, stored, and being shipped out of the NMS warehouse;
 - h. Bi-monthly reports on inventories of all ARVs reconciling actual stocks with the recorded stocks in the warehouse MIS system and the investigation of all significant stock discrepancies as a check against inadvertent mix-up and/or improper use.
 - i. Bi-monthly reports of key performance indicators; such performance indicators will be mutually agreed upon by USAID and NMS;
 - j. Other system generated reports, e.g., MIS, WAOS, MACS and SAGE, as when requested and mutually agreed upon;
 - k. Monthly reports describing the quantities of TT distributed to VMMC districts and, by district, the starting and ending balance of USAID-provided TT stock.
 - l. Provide quarterly updates to USAID and MoH senior management on the development and use of the ERP by NMS and facilities.
2. MoLG shall provide the following documentation and reports to USAID:
- a. Bi-monthly inspection reports from the Inspection Unit on inventories of USG funded ARVs, reconciling actual stocks with the recorded stocks for a random sample of health facilities identified by NMS as having received USG funded ARVs;
3. MoH shall provide the following documentation and reports to USAID:
- a. Bi-monthly stock status report for all three warehouses, including NMS, Joint Medical Stores and Medical Access Uganda Limited to USAID;
 - b. A report detailing the quantities and types of ARVs which the GoU plans to procure for each fiscal years through December 2018;
 - c. Reports from the monthly meetings of the Medicines Procurement Working Group.

4. MoFPED shall provide the following documentation and reports to USAID, the Health Development Partners and the AIDS Development Partners, when such reports are released:
 - a. The total ARV budget for the GoU procured commodities for fiscal years through 2021; and
 - b. Budget release schedules for the procurement of ARVs from CIPLA/QCIL for fiscal years through December 2021

XV. Suspension and Termination

Either Party may terminate this Implementation Letter in whole or in part, or suspend this Implementation Letter in whole or in part upon written notice to the other Party, if an event occurs that the terminating Party determines makes it improbable that the objectives of this Implementation Letter will be attained, or the terminating Party determines that continuation of the assistance described in this IL is no longer necessary or desirable.

Suspension or Termination will suspend (for the period of the suspension) or terminate, as applicable, any obligation of the Parties to provide financial or other resources under the IL. Any portion of this Implementation Letter, which is not suspended or terminated, shall remain in full force and effect. In addition, upon such full or partial suspension or termination, USAID may, at USAID's expense, direct that title to goods financed under the IL, or under the applicable portion of the IL, be transferred to USAID if the goods are in a deliverable state.

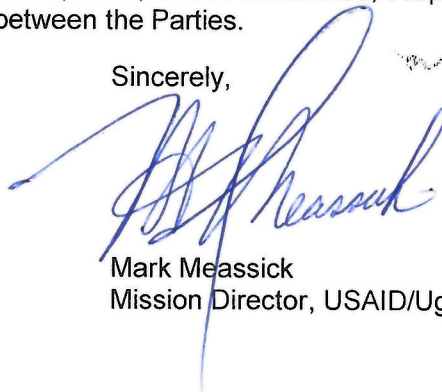
XVI. Amendments

This Implementation Letter may be amended or modified only by written agreement of the USAID/Uganda and the Ministry of Finance, Planning and Economic Development, with the concurrence of the responsible ministries, as applicable.

XVII. Completion Date

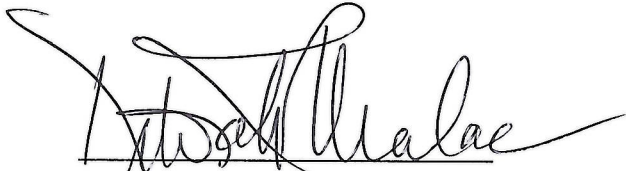
This IL#3 will remain in force until December 15, 2021, unless terminated, suspended or otherwise amended by written agreement between the Parties.

Sincerely,



Mark Meassick
Mission Director, USAID/Uganda

Witnessed:



Deborah R. Malac
U.S. Ambassador to Uganda

Acknowledged and Agreed:

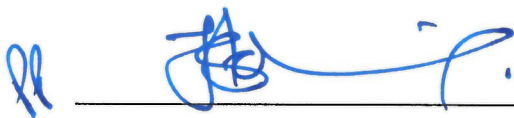


Hon. Matia Kasaija, Minister
Ministry of Finance, Planning and Economic Development

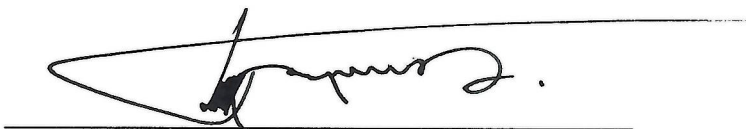
Concurrence:



Hon. Busingye M. Karooro Okurut
Minister in Charge of General Duties
Office of the Prime Minister



Hon. Dr. Jane Ruth Aceng, Minister
Ministry of Health



Hon. Tom Butime, Minister
Ministry of Local Government



Mr. Moses Kamabare
National Medical Stores
General Manager

Global Fund for AIDS, Tuberculosis and Malaria

Annex 1: IL No. 2

Annex 2: List of MoH-requested ARVs

IMPLEMENTATION LETTER NO. 2

FOR

SUPPORT IN THE PROCUREMENT OF ANTI-RETROVIRALS (ARVS)

TO

FILL FISCAL YEARS 2016 AND 2017 GAPS

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF UGANDA

AND

THE GOVERNMENT OF THE UNITED STATES OF AMERICA



II. Background

In a letter dated August 25, 2016 ("Letter"), the Ministry of Health ("MOH") requested support from the "USG to procure ARV medicines to fill part of the ARV gap in the public sector for the period between August and December 2016. The MOH indicated in this Letter that, in spite of GOU and Global Fund contributions, for the period of 2015/2016 there would be gaps. In order to address these gaps in FY 2015 and FY 2016, the GOU, in consultation with the Global Fund, made a short term decision to bring forward Global Fund commodities meant for FY2016/2017 to cover this gap. This decision created a wider funding gap in FY2016/2017. Therefore, the MOH requested that the USG fund \$8.6 million in ARVs to help fill this gap. Other donors have also been requested to contribute commodities or funding to fill the gap. As a result of the strong partnership between the USG and the GOU, the USG intends to support the MOH's request to ensure continued ARV treatment for the Ugandan people. The Parties acknowledge that the USG funded ARVs are intended to fill a gap in the public sector to prevent stock outs, they are not intended to replace or supplant GOU or Global Fund commitments to provide commodities in the types and quantities planned and budgeted for in FY 2016 and FY 2017.

Although MOH has requested specific types and quantities of ARVs, which USAID will order, the Parties recognized that the MOH request was an estimate based on needs defined at a certain point in time and may be subject to change. The actual quantity, type and timing of ARVs to be transferred to NMS will depend on actual need and the timing of availability of supply of the requested ARVs. The quantity of drugs requested by NMS in Tranche Requests (defined below) may be less or equal to, but may not exceed, \$8.6 million (inclusive of USAID's procurement and supply management costs) and the types and quantities of ARVs set forth in MOH's initial request (See Attachment II).

III. Terms and Conditions of Transfer of Commodities

In order to ensure that the USG donated ARVs reach their intended beneficiaries, the following conditions are to be implemented to track and monitor the receipt, distribution and use of the ARVs:

A. Conditions Precedent to USAID's Provision of USG Funded ARVs to MOH:

1. The MOH and NMS will provide any information and input necessary to ensure the accuracy of the NMS Flow Chart, describing the flow of ARVs through the NMS distribution system, attached hereto as Attachment III.
2. Prior to the transfer of a tranche(s) of the USG procured ARVs, NMS (with the assistance of the Quantification Procurement Planning Unit ("QPPU"), as necessary) shall formulate and transmit to USAID an ARV tranche request ("Tranche Request"), in form and substance satisfactory to USAID. For each tranche, this Tranche Request will detail the composition of the tranche (types and quantities of ARVs) to be transferred to NMS, and the date(s) on which the transfer of the tranche from USAID to NMS should be effectuated; and
3. NMS, with support from USAID, will assess and work towards improving security measures at the NMS warehouse.

B. Receipt, Warehousing, Distribution, Tracking and Monitoring of the ARVs

1. The ARVs will be transferred to NMS by USAID in tranches at time(s) mutually agreed upon by USAID and NMS and in the types and quantities specified in the Tranche Request(s) submitted to USAID by NMS.
2. Once transferred, the ARVs will be incorporated into the books, records and distribution system of NMS.
3. NMS will ensure the proper storage and safekeeping of the ARVs at NMS warehouses, and the safe transit of the ARVs from NMS to health facilities. This includes providing appropriate storage conditions for the ARVs, including adequate security measures and any storage requirements, as required for each product according to internationally accepted Guide to Good Storage Practices for Pharmaceuticals published by World Health Organization (WHO) (Attachment X WHO

USAID and its representatives electronically and will include both a copy of the delivery note(s) for each health facility and details of the types and quantities of ARVs ordered by each health facility. The delivery note shall indicate:

- i. Name, strength and formulation of each product;
- ii. Unit pack;
- iii. Quantity of each product; and
- iv. Name and signature with date and stamp of the authorized representative of the district and facility, respectively, when receiving the products, or if facility does not have a stamp then a photo of the recipient and copy of his/her identify card.

Hard copies of such documentation substantiating proof of delivery will be accessed by USAID and its representatives at the offices of NMS.

- d. Cumulative monthly distribution reports for all USG funded ARVs received to date by NMS, including:
 - i. Name, strength and formulation of each product;
 - ii. Unit pack;
 - iii. Quantity of each product; and
 - iv. Name and signature with date and stamp of the authorized representative of the facility receiving the products, or if facility does not have a stamp then a photo of the recipient and copy of his/her identify card.
- e. Proof of insurance for the USG funded ARVs, while both in storage and transit, in such amounts as to cover the potential loss of the ARVs, in the event of theft, loss or damage or any other type of loss, from point of receipt until distribution to the final points of service.
- f. Call-Off Letters detailing the types and quantities of ARVs transferred from CIPLA-QCIL to NMS for fiscal years 2016 and 2017;
- g. Cumulative bi-monthly (i.e., every two months) donor and GOU stock status and delivery reports, disaggregated by source, i.e., Global Fund, GOU and PEPFAR, including stocks of all ARVs arriving, stored, and being shipped out of the NMS warehouse;
- h. Bi-monthly reports on inventories of all ARVs reconciling actual stocks with the recorded stocks in the warehouse MIS system and the investigation of all significant stock discrepancies as a check against inadvertent mix-up and/or improper use.
- i. Bi-monthly reports of key performance indicators; such performance indicators will be mutually agreed upon by USAID and NMS;
- j. Other system generated reports, e.g., MIS, WAOS, MACS and SAGE, as when requested and mutually agreed upon.

2. MOLG shall provide the following documentation and reports to USAID:

- a. Bi-monthly inspection reports from the Inspection Unit on inventories of USG funded ARVs, reconciling actual stocks with the recorded stocks for a random sample of health facilities identified by NMS as having received USG funded ARVs;

3. MOH shall provide the following documentation and reports to USAID:

- a. Bi-monthly stock status report for all three warehouses, including NMS, Joint Medical Stores and Medical Access Uganda Limited to USAID; and
- b. A report detailing the quantities and types of ARVs which the GOU plans to procure for fiscal years 2016 and 2017.

IV. Assessments, Long term Technical Analyses and Implementation

The Parties acknowledge that the assessment and the development of improvements to a national supply chain system for medical commodities of the size and scope of Uganda's is a long term endeavor necessitating continued cooperation and coordination. Therefore the Parties agree that the following studies, assessments and plans are an important foundation for future interventions:

- ministerial task force on the governance of the reform of the health commodity supply chain system.
- 3. Provide USAID, the Health Development Partners and the AIDS Development Partners with:
 - i. The total ARV budget for the GOU procured commodities for fiscal years 2016 and 2017; and
 - ii. Budget release schedules for the procurement of ARVs from CIPLA/QCIL for fiscal years 2016 and 2017.
- 4. Pay or waive all NDA verification fees (see V, paragraph 7 above).

VII. Roles and Responsibilities of the Ministry of Local Government

The Ministry of Local Government (MOLG) agrees to provide the following support:

- 1. Designate a MOLG representative to participate in the national supply chain assessment;
- 2. Within sixty (60) days after this IL is signed, MOLG, in collaboration with USAID, will complete a work plan setting forth the actions necessary to comply with the terms and conditions of this IL, which plan shall include the participation in an inter-ministerial task force on the governance of the reform of the health commodity supply chain system.
- 3. Provide the necessary information, access and representation to facilitate the review of the MOLG Inspection Unit; and
- 4. Conduct random inspections of facilities receiving USG funded commodities;
- 5. Ensure the accountability and accuracy of annual forecasts and bi-monthly requests by districts and facilities of drug and medical commodity needs; and
- 6. Increase accountability of districts for receipt, inventory, warehousing and distribution of drugs and medical commodities, including ARVs.

VIII. Roles and Responsibilities of National Medical Stores

The National Medical Stores (NMS) agrees to provide the following support:

- 1. NMS will fully cooperate with Parties and will provide and facilitate access to all NMS facilities, systems and records to USAID and/or its representative(s) and will carry out all the actions necessary to operationalize this IL, including, without limitation, providing documentation and facilitating the assessments, analyses and technical assistance detailed in Section IV above.
- 2. Designate one or more NMS representatives to participate in the national supply chain assessment;
- 3. Within sixty (60) days after this IL is signed, NMS, in collaboration with USAID, will complete a work plan setting forth the actions necessary to comply with the terms and conditions of this IL, which plan shall include the participation in an inter-ministerial task force on the governance of the reform of the health commodity supply chain system.
- 4. Within thirty (30) days after this IL is signed, NMS will create a fee schedule based on actual costs of the receipt, warehousing and distribution of the USG funded ARVs by NMS, provided, however, such fee schedule and method of calculation must be mutually acceptable to both the GOU and USAID.

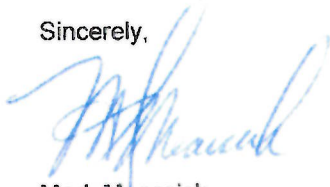
IX. Roles and Responsibilities of Office of the Prime Minister

The Office of the Prime Minister (OPM) agrees to provide support to ensure effective coordination among GOU responsible ministries as necessary to implement the terms and conditions of this IL. Within ninety (90) days after this IL is signed, the Office of the Prime Minister (OPM) in collaboration with USAID, will complete a work plan taking into account the above-mentioned work plans of MOH, MOFPED, MOLG and NMS, which plan shall include the participation in an inter-ministerial task force on the governance of the reform of the health commodity supply chain system.

XIV. Amendments

This IL may be amended or modified only by written agreement of the USAID/Uganda and the Ministry of Finance, Planning and Economic Development, with the concurrence of the responsible ministries, as applicable.

Sincerely,



Mark Meassick
Mission Director, USAID/Uganda

Attachments:

- I. List of USAID-funded ARVs
- II. List of MOH requested ARVs
- III. NMS Distribution Flow Chart
- IV. Letter from MOH regarding payments to NDA

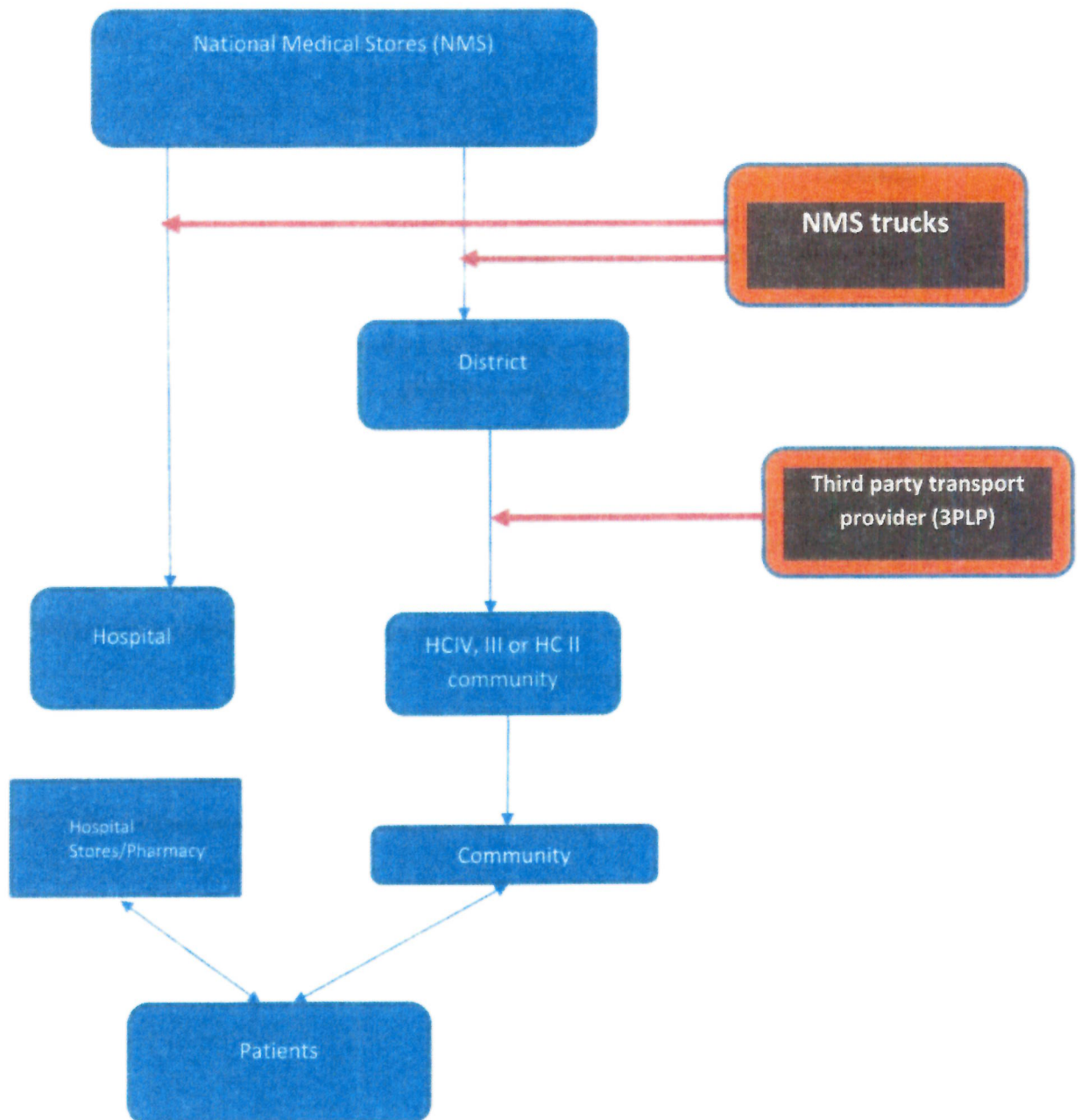
Attachment I

List of ARVs (type and quantity) to be procured by USAID

Item Description	Item UOM	Quantity
Abacavir 60mg, scored tablets, 60 Tabs	60 Tabs	500
Abacavir/Lamivudine 600/300mg, tablets, 30 Tabs	30 Tabs	13,792
Abacavir/Lamivudine 600/300mg, tablets, 30 Tabs	30 Tabs	9,708
Efavirenz 200mg, Capsules, 90 Caps	90 Caps	50,260
Efavirenz 600mg, tablets, 30 Tabs	30 Tabs	64,000
Efavirenz 600mg, tablets, 30 Tabs	30 Tabs	106,000
Efavirenz/Lamivudine/Tenofovir Disoproxil Fumarate 600/300/300mg, tablets, 30 Tabs	30 Tabs	67,306
Efavirenz/Lamivudine/Tenofovir Disoproxil Fumarate 600/300/300mg, tablets, 30 Tabs	30 Tabs	134,617
Efavirenz/Lamivudine/Tenofovir Disoproxil Fumarate 600/300/300mg, tablets, 30 Tabs	30 Tabs	269,233
Efavirenz/Lamivudine/Tenofovir Disoproxil Fumarate 600/300/300mg, tablets, 30 Tabs	30 Tabs	201,925
Lopinavir/Ritonavir 100/25mg, tablets, 60 Tabs	60 Tabs	10,000
Lopinavir/Ritonavir 200/50mg [Aluvia], tablets, 120 Tabs	120 Tabs	12,865
Lopinavir/Ritonavir 40/10mg (oral pellets), capsules, 120 Caps	120 Capsules	9,610
Nevirapine 50mg, dispersible tablets (tablets for oral suspension), 30 Tabs	30 Tabs	15,145
Nevirapine 50mg, dispersible tablets (tablets for oral suspension), 30 Tabs	30 Tabs	4,856
Nevirapine 50mg, dispersible tablets (tablets for oral suspension), 30 Tabs	30 Tabs	10,000
Zidovudine 300mg, tablets, 60 Tabs	60 Tabs	1,000

Attachment III

Flow of commodities from National Medical Stores (NMS) to the district and health facilities



Telephone: General Lines: 256 - 417 - 712260
Permanent Secretary's Office: 256 - 417 - 712221
E-mail: ps@health.go.ug
Website: www.health.go.ug
IN ANY CORRESPONDANCE ON
THIS SUBJECT PLEASE QUOTE NO: ADM.140/269/01



Ministry of Health
P. O. Box 7272
Plot 6, Lourdel Road,
Wandegeya
KAMPALA
UGANDA

9th November, 2017

The Mission Director, USAID (U)
US Embassy Compound,
Plot 1577, Ggaba Road, Kampala

Dear Mark,

RE: REQUEST FOR TRANSFER OF LPV/R 40/10MG PELLETS FROM JMS TO PUBLIC FACILITIES.

The Ministry of Health would like to extend their gratitude towards the United States Government for the support provided to the fight of HIV/AIDS in Uganda. I am particularly grateful for the support that PEPFAR has accorded the Government of Uganda during the roll out of the new guidelines, especially regarding the supply of medicines such the Lopinavir/ritonavir syrup and Lopinavir/ritonavir 40/10mg pellets earlier this year in order to fill the supply gap in the public sector and PNFP facilities.

I have been informed that the public sector is facing low stock levels of Lopinavir/ritonavir 40/10mg pellets due to unforeseen supply chain challenges.

The purpose of this letter, therefore is to request that you authorize the transfer of 1,710 packs of Lopinavir/ritonavir pellets from JMS to the public sector and in order to prevent stock outs as we await delivery of shipments.

Your usual consideration will be highly appreciated.

A handwritten signature in black ink, appearing to read 'H. Mwebesa', with a stylized flourish extending from the end.

Dr. Henry G. Mwebesa

Ag. DIRECTOR GENERAL HEALTH SERVICE

Cc: Permanent Secretary
Director of Health Services, Clinical Services
Commissioner of Health Services, National Disease Control
Assistant Commissioner Health Services, Pharmacy
Program Manager, STD/AIDS Control Program
General Manager, National Medical Stores
Senior Supply Chain Advisor, USAID

Telephone: General Lines: 256 - 417 - 712260
Permanent Secretary's Office: 256 - 417 - 712221
E-mail: ps@health.go.ug
Website: www.health.go.ug
IN ANY CORRESPONDANCE ON
THIS SUBJECT PLEASE QUOTE NO: ADM.140/269/01



Ministry of Health
P. O. Box 7272
Plot 6, Lourdel Road,
Wandegeya
KAMPALA
UGANDA

9th November 2017

The Mission Director, USAID (U)
US Embassy Compound,
Plot 1577, Ggaba Road, Kampala

Dear Mark,

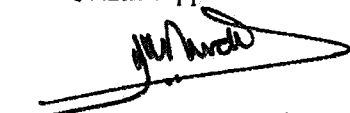
RE: REQUEST FOR HIV/AIDS COMMODITY GAP FILL FOR THE PUBLIC SECTOR.

The Ministry of Health would like to extend their gratitude towards the United States Government for the support provided to the fight of HIV/AIDS in Uganda. I am particularly grateful for the \$8.6m and the additional \$11.5m extended to the country to cover ARV medicine needs.

I would like to bring to your attention the impending risk of stock out of ARVs in the public sector that may hinder the progress made toward HIV prevention and treatment in Uganda. Government of Uganda funds (94Bn) FY 2017/2018 have been brought forward while Global Fund savings under the HIV grant have also been fully utilised to cover part of the current gaps in 2017. The Global Fund has also approved pre-finance ordering to ensure early delivery of commodities under the new HIV grant starting January 2018. In spite of these efforts there is still an unfunded ARV medicines gap.

The purpose of this communication is to request the United States Government for an additional \$7.2M committed toward ARV procurement for the public sector in COP17 to fill part of the gaps ahead of Global Fund deliveries in 2018.

The list of the requested commodities valued at \$18.7m is herewith attached for both the \$11.5m and \$7.2m support.


Dr. Henry G. Mwebesa

Ag. DIRECTOR GENERAL HEALTH SERVICE

Cc: Permanent Secretary
Director of Health Services, Clinical Services
Commissioner of Health Services, National Disease Control
Assistant Commissioner Health Services, Pharmacy
Program Manager, STD/AIDS Control Program
General Manager, National Medical Stores
Senior Supply Chain Advisor, USAID