Interagency Supply Chain Group
Harmonization of Key Performance Indicators (March 2015)

The aim of the Key Performance Indicators (KPI) harmonization exercise was to agree on a common reduced number of core strategic supply chain indicators that will be adopted and integrated by agencies in their planning and reporting cycles.

Reporting on a harmonized set of KPIs will result in better alignment of country and agency investments and strengthen data collection at the source, directly resulting in strengthening data quality of logistics information systems. These efforts are likely to reduce the burden of reporting and allow countries to achieve greater end-to-end visibility of commodities across the supply chain. By collecting and comparing the same data, countries and agencies will be able to better coordinate, plan and use data for effective and evidence based decision-making for procurement and supply chain management.

Agencies will adopt these harmonized KPIs but will also, as needed depending on their specific grants and programs, continue to report on indicators that are more granular in nature.

Khadija Rama, coordinator of the Pepo la Tumaini Jangwani program distributes primary health care supplies to trained primary health care volunteers in Isiolo, Kenya in October 2005.

1 KPI Harmonization Method:

- A small working group was established to develop a proposal that was discussed at the ISG and finally endorsed in March 2015.

- The group reviewed and consolidated performance frameworks (domains) from a variety of source documents. Definitions were updated or constructed for KPIs where non were provided. KPIs with similar definitions were grouped together. Numerators and denominators were updated or constructed based on the design of the KPI.

- Source documents used for this exercise include submissions from USAID (NSCA Core Assessment KPIs), World Bank Group, UNFPA, RHSC Stock Out Suite of KPIs, The Global Fund Indicator Guidance Sheet, The D4M synthesis, The WHO Global Reference List Core Health Indicators Version 4 (2014), The WHO Harmonized monitoring and evaluation indicators for procurement and supply management systems, 2011.

- From an initial list of 115 KPIs, agreement was reached on **15!**

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2 Next steps:

- Agency adoption and incorporation of KPIs into internal monitoring and reporting systems.

- Link with other global KPI initiatives, such as the D4M Group, and the RHSC.

- Create a mechanism to conduct periodic and systematic agency KPI reviews and manage KPI development process from a global perspective, under the aegis of the ISG.

- Encourage interagency data sharing and validation on a periodic basis.

- Develop Indicator Protocol Reference Sheets.

About the ISG

The broad purpose of the ISG is to share information and seek greater alignment across supply-chain investments to bring more impact to individual agency supply chain strategies. The group promotes coordination - globally across programs, and locally through national leadership - with the overall aim of improving the efficiency and effectiveness of in-country supply chains.

The ISG is a partnership of **13 major actors** involved in providing supply chain support to countries: The Global Fund, USAID, DFID, The World Bank, GAVI, UNICEF, UNFPA, WHO, The Bill and Melinda Gates Foundation, NORAD, Global Affairs Canada, KfW Development Bank, and WFP.

Performance Assessment Areas (Domains)	KPI	Definition	Numerator	Denominator
1. Availability	Stock out rate	This indicator helps to measure stock availability (or lack thereof) during a specified period. Issues: no product on stock, below minimum doesn't count; it should not be measured on its own, but together with the OTIF and the min & max, and then asking the district to make some analysis.	%age of facilities stocked out, by product, on the day of the assessment (reporting day or day of visit)	# of requests that are fulfilled without delay
2. Availability	Stock levels	This indicator provides an overall measure of how much stock is available and whether stock levels of products are adequate.	Amount of available stock	Amount of required stock (based on consumption)
3. Financial and Cost Efficiency	Ratio between median price of products procured and the international median reference value	This indicator measures the efficiency of procurement practices by comparing the prices paid for medicines with international price standards.	Median price paid for each medicine per unit per year of treatment	International median price for the same medicine per unit
4. Financial and Cost Efficiency	% of total stock that expired in previous reporting period (value & quantity)	This indicator measures the quantity and value of tracer commodities deemed unusable because of expiry as a percentage of the total quantity and value available for use at the Central Medical Store (CMS) and selected service delivery points identified by each country	Amount of expired stock	Total amount of stock
5. Forecasting and Supply Planning	Order accuracy	Order accuracy measures how many orders were correctly picked and shipped / packed correctly to the customer/client (e.g. health facility or district store). It may be expressed as a percentage of correct number of lines and units delivered over total number of lines and units indicated on the delivery note. Likewise, it can be expressed as orders picked and dispatched accurately over total orders received	Amount of correctly placed purchased orders	Total amount of placed purchase orders
6. Procurement and Supplier Performance	Vendor on time delivery (VOTD)	This indicator measures the supplier's compliance with the agreed quantities and agreed delivery time	# of orders in which the supplier was in compliance with the agreed quantities and delivery time	Total # of orders
7. Procurement and Supplier Performance	% of emergency orders issued in the last 12 months	This indicator measures the percentage of purchase orders (POs) or contracts placed during a defined period of time	# of POs or contracts that are issued as emergency orders in the last 12 months	Total # of POs or contacts in the last 12 months
8. Product Selection	% of product selection based on National Essential Medicines List	This indicator measures the % of the products in the National Essential Medicines List - target 100%	# of products selected for procurement by the relevant national authority via e.g. a forecast	# of products in the National Essential Medicines List
9. Regulatory	%tage of procured products that meet Stringent Regulatory Authority (SRA) or WHO standards	This indicator measures the percentage of products procured that meet SRA or WHO standards. This could measure the percentage within a class of product, such as contraceptives, ARVs, essential medicines, etc.; or, as a whole, for all products procured during a specific period of time. This is usually measured for procurement processes carried out over one year.	# of products procured that meet SRA or WHO standards	Total # of products procured
10. Stock Monitoring / Data and Information	Reports submitted on time (for all and separate reports)	This indicator measures the facility reporting rates within the LMIS system to the central level and the completeness of the reports	# of reports completed in full and submitted on time	Total # of reports submitted to the central level
11. Stock Monitoring / Data and Information	Data accuracy	Data accuracy is defined as the closeness of the reported data to the true value. It is up to the country to determine the degree of accuracy that is feasible and necessary for the system to function effectively. Data could include but is not limited to stock, cold chain equipment, orders/requisitions, etc.	# service points with data source and reports matching	total # of service points
12. Warehousing and Inventory Management	Supply adequacy	# of facilities with stock levels between min and max %age of Stock Keeping Units (SKUs) with stock levels in compliance with min and max stock criteria	# of SKUs with stock levels in compliance with min and max stock criteria	Total # of SKUs in facilities with stock
13. Warehousing and Inventory Management	OTIF - On time and in full	This indicator measures the supplier's compliance with the agreed quantities and agreed delivery time	# of orders in which the supplier was in compliance with the agreed quantities and delivery time	# of orders
14. Warehousing and Inventory Management	Temperature within recommended range	The percent of time temperature is within range. It compares the real-time or historical temperature inside functioning cold chain equipment (CCE) to reference values (+2° to +8° C for refrigerators and -15° to -25° C for freezers). High and low temperature alarm rate – usually used in aggregate at higher levels of the supply chain – measures the frequency (and sometimes the duration) of excursions outside of recommended ranges	Number of CCE points within temperature range	Total number of CCE points
15. Waste Management	Existence of supply chain management protocols for disposal of medical waste and management of unusable products	This indicator monitors whether supply chain management protocols are established for the disposal of medical waste and for the management of expired, damaged, and/or recalled product. This indicator can be measured and reported on annually	Yes / No	N/A

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