



USAID GLOBAL HEALTH SUPPLY CHAIN PROGRAM

TECHNICAL ASSISTANCE, NATIONAL SUPPLY CHAIN ASSESSMENT TASK ORDER

GLOSSARY

NSCA 2.0



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1. **Adjustments:** Changes recorded when quantities of a product are issued to or received from other facilities at the same level of the pipeline (and/or any other source). Also, sometimes used to explain administrative corrections (e.g. a physical stock count that is different from quantity listed on stock keeping records).
2. **Certificate of Analysis:** A document from an appropriate authority that certifies pharmaceutical quality.
3. **Cold Chain Management:** A network of refrigerators, cold stores, freezers and cold boxes organized and maintained so that products that must be stored at specific temperatures (e.g., vaccines, oxytocin, lab reagents, etc.) are kept at the right temperature to remain potent during transportation, storage, and distribution from factory to the point of use.
4. **Commodities:** Used interchangeably with stock, goods, products, supplies, and other terms in this tool to refer to all the items that flow through a logistics system.
5. **Contingency Plan:** A plan of action devised to address any potential interruption of service. A “plan B.” Example: If truck drivers are on strike, securing a secondary method for delivery to avoid service interruption.
6. **Controlled Substance:** Generally, a drug or chemical whose manufacture, possession, or use is regulated by a government, such as illicitly used drugs or prescription medications that are designated a controlled drug in a specific country.
7. **Cost Sharing:** Occurs when patients pay for a portion of health care costs not covered by health insurance.
8. **Cost Recovery:** Recovering the costs of any given expense. This can be the initial startup costs of the business by meeting and exceeding the breakeven point, the cost of an investment through evaluating the return on investment, or even the cost of capital taken to finance the project or firm.
9. **Customs Clearance:** Certification and management of consignments between countries.
10. **Daily Activity Register:** Record that gives the quantity of each product dispensed to a user by user name or user number and by date. Used only at service delivery points, such as clinics, hospitals, or community-based distributors. Also called a dispensing log.
11. **Demographic Data:** Information on populations, such as the age breakdown of the population. For example, the number of women of reproductive age or percentage of women receiving contraceptives from public and private sector sources. Usually collected through surveys and censuses.
12. **Depreciation:** A reduction in the value of an asset over time, due in particular to wear and tear.
13. **E-procurement (Electronic Procurement):** Sometimes also known as supplier exchange, it is the business-to-business or business-to-consumer or business-to-government purchase and sale of supplies, work, and services through the Internet as well as other information and networking systems, such as electronic data interchange.

14. **Enterprise Resource Planning (ERP) System:** An integrated business management software that tracks and stores data on operations—in this case, supply chain functions such as procurement and transport.
15. **Feedback Report:** A report that (1) informs lower levels about their performance, in some cases providing additional information about reporting from other facilities; and (2) informs managers at higher levels about how the system is functioning.
16. **Financial Sustainability:** The ability to generate one's own financial resources that can ensure continued functionality of the health supply chain with minimum donor support. i.e. percentage (%) of host government resources vs donor contribution towards health supply chain. Note that government planned (budget) for health supply chain does not necessarily imply or translate into the actual disbursement from the Ministry of Finance to the Ministry of Health.
17. **First Expired, First Out (FEFO):** Process of stocking products so that the first to expire product is the first product out of the storeroom/warehouse.
18. **Forecasting:** Management function that estimates the quantities of products a program will dispense to users for a specific period of time in the future.
19. **Forecasting Methodologies:** Different types of methodologies used in forecasting, such as morbidity, services, or consumption based.
20. **Fourth Party Logistics (4PL):** The concept of a 4PL provider is an integrator that accumulates resources, capabilities and technologies to run complete supply chain solutions. A 4PL usually manages the entire supply chain process and can manage the 3PLs.
21. **Goods:** Used interchangeably with stock, commodities, supplies, products, and other terms in this tool to refer to all the items that flow through a logistics system.
22. **Governance Body or Oversight Committee:** A board or committee that oversees creating and updating the standard treatment guidelines or national essential medicine list.
23. **Health Management Information System (HMIS):** An information system to track and monitor health services data.
24. **Incoterms:** Pre-defined commercial terms published by the International Chamber of Commerce (ICC) relating to international commercial law. There are thirteen terms of sale accepted worldwide in assignment of costs and responsibilities between the buyer and the seller. (1) C&F (Cost And Freight), (2) CIF (Cost, Insurance, and Freight), (3) Delivered At Frontier, (4) Delivered Duty Paid, (5) Ex quay, (6) Ex ship, (7) Ex works, (8) FAS (Free Alongside Ship), (9) FOB (Free On Board), (10) FOB Airport, (11) FOR/FOT (Free On Rail/Free On Truck), (12) Free carrier, (13) Free Carriage Paid To and Free Carriage Paid To and Insurance.
25. **Integrated System:** A logistics system that supplies and manages products for more than one program/vertical system.
26. **Issues Data:** Information on the quantity of goods shipped from one level of a system to another (not quantities given to customers or users). For example, the quantity of stock issued from the store to the user departments at a health facility.

- 27. **Lead Time:** The time between when new stock is ordered and when it is received and available for use. Lead time varies, depending on the system, speed of deliveries, availability and reliability of transport, and, sometimes, weather.
- 28. **Logistics Management Information System (LMIS):** An information system to track and monitor supply chain data.
- 29. **Losses:** The quantity of stock removed from the pipeline for any reason other than consumption by clients (e.g., losses, expiration, and damage).
- 30. **Maximum-Minimum Inventory Control System:** A system to control supplies so that quantities in stock generally fall within an established range. Abbreviated in this tool as max- min system.
- 31. **Maximum Stock Level/Maximum Quantity:** The level of stock above which inventory levels should not rise under normal conditions.
- 32. **Minimum Stock Level/Minimum Quantity:** The level of stock at which actions to replenish inventory should occur under normal circumstances.
- 33. **Pharmacovigilance:** The practice of monitoring the effects of medical drugs after they have been licensed for use, especially in order to identify and evaluate previously unreported adverse reactions.
- 34. **Physical Inventory:** The process of counting by hand the total number of units of each commodity in a store or health facility at any given time.
- 35. **Pipeline:** The entire chain of storage facilities and transportation links through which supplies move from manufacturer to consumer, including port facilities, the central warehouse, regional warehouses, district warehouses, all service delivery points, and transport vehicles.
- 36. **Products:** Used interchangeably with stock, commodities, goods, supplies, and other terms in this tool to refer to all the items that flow through a logistics system.
- 37. **Proof of Delivery:** Documentation that validates that a shipment has been delivered.
- 38. **Pull System:** A distribution system in which the personnel who receive the supplies determine the quantities to order.
- 39. **Push System:** A distribution system in which the personnel who issues the supplies determine the quantities to be issued.
- 40. **Quality Assurance:** A quality system's auditing process designed to ensure that the quality of products can be guaranteed - usually applied to laboratory and pharmaceutical products and equipment.
- 41. **Quality Control Testing:** Testing performed in line with procedure or set of procedures intended to ensure that a manufactured product adheres to a defined set of quality criteria.

- 42. **Rate of Consumption:** The average quantity of stock dispensed to users during a particular time period. For example, the average monthly consumption (AMC).
- 43. **Return on Investment:** The expected return from monetary or nonmonetary investment into strengthening a system or a process. Example: training personnel should improve individual employee performance.
- 44. **Reverse Logistics:** The process of sending products from the lower level of the supply chain back to the supplying entity, often for disposal.
- 45. **Review Period:** The routine interval of time between assessments of stock levels to determine if an order should be placed.
- 46. **Risk Management:** A potential situation or circumstance that may affect service provision. Risks can be internal (e.g., failure to implement a process) or external (e.g., civil war or natural disaster). Risks are identified to allow for mitigation and contingency planning.
- 47. **Route Plan:** A plan that is devised by computing the most cost-effective route involving several nodes or stopovers by minimizing the distance traveled and/or time taken.
- 48. **Safety Equipment:** Equipment, such as gloves and protective eyewear, used to safely handle hazardous products or chemicals.
- 49. **Safety Stock:** The buffer, cushion, or reserve stock kept on hand to protect against stock outs caused by delayed deliveries or markedly increased demand. Sometimes also called security stock.
- 50. **Service Delivery Point:** Any health facility that serves clients directly and where clients (users) receive supplies. Service delivery points are frequently clinics and hospitals, but they may be district-level hospitals.
- 51. **Shelf Life:** The length of time a product may be stored without affecting its usability, safety, purity, or potency.
- 52. **Stakeholders:** Stakeholders are those people or groups of people who have a stake, or strong interest, in procurement and supply chain operations or the effects of procurement and supply chain operations on the organization. Usually the term is in reference to people outside the organization (e.g., customers, clients, community members, investors, funders, collaborators, suppliers, etc.).
- 53. **Standard Treatment Guidelines:** A systematically developed statement designed to assist practitioners and patients in making decisions about appropriate health care for specific clinical circumstances.
- 54. **Strategic Planning:** Process undertaken by a country or an organization to clarify its overall organizational purpose, priorities to work toward that purpose, and how each priority will be addressed. There are numerous models of strategic planning that can be used, depending on the culture of the organization and purpose of the planning. In contrast, a business plan is focused on a particular product, service, or program plan.
- 55. **Stock:** Used interchangeably with commodities, goods, products, supplies, and other terms in this

tool to refer to all the items that flow through a logistics system.

- 56. **Stock Card:** A generic name for either an inventory control card or a bin card.
- 57. **Stock on Hand:** The quantity of usable stock in inventory at a particular point in time. (Items that are unusable (e.g. expired) are not considered part of stock on hand. They are considered losses to the system.)
- 58. **Stores Ledger:** A stock keeping record that keeps information about all lots of a product.
- 59. **Supplies:** Used interchangeably with stock, commodities, goods, products, and other terms in this tool to refer to all the items that flow through a logistics system.
- 60. **Supportive Supervision:** Supportive supervision is supervision that includes some aspect of mentorship/problem-solving. It is supervision from outside of the organization or from a higher level of the system.
- 61. **Sustainability Plans:** These are plans developed by an organization or government to achieve goals that foster environmental, community, and financial sustainability.
- 62. **Temperature Excursions:** Temperature excursion is an event in which a time temperature sensitive pharmaceutical product (TTSP) is exposed to temperatures outside the range(s) prescribed for storage and/or transport.
- 63. **Third Party Logistics (3PL):** A provider of outsourced logistics services. Logistic services encompass anything that involves management of the way resources are moved to the areas where they are required. 3PL usually targets a single function.
- 64. **Transshipment:** The shipment of goods or containers to an intermediate destination, then to yet another destination. One possible reason for transshipment is to change the means of transport during the journey (e.g., from ship transport to road transport), known as transloading.