

**CENTRALE D'ACHAT ET D'APPROVISIONNEMENT EN
MÉDICAMENTS ESSENTIELS DU NORD-ITURI ET HAUT UÉLÉ**



ANNUAL ACTIVITY REPORT FOR 2022

In 2006 CAAMENIHU was founded as a social and humanitarian non-profit organisation based on the former Malteser International-Diocese of Mahagi Pharmaceutical Depot which had existed since 2000.

At present CAAMENIHU is an initiative of the civil society including the churches, the Ministry of Health through the Provincial Health Divisions, Institutes, and stakeholders in the sector.

✧ AREA COVERAGE AND PROJECTS - REGIONS SERVED

Caamenihu serves all health facilities of the public sector in Ituri, Haut Uélé Est and Bas Uélé Provinces. This includes:

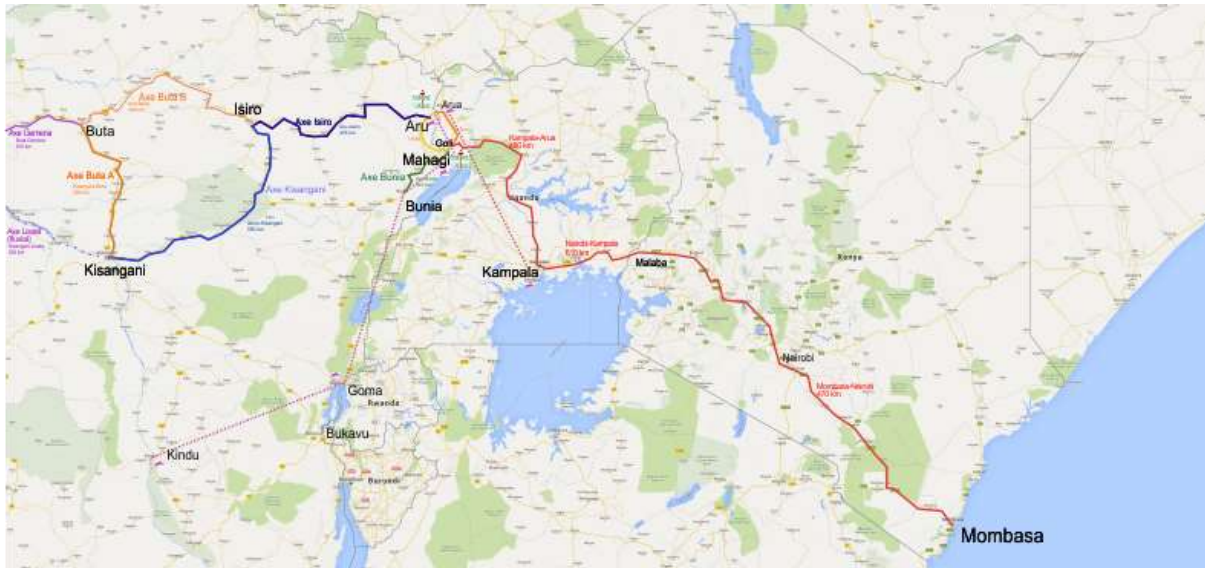


- A population of 9.141.500 habitants in the three provinces with 28 health zones and 471 public sector health structures
- Selected health structures of the private sector
- International NGOs
- The Global Fund through its executive partners Sanru and Cordaid by service contracts for intermediate storage and distribution
- Other sister regional pharmaceutical warehouses (CDR) from own stocks (Bunia, Bukavu, Kisantu, Kasai, Tanganyika...)
- It could serve the other provinces carved out from the former Oriental Province (Ituri, Haut Uélé, Bas Uélé, Tshopo) as an entry point or hub for medicaments and equipment.

✦ INFRASTRUCTURE

Since 2006, CAAMENIHU has been operating with two warehouse outlets in Ariwara and Mahagi in order to better serve the health facilities through proximity. The buildings have been ceded by its founding member Diocese of Mahagi

At the same time, CAAMENIHU makes use of its advantageous geographical location: positioned at the end of the East African axis of Mombasa-Nairobi-Kampala-Arua, continuing towards South Sudan; logistics and supply lines for medicines from Europe or Asia through East Africa are fairly quick and easy.



In **ARU**, capital of Aru territory, CAAMENIHU comes from building its own warehousing and administrative infrastructure responding to international standards with a total capacity of 18,823m³ and a storage space of 15,272m³. This warehouse in ARU has been operational since the end of 2022.

ARIWARA (2006-2022)



MAHAGI

Mahagi is located in the mountains rising from Lake Albert, not far from the Ugandan border. In that capital of Mahagi territory and seat of the diocese of Mahagi-Nioka, CAAMENIHU has a warehouse of 710 m².

In the beginning of 2022, it acquired a 1.5-hectare plot of land for the forthcoming construction of its own warehouses.



Since 2022: ARU



- The cold chain is provided by a solar cold chamber and 12 refrigerators also on an independent solar energy system.



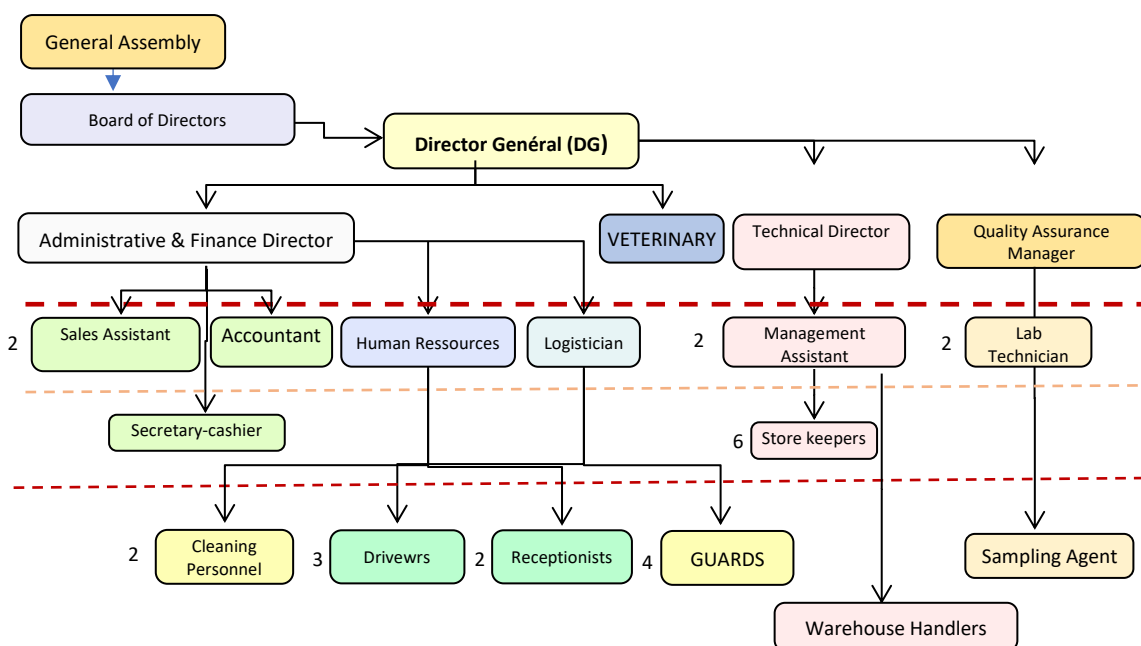
- Solar systems provide the electricity needed on a daily basis. In case of emergency there are three generators of 80 kVA and 15kVA in Aru and 10 kVA in Mahagi.



- Caamenihu has its own vehicles for transport which facilitates easy delivery till health zone/district hospital level.



✧ PERSONNEL STRUCTURE/ORGANIGRAM



Since June 2022 the staff of CAAMENIHU received new outfits. The number of staff has increased from 31 to 40 after the recruitment of 9 more people.

✧ COSTUMERS

Caamenihu is part of the national drug supply system and is therefore a permanent partner of the Ministry of Health in programmes channelled through government concerning the supply of essential medicines and medical equipment.

It is, and will remain, the principal supplier for essential medicines and medical supplies in health programmes for all partners active in the health sector.

At present, Caamenihu serves:

- Local market of public health structures;
- Local market of accredited private health structures;
- Market of all projects involving essential medicines, equipment, and medical supplies to governmental health structures.
- Limited market of PDSS (Health System Development Program in DRC, World Bank: in Maniema and North Kivu);
- Market of supplying other regional warehouses (Bunia, Bukavu, Kasai, Tanganyika, Kisantu, etc.)
- Market of International NGOs (Malteser International, Samaritans' Purse, FHI, COOPI, ...)
- Global Fund Service contracts (Support in distribution and storage of malaria, HIV and TB inputs of Sanru and Cordaid).

For a stable future, the challenges are still great in order to ensure survival following the various changes in government's pharmaceutical and regional policies.

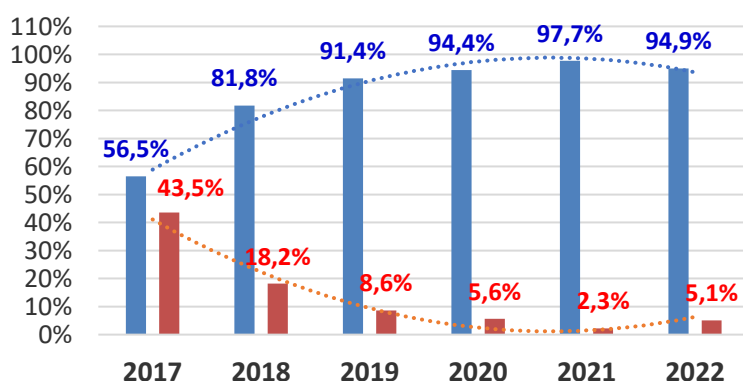
✧ STATISTICS 2022

○ PROCUREMENT - Technical Aspects

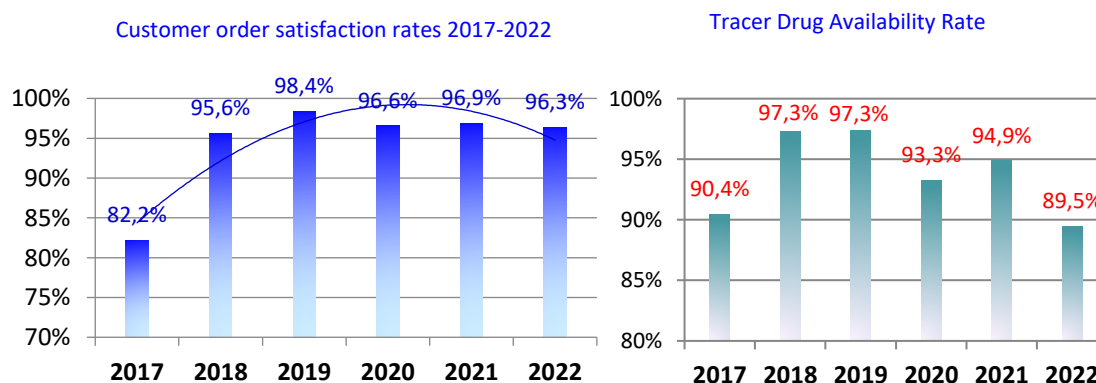
The key word is **quality** first of all. The Caamenihu does its best to guarantee quality by purchasing from suppliers with high international reputation (IDA foundation, IMRES, MISSION PHARMA, MEDS Nairobi, JMS Uganda ...) who are prequalified by the national drug supply program.

Caamenihu uses non-prequalified suppliers only in emergencies.

Year	Prequalified Suppliers	Non-Prequalified Suppliers	TOTAL
2018	\$ 1,758,029	\$ 391,783	\$ 2,149,812
2019	\$ 1,244,861	\$ 116,957	\$ 1,361,818
2020	\$ 1,496,804	\$ 89,384	\$ 1,586,188
2021	\$ 1,288,671	\$ 29,789	\$ 1,318,460
2022	\$ 1,459,533	\$ 77,658	\$ 1,537,191



Availability of medicines, especially tracer medicines is the **first priority**, in order to ensure maximum satisfaction of customer orders and to boost customer loyalty.

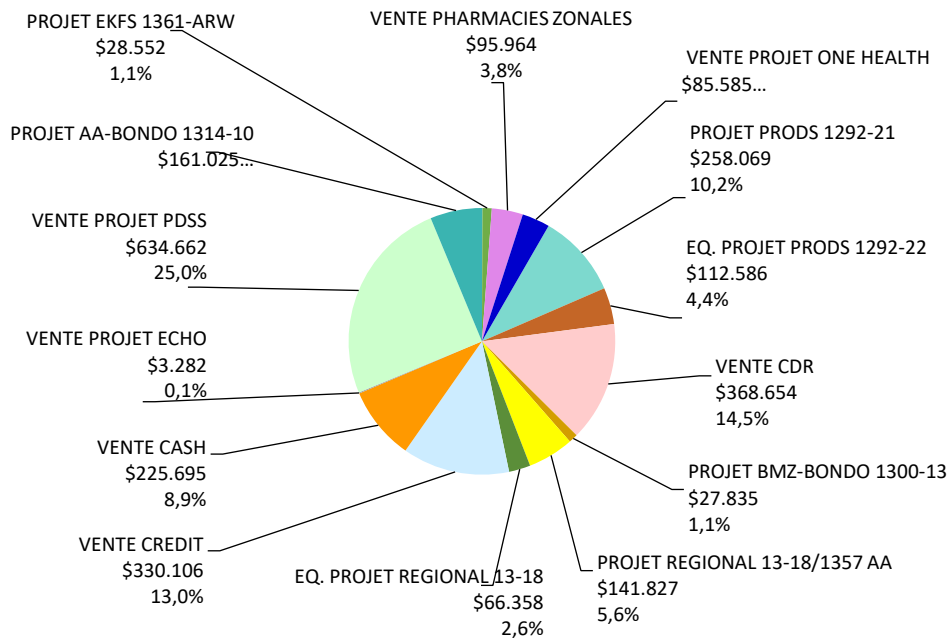


The reality of business teaches that every success has a downside. The high availability at CAAMENIHU makes other projects and customers outside our catchment area or our usual clientele start frequenting us. In consequence, the satisfaction rate decreases because of high stock rotation, and then stock replenishment is not feasible so easily and quickly, creating untimely shortages.

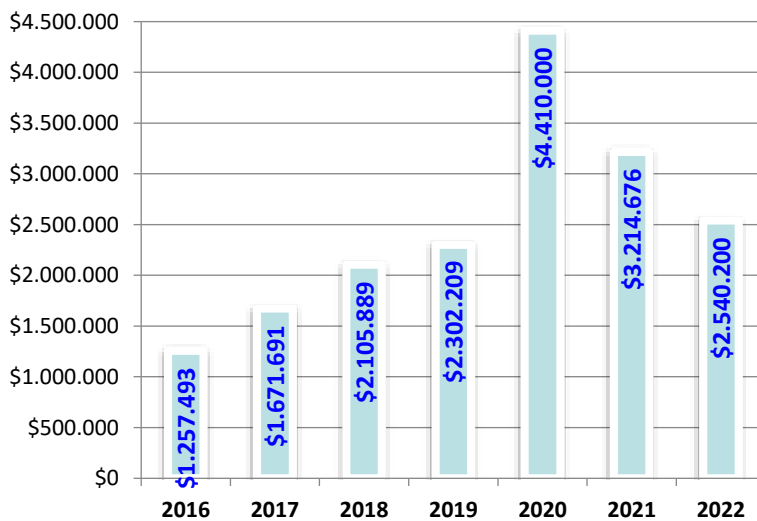
○ SALES

CAAMENIHU works with a good number of partners to whom it delivers medicines; this is why the sale of medicines covers more than 75% of its turnover.

In 2022 the total of sales was **\$ 2.540.120**



And here is the evolution of sales over the last 7 years :

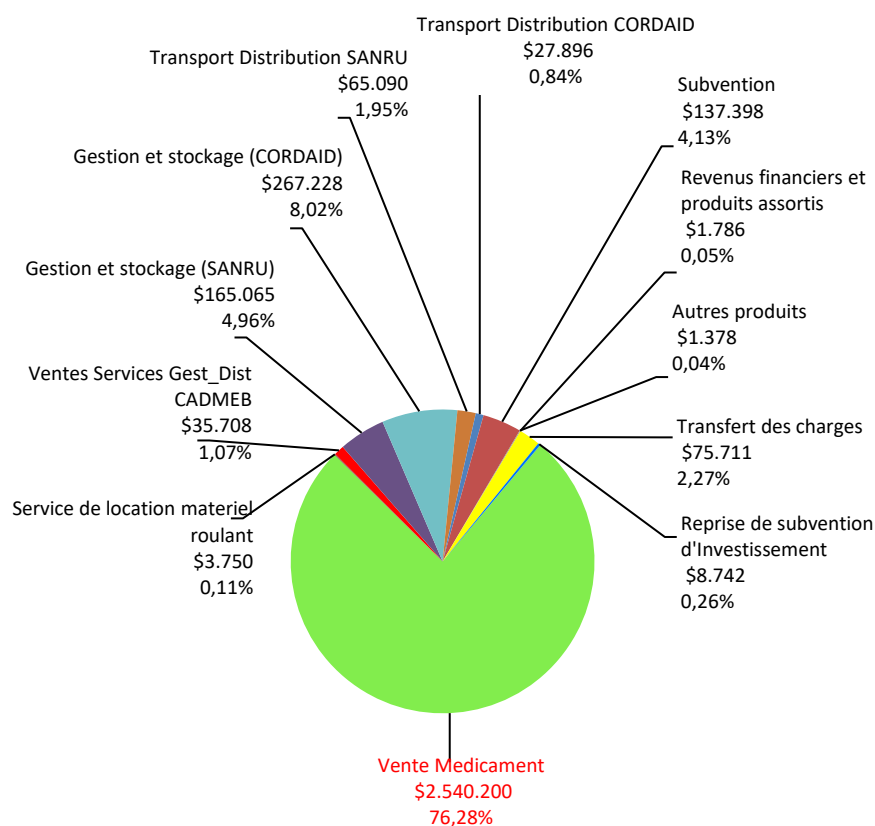


Annual sales averaged over 7 years are **\$ 2.500.308** per year.

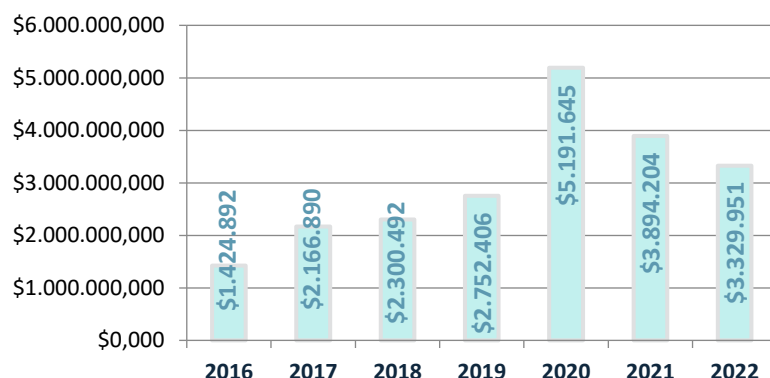
○ OPERATING REVENUE (TURNOVER)

CAAMENIHU focuses on its primary mission of making quality medicines available, which is why 76.3% of its turnover comes from the sale of medicines; the rest comes from service fees.

The 2022 financial year turnover was \$ **3.329.951**



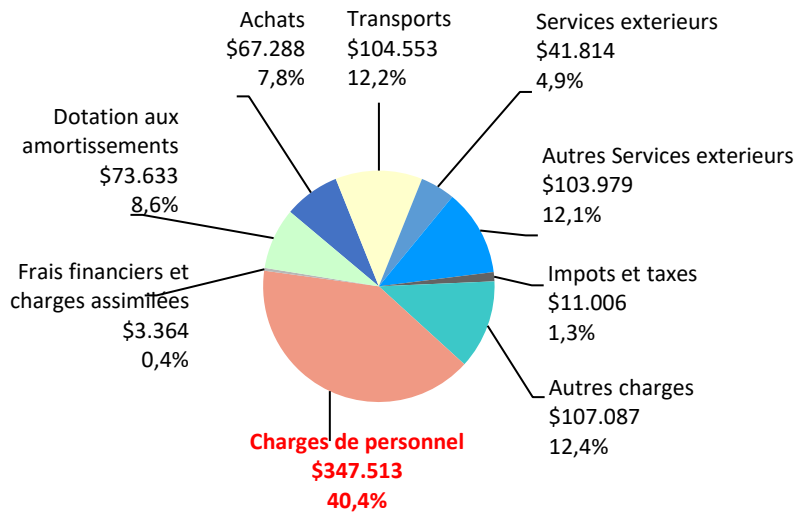
Evolution of the turnover over the last 7 years :



The 2022 turnover has decreased compared to the years 2020 and 2021. This can be explained by the fact that both years were atypical (especially 2020), as we had to serve several extraordinary orders for medical equipment and other specific inputs (COVID19) in addition to other projects (such as PDSS) outside our catchment area (North Kivu and Maniema)

○ OPERATING EXPENSES (EXPENDITURES)

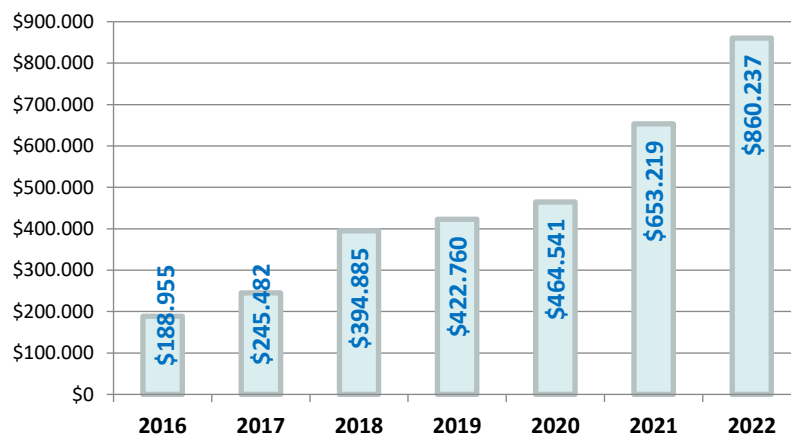
The total 2022 expenditures were **\$ 860.237**



There are many reasons for the increase in expenditure over the years, starting with the ever-increasing number of staffs, the large investments made, whose maintenance is becoming more and more important, and the running costs (vehicles, fuel, office supplies, etc., with rising prices).

Nevertheless, austerity in management ensures that this is controlled without great losses or waste.

Here is the evolution of expenses over the last 7 years:



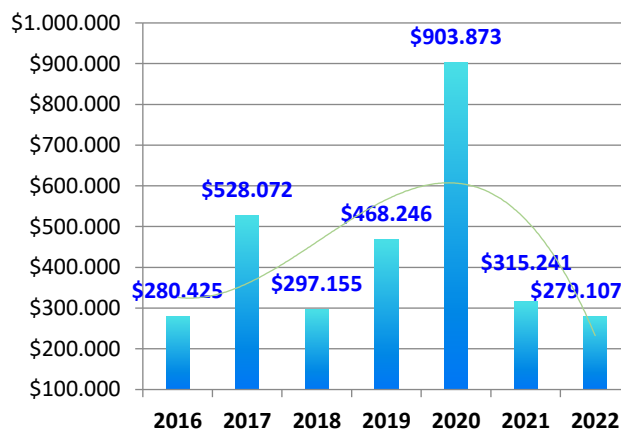
The charge of personnel being the most important due to the increase of the staff in addition to the seniority following the policy of retaining its staff. CAAMENIHU is trying to have a good mix of old and young within its staff the average age being around 35 years and the average of years of experience over 10 years.

○ OPERATIONAL RESULT

Item	TOTAL
Sales of Medicaments	\$ 2,540,199.98
Stock sold at cost price	\$ 2,190,606.50
Management and storage	\$ 468,000.95
Transport and Distribution SANRU & CORDAID (FM)	\$ 92,985.00
Other incomes	\$ 91,367.15
Subsidies	\$ 137,398.00
Operating expenses	\$ 860,237.47
Result	\$ 279,107.12

The 2022 operational result was \$ 279,107.12

Here are the results for the last 7 financial years:



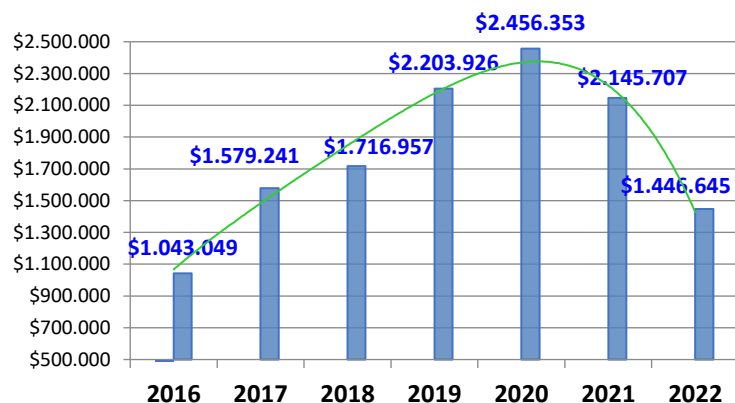
○ THE WORKING CAPITAL

Spécifications	Réf.	Année 2022
Equity	A	\$ 3.916.495
Other capital at LTA	B	\$ 0.0
Total = Sustainable resources (C = A+B)	C	\$ 3.916.495
Fixed assets	D	\$ 2.469.850
WORKING CAPITAL (E = C- D)	E	\$ 1.446.645

The Working Capital at the end of the financial year 2022 amounts to \$ 1,446,645

The significant decrease in the working capital is due to the large investments for a warehouse construction offering sufficient and optimal storage conditions as property of the association. This investment exceeded 2,000,000 US dollars.

Here is the working capital development for the last 7 years:



○ PRICING

Procurement costs are monitored monthly and assessed quarterly, and if there are major variations in procurement costs we adjust the applied rate/cost price if it is found that the variations have been sufficient to create tangible losses.

For the year 2022, a rate of 22% was used, while the actual cost was already at 26%. One must fear that this rate will increase in future, given the volatility of fuel costs, exploding transport costs, rising inflation rates in the world, and even more important changes in the customs policy of the country (OCC, DGDA...).

Price FOB	
+ transport costs	} Procurement costs amount to 22%
+ inspections fees	
+ transit costs	
+ Border fees	
+ Other fees	
Cost Price	
+ Markup	15%
Sales Price	137%

EVOLUTION ANNUELLE DU COÛT D'APPROCHES								
		2016	2017	2018	2019	2020	2021	2022
Total Purchases	A	\$684.320	\$1.576.857	\$2.149.812	\$1.359.620	\$3.411.309	\$2.132.627	\$1.726.682
Total procurement costs	B	\$119.486	\$202.552	\$286.382	\$430.899	\$542.119	\$630.554	\$454.520
% procurement costs (B/A%)	C	17,5%	12,8%	13,3%	31,7%	15,9%	29,6%	26,3%
% Annual rate in application	D	25,0%	20,0%	20,0%	20,0%	21,2%	22,0%	22,0%
Difference/Loss (D-C)		7,5%	7,2%	6,7%	-11,7%	5,3%	-7,6%	-4,3%

✧ PERSPECTIVS - 1 THREATS AND WEAKNESSES

If programs subsidising medicaments stop, and if health structures have to buy at commercial prices, our turnover may continue to fall significantly. Competition with the illegal and uncontrolled market (mainly supplied by trafficked and stolen drugs) will be very difficult, as the authorities are not able (and will not be in the near future) to control and curb that illegal flow of medicaments. There is a risk that our margin will not be sufficient to maintain the current structure.

- Our working capital has significantly decreased as a result of the investments made without significant support from other partners.
- Despite our efforts, and despite gaining new clients, the range of clients is still very limited.
- Government programmes that include subsidies for essential drugs or the supply of specific drugs often cover only limited areas, are cumbersome and slow, unreliable (also in terms of payment!) and prone to losses. So it would be risky to base our future planning on them.
- The new restructuring of the provinces would make it necessary to reflect on a reorientation of the pharmaceutical warehouse, which is Caamenihu; currently the Ministry of Health discusses to have only one pharmaceutical warehouse for each province.

✧ PERSPECTIVS - 2 STRENGTH AND OPPORTUNITIES

- Caamenihu is well established in its home region, with its own developed infrastructure, especially in recent times with a warehouse that meets all standards.
- As a contracted partner of the national essential drug supply program (Programme d'Approvisionnement en Médicaments Essentiels, PNAM) representing the Congolese government, Caamenihu is integral part of the national drug supply system. PNAM has accepted Caamenihu as a 4th entry point for importation of essential drugs.
- Other pharmaceutical warehouses increasingly source at least part of their supplies from Caamenihu's own stock
- A number of NGOs have started to frequent us for their supplies, in addition to the PDSS Project (Maniema)
- The Global Fund's Sanru and Cordaid programmes have contracted Caamenihu as a warehousing and distribution partner for malaria, HIV and TB inputs for a long period. Further reaching engagements are under discussion.
- The geographical location gives Caamenihu easy access to East African countries including the ports of Mombasa and Dar es Salaam which facilitates easy and relatively fast logistics. Caamenihu can serve as a hub for imports and then redistribution/delivery to other pharmaceutical warehouses in the former Oriental Province and even North Eastern DRC - and elsewhere.
- For several years CAAMENIHU has been a supplier to various EU projects through the EUP FASS contracts and chaired by Malteser International in addition to other projects of this big organisation (German government projects, ECHO, ...).
- In addition to co-managing two projects (Fresenius Foundation and One Health, German Government), Caamenihu delivers specific inputs to these projects, thus building a reputation in project management.
- In addition to the stability of its experienced staff, there is a significant reinforcement of personnel on some strategic and key positions in order to improve performance.

Any request for more information is more than welcome, we will be happy to share with you.

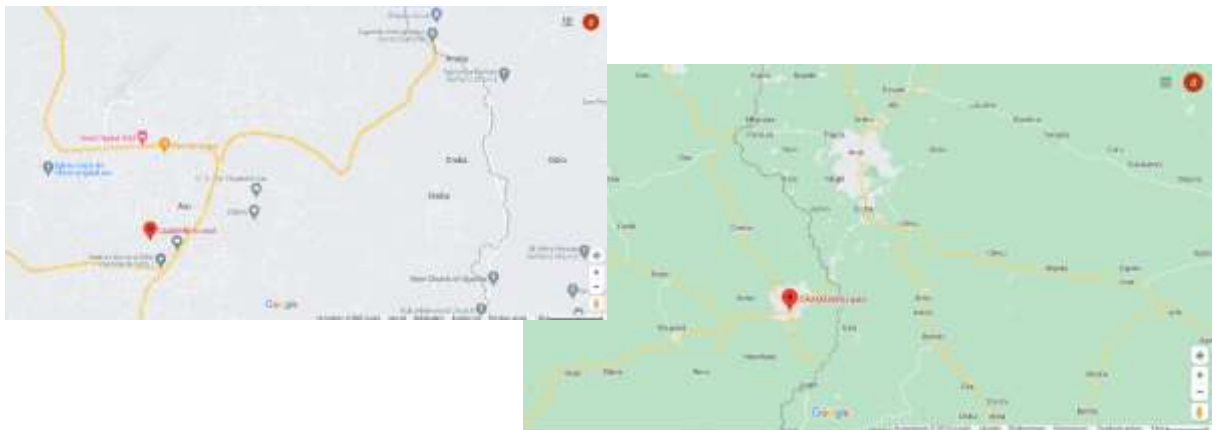
Please also visit our website: <https://www.caamenihu.com>

So please contact us through :

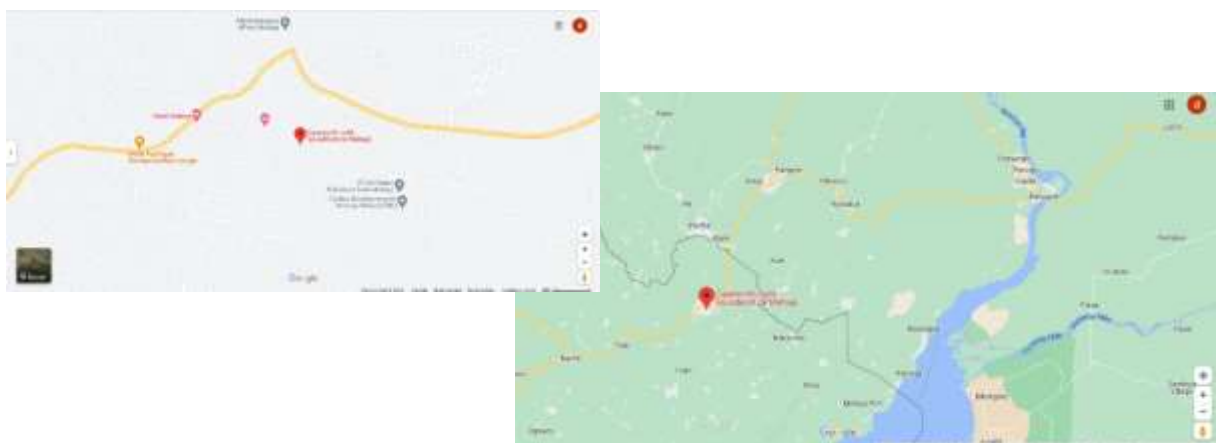
- e-mail : info@caamenihu.com
- Phone : +243811426243 ou +243997816425
- Facebook: <https://www.facebook.com/caamenihu.asbl>
- Twitter: #AsblCaamenihu
- WhatsApp: +2430817936177

If you are from/in the region, visit us in our offices:

- Av. du Centre Diocésain, Quartier Essefe, ARU, Territoire d'Aru, RDC



- Quartier DRII, à côté de la Cathédrale Catholique, MAHAGI, Territoire de Mahagi, RDC



✧ **OUR PARTNERS**

