



Providing quality medicines for people
living with and affected by HIV and AIDS



Quarterly Performance Report

October–December 2010

February 15, 2011

SCMS Project Team

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1. Project Highlights

This summary covers project achievements, challenges and issues to monitor grouped into the three main project activities as per the Task Order: Global Supply Chain, Health Systems Strengthening and Global Collaboration. The remainder of the report gives more detail on programmatic milestones (Section 2, page 9), procurement and distribution statistics (Section 3, page 10), progress in countries (Section 4, page 14), innovations (Section 5, page 34) and objectives for the coming quarter (Section 6, page 35). The programmatic milestones in Section 2 and objectives in Section 6 are taken from the project workplans provided to USAID by the project.

Key statistics for the life of the project from October 2005 as of December 31, 2010 are:

- US\$682 million in products delivered to clients, accounting for 7,943 deliveries
- 32 countries received shipments of HIV/AIDS commodities
- 98 percent of ARVs (by volume) delivered by SCMS from October to December 2010 were generics, an exceptionally high figure
- 26 countries received technical assistance in such areas as quantification, warehousing and distribution, laboratory logistics, quality assurance and management information systems (MIS)
- 573 technical assistance assignments completed
- Three state-of-the-art regional distribution centers operational in Ghana, Kenya and South Africa
- No counterfeit products detected in the SCMS global supply chain

Highlights from the quarter:

Of particular note this quarter is the project's response to the outbreak of cholera in Haiti—a response that involved almost all units of the project in sourcing, purchasing and delivering essential products in less than a week from the beginning of the outbreak in three specially chartered aircraft.

Our annual Field Office Conference began the last week of October in Washington D.C. with the theme of “*Sustaining Strengthened Supply Chains through Global and Local Partnerships*”.

In late November and into December the project began reacting to the political crisis in Côte d'Ivoire, which has affected normal operational activities, including the temporary relocation of the country director to Ghana to be part of the operational platform USAID is establishing in Accra. National staff are working from home unless their work is deemed essential by the acting country director and only if it is safe to travel. While some routine activities continue, a protracted political crisis may have a negative impact on the implementation timeline and/or methodology for planned TA activities, including upcoming ARV and laboratory quantifications.

1a. Global Supply Chain

SCMS delivered US\$61 million (up from US\$50 million in the previous quarter) worth of commodities through 487 shipments to clients. On-time delivery was at 73 percent of deliveries reaching clients within 14 days of the SCMS promised date. This metric continues to suffer from delayed vendor delivery; in particular some vendors shipping to South Africa continue to see delays caused by quality assurance checks by the Government of South Africa for the large anti-retroviral (ARV) program for that country. SCMS is addressing this problem directly with the vendors

concerned to improve performance. Timeliness of ARV deliveries from SCMS regional distribution centers (RDC) was 98 percent on time within 14 days, showing the impact of the RDC solution in overcoming vendor delays. Test kit deliveries also showed a strong performance, averaging 88 percent within 14 days of the promised date.

Zambia (\$13M), South Africa (\$8.5M) and Mozambique (\$6.6M) were the top three recipients of deliveries by value. RDC stocks stood at \$18 million at the end of the quarter.

Successes

- In Rwanda, the team developed a new Excel-based quantification model for the PMTCT program in response to the TRAC Plus request to accommodate the recent revision to PMTCT guidelines. This tool helps develop accurate forecasts, simplifies the organization of morbidity data and provides a better understanding of how to account for the different treatment scenarios in the PMTCT program.
- USAID South Africa signed off on the Round 4 purchase order in November, which brings the total spend to date to over \$65 million for ARV commodities in the SA procurement program.
- We updated ARV supply plans covering orders between January and March 2011 for 11 of our primary ARV-buying countries: Côte d'Ivoire, Guyana, Haiti, Mozambique, Nigeria, Rwanda, Tanzania, Uganda, Vietnam, Zambia and Zimbabwe.
- We negotiated a price reduction of 11 percent from Becton Dickenson (BD) for FACs machines and associated reagents and supplies. This reflects the high volume of business between SCMS and BD and is the first time we have been able to apply our successful ARV strategy to laboratory supplies to negotiate price reductions.
- In Mozambique, our team finalized the 2011 maintenance plan for all 97 PEPFAR-supported instruments (hematology, biochemistry, CD4) with the pharmaceutical supplier Tecnologia Hospitalar e Laboratorial Moç. LDA (THL).
- In Tanzania the first 15,000 jars of co-trimoxazole manufactured by Zenufa (a local pharmaceutical manufacturer) was delivered to MSD for distribution. This is a local pharmaceutical quality surveillance project being piloted between SCMS and USAID.
- Also in Tanzania, we delivered two prefabricated clinics to MOHSW. These were the first two of eight planned pre-fabricated clinics. The goal of these units is to increase treatment availability and product storage capacity for the national HIV/AIDS program.
- Our quality assurance team published a technical document demonstrating the robustness of thin layer chromatography technology. The publication makes extensive comparisons of data obtained on paired samples at the Pharmaceutical R&D Laboratory at Muhimbili University of Health and Allied Sciences and the internationally known laboratories of the CAMAG Corporation in Muttenz, Switzerland (<http://www.atypon-link.com/AOAC/doi/abs/10.5555/jaoi.93.6.1836>).
- In October, as a continuation of our work on adult male circumcision kits, we developed a waste management brief for implementing partners to provide them with a proactive solution for the handling and disposal of the health care waste generated in the male circumcision programs. SCMS recommends that health care waste management become an integral element of such programs to ensure proper disposal of the used items and infectious waste and prevent harming health workers, the community or the environment.
- Aurobindo will be placing stock in the Kenya and Ghana RDCs in March and May, respectively, to improve its on-time stock availability for its private sector markets. Commercial sector use of RDCs further ensures RDC sustainability once the project ends.

Challenges:

- In Mozambique, the long-running challenges flowing from interruptions in supply from Global Fund-financed programs continued, resulting in multiple emergency orders and stock adjustment actions. To improve the supply position in the longer term we provided technical support to CMAM in conducting a quantification exercise to update the ARV and test kit supply plans for GF Round 9 and the World Bank Health Commodity Security Project. We also helped CMAM remove and destroy approximately 300 tons of expired products from the Beira central warehouse. Also on a positive note, all laboratory reagents and consumables are now managed via MACS, which allows MOH to get reliable central stock data and product entry and issues reports. All expired reagents and consumables were eliminated.
- In Nigeria importation continued to be a challenge due to Customs regulations requiring case-by-case agreement. Despite this, in November the team took delivery of 82 tons of ARVs as Q3 ARV requirement for the PEPFAR program, in line with the supply plan.
- Becton Dickenson (BD) cold-chain pallets continue to create shipment weight challenges. The weight of these pallets, which are packed using cold-chain packaging methods, varies significantly depending on who packs them. Almost half of all freight estimate variances are due to BD cold chain. We are working with BD to improve our freight estimates, implement standardized cold-chain packing, and have alerted the F&L team to include cold-chain estimates provided by BD in freight estimates.
- Guatemala is experiencing significant ARV stockouts, including Abacavir, Efavirenz, Lamivudine/Zidovudine, Nevirapine and Tenofovir. Global Fund resources provide around 60 percent of Guatemala's ARVs, while the Government of Guatemala contributes 40 percent. SCMS is placing emergency orders to cover these shortfalls.

Things to watch:

- In South Africa, the national tender for ARV supplies was awarded at a total value of 4.3 billion Rand (\$630 million USD). We do not anticipate any impact on SCMS manufacturers in formulation capacity since the awards were mainly for formulators based in South Africa, but we will need to closely monitor the impact of this tender on demand for APIs (active pharmaceutical ingredients).
- We are working with CHAI and other partners to coordinate procurement of low-volume pediatric ARV dosage forms, including forecast scheduling, demand planning submissions and joint order placement. Pooled procurement of these commodities will help leverage better pricing and availability from suppliers.
- In collaboration with CDC and USAID, SCMS is developing a plan to roll out lab harmonization. The first product group to be explored will be clinical analyzers.
- Samples of male circumcision kits from potential new suppliers were sent to a testing lab for sterility analysis. Compliance to sterility test protocols is one of the selection criteria for approval.
- Several India ARV manufacturers are working to extend shelf life from 24 months to 36 months. This process requires USFDA approval and registration changes in recipient countries.

1b. Health Systems Strengthening

Activities and issues of note from the quarter include:

Successes

- **Held annual Field Office Conference:**

- Under the theme of “Sustaining Strengthened Supply Chain Chains through Global and Local Partnerships,” the conference focused on SCMS’s strategy under Task Order 3 and the Global Health Initiative’s commitment to country ownership and sustainability.
- Over 30 field office staff joined colleagues from USAID and the SCMS PMO. The conference worked to identify best practices in key technical areas and introduced innovative tools and approaches being tested globally and through field.
- Waste management was a new theme that arose at the conference and at the recent OHA Partners Meeting.
- A keynote address from Dr. Steven Radelet focused on economic growth in Africa, and other discussions at the conference examined ways that SCMS can leverage the private sector to help build sustainable supply chain solutions. Lisa Gomer, general council at USAID, led discussions on how SCMS can support the agency’s procurement reform efforts. This was the first time the conference featured external keynote speakers.
- In a first for the project, technical advisors traveled to Guatemala to assess the CMS’ operations and business processes and make warehousing recommendations for ARVs and TB and malaria medicines from the central level to the final service delivery point.
- In Rwanda, the new SAGE L500 system went live on October 19. This system replaces MACS, which did not function according to CAMERWA’s requirements. Initial feedback from the client has been extremely positive. In another major activity, at the Government of Rwanda’s request, SCMS met with USAID and CAMERWA’s director general to identify activities that could be transitioned from SCMS to CAMERWA beginning in COP11. Two areas for immediate transition include operating the warehouse management system and active distribution.
- In a major joint technical assistance effort, MSD Tanzania, the Tanzania field office and PMO MIS advisers completed preliminary project activities for the new MSD enterprise resource planning (ERP) project. This activity included key foundation work to ensure that the Epicor® ERP software will be successfully implemented. MSD management signed off on the project charter defining the scope, objectives and other key project parameters. MSD core team members were designated, and planning for the initial system-blueprinting activity was completed.
- In Ethiopia, SCMS scaled up the distribution of food-by-prescription (FBP) products to more health facilities served by the Hawassa PFSA hub. As part of this expansion, 22 additional health facilities were brought on board to provide FBP service, bringing the total to 25 FBP sites under the Hawassa hub.
- In Guyana, SCMS partnered with MOH to produce standard treatment guidelines (STGs) for primary health care. This is the first such publication to be produced by the Ministry, and it is expected that it will be periodically reviewed and updated.
- In Zambia, we conducted five pre-service trainings in the laboratory logistics for 199 graduating biomedical science students in partnership with the University of Zambia and three biomedical colleges: Evelyn Hone College, Chikankata College of Biomedical Sciences and Ndola College of Biomedical Sciences. The training provided the lecturers who had been trained earlier by SCMS the opportunity to practice adult training methodologies in the areas of supply chain and their

core training competencies. SCMS provided guidance and quality assurance during these trainings and was satisfied with the lecturers' output.

Challenges

- The Government of Botswana initiated a committee of inquiry to investigate the Central Medical Stores management team, continuing stockouts of medicines and Ministry of Health's role in funding and recruitment of counterpart staff to take over management posts currently held by the SCMS management team. In response, MOH, with SCMS support, is issuing a report detailing progress in improving drug availability in the supply chain; introducing new management systems, procedures and quality control processes; and delivering capacity building and skills transfer. The report also highlights the challenges faced in change management processes and requests increased government support to facilitate the team's work, particularly in transitioning management responsibility to counterpart staff and ensuring timely availability of funding for commodity procurement. The BOTUSA team and the U.S. Ambassador have been kept fully informed of the committee of inquiry and the response.
- In Zimbabwe, the Global Fund did not approve the Government of Zimbabwe's Round 10 application for \$170 million for HIV and \$50 million for TB because, among other reasons, the proposal did not include a substantive activity to respond to HIV/TB co-infection. Although the decision will not have an immediate impact on commodity availability (since the first Global Fund Round 10 shipments were expected start arriving in 2012 and 2013), this decision represents a setback for medium-term ARV commodity security. SCMS will help MOHCW reassess the supply situation and design different programmatic and funding options during the upcoming annual quantification update (early February).

Things to Watch

- In Tanzania, initiated planning for the procurement of three pre-fabricated warehouses. The goal of these additional warehouses is to expand Medical Stores Department's (MSD) storage and distribution capacity in the Dar es Salaam, Dodoma and Mbeya MSD zones. Implementation and funding will be a collaborative effort between MSD, SCMS and Global Fund..
- In Namibia, the Ministry of Environment and Tourism (MET) is reviewing the environmental impact assessment report that calls to add a new incinerator at the central level. The existing incinerator at the Intermediate Hospital Katutura has been in service since 1972 and operates inefficiently, producing visible black smoke on a daily basis. The new incinerator will reduce the volume of pollutants coming from the current unit while also ensuring complete disposal of health care medical waste.

1c. Global Collaborations

Successes

- Under the remit of the Coordinated Procurement Planning (CPP) Initiative, the global partnerships team finalized an initial list of 20 at-risk countries, five of which we identified as being at particular risk in the immediate future: Angola, Burkina Faso, Cameroon, Mali and Mozambique. The Steering Committee met in December and, after adding Côte d'Ivoire, agreed the list of 21 countries at risk of funding interruptions for the continuous supply of ARVs and agreed to a plan to further investigate the causes of the funding uncertainty and explore ways to resolve the risks. SCMS will lead this process in Mozambique, CHAI in Cameroon and WHO in the remaining three.
- SCMS issued the second release of our Analysis of Commodity Stockouts and Emergency Orders July-Sept 2010. Overall, the trends in this report are very similar to those seen in the first

report on this issue, covering the 12 months from July 2009 to June 2010, although the value of emergency orders in this period was almost exactly the same as for the full 12 months of the earlier report. This was driven by large ARV orders for Tanzania, Uganda and Zambia. A new chart in the report shows that 80 percent of SCMS orders in this period were planned, an impressive level that might be hard to exceed in future. Also of particular interest was that some of the largest country programs, such as Côte d'Ivoire, Nigeria and South Africa required no emergency orders in this period.

- We attended and presented at the annual WHO/UNAIDS joint informal consultation meeting with ARV manufacturers. There was strong interest in the level of single-dose products in our presentation of supply trends for 2011/2012; the number of single-dose ARVs is driven by South Africa, where fixed-dose combinations are still not widely used. Other issues of concern discussed in the meeting were funding levels to support treatment targets, what the real demand will be on suppliers, and the difficulty in predicting the speed of transfer to the new WHO-recommended treatment guidelines first issued on World AIDS Day 2009.
- We also attended the third Health Supply Chain Summit at MIT-Zaragoza School of Logistics. We took the opportunity of meeting with MIT academic staff to discuss preparation of the proposed teaching case based on the start-up of SCMS. We expect to see a first substantive draft of the case for review during the first quarter of 2011. Of particular interest during the summit were sessions on the use of new technology in anti-counterfeiting and avoidance of localized stockouts, and a discussion on the role of price differentials in improving access to medication in the least-developed countries.

Challenges

- The major concern at the annual WHO/UNAIDS meeting with ARV manufacturers was the growth in demand for active pharmaceutical ingredients and the switch rate to the new WHO-recommended treatment guidelines. No clear conclusions were available on either question.

Things to Watch

- In addition to providing data for the CPP Initiative, UNICEF has expressed interest in building a closer relationship with SCMS in a manner similar to our discussions with CHAI on market trends, challenges and dynamics. As a major buyer of ARVs, UNICEF faces challenges similar to those of SCMS and CHAI, and appropriate information exchanges will help manage the supply-side risks.
- We attended a harm reduction symposium organized by RTI International with OGAC support. Of interest is the possibility of another new product area in support of clean needle exchange programs.
- Associated with efforts to prevent supply interruptions and stockouts, Global Fund has reached out for SCMS support in a new initiative—endorsed by its portfolio and implementation committee—to avert stockout risks in its programs. This is a very positive development and a good link to CPP. One important point of Global Fund's interest in SCMS involvement is the potential use of RDC safety stocks to assist in averting stockout risks in Global Fund programs.
- We met with UNITAID and were asked to prepare a discussion paper on barriers to access to commodities in the three major disease areas of HIV/AIDS, malaria and TB that could be considered for investment. The UNITAID board is holding a strategic retreat in March, at which it will be considering a new investment strategy as a number of UNITAID's major programs reach completion in the next 12 to 18 months.

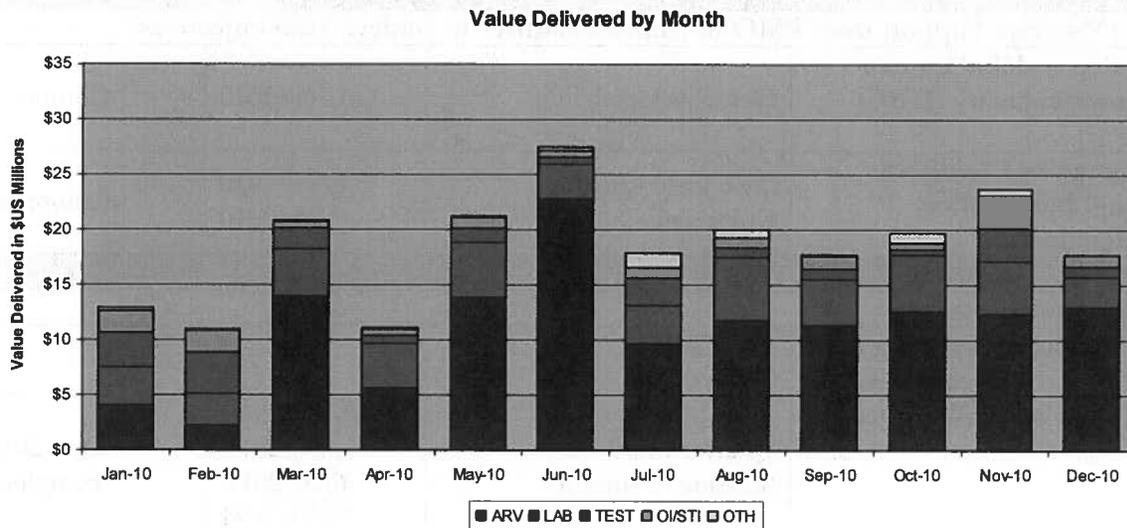
2. Programmatic Milestones and Measures

SCMS		Project-wide Workplan TO3 FY2011, September 30, 2010 – October 1, 2011	
Activity	Deliverable	Target Deadline	Progress
1. Global Supply Chain			
Procurement:			
Map new countries and demand (assess capacity needed)	Report	12/23/2010	Complete.
2. Health Systems Strengthening (HSS)			
In-Country Supply Planning/Forecasting Technical Assistance :			
Ensure that 12 month supply plans and issues associated PRs/PQs) for ARVs, RTKs and lab supplies are submitted on a timely basis	Quarterly supply plan updates (12 ARV, 10 RTKs, 10 Lab.)	12/15/2010, 3/15/2011, 6/15/2011, 9/15/2011	Dec. 2010 complete.
Field Program Support from PMO to enable countries to achieve HSS objectives:			
Develop a global human resource capacity (HRC) plan	Plan developed	12/1/2010	Complete.
Organize and facilitate Annual Field Office Conference	2010 Field Office Conference	12/9/2010 11/4/2010	Complete.
3. Global Collaboration			
Global Collaboration:			
Manage funding early warning system			
Collect and analyze financial data	Quarterly updates to Steering Committee	12/31/2010, 3/31/2011, 6/30.2011, 9/30/2011	Dec. 2010 complete.

3. Procurement and Distribution Statistics

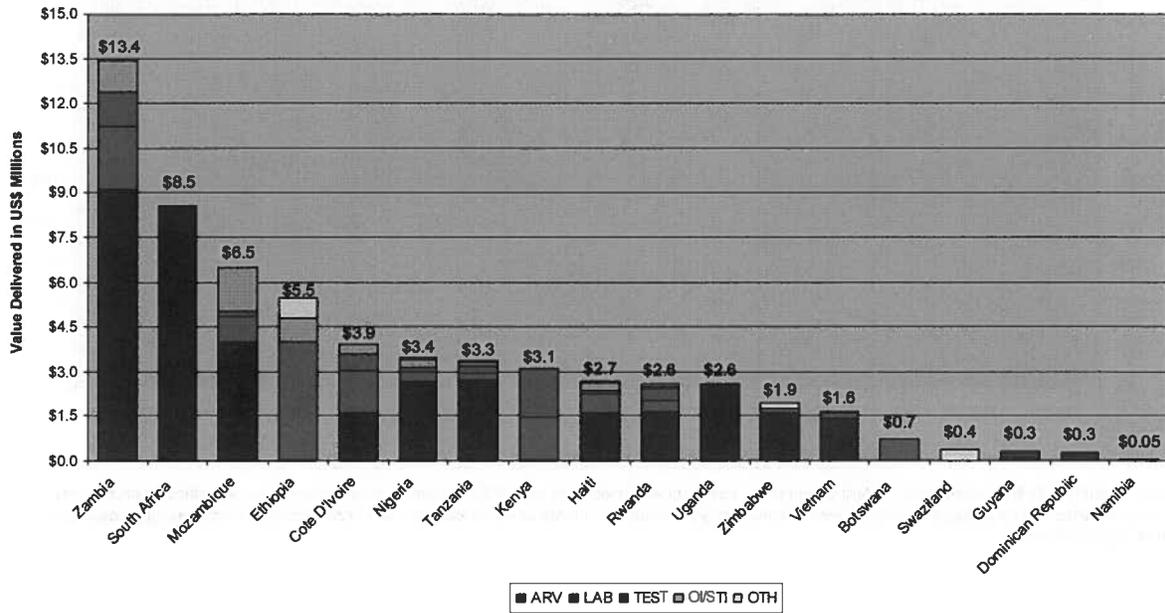
	Oct to Dec 2010	Y6 to Date	Life of Project
ARVs	\$37,963,927	\$37,963,927	\$401,659,028
Test Kits	\$4,505,275	\$4,505,275	\$78,528,631
Labs	\$12,659,077	\$12,659,077	\$149,301,827
Essential Drugs (OIs)	\$4,395,146	\$4,395,146	\$35,435,227
Anti-malarial			\$216,708
Food by Prescription	\$697,644	\$697,644	\$2,104,679
Male Circumcision	\$636,998	\$636,998	\$991,253
Other	\$155,494	\$155,494	\$13,757,530
TOTAL	\$61,013,560	\$61,013,560	\$681,994,883

Value of commodities delivered by month (12-month trend)



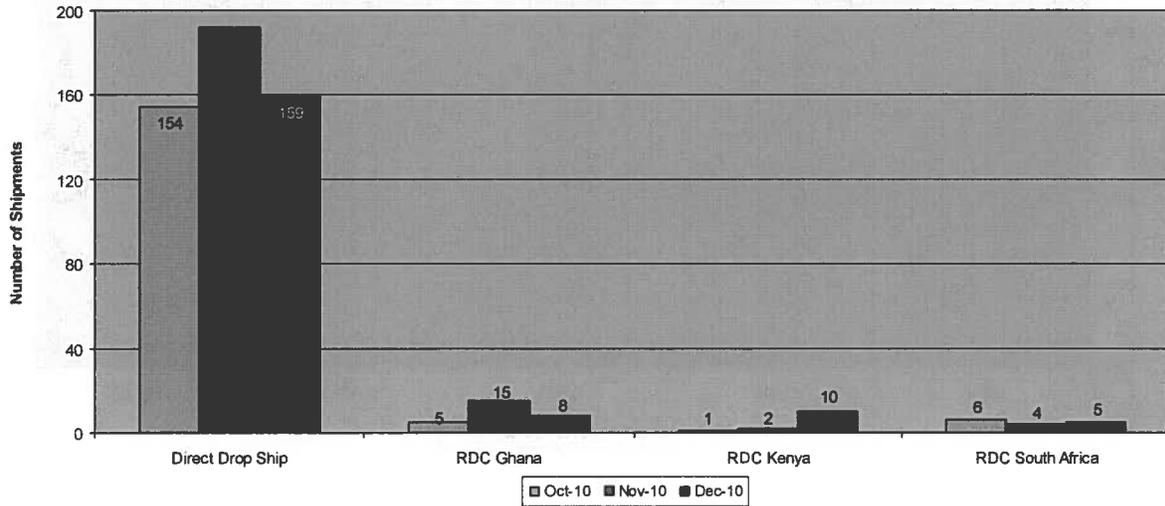
Value of commodities delivered by country = \$61,013,560.67

Value Delivered by Country

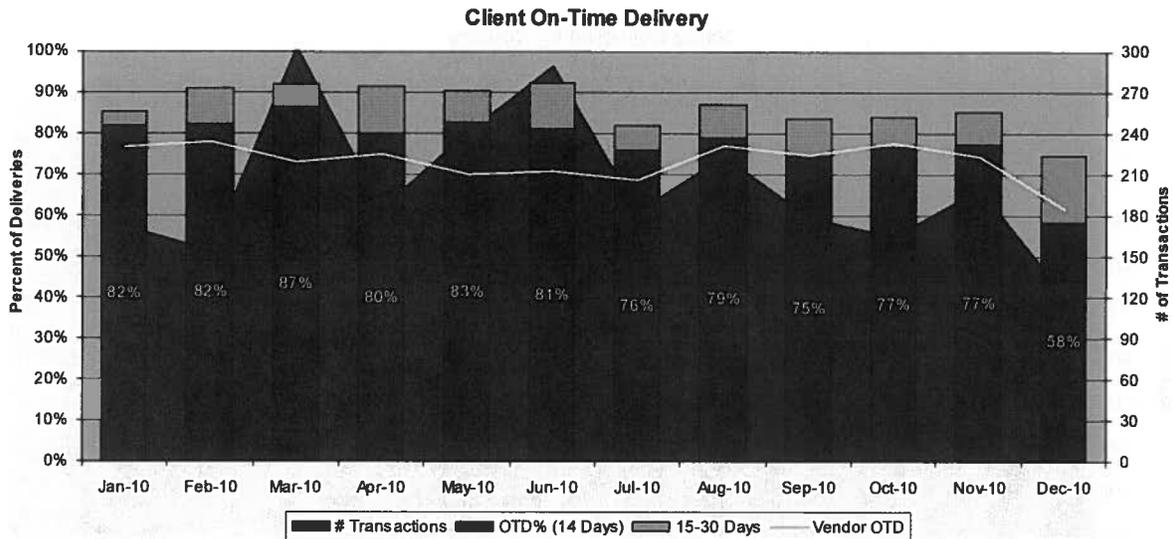


Number of shipments delivered by month

Number of Shipments Delivered

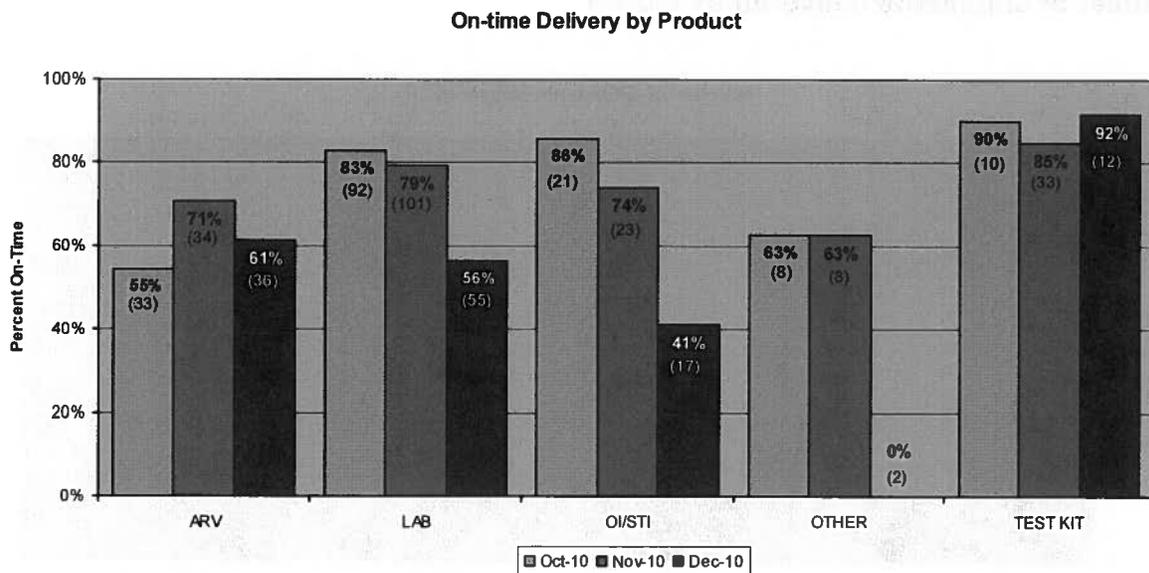


On-time delivery by month (12-month trend)



Note: Client OTD is the percentage of orders delivered on, before, or within fourteen days of the recipient agreed delivery date, as indicated on the Price Quotation; Vendor OTD is the percentage of orders delivered by the vendor on, before or within fourteen days of the vendor promise date, as indicated on the Purchase Order

On-time delivery by product



Additional procurement and supply statistics for the quarter

New orders: US \$81.40 M, of which US \$30.40 M were for RDC stock and US \$50.99 M for direct-drop shipments.

Ordered categories: ARV \$51.20 M, OI drugs \$4.00 M, RTKs \$10.25 M, laboratory \$10.78 M, other items \$684 K, FP \$ 376 K, MC kits \$4.04 M, ACT \$48 K,

Current amount of stock in RDCs as at December 31, 2010: US \$18.28 M.

The breakdown is as follows:

- Ghana RDC — US \$10.08 M
- Kenya RDC — US \$4.78 M
- Southern Africa RDC — US \$2.29 M

4. Country Reports

Botswana

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: BOTUSA/CDC and USAID (primary), Drug Regulatory Unit (DRU), Central Medical Stores (CMS), Government of Botswana (GOB), National Drug Quality Control Laboratory (NDQCL), National Health Laboratory (NHL), Prevention of Mother to Child Transmission Unit (PMTCT), the national ART program (MASA), Ministry of Local Government (MoLG)

STTA: Warehouse management and procurement

Key activities:

1. **Completed two rollout trainings of the Botswana Laboratory logistics management information system (LMIS) in October**, in collaboration with the Ministry of Health (MOH). Trained 36 lab personnel from 35 facilities. In all, 24 participants achieved the 80 percent pass mark and were certified as competent; those receiving certification will support the improved management of laboratory commodity logistics in the health system.
2. **Completed the software development life cycle (SDLC) project charter document** for the Supply Chain Manager software, and distributed a draft project charter for comments. The customized software will contribute to efficient processing of logistics data from service delivery points (SDPs) at the central level (Logistics Management Unit) for decision-making to improve commodity availability.
3. **Conducted logistics PMTCT management training to build capacity of new PMTCT district focal persons and supply officers** to effectively manage the infant formula logistics system. The training aimed to improve information sharing for supply decision-making, minimize waste and improve the security of young infant feeding commodities. Trained 30 PMTCT staff—14 district focal persons, 15 supply officers and 1 lay counselor.

Challenges:

1. The Government of Botswana (GOB)-initiated Committee of Inquiry investigating CMS's performance raised a number of issues, chiefly relating to the CMS management team's authority to act in a management role, the continuing stockouts of medicines and MOH's role in funding and recruiting counterpart staff to take over management posts currently held by SCMS. In response, MOH, with SCMS support, is issuing a progress report responding to the points made and detailing progress in improving drug availability in the supply chain; introducing new management systems, procedures and quality control processes; and delivering capacity building and skills transfer.
2. GOB funding for essential commodities at CMS remains a challenge. Funding for ARVs and lab supplies is also a concern due to National AIDS Coordinating Agency funding problems. The potential impact is that commodity availability will suffer.
3. At the end of the quarter, CMS's revised staffing structure is still not approved by the Government of Botswana. The GOB Upper Panel Review meeting to evaluate the new structure is scheduled for December 2. This is delaying recruitment of the management team's counterparts, which is the main capacity-building element of the project.

Results:

1. Completed three key activities for the CMS Transformation Project: 1) a cold-chain assessment, with recommendations now being implemented that will significantly improve the cold-chain

process and reduce stock wastage due to cold-chain failure; 2) training of CMS staff in procurement skills, covering tendering, contract management and inventory management; and 3) quality management systems development through standard operating procedure (SOP) development and training of selected staff in problem-solving techniques. Issued 44 SOPs and delivered 263 SOP training interventions.

2. The DRU conducted an MOH retreat (previously supported by SCMS) and reviewed 104 out of 144 (73 percent) applications for registration and marketing of new drugs in Botswana received from drug manufacturers and suppliers in 2010. This is a positive sign of country ownership of drug safety.

Côte d'Ivoire

Emergency Orders/Stockouts: No stockouts reported

Key Clients: Ministry of Health of Côte d'Ivoire, including Public Health Pharmacy–Central Medical Store (PSP-CI), HIV/AIDS Ministry of Côte d'Ivoire (MLS), the Direction General de l'Hygiène Publique (DGHP), Centre National de Transfusion Sanguine (CNTS), USAID, CDC, EGPAF, ACONDA-VS, HIV AIDS Alliance Côte d'Ivoire, MEASURE Evaluation/JSI, Making Medical Injections Safer (MMIS)/JSI, CARE–Côte d'Ivoire, ICAP, PEPFAR/Strategic Information Team, Family Health International (FHI), URC.

STTA: None

Key activities:

1. **Worked with PSP-CI to monitor ART centers and collect data on stockouts and overstocks** at the district and facility levels. Sent 19 teams to visit 200 ART sites (representing more than 50 percent of facilities in Côte d'Ivoire) to assess the quality of data submitted to PSP-CI in their reports and monitor respective stock status. Two indicators of stock inventory management—the stockout rate and expiry rate—were included in the supervision chart, as requested by USAID CI. The assessment found that LMIS tools were available and used correctly; ARVs that are no longer in the new national standard treatment guidelines have expired; and Nevirapine was the most stocked-out ARV.
2. **In collaboration with PSP-CI and Information, Management and Research Unit of the Ministry of Health (DIPE), continued the essential drug dispensing tool (EDT) pilot phase.** Ten ART sites participated in EDT's pilot implementation in Abidjan. Users were regularly mentored by trainers from PSP-CI and DIPE, with technical support from the SCMS MIS team. A final workshop with users to review and discuss the pilot was postponed due to the presidential election. SCMS, PSP-CI and DIPE plan to continue mentoring the 10 sites until the workshop can be rescheduled.
3. **Established a crisis management committee for staff and commodities in response to the country's socio-political crisis.** The committee coordinated with the USAID Mission, CDC, PEPFAR implementing partners, PSP-CI and the National Program for HIV Care and Treatment (PNPEC) to prepare for the possibility of the socio-political situation's deterioration into civil war. The objective is to collaborate with the International Red Cross and Red Crescent and other international humanitarian NGOs to maintain the supply chain of HIV/AIDS products to all sites. The committee will also regularly assess and ensure the safety of SCMS personnel and property.
4. **Worked with PSP-CI in monitoring ART centers to ensure product availability during this period of post-election socio-political instability** (see Challenges below). SCMS

provided cell phone credit to the PSP-CI ART unit to call facilities and inquire about the availability of ARV drugs and other products to prevent overstocks and stockouts. SCMS and the PSP-CI customer service unit then worked to ensure timely deliveries of needed products.

Challenges:

1. Following Côte d'Ivoire's November 28, 2010, presidential elections, a period of socio-political crisis has ensued. This is affecting normal operational activities, causing the temporary relocation of the country director to Tanzania pending further notice, the increased likelihood of disruption of customs clearance and transit activities, a travel ban outside the economic capital city of Abidjan for staff and a restriction on TA to Côte d'Ivoire. While routine activities continue, a protracted political crisis may have a negative impact on the implementation timeline for planned TA activities.

Results:

1. Developed a performance development plan (PDP) to help PSP-CI create its own performance management plan (PMP). The SCMS M&E advisor completed the SCMS performance management training in South Africa and, as part of the certification process, developed a PDP that will be used in training PSP-CI staff to create and use their own PMP.

Ethiopia

Emergency Orders/Stockouts: Risk of stockout of some ARVs at two PFSA hubs (see Challenges). In December initiated a \$5,700 emergency order of Zidovudine 10 mg/ml.

Key Clients: USAID, CDC, Ethiopia Federal Ministry of Health (FMOH), HIV/AIDS Prevention & Control Office (HAPCO), Pharmaceutical Supply and Logistics Department (PSLD), Ethiopia Health and Nutrition Research Institute (EHNRI), Pharmaceutical Fund and Supply Agency (PFSA), CHAI, Abt Associates, Save the Children, RPM Plus/SPS, MSH HIV/AIDS Care & Support Project (HCSP)

STTA: Field office managed procurement (FOMP); contracts and operations management

Key activities:

1. **Trained 16 store personnel and pharmacy dispensers from Addis Ababa, Amhara and Oromiya regions in integrated pharmaceuticals logistics systems (IPLS)** for private and NGO hospitals. The training introduced participants to IPLS features, described logisticians' roles in relation to IPLS, helped participants complete bin cards and stock record cards and acquainted them with reporting and ordering pharmaceuticals. An evaluation of the program found that all participants were prepared to implement IPLS in their health facilities.
2. **Leased a warehouse of 2200 m² at Kality in Addis Ababa** to provide overflow space for the high volume of stock currently arriving in Ethiopia and to provide replacement space for the PFSA central warehouse, which was demolished to make way for a new, larger and better facility. The central warehouse, which serves the 10 PFSA hubs, has long suffered from limited storage space and problems associated with improper storage and inventory control of bulk pharmaceuticals. SCMS will soon make the Kality warehouse fully operational.
3. **Delivered 109 chemistry analyzers to PFSA**, which will help in the scale-up of ART laboratory monitoring. The analyzers will soon be redistributed to health facilities identified by EHNRI. Another 96 are due to arrive in January 2011.

Challenges:

1. Twelve health facilities (eight from Dessie and four from Bahir Dar PFSA hubs) placed emergency orders of D4T+3TC adult, FDC 12, Cotrimoxazole 960 mg, AZT-based pediatrics, TDF+3TC and AZT 300 mg. Overall stock levels of ARV appear to be lower than the optimum, though data is difficult to obtain since SCMS does not procure most of the ARV in Ethiopia. Also, a communication was recently issued reminding doctors that AZT should be given to all PMTCT patients while many doctors were following the previous guideline of giving NVP only. ARVs issued from central warehouses to regional warehouses are usually rationed, and most regional warehouses have very low buffer stocks. As a result, a relatively small shift in demand in a region brings the need for an emergency supply from the center or redeployment of stock from another region. The root cause appears to be that there is not enough ARV in the pipeline; however, it is a challenge not easily solved, since there is also a shortage of warehouse space. The long-term solution is better quantification and supply planning along with the 17 larger warehouses, which will hopefully be built over the next two years. A paper from SCMS engages stakeholders in the concept of "Stock Flow Planning," which is needed in a large and complex supply chain.

Results:

1. Delivered \$1.24 million worth of products to PFSA, which will soon be distributed to health facilities providing ART and PMTCT services across the country.
2. Scaled up the distribution of food-by-prescription (FBP) products to more health facilities served by Hawassa PFSA hub. The FBP program, in its year-two implementation period, is expanding to regions where additional new health facilities are being added to the program. In this expansion, 22 additional health facilities are being brought on board to provide FBP service, making the total number of FBP sites under Hawassa hub 25. A starter stock of 2,114 cartons of Plumpy Nut has been allocated to these sites. A total of 32 health facilities—20 from Addis Ababa, 6 from Adama, 4 from Dire Dawa and 2 from Hawassa hubs—were included in the year-one program.
3. Mekelle PFSA began rollout of the hub-based Health Commodity Management Information System (HCMIS). Mekelle hub serves 88 ART, 34 PMTCT and 2 lab sites. HCMIS will computerize the warehouse management system to make inventory control, order processing and dispatch significantly more efficient. The system will also help prevent stockout, expiry and wastage.

Guyana

Emergency Orders/Stockouts: Three-day stockout of Aluvia in October.

Key Clients: USAID, Ministry of Health, CDC, Association François-Xavier Bagnoud (FXB), National Blood Transfusion Service (NBTS), Catholic Relief Services (CRS)

STTA: None

Key activities:

1. **Facilitated a National Formulary Committee (NFC) meeting**, which included development of the Guyana National Formulary (GNF); review and update of the essential medicines list (EML); and establishment of the Drugs and Therapeutic Committee at the Guyana Public Hospitals Corp. (GPHC), New Amsterdam (NA) hospital, Linden Health Center (LHC) and Suddie Regional Hospital.

2. **Developed critical timelines for preparing and placing future Global Fund (GF) ARV orders** for MOH's health sector development unit (HSDU). SCMS is working to improve procurement coordination and reduce the historically high number of emergency orders placed to respond to delays in GF procurement.
3. **Continued work on the new MMU relocation plan.** Updates to the plan included revising the draft MMU organizational structure. This draft was circulated to SCMS and MMU senior staff for comment and follow-up. We compiled the MMU product master list and assigned categories to each product (pharmaceutical, non-pharmaceutical, dental and medical supplies).
4. **Collaborated with other agencies to revise MOH's National Laboratory Services Strategic Plan 2007–2011 and draft the 2011–2015 plan.** We conducted a mid-term review of the National Laboratory Services Strategic Plan and developed goals and objectives through 2015.

Results:

1. Supported MOH in averting an imminent stockout of adult first-line ARVs. To minimize the threat of treatment interruption, SCMS prepared frequent stock status updates on ARVs nationally to facilitate decision-making and consulted with MOH to reallocate the limited stock on hand, ration amounts dispensed to patients and recall excessive amounts dispensed to patients. We also placed emergency orders and facilitated a loan from CHAI in Haiti. In coordination with National AIDS Secretariat (NAPS), we borrowed adult first-line ARVs from neighboring Suriname. A few patients at a very large ART site were affected for a short time, but this situation was not widespread across the country.
2. Facilitated the official launch of the first National Standard Treatment Guidelines for Primary Health Care, the culmination of a long-term partnership with MOH to improve primary health care. This is the first such publication to be produced by the MOH, and it is expected to be reviewed and revised periodically.
3. Trained 29 health care workers from Region 1 (Mabaruma sub-district) on the concept and use of National Standard Treatment Guidelines for Primary Health Care. Developed with SCMS support, the new guidelines are the first in the country to cover all public health areas.
4. Conducted ARV and RTK annual review and forecasting. The revised national ARV forecast covers the next five years through December 2015, moving pediatric second-line regimens from ABC and DDI-based to TDF/FTC and AZT+3TC-based..

Haiti

Emergency Orders/Stockouts: In October, Manual CD4 kits were stocked out due to the supplier's delayed delivery. SCMS placed an emergency order to replenish stocks.

Key Clients: USAID, CDC, COAG, MSH/SDSH, Aids Relief, GHESKIO, FOSREF, POZ, Centers for Development and Health (CDS), International Child Care (ICC), Partners in Health (PIH), Family Health International (FHI), CHAI, PAHO/PROMESS

STTA: Technical assessment and needs quantification for the national blood safety program; assessment of Haiti's medical waste situation, a joint effort by USAID, CDC and SCMS; field office managed procurement (FOMP) review; cholera; warehousing.

Key activities:

1. **Participated actively in the national response to the cholera outbreak with various activities throughout the quarter:** providing commodities from existing stock; procuring

emergency products; receiving and distributing commodities for USAID, USAID Office of U.S. Foreign Disaster Assistance (OFDA) and other USG agencies; creating and maintaining a database of the availability of essential cholera-response commodities, including gap analysis; and participating actively in strategy elaboration and national logistics coordination with MOH and all stakeholders involved in the response. Also, we identified a list of essential products to form a kit (SCMS cholera package, or “SCHOPAC”) that includes enough supplies for 100 patients, and initiated distribution to over 30 sites selected by USAID.

2. **Conducted a successful review of all local procurement completed to date and provided FOMP training**, which will allow procurement staff to take on additional activities and responsibilities.
3. **Completed and submitted the OI drug supply plan for the current fiscal year to the PMO for review.** To calculate COP11 budget estimates, completed forecasting for ARVs, OI drugs and laboratory commodities. COP11 figures project the commodity budget plateauing at about 14 million dollars.
4. **The OFDA purchased and shipped 25 cholera kits for 400 patients into Haiti**, of which 20 kits were sent to PEPFAR partners through SCMS. A delivery “blitz” was organized from December 6 to 18, during which 17 of the 20 kits were delivered with 10 SCMS-designed SCHOPAC kits. The last three cholera kits were delivered the following week—one by truck and two by helicopter from the World Food Program (WFP)—to two islands off the west and north coasts of Haiti. This was made possible with the support of USAID and OFDA and the joint efforts and logistics resources of another MSH project (Leadership, Management and Sustainability). Four more SCHOPACs were delivered later in December, bringing the total to 29 kits since late November. In total, completed 54 emergency deliveries to 45 sites in December.
5. **Completed 205 regular deliveries in December:** 21 ARV deliveries to 13 sites; 54 OI drug deliveries to 43 sites; and 130 lab deliveries to 74 sites. Also executed 10 Global Fund voluntary pooled procurement (VPP) dispatches to eight sites.

Challenges:

1. Political tension dramatically increased in November and remains high, jeopardizing a TA mission in the north. Since election day, the likelihood of violence is rising due to a new surge of cholera in Port-au-Prince (a WHO projection).
2. Due to the cholera epidemic, delays in implementing programmed activities will impact our performance for the foreseeable future. One activity that will be delayed is the EDT and EMR interface implementation at 25 sites.
3. The warehousing and cholera support consultants remarked on the urgent need to manage and optimize existing space in the Haiti warehouse due to the volume and complexity of stock being managed. SCMS will recommend new approaches to improve the space and ensure best practices are observed.

Results:

1. Despite the political and violent turmoil December 6–10, our distribution teams (SCMS and LMS) braved the dangerous roads and were able to hand-deliver 10 cholera kits from OFDA and 10 SCHOPAC kits. Some staff were blocked in areas outside Port-au-Prince for more than a day, but refused to turn back until they completed their distribution assignments.

Kenya

Emergency Orders/Stockouts: No stockouts reported

Key Clients: USAID, CDC, The National AIDS and STIs Control Programme (NAS COP), Division of Leprosy, TB and Lung Diseases (DLTLD), National Blood Transfusion Services (NBTS)

STTA: None

Key activities:

1. **Led a session on opportunities for integrating laboratory services** during the MOH's laboratory stakeholders' forum. The purpose of the forum was to share best practices and reports on laboratory-related activities, define the laboratory partnership framework and strengthen sustainable laboratory services. The meeting's outcomes will help guide the integration of laboratory services for overall health care system strengthening throughout the country.
2. **Participated in the technical forum on early infant diagnosis (EID) activities.** Discussions focused on current EID service access, capacity of the polymerase chain reaction (PCR) testing centers, the need for additional PCR testing equipment, key programmatic issues regarding test result turnaround time and the existing systems' efficiency. Only 50 percent of infants exposed to HIV have access to EID testing services, and increased coverage to 80 percent is needed.
3. **Helped review/update the Kenyan National Guidelines on Antiretroviral Therapy for children and adolescents** to accommodate the WHO recommendations adopted in June 2010. This is the fourth review of the Kenyan ART guidelines, which will drive the administration of ARV therapy for children and adolescents for the next year
4. **Initiated discussion with CHAI about transitioning UNITAID-supported procurement of CD4 and EID laboratory reagents to SCMS.** UNITAID funding for pediatric diagnostic reagents is ending, with limited bridge funding for 2011. We will assess the current status summaries for CD4 and EID reagent programs from CHAI and its pipeline to plan for the first national procurement of these products through SCMS

Results:

1. Delivered containers of blood collection commodities worth over \$1.1 million, which will be used to provide safe blood collection for over six million patients undergoing blood testing and screening.
2. Delivered 500,000 RTKs for the HIV testing campaign during the 2010 World AIDS Day. These RTKs were delivered to NASCOP-designated SDPs committed to providing HIV testing and counseling to 500,000 new clients during the campaign period.

Mozambique

- **Emergency Orders/Stockouts:** AZT 240 ml oral solution for PMTCT stocked out in November due to GF Round 6, Phase 2 delays. SCMS has been assisting CMAM in communications with Global Fund to resolve the problems causing the delays.
- EFZ 200 mg stocks also extremely low due to import process delays; this drug, used for the pediatric regimens, is mainly supplied by CHAI.

- MSF (Doctors Without Borders) donated several ARVs to CMAM, providing some relief to the existing ARV shortages until larger quantities arrive from SCMS emergency orders and VPP shipments.
- An SCMS shipment containing 120,000 packs Lam/Zid/Nev was received by CMAM in November.
- SCMS issued a request for quotation (RFQ) for the emergency procurement of small quantities of some 100 different items at CDC's request, following training by the American Society of Microbiology. The training has increased demand for reagents in two hospitals that are not part of the network serviced by SCMS-funded resupply. Products are expected to arrive in February 2011.
- An SCMS shipment of 208,000 packs of Lam/Zid/Nev arrived in Mozambique, representing 1.5 months of consumption. This will be sufficient to cover the gap until the arrival of VPP shipments funded by Global Fund (estimated time of arrival, March 2011).
- CHAI EFZ 200 mg shipments arrived, and this product's availability has now stabilized.
- To respond to a stockout, CDC asked SCMS to procure microbiology reagents for the Central Hospital and José Macamo Hospital in Maputo. We issued the tender, evaluated offers and forwarded them to PMO headquarters for approval as the tender involves non-local vendors.

Key Clients: USAID, CDC, CMAM, Laboratory Section DAM/MISAU (MOH)

STTA: Warehousing management training and mentoring (Beira and Zimpeto) and organization of the active distribution pilot in Gaza Province.

Key activities:

1. **Reorganized Zimpeto central warehouse staff into specialized receiving, inventory control and dispatch teams**, each focused on a specific aspect of product flow through the warehouse and each managed and oriented daily by the warehouse manager and an appointed team leader.
2. **Following USAID's decision to close down HAI organization in Mozambique**, CDC asked SCMS to include 13 new HAI instruments in the PEPFAR-supported instruments network for reagent and consumable supply. Thirteen new laboratories will receive timely deliveries of these reagents and consumables from now on.
3. **Began updating OI and STI drug supply plans for 2011 to 2015.** SCMS collaborated with CMAM to collect stock-on-hand and distribution data from central and provincial warehouses and hospitals and prepare a consolidated supply plan update for commodities to be procured by CMAM, SCMS, Global Fund and CHAI.
4. **CDC requested that SCMS procure laboratory equipment, reagents and consumables for an HIV epidemiologic and behavior survey** to be conducted between March and November 2011. Initiated procurement for this Behaviour Sentinel Survey and launched the tender, and the client, National Health Institute, approved the purchase of HIV BED control cards and IT equipment (UPSs and surge protectors).
5. **Finalized the 2011 maintenance plan for all 97 PEPFAR-supported instruments** (hematology, biochemistry, CD4) with the pharmaceutical supplier "Tecnologia Hospitalar e Laboratorial Moç. LDA (THL)."

Challenges:

1. Global Fund disbursement delays and the shortages they have caused have led to large volumes of Global Fund products arriving concurrently, putting pressure on CMAM's storage, control and distribution capacity. SCMS has proposed reorganizing ADIL warehouse to create more

space, as well as having the bulk of the stock held at the South Africa RDC and shipped into Mozambique in smaller, staggered consignments.

2. Warehouse-in-a-box was successfully tested with the installation of a 12 m x 4 m warehouse in Chokwe. However, the warehouse was broken into almost immediately after installation, fortunately before any medicines were being stored there. SCMS is working with the supplier to upgrade the security features before any future installations.

Results:

1. Global Fund's Round 6, Phase 2 grant was approved after a year of combined effort of CMAM, SCMS and other development partners. These funds will guarantee three months of Efavirenz and AZT solution and the replenishment of other HIV commodities to levels between the designated minimum and maximum. SCMS inputs included supporting the quantification and gap analysis, calculating subsequent adjustments occasioned by delays in funding, revising the procurement and supply management plan and assisting with formulating responses to questions raised by Global Fund throughout the process. SCMS has been instrumental in supporting CMAM, the principal recipient, in coordinating GF-related activities with the larger donor and implementing partner community.
2. With the installation of SIMAM in Niassa (the last province to begin SIMAM implementation), CMAM achieved its target of having SIMAM installed and operational in all provincial warehouses by the end of 2010. CMAM is now in a position to determine actual volume moving among the provincial warehouses and district stores to more accurately analyze the freight logistics required to support the supply chain. SCMS developed and funded the training required for this, as well as the support visits to provinces required to keep the system operating.
3. All laboratory reagents and consumables are now managed through MACS, which allows MOH to get reliable central stock-on-hand data and product entry and issues reports. All expired reagents and consumables were eliminated from the system, providing a clear picture of viable stock on hand.
4. All expired product (approximately 300 tons) accumulated over many years has been removed from the Beira central warehouse and destroyed, freeing up considerable space for the proper storage of viable product. The removal and destruction process has also begun at the Maputo central warehouse ADIL complex, with approximately 50 tons being removed (representing approximately 10 percent to 15 percent of the total expired stock there).

Namibia

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: Ministry of Health and Social Services (MOHSS)/Tertiary Healthcare and Clinical Support Services Division/Pharmaceutical Services Sub-Division/Central Medical Stores (CMS), MOHSS/Regional Medical Stores, MOHSS/Primary Health Care Division/Community-Based Health Care Unit and Food & Nutrition Unit, Namibia Institute of Pathology (NIP), VCT partners (IntraHealth, DOD/I-TECH, Namibian Blood Transfusion Services), PACT

STTA: None

Key activities:

1. **Improved security of the CMS fleet by installing satellite and GPS truck-tracking equipment** in CMS's four current vehicles, and procured additional units for new trucks on order. The equipment will enable CMS to better monitor vehicle use and provide increased

security by reporting on departure and arrival times, time spent off-loading supplies, kilometers covered and real-time location data.

2. **To facilitate integration of SCMS and SPS activities**, staff of both projects worked with several organizational development consultants. At the organizational level, we confirmed reporting lines and organizational structures and agreed to a mission statement. All individuals completed assessments of their verbal and reasoning skills and leadership potential, as well as a self-assessment of work style and approach.
3. **Submitted an environmental impact assessment report to the Ministry of Environment and Tourism (MET) for a new incinerator** at the central level, after engaging a specialized environmental impact assessment (EIA) consultant in July 2010. The new incinerator will replace the existing incinerator at the Intermediate Hospital Katutura, which has been in service since 1972 and operates inefficiently, producing visible black smoke on a daily basis. The new incinerator will serve the medical waste incineration needs of the public and private sectors in Windhoek.

Challenges:

1. Additional testing at North-West University of carbamazepine 200 mg tablet samples procured by MOHSS again resulted in failure. To follow the necessary processes, SCMS provided TA to the Registrar of Medicines in drafting a letter to inform the manufacturer of the failure.

Results:

1. Compiled and analyzed data on ARV price trends between 2007 and 2010, comparing year-on-year local (CMS) versus international price reductions for ARV medicines used in Namibia's first- and second-line regimens. The analysis shows that between 2008 and 2010, the prices CMS paid for commonly used first-line ARVs have fallen by an average of 25 percent, enabling Namibia to put more patients on ARVs at the same budget level. This analysis exemplifies SCMS's overall message that clients in Namibia and elsewhere should do what they can to reduce the cost of treatment, particularly in an environment of flat-lining budgets.
2. Submitted to MOHSS a strategy for applying ARV management success to all essential medicines. ARV stockouts over the past several years have been extremely low, and MOHSS would like to apply lessons learned to management of all essential medicines.
3. Procured and installed heavy-duty pallet racking in five storerooms at the CMS, replacing quick-pick shelving and creating 328 additional pallet locations. This new racking fully optimizes all usable space in the existing stores. Additional racking was needed to prepare for growing numbers of ART patients as a result of increasing the CD4 threshold for treatment to ≤ 350 cells/ml from ≤ 200 cells/ml.

Nigeria

Emergency Orders/Stockouts: No stockouts reported.

Key clients: USAID, DOD, CDC, ICAP, UMD IHVN, HARVARD APIN +, CRS/AR, CHAN/NiCAB, Jhpeigo, Federal Ministry of Health (FMOH), National AIDS and STI Control Program (NASCP) and Food and Drug Services (FDS), National Agency for the Control of AIDS (NACA), National Blood Transfusion Service (NBTS), Pathfinder, PFD, URC, Vanderbilt, Population Council

STTA: M&E training

Key activities:

1. **Trained 17 participants from 10 PEPFAR implementing partners (IPs) on Quantimed and PipeLine 5.0** to build their capacity to use these quantification and supply planning tools for ARV and co-trimoxazole forecasts. At the end of the training, participants used the software to determine their FY 2011 orders, which are being reviewed by SCMS and the USG team.
2. **Trained 23 mid- to senior-level staff from Government of Nigeria (GoN) and USG IPs in strengthening supply chains through monitoring and evaluation.** The participants, drawn from disease programs such as HIV, TB and malaria, are responsible for monitoring, evaluating, planning and implementing activities to strengthen the supply chain at the highest level within their organizations.
3. **Continued to support FDS in establishing a data center in the CMS.** Conducted a joint visit with FDS to assess the facility designated by the CMS for data center hosting. The report on the visit (which should be ready in January 2011) will inform future actions.
4. **Completed the local vendor database** to allow for an efficient and objective monitoring of local vendors' performance. Regular analysis of vendor performance data will enable SCMS to identify areas of improvement, an important factor as field office managed procurement activities continue to increase.

Challenges:

1. In October the U.S. Embassy (acting on the Ministry of Foreign Affairs' advice) asked that commodities being imported no longer be addressed to the Ambassador through the diplomatic channel. As a result, commodities imported by PFSCM will be subject to normal customs procedures unless there is action to update the U.S. Mission bilateral implementing partners list. This situation prevailed throughout the quarter, but we were able to get clearance on a case-by-case basis for all planned shipments.

Results:

1. Took delivery of 82 tons of ARVs as Q3 ARV requirement for the PEPFAR program, in line with the supply plan. The ARVs will be distributed to the IPs after being verified, and a receiving report will be prepared according to standard procedures.

Rwanda

Emergency Orders/Stockouts:

- MIS difficulties at CAMERWA affected visibility into stock movements, which in turn delayed the 2010–2011 needs quantification and thus the annual procurement process for lab commodities, resulting in orders placed late. To avoid a stock crisis, all initial deliveries originally meant for July 2010 were ordered on an emergency basis to ensure the quickest delivery. This included syphilis TPHA test kits, which CAMERWA omitted in its initial requisition.
- Placed emergency orders for Vironostika HIV test and blood-collecting needles, both to cover gaps due to delivery delay by other vendors contracted by PFSCM.
- Processed emergency orders locally to fill the gap caused by a vendor delay in supplying Vacutainer needles and EDTA blood collection tubes.

Key Clients: CAMERWA, MOH, TRAC Plus (Treatment and Research AIDS Centre), National Reference Laboratory (NRL), Coordinated Procurement and Distribution System (CPDS), Pharmacy Task Force (PTF), National AIDS Commission (CNLS), PEPFAR Implementing Partners (FHI, ICAP, EGPAF, Intrahealth, CRS, Drew University), CDC, USAID, E-Health Group, MOH

STTA: MIS, field office managed procurement, quality assurance

Key activities:

1. **At the Government of Rwanda's request, met with USAID and CAMERWA's Director General to identify activities that could be transitioned** from SCMS to CAMERWA beginning in COP11. Identified two areas for immediate transition: operating the warehouse management system and active distribution. A third area, commodity procurement, was raised as a potential transition area over the next two to three years. Part of SCMS's memorandum of understanding (MOU) with CAMERWA is to prepare it to become a direct recipient of USG funding. As part of this process, USAID is also conducting a fiduciary assessment of various government entities in Rwanda, including CAMERWA, during COP10.
2. **Developed an Excel-based quantification model for the PMTCT program** in response to the TRAC Plus PMTCT department's request. This tool was tested and presented to colleagues on the CPDS quality committee. It was validated and recommended to be used when quantifying ARV drug needs for the PMTCT program for the ninth CPDS. With the recent revision to PMTCT guidelines, ARV treatment in the PMTCT program has moved from being a "determined duration treatment" to "chronic," or "long duration treatment." This means the increase in number of mothers joining the PMTCT program will be incremental. To be able to forecast accurately, we developed this Excel-based quantification model, which addresses the complexities of the current PMTCT guidelines and reflects current data availability.
3. **Implemented a sustainable minilab training program at the National University of Rwanda** and a minilab screening program at CAMERWA at MOH's and CAMERWA's request to improve quality assessment systems for pharmaceutical products. Trained seven staff from the Government of Rwanda (GOR) and its partner institutions CAMERWA, PTF, BUFMAR, LABOPHAR, LADMET and RBS in the use of minilabs and a technique for physical inspection of health commodities.

Challenges:

1. Averted imminent lab stockouts resulting from a delayed CAMERWA request. The request was delayed due to a lack of stock movement visibility because of a poorly functioning MIS, as well as delayed delivery of existing orders from the PMO. We worked with the client, suppliers and PMO to place and manage emergency orders, kept CAMERWA updated with daily communications, and worked diligently to manage expectations.

Results:

1. CAMERWA's warehouse transformation project went live. After months of extensive planning, testing and preparation, the new SAGE L500 system went live at CAMERWA on October 19, replacing MACS. Initial feedback from the client has been extremely positive.
2. The ARV, PMTCT, OI drug and lab commodity quantifications were finalized. We worked with the CPDS quantification committee to quantify, forecast and develop a commodities supply plan to support the HIV/AIDS program from July 2011 to 2012. We also worked with CPDS, CAMERWA, TRAC Plus and NRL to produce the quantification report to be submitted by mid-February to the CPDS resources management committee for approval before CAMERWA and SCMS can begin procurement.
3. CAMERWA staff have been using the new integrated Sage Line 500 system for all their sales, purchasing, warehousing, inventory and finance needs for last seven weeks, and the system meets user requirements. Staff have created around 3,000 sales orders and more than 200 purchase orders in the system since it went live in mid-October.

4. Sales, purchasing, inventory and finance were closed for December in SAGE L500, and there was a difference of 2.45 Rwandan Francs due to rounding issues. Before Sage was implemented, it was impossible to reconcile these functions.

South Africa

Emergency Orders: No stockouts reported.

Key Clients: USAID, National Department of Health (NDOH), South African National Defence Force (SANDF), CDC

STTA: None

Key activities:

1. **Received sign-off from USAID on the Round 4 purchase order**, which brings the total spend to date to over \$65 million for ARV commodities in the South Africa procurement program. This order procures a significant quantity of Tenofovir 300 mg tablets to support the new treatment guidelines for the ARV scale-up program in South Africa, as well as two pediatric syrup commodities needed at the facilities.
2. **Delivered over 100 pallets of ARV commodities stored at the local distribution center (LDC) to the Gauteng depot.** The ARV stock was held for weeks at the request of the depot during October stock count completion and required three deliveries over a two-week period to move this vast quantity of stock.
3. **Hosted visit from Joel Kuritsky, MD, medical advisor in USAID's SCMS Division.** Dr. Kuritsky gave an update on the USAID focus on building country ownership and sustainability. He complimented the SCMS program, which has successfully increased availability of ARVs and built supply chain management capacity to deliver the commodities to PEPFAR countries. Dr. Kuritsky also met with the NDOH and discussed its challenges in rolling out the South Africa ARV scale-up program with limited clinical resources and complex integration needs.

Challenges:

1. SCMS and Strides' local and international leadership in South Africa addressed the "distressed caps" packaging quality incident and agreed that defective containers will be put aside and returned for full replacement. SCMS has so far identified 183 out of 203 units in batch #7210674 as defective, and those will be returned from the LDC to Strides. We informed NDOH that any defective containers already at the provincial depots or facilities should be returned to the LDC.
2. Frequent late deliveries and slow sampling processes distort the expected delivery timelines to the depots and increase the cost of storing commodities while awaiting sample release. SCMS drafted performance charts highlighting vendors unable to meet promised dates and sampling periods. The GSC team will present the data to manufacturers and work with them on improving timelines.
3. The red zone time period presented multiple challenges, with ports closing and the VAT office unavailable for exemption requests from December 10, 2010, through January 10, 2011. We worked with clearing agents to process urgent requests for shipments arriving during the red zone and worked with manufacturers to ensure laboratory sampling was not held up for containers arriving in early December.

Results:

1. The LDC received the first ocean shipment under USAID procurement Round II (116,000 units) in September. SCMS worked with MOH to procure the commodity requirements with sufficient lead time to allow for ocean shipping. This is a significant change from USAID procurement Round I, in which shipments were delivered by air (25 purchase orders resulted in 75 shipments). The ocean shipments are consolidated, palletized and packed by batch in a refrigerated container. In addition to the significant cost saving in using ocean shipment, consolidation provides many advantages, from reducing the number of handling points, which reduces the potential for damage, to maintaining a more secure chain of custody from the manufacturer to the LDC.
2. Communicated with provincial depots to recall Lamivudine 150 mg that was identified as having packaging quality issues relating to “distressed caps.” The Western Cape depot complied by returning 13,889 units, to be replaced by Strides.
3. The Minister of Health announced a significant reduction in the South Africa ARV tender pricing on December 14, 2010. The Minister stated that “The high prices [being paid by South Africa] that I was concerned about had been confirmed by our international development partners.” SCMS has consistently shown that the costs of ARV commodities procured under the USG program were 50 percent to 60 percent below the price of those commodities purchased under the previous South Africa ARV tender pricing structure. SCMS’s work facilitated the achievement of moving South Africa ARV prices much closer to international ARV pricing standards, with a 53 percent reduction overall, enabling the government to treat twice as many patients in the next two years.
4. SCMS successfully applied for the VAT refund on the purchases of SANDF commodities and received a \$1.3 million refund from the South African Revenue Service. USAID will advise SCMS on how to apply these funds for procurement in 2011.
5. To accommodate the increased number of ocean containers arriving in South Africa containing SCMS stock under procurement Round III, we opened a new 25,000 m² warehouse to provide significantly more pallet space in the LDC for storing and packing USG ARV commodities. This new warehouse provides 1,200 locations for SCMS stock, 200 more than the original 1,000 locations.

Tanzania

Emergency Orders/ Stockouts: No stockouts reported

Key Clients: Ministry of Health & Social Welfare (MOHSW), National AIDS Control Program (NACP), Medical Stores Department (MSD), Pharmaceutical Supplies Unit (PSU), Centers for Disease Control and Prevention (CDC), United States Agency for International Development (USAID)

STTA: MIS, Warehousing, Procurement

Key activities:

1. **In collaboration with Government of Tanzania trainers, trained 690 health care workers** from 356 newly accredited facilities in how to manage HIV/AIDS commodities and record essential data crucial for central-level decision-making. Participants received basic training on key logistics issues and learned how to complete various data collection tools used for managing HIV/AIDS commodities. SCMS’s continued efforts to improve the logistics system aim to instill sustainability in Tanzania’s HIV/AIDS commodity management system.

2. **Presented “as-is” warehouse business process mapping** to identify warehouse operational challenges and opportunities to MSD. MSD staff plan to use this approach for enterprise resource planning (ERP) implementation activities. The new ERP is expected to greatly improve MSD’s inventory and distribution management operations and the quality of service to its customers.
3. **Conducted a debriefing on the outcomes of the ARV logistics system assessment in Zanzibar.** Attendees included representatives from Zanzibar AIDS Control Program (ZACP), International Centre for AIDS Care and Treatment Programs (ICAP), CMS and MSD. SCMS conducted an assessment of the Zanzibar ARV logistics system to identify strengths and gaps to improve commodity management.
4. **Initiated a local procurement pilot of 45,000 tins of co-trimoxazole from the local manufacturer, Zenufa.** This consignment will be delivered in three shipments, beginning in December with 15,000 tins. Local procurement of this drug will greatly reduce lead time, making it possible to more effectively avoid product stockouts.
5. **Initiated planning for the procurement of three pre-fabricated warehouses.** The warehouses will expand MSD’s storage and distribution capacity in the Dar es Salaam, Dodoma and Mbeya MSD zones. This procurement and assembly project is funded by USAID and Global Fund, and the project’s implementation is a collaborative effort among MSD, SCMS and Global Fund.
6. **MIS advisors completed preliminary project activities for the MSD ERP project.** ERP information systems provide a fully integrated approach to supporting all end-to-end business processes for an organization.
7. **Organized EPICOR ERP software training for MSD staff.** In preparing for the new ERP system implementation at MSD, we delivered a tailored orientation on the system to 10 MSD staff. This training included site visits to observe current implementation of the EPICOR ERP. The first phase of the ERP implementation project is planned for January 2011.

Challenge:

1. Supplier delivery delays have created shortages of key ARV drugs, including Efavirenz and pediatric drugs, resulting in the rationing of available stocks. Consignments due to arrive in January 2011 are expected to remedy this situation.

Results:

1. Delivered two prefabricated clinics to MOHSW, the first two of eight planned to be delivered and installed. Use of these clinics is expected to increase the patient treatment and product storage capacity of the national HIV/AIDS treatment program.

Uganda

Emergency Orders/Stockouts: No emergency orders placed or stockouts recorded in November. In August, a \$5 million emergency order was placed with a PEPFAR-funded donation to cover Global Fund Round 7, Phase 2 delays. The last delivery for this procurement arrived in November.

Key Clients: Uganda Ministry of Health, National Drug Authority, Inter-Religious Council of Uganda, Joint Clinical Research Council, Joint Medical Stores, Northern Uganda Malaria, Tuberculosis and AIDS Program, Uganda Peoples Defence Force/Department of Defense, Makerere University/Walter Reed Project

STTA: None. Note: From June to September 2009, SCMS transitioned its TA portfolio to the bilateral SURE project. Since then, SCMS's mandate has been to focus exclusively on providing procurement services to USAID and other USG partners as requested by USAID.

Key activities:

1. **Extended the warehousing and distribution contract that expired at the end of October with the Joint Medical Stores (JMS)** at a lower rate than the existing contract. JMS provides warehousing and distribution services to seven of SCMS's nine partners and had been doing so at a rate of 8.5 percent of the supplier CIF price (INCO Terms 2000). In November, the contract was extended until April 1, 2011, at 7 percent of the FOB price (INCO Terms 2000).
2. **Placed three ARV orders totaling nearly \$130,000** as part of SCMS's regular pooled procurement from the supply plan that provides ARVs for some PEPFAR partners. Two of these orders (totaling approximately \$46,000) are for the Joint Clinical Research Council, while the remaining order (totaling approximately \$81,000) is for the Makerere University/Walter Reed Project.
3. **Received first order for male circumcision kits.** Additionally, Makerere University/Walter Reed Project (MUWRP) used non-SCMS funds to place an order with SCMS to procure 500 male circumcision kits. The shipment is expected to arrive at the end of January.
4. **Received an order from the Joint Clinical Research Council (JCRC) to procure 6,600 bottles of Tenofovir 300/Emtricitabine 200/Efavirenz 600 mg,** an alternate first-line ARV. The order is expected to arrive in April 2011.

Challenges:

1. Global Fund Round 7, Phase 2 delays in August resulted in the disruption of ARV procurement for public sector health facilities. SCMS averted stockouts by managing the procurement of a PEPFAR-funded ARV donation estimated at about \$5.5 million.
2. Due to long lead times of branded products (18 to 22 weeks), delivery of Darunavir 300 mg (Prezista), a salvage therapy medication procured by SCMS for JCRC, was delayed; there is no generic equivalent for the third-line options SCMS procures for JCRC. These long lead times were not meeting the client's immediate needs. However, the most recent PQ issued had a lead time of 11 weeks, an improvement from the previous lead time of 22 weeks. The SCMS procurement team is continuing to work on getting better lead times.

Results:

1. Made the last delivery of the emergency PEPFAR donation to cover Global Fund delays, consisting of adult first-line ARVs worth \$1.3 million, to the National Medical Store and Joint Medical Stores.
2. Delivered ARV commodities worth \$2.26 million from mid-November to early December, which ensured uninterrupted ARV treatment for over 65,000 patients in treatment.
3. Delivered ARV commodities worth \$3.66 million for the period of mid-November 2010 to early December 2010. The ARVs will ensure uninterrupted ARV treatment for over 65,555 patients.

Vietnam

Emergency Orders/Stockouts: No stockouts reported

Key Clients: Vietnam Administration for AIDS Control (VAAC, within MOH), USAID, Clinton Foundation, Central Pharmaceutical Company #1 (outsourced warehousing/distribution function)

STTA: Distribution

Key activities:

1. **Helped the national TB program (NTP) develop a distribution plan for second-line TB drugs.** NTP is beginning to procure and distribute drugs for multi-drug resistant (MDR) TB. Procurement of these drugs will be challenging due to complex protocols and relatively short shelf life. USAID has requested that SCMS assist NTP in developing distribution plans for the initial shipment, which arrived mid-October to the first seven sites.
2. **Participated in the quarterly review for procurement planning, with increased efforts to build VAAC capacity.** SCMS provided only the raw data for PEPFAR procurement planning to VAAC staff, who performed a group data analysis and planned SCMS's next procurement; we did not provide accompanying procurement recommendations. SCMS continues to advocate for a national forecast and quarterly national procurement planning meetings.
3. **Provided training to support of expansion of both ART and methadone maintenance therapy (MMT) sites** to increase patient coverage. SCMS provided ART training to new dispensers using the dispenser self-learning modules at two new ART sites that began receiving ARVs. SCMS and VAAC/Drug Administration of Vietnam (DAV) provided training to five new MMT sites, supported by World Bank and Global Fund, on narcotics management and dispensing, as well as storage and reporting requirements.
4. **Provided TA for mapping and costing of supply chain activities.** A technical expert in supply chain logistics worked with CPC 1 and VAAC to cost out the current distribution model and map current and planned sites for ARVs and methadone. This information will be used to compare actual costs of a national distribution system (air versus land) and provide a basis for using a more cost-effective alternate model.

Challenges:

1. VAAC is limiting our site visit requests to provinces on our current license, which hinders our ability to provide site support to some PEPFAR sites. We continue to work with PACCOM (the group within the government that supports INGO licensing) to increase the number of provinces on our license.

Results:

1. Delivered four continuing education workshops for 271 dispensers from PEPFAR sites across the country. This year's curriculum updated dispensers on PEPFAR's ARV treatment status, the new national HIV/AIDS treatment guidelines, and drug interactions and adverse drug reactions in HIV/AIDS treatment. The trainings also focused on improving the quality of ARV monthly reports and OI drug supply and management.
2. The Vietnam Union of Friendship Organizations, a Government of Vietnam department responsible for the management of all international organizations, presented SCMS/MSH with a plaque for our "significant contributions to poverty reduction and development in Vietnam" at a ceremony held at the Palace of Friendship..

Zambia

Emergency Orders/Stockouts:

- Three central-level ARV stockouts in October due to an unexpected increase in consumption of Abacavir 240 ml, Lamivudine 150 mg and Lamivudine/Stavudine 30/150 mg at the service delivery level. Six lab stockouts resulted from product expiry were resolved by November.
- In early December, Nevirapine 200 mg tabs were stocked out and Triomune 30 was predicted to have only one month of stock at MSL. These stock imbalances were due to a delay in Global Fund disbursement for Round 4 Year 5 and delayed GRZ shipments. SCMS placed emergency orders for these products; Triomune 30 was replenished on December 1 and a shipment of Nevirapine 200 mg was received on December 13. The stockout rate as of December 2010 for laboratory commodities was 2 percent.

Key Clients: USAID, CDC, Ministry of Health (MOH), CIDRZ, NGO, Mission Hospitals

STTA: None

Key activities:

1. **With CHAI, adjusted orders to avert stockouts of ARVs and lab commodities**, bringing forward shipments that were to be delivered in early 2011 to avoid further stockouts resulting from unexpected consumption increases and expiries at the service delivery level. These shipments will now be delivered in November 2010.
2. **With USAID | DELIVER PROJECT, continued to provide TA to the GFATM principal recipient, UNDP, in logistics and supply chain interventions.** The two projects supported UNDP in developing procurement plans for lab equipment, HIV tests and essential medicines for Round 4, Year 5 and Round 8, Year 1 funding cycles. This support is essential for procurement coordination in anticipation of signing of the grant agreement between GFATM and UNDP.
3. **Reviewed quantification figures for male circumcision commodities.** The exercise compared figures in the MOH MC strategic document with the SCMS-supported forecasting activity. We synchronized the two figures and identified funding gaps. In the meantime, SCMS continues to support the procurement of MC kits and other surgical consumables to support the scale-up plan. To date, SCMS has placed five purchase orders for reusable MC kits (option 2) and consumables, for delivery in December.
4. **Conducted five pre-service trainings for graduating biomedical science students in partnership with UNZA and three biomedical colleges.** We trained 119 students drawn from Evelyn Hone College, Chikankata College of Biomedical Sciences and Ndola College of Biomedical Sciences in the laboratory logistics system. The training provided the lecturers who had been trained the opportunity to practice adult training methodologies in the areas of supply chain and their core training competencies. SCMS provided guidance and quality assurance during these trainings and was satisfied with the lecturers' output.

Challenges:

1. The delay in the signing of the grant agreement between UNDP and GFATM for Round 8, Year 1 continued through October and November, creating supply challenges that require SCMS to adjust orders and place emergency orders.
2. The GFATM's newly designated PR, UNDP, confirmed receipt of funds from the long-awaited Round 5 submissions. However, lack of clarity on the exact time period for delivery of agreed-upon supply plans continues to create supply challenges that require SCMS to adjust orders.

3. The lack of an MOH procurement plan for essential medicines is hindering SCMS's ability to determine which OI drugs to procure.

Results:

1. Completed a seven-year procurement plan for lab reagents to support ART, which is now available.
2. Prepared and finalized a 2011 procurement plan for laboratory, HIV test and ARV commodities and submitted it to the PMO for inclusion in the global SCMS supply plan. These supply plans contribute to SCMS's global efforts to quantify commodity requirements and secure low-cost, quality products.
3. Submitted the HIV/AIDS commodity security (HACS) strategy document to MOH for approval and launch. Once launched, the HACS strategy will aim to ensure availability of key HIV-related commodities when and where they are needed.

Zimbabwe

Emergency Orders/Stockouts: Emergency order for INsti tests for MOHCW. SCMS placed an emergency order to cover expired product.

Key Clients: Ministry of Health and Child Welfare (MOHCW), Logistics Sub-Unit (LSU), NatPharm, USAID, Global Fund, Clinton Foundation HIV/AIDS Initiative (CHAI), European Commission, ECHO, DFID, EGPAF, Tuberculosis Capacity Project (TB CAP), WHO

STTA: LSU ARV ordering and distribution system redesign, LMIS and training curriculum for Zimbabwe ART distribution system, Zimbabwe ART Distribution System (ZADS), LMIS and Training Curriculum.

Key activities:

1. **Helped LSU redesign and strengthen the ARV ordering and distribution** in preparation for increased numbers of sites and patients. The number of service delivery points supplied directly by LSU has increased from 99 in 2006 (providing treatment to 40,000 patients) to 380 in mid-2010, including 163 sites supplied directly by LSU (providing treatment to 265,000 patients). With support from partners, the number of sites and patients is expected to continue growing in the coming years.
2. **With USAID | DELIVER PROJECT, assisted MOHCW and NatPharm in conducting an in-depth assessment** of the management, financial, equipment, architectural, warehousing, information and distribution systems to support the vastly increased quantities of commodities projected to be managed over the coming years. The two projects presented their recommendations to MOHCW senior management and the NatPharm board of directors in October before a stakeholders' workshop was convened to review the recommendations for possible funding.
3. **Supported the HIV/AIDS Treatment and Care (ART) team at MOHCW's AIDS and TB unit** with the following activities:
 - **Contributed to the Zimbabwe National HIV and AIDS Strategic Plan for 2011-2015**, mostly to the section on HIV care and treatment, which covers treatment, community and home-based care (CHBC), nutrition, laboratory services and logistics. The aim is to ensure universal access to quality care and treatment services for people living with HIV.
 - **Facilitated the committee meeting for implementation of revised national ART guidelines.** The main discussion focused on the advocacy and communication strategy for

the new guidelines on treatment of adults, adolescents and children, PMTCT and infant feeding. Objectives of the communication strategy include promoting early HIV testing and treatment, supporting implementation of the revised HIV treatment and prevention guidelines and minimizing confusion and negative feedback around adoption and implementation.

- **Conducted support and supervision visits to the ESP-supported districts to assess gaps, strengths and opportunities for implementing services.** Major gaps included training of health workers in all components of care and treatment and linkages between the different programs within the health facilities and between the health facilities and the community.
 - **In collaboration with the DPS Supply chain Management Advisor and other stakeholders, participated in updating the Zimbabwe essential medicines list (EDLIZ),** specifically the chapters on management of common opportunistic infections and ART. These sections are now aligned with the national ART guidelines. This is used by health workers at all levels in the public and private sectors.
4. **Supported MOHCW DPS in organizing and chairing the harmonization task force meeting** to promote harmonization and synergies among MOHCW, NatPharm, ZNFPC and their partners for storage and distribution of essential drugs, malaria and TB commodities.
 5. **Along with USAID Zimbabwe health team leader, met with the Minister of Health, Permanent Secretary of Health, NatPharm Board Chairman, NatPharm Managing Director and Directorate of Pharmacy Services representative** to receive the joint MOHCW and NatPharm response to the draft NatPharm Systems Development Roadmap report prepared with USAID | DELIVER PROJECT in September 2010. SCMS then began recruitment for a NatPharm Systems Development Roadmap coordinator. SCMS will make various suggested changes to the report, and MOHCW will circulate the report to all other supply chain partners.

Challenges:

1. GF did not approve Zimbabwe's request for \$170 million for HIV and \$50 million for TB. Because the first GF Round 10 shipments were expected start arriving in 2012 and 2013, the decision will not have an immediate impact on commodity availability; however, this decision represents a setback for medium-term ARV commodity security. SCMS will help MOHCW reassess the supply situation and design different programmatic and funding options during the upcoming annual quantification update (early February).

Results:

1. At the November meeting of the Procurement and Logistics Subcommittee (PLS), LSU presented HIV/AIDS commodities stock status and quarterly performance indicators to key MOHCW units and partners. Targets are being achieved or exceeded: stockouts of standard first-line adult and pediatric ARVs were 0 percent and 1 percent, respectively; reporting rates and on-time reporting rates were 99.2 percent and 82 percent, respectively; and total number of patients on ART by the end of October was 283,000.
2. Collaborated with the LSU and NatPharm to distribute ARVs and Fluconazole to ART sites throughout the country. In December in the northern region 83 percent of sites were reporting on-time with an overall reporting rate of 98 percent. Despite ongoing economic challenges, MOHCW continues to achieve full availability of ARV regimens and now distributes ARVs to 169 treatment sites countrywide.

5. Innovations

Innovative approaches that have shown good progress include:

- SCMS established a process for testing rapid test kits and non-proprietary laboratory reagents. This challenging initiative gathered pace, with further samples collected and the samples drawn in the previous quarter being successfully tested by the University of Maryland.
- The inclusion of supply chain education modules in higher education qualifications for pharmacists and other health professional in Zambia continued with 119 students.
- In Tanzania locally manufactured essential drugs were successfully tested at the Muhumbli University in Dar es Salaam to provide QA support for local procurement. This initiative in Tanzania is a pilot application of new approaches to local procurement of pharmaceuticals, which, if successful, will be rolled out to other countries with an appropriate size local pharmaceutical industry to support the sustainable supply of quality assured affordable essential medicines.

The disposable adult male circumcision (MC) kit developed with partners from CDC, Johns Hopkins University, USAID, WHO and others is increasingly being recognized as the standard for scale up of major MC programs. WHO has referred implementers to SCMS as the experts in supply of MC kits and associated products. Demand is now growing rapidly, and the project is sourcing new suppliers with appropriately rigorous QA and sterility processes. This important innovation is making a new market for this kit; the identification of multiple suppliers has helped lower the cost of the kits from \$21 to between \$12 and \$16. The project has also developed standard guidance of management of medical waste from MC programs and lists of associated equipment and commodities to implement large scale MC programs.

USAID agreed small-scale dedicated funding to improve the search capability of the existing SCMS e-catalog. The new functionality will improve the search experience for clients and SCMS field offices, reducing the time necessary to agree the specification of products for procurement. Well defined supply requests reduce the risk of error and the time needed to identify the specific product required and qualified suppliers. This initiative aims is to both improve the customer experience and efficiency and cost within the SCMS procurement system.

The linked initiatives Warehouse-in-a-box and Clinic-in-a-box to provide a turnkey solution for the supply, delivery, installation, training and handover of new facilities as one package are gathering momentum . We are seeing an increase in inquires, orders and deliveries in Mozambique, Nigeria, Tanzania and Zambia. Other countries with infrastructure challenges are also expressing interest, and we anticipate that as experience and satisfaction grow this innovative solution could expand rapidly as a quick and reliable solution to systems under strain.

6. Objectives for January – March 2010

SCMS 		Project-wide Workplan TO3 FY2011, September 30, 2010–October 1, 2011	
Activity	Deliverable	Target Deadline	Progress
1. Global Supply Chain			
Procurement:			
Development of grade/stage structure to track achievement level in each	10 countries operating at or above a grade two level, 7 countries operating at or above grade three level, 3 countries graduated	Ongoing	In progress.
Quality Control:			
Meet Operational QC Objectives for all commodities			
Draft policy papers and issues for USAID and country programs	Policy Paper	3/14/2011	In progress.
Management Information Systems:			
Upgrade Knowledge Tree	Latest maintenance release implemented	3/31/2011	In progress.
MIS System Documentation	Agreed to list of documents	1/14/2011	Complete.
Orion Documents		3/1/2011	In progress.
Xroadz Documents		3/1/2011	In progress.
Field Office Connectivity Upgrade: Deployment of WAN Acceleration Solution	Trip Report, Technical Review Report	2/28/2011	In progress.
2. Health Systems Strengthening			
In-Country Supply Planning/Forecasting Technical Assistance:			
Ensure that 12-month supply plans and issue of associated PRs/PQs for ARVs, RTKs and lab supplies are submitted on a timely basis	Quarterly supply plan updates (12 ARV, 10 RTKs, 10 Lab.)	12/15/2010, 3/15/2011, 6/15/2011, 9/15/2011	Mar. 2011 in progress.
In-Country Warehousing and Distribution Technical Assistance:			
Develop a global technical assistance framework for strengthening warehousing and distribution capacity of in-country supply chain organizations at all levels, that includes technical assistance policies and	Warehousing and distribution strategy document	3/31/2011	In progress.

procedures			
Field Program Support from PMO to enable countries to achieve HSS objectives:			
With USG, partner projects (such as DELIVER, SPS) and field define the elements and sub-elements of sustainable in-country supply chains to be measured	Elements, sub-elements and indicators of sustainable in-country supply chains developed	3/15/2011	In progress.
Revise, disseminate and implement STTA SOPs to country offices and PMO staff	Revised STTA SOPs	2/28/2011	In progress.
3. Global Collaboration			
Global Collaboration:			
Act as Technical Secretariat to Coordinated Procurement Planning Initiative			
Manage funding early warning system			
Collect and analyze financial data	Quarterly updates to Steering Comm	12/31/2010, 3/31/2011, 6/30.2011, 9/30/2011	Mar. 2011 in progress.
Report to OGAC on ARV deliveries to PEPFAR Implementing Partners in FY10	Report to OGAC	2/28/2011	In progress.