



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



Quarterly Performance Report

January–March 2011

May 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 10), procurement and distribution statistics (Section 3, page 12), progress in countries (Section 4, page 16), innovations (Section 5, page 37) and objectives for the coming quarter (Section 6, page 39). The programmatic milestones in Section 2 and objectives in Section 6 are taken from the project workplans provided to USAID.

Key statistics for the life of the project, from October 2005 as of March 31, 2011, are as follows:

- US\$761 million in products delivered to clients, accounting for 8,834 deliveries
- 49 countries received shipments of HIV/AIDS commodities
- 95 percent of ARVs (by volume) delivered by SCMS from October to December 2010 were generics, a slight reduction from the exceptionally high figure in the previous quarter, but still a very high percentage of generics
- 28 countries received technical assistance in such areas as quantification, warehousing and distribution, laboratory logistics, quality assurance and management information systems (MIS)
- 593 technical assistance assignments completed
- Three state-of-the-art regional distribution centers (RDCs) are operational in Ghana, Kenya and South Africa
- No counterfeit products detected in the SCMS global supply chain

Highlights from the quarter:

The most critical single challenge throughout the quarter was the deteriorating situation in Côte d'Ivoire due to the post-election political crisis. Our country director and USAID Mission counterparts remained in Accra, Ghana for the entire quarter. Due to worsening violence, national staff worked from home for much of the quarter unless their work was deemed essential by the acting country director and only if travel was considered safe. In March we had to close our office, which was subsequently ransacked and is now unserviceable. At the time of writing some normality is returning, and we have been able to resume shipments into the country, although most technical assistance activities are still suspended. Our staff are safe, although one staff member was wounded in a shooting when his vehicle was stopped by police. He is recovering well, we understand.

The project has also continued to respond to the outbreak of cholera in Haiti—a response that involves almost all project units in sourcing, purchasing and delivering essential products. The response is now expected to take another 18–24 months, and we are in detailed discussions with USAID and CDC on the services that will be required from SCMS. Meanwhile, our usual HIV/AIDS-focused services have continued as planned, although the uncertain political situation has caused some challenges, and areas of the country are still dangerous.

1a. Global Supply Chain

SCMS delivered US\$68 million (up from US\$61 million in the previous quarter) worth of commodities through 580 shipments to clients. At the end of the quarter, on-time delivery was at 66

percent of deliveries reaching clients within 14 days of the SCMS promised date. This metric continues to suffer from delayed vendor delivery. SCMS is addressing this problem directly with the vendors concerned to improve performance. Timeliness of ARV deliveries from SCMS RDCs was 100 percent on time within 14 days in January and March and only dipping to 92 percent in February, showing the impact of the RDC solution in overcoming vendor delays.

South Africa (\$17.7M), Nigeria (\$8.3M) and Zambia (\$7.4M) were the top three recipients of deliveries by value. RDC stocks stood at \$20 million at the end of the quarter, a small increase from the previous quarter, but very much in line with the increased size and strength of our forward order book.

Successes

- Obtained improved ex-works pricing from two eligible Lopinavir/Ritonavir 200/50 mg manufacturers, saving about 7 percent compared to the current SCMS blended price.
- In January, worked with field offices to complete nine ARV supply plan updates. These new 12-month plans will support stocking decisions and timing of SCMS orders to vendors.
- SCMS staff celebrated USAID's change in guidance regarding procurement of essential drugs, including those to treat opportunistic infections (OIs). We can now purchase these medicines from manufacturers approved by WHO for their compliance with good manufacturing practices (GMP) or manufacturers approved by the WHO Prequalification of Medicines Programme.
- In Kenya, we initiated procurement of reusable and disposable male circumcision (MC) kits worth over \$1,300,000 that can be used to circumcise up to 178,000 men.
- Updated e-catalog is now available online at <http://scms.pfscm.org/scms/ecatalog>. The catalog now includes detailed descriptions of three different MC kit options available through the catalog. SCMS is also now indicating in its core ARV list which products can be used for pediatric treatment.
- In March we completed procurement of US\$33M for Round V of the South Africa ARV bridging project, issuing 65 orders to six vendors and saving \$800,000 based on prices for similar drugs in previous rounds.
- On-time delivery of adult MC kits is at 100%. In South Africa, we delivered 30,000 urgently needed MC kits within three weeks of receiving the client order. A significant portion was obtained by redirecting 19,000 kits that were meant for Swaziland, where the implementation has not yet gone to scale. We are currently in the final stages of vendor contract negotiations with additional suppliers; we hope to have an indefinite quantity contract (IQC) signed by summer 2011. We have also been able to negotiate lower MC pricing, down from \$19–21 at the beginning of the program a year ago to \$11.97–\$16.30 currently.
- In South Africa issued Round V procurement of the \$110 million ARV bridging project at the request of the South African National Department of Health. This procurement represents 65 orders to six vendors for 12 ARVs with a value of \$33 million. The cost of Round V is about \$800,000 less than the estimated cost (based on prices of previous rounds). Price reductions came through negotiations and enlarging the vendor pool (South Africa gave approval for new Medicine Control Council for generic manufacturers which hold U.S. FDA approval). Orders were spread across several manufacturers to obtain best value and make use of all available capacity.

Challenges

- Importation to Nigeria continues to be hindered by customs regulations requiring case-by-case approval. Resolution of this issue will depend on action from the newly arrived US Ambassador.
- We have seen an exponential rise in demand for Nevirapine 10 mg/ml as a result of the new WHO PMTCT guidelines stating newborns should receive Nevirapine over the entire nursing period, with orders from Uganda, Côte d'Ivoire, Mozambique and Zambia.
- Air freight capacity out of India is becoming strained as we enter the country's peak season (March through May). We will continue to increase use of ocean freight to minimize delays.
- Orders of Alere Medical (Determine test kit) were delayed about three weeks in March due to the crisis caused by the tsunami and nuclear power plant. Shipping restarted during the month, and Alere has advised us that they have sufficient raw material stocks to meet current orders.

Things to watch:

- The impact of the new WHO treatment guidelines introduced in 2010 is producing contrasting reactions in the supply market. The active pharmaceutical ingredient (API) for Stavudine is produced at large multipurpose sites to reflect reducing demand. Manufacturers report that they are in the process of asking the FDA to approve site transfers to smaller-capacity API sites to facilitate scaling-down activities.
- SCMS indefinite quantity contracts with ARV manufacturers allow for yearly price revisions. Recently, we received and approved a few price increase requests from some manufacturers for a number of ARV medicines. We do not expect the price increases to impact the SCMS blended prices in the short term due to availability of alternative sources.
- As a continuous improvement initiative we are moving from a paper-based filing system for purchase orders to an electronic system worldwide. This will streamline process flows with the goal of a single internal filing system of all SCMS procurement in Knowledge Tree, our document management system, by June.
- Emergency activity appears to have increased in this quarter. In March, we reported close to US\$1 million in emergency deliveries to five countries from all three RDCs. Our offices in Côte d'Ivoire, Ethiopia, Mozambique, Rwanda, Tanzania, Uganda, Vietnam and Zambia all report either new emergency orders or concerns over stock levels. No single cause for the increase can be identified, and it is not clear if this indicates a trend or just a coincidence of distinct events.
- The South African ARV treatment program has about one million people on treatment and plans for rapid scale-up. The recent South African government tender, first reported on in December 2010, is valued at \$630 million and covers some 20–25 percent of the demand for ARVs worldwide. The change in allocating such large quantities can impact the market significantly. For SCMS, we do not expect a substantial impact on manufacturing capacity for finished product formulations, since most of the products for the South Africa tender awards are manufactured at different plants than those supplying SCMS. However, the impact on API supply may be more significant and we will continue to monitor the situation.

1b. Health Systems Strengthening

Activities and issues of note from the quarter include:

Successes

- In February, Botswana, Honduras, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Vietnam and Zambia presented their 2011 workplans to the PMO and COTR team. The

remaining country plans were reviewed in March. Data from the workplan presentations will be used as a baseline for measuring our progress and success between now and 2013 and for identifying best practices and innovations where countries can learn from each other.

- Developed a country risk mitigation strategy after considerable consultation between the PMO, Country Directors and the COTR team . The strategy calls for country directors to rank the risk level of activities in areas including the global supply chain, HSS, financial management, staffing, customer relationship management, harmonization with other supply chain projects, etc. These assessments will be reviewed quarterly with FPS and country teams to determine and implement actions necessary to mitigate identified risks.
- Our country programs reported a high level of training. In March alone, 10 countries reported major exercises that reached over 1,000 trainees in a single month. Zimbabwe reports three training programs reaching some 600 people.
- In Botswana, we demonstrated progress with two key audiences: First, a local “Open Day” event with the Ministry of Health (MOH) showcasing SCMS’s work attracted 45 participants, and a second event was held at the Central Medical Stores (CMS) later in the month with Ambassador Goosby.
- Also in Botswana, completed a performance framework that aligns program goals and objectives with strategic outcomes and performance measures. Also created a measures catalogue, which includes reporting requirements, a data collection map and performance plan. The performance plan is expected to guide country ownership and supply chain sustainability.
- In Ethiopia, we passed three important capacity-building milestones. SCMS handed over to counterparts at the Pharmaceutical Fund and Supply Agency responsibility for pharmaceutical delivery to 28 of 50 health facilities. Our local procurement team graduated to managing procurement of all non-pharmaceutical commodities from international and local suppliers. Stakeholders also completed five-year forecasts for HIV/AIDS, TB and malaria drugs.
- In Haiti, our ability to adjust to new situations and emergencies and manage them to our main client’s satisfaction enabled us to play a central collaborative role with USAID in deciding on the USG cholera response strategy and how to shift from an emergency response to a development activity. SCMS is expected to play a central role in procurement, technical assistance (TA) and monitoring for the next 12 to 24 months.
- In Mozambique, due to delays in disbursement of World Bank funds, SCMS will procure ARVs (first-line regimens) and rapid-test kits (RTKs) originally planned for procurement by the World Bank Health Commodity Security Project. This decision resulted from a coordinated procurement planning meeting between CHAI, MISAU (CMAM and GF unit), SCMS and USG.
- In Namibia, SCMS was appointed by the Ministry of Health and Social Services (MOHSS) to be a technical advisor to the Secretariat for the Integrated Public Health Laboratory Committee being established across all ministries and sectors to create a public health laboratory service. The service will strengthen public health laboratory systems and provision of all pathology labs nationwide.
- In Rwanda, completed delivery of Phase 3 of active distribution and route navigation for six new district pharmacies (DPs) that will come on board in Phase 4. With the Phase 4 rollout, 23 DPs (out of 30) will receive active distribution.
- In Tanzania, visited local major pharmaceutical wholesalers and manufacturers to identify local pharmaceutical sourcing opportunities for SCMS and other partners. As part of the groundwork for piloting local procurement of essential medicines, SCMS conducted site visits to 24 wholesalers, five manufacturers, the Tanzania Food and Drug Authority (TFDA), National

AIDS Control Program (NACP) and PEPFAR IPs procuring through SCMS, PASADA and vendors.

- In Zambia, moving forward with procuring several modified clinics-in-a-box (CIB) to increase district-level storage capacity. Over the past several months, SCMS finalized container specifications and short-term technical assistance (STTA) scope to perform assessments at each proposed CIB. These new facilities will provide low-cost storage modified for each site's specific needs.
- Zimbabwe passed an important ART landmark: The Ministry of Health and Child Welfare (MOHCW) announced that more than 300,000 patients (285,551 adult and 16,254 pediatric; total = 301,805) were receiving ARV treatment at the end of 2010.

Challenges

- In Zambia, continued delay in delivery of products under both Global Fund/UNDP and government procurement plans continues to put pressure on SCMS to place emergency orders. This affects SCMS procurement planning, as USG funding is increasingly spent on filling gaps in supply rather than following established procurement plans.
- In addition to the security challenges in Côte d'Ivoire detailed earlier in this report, a funding gap for urgently needed COP 10 ARV commodities remains. Following the Global Fund VPP procurement, revised the supply plan to reflect \$10 million in unfunded ARV commodities needed for delivery by July 31. Approval of the revised supply plan and an official request for SCMS or another donor to procure these commodities was delayed due to the political instability.

Things to Watch

- Country directors and the PMO support team are developing a strategic vision for 2013, using a logic model as a tool. The model describes logical linkages among program inputs (resources), activities, outputs, and short-, medium- and long-term outcomes related to nine specific technical areas (strategic planning and coordination, forecasting and supply planning, procurement, warehousing, etc.) and other topic areas (funding, staffing, best practices, etc.). We are currently working with the Performance Management Unit to develop impact indicators to establish baseline data and measures, against which we will regularly monitor our progress toward our defined outcomes.
- The Guyana USAID Mission will be closing and operating from a regional office; however, this is not expected to affect current PEPFAR contracts. SCMS is working with the Mission to agree continuing project activities based on current funding levels.
- USAID/South Africa requested SCMS provide technical assistance to develop a charter and start-up plan for the creation of a new Central Procurement Authority for the Department of Health. This is a major breakthrough and recognizes the pivotal role that SCMS has played in reshaping the ARV procurement landscape in South Africa, which has the world's largest ART program. This will be funded through use of the \$1.3 million in value-added tax (VAT) refunds recently reimbursed to SCMS by the South African Revenue Authority.
- In Nigeria, IPs continue to order significantly smaller ARV quantities than initially planned through the SCMS pooled procurement mechanism. We are working to develop more realistic procurement plans for IPs, reviewing historical procurements and triangulating with number of patients reported and number of patients per regimen.

1c. Global Collaborations

Successes

- The major collaboration effort is the CPP Initiative. The major activity was the pilot phase of country risk investigations in Angola, Burkina Faso, Cameroon, Mali, Mozambique and Zimbabwe. Outcomes of this pilot-phase investigation were presented to a steering committee meeting of the CPP in Geneva at the end of March. The varying degrees of success in these countries were discussed at length and next steps agreed. The steering committee recognized the unique role of CPP as a discussion and information forum to track funding challenges, and agreed that this should continue to be the focus of the initiative. Global Fund is also stepping up its activities in monitoring and managing funding risks. It is anticipated that CPP will be very supportive of GF's needs and actions.
- Throughout the quarter we worked closely with CHAI across a range of issues of common interest, including pediatric ARV, UNITAID transition and regimen optimization. Of particular note was a joint statement on coordination of orders for pediatric ARVs developed by CHAI and PFSCM. As reported elsewhere in this report we also agreed a methodology with CHAI to coordinate our respective ordering cycles for pediatric ARVs, where the low demand for a number of products present particular problems in creating orders that are commercial viable for the manufacturers.
- The OGAC FY10 survey of ARV deliveries was completed in record time. Results show strong generic use by almost all implementers, but savings are still potentially available for some purchasers, especially in South Africa. Total ARVs delivered in FY10 were \$204 million (a 5 percent increase over \$194 million in FY09), of which SCMS supplied \$124 million, equivalent to 60 percent by value and 63 percent by volume.
- Made a key presentation at the PEPFAR-sponsored Smart Investments Conference, showing savings in freight costs and through the purchase of generic ARVs achieved through SCMS pooled procurement for PEPFAR. SCMS has also been mentioned in several USAID and OGAC communications, including a speech by Ambassador Goosby at the PEPFAR Smart Investments Conference, a State Department DipNote blog, a PEPFAR fact sheet on smart investments, a story by the *Washington Business Journal*, a USAID tweet about the *Washington Business Journal* story and the USAID for Global Health Facebook page
- Attended and presented at the annual WHO AMDS Partners and Stakeholders Meeting in Geneva. The wide-ranging agenda included UNAIDS Treatment 2.0 initiative, Medicines Patent Pool and TRIPS flexibilities, lab procurement and managing and averting stockout risks. At the end of the meeting, Yves Souteyrand led a discussion on AMDS's future, focusing on unique activities that were of wider value to the HIV/AIDS community. Key areas mentioned included the global price reporting mechanism, the annual ARV forecast and meeting with manufacturers, and rolling out the recently agreed harmonized M&E indicators to support needed improvements in supply chains.
- Working with the COTR team, finalized the second release of the SCMS-reported stockouts and emergency orders report, covering the period of July through September 2010. The report's trends and causes were consistent with the previous report covering the 12 months through June 2010, but with increased values of emergency orders, to \$17 million in the quarter. On average, the project undertook 15 emergency actions per month, comprising emergency orders and other actions, such as advancing existing order delivery dates, moving stock within and between countries and arranging loans or donations of commodities to avoid stockouts.

Challenges

- During our visits and meetings in Geneva, it became clear that WHO is currently under intense funding pressure. Following the global recession and pressures on government spending worldwide, WHO has seen a reduction in member governments' contributions. A number of departments will be restructured, and we understand that approximately 200+ posts will be lost. This will obviously impact the work that WHO takes on as they prioritize their work to focus on their policy and research areas of comparative advantage.
- The Pre-approval Access for HIV/AIDS Therapies (PaATH) pilot study for accelerated registration process for new pediatric ARVs is at a critical stage after several months when progress was stalled. Two PaATH applications were recently submitted to Guyana. Janet Whitley will visit in April during the review process with Guyana drug regulatory authority.
- Collection of in-country data for the CPP is very challenging where one of the CPP partners is not represented on the ground by supply chain professionals already involved in monitoring supply risks. Without this level of locally available support, most countries do not have the means to collect the appropriate data, which is indicative of why countries have difficulty in managing their supply chains and become at risk of supply interruptions.

Things to Watch

- SCMS attended the launch of the African Society of Laboratory Medicine (ASLM), which aims to increase the quality of patient care through the advancement of medical laboratory practice. The ASLM will provide a unified voice to the African medical laboratory profession to advocate for improved regulation and funding, supporting accreditation, harmonization, and in general, raise awareness of the role of the medical laboratory within the health care system.
- On behalf of the CPP Initiative, SCMS as Technical Secretariat submitted a funding application for \$180,000 to UNITAID. Initial reaction is favorable from discussions held with UNITAID in Geneva. UNITAID requested revisions and additions; we will submit a revised application in April.
- At the WHO AMDS meeting, during a discussion on lab commodities, we suggested that an annual meeting with major lab and diagnostic suppliers, similar to that held with ARV manufacturers, could be a valuable additional activity. This proposal was supported by several other attendees and may make it onto the AMDS future activities list.

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:			
MC kits			
Create RDC stocking plan	Stocking plan	3/31/2011	Complete.
Map new countries and demand (assess capacity needed)	Report	12/23/2010	Complete.
Quality Control:			
Draft policy papers and issues for USAID and country programs	Policy paper	3/14/2011	Complete.
Management Information Systems:			
Upgrade Knowledge Tree	Latest maintenance release implemented	3/31/2011	Complete.
MIS System Documentation	Agreed list of documents	1/14/2011	Complete.
Orion Documents		3/1/2011	Pending.
Xroadz Documents		3/1/2011	Pending.
Field Office Connectivity Upgrade: Deployment of WAN Acceleration Solution	Trip report, technical review report	2/28/2011	Complete.
2. Health Systems Strengthening			
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	Dec. complete. Mar. complete.

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	Complete.
Develop a global human resource capacity plan	Plan developed	12/1/2010	Complete.
Revise, disseminate and implement STTA SOPs to country offices and PMO staff	Revised STTA SOPs	2/28/2011	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	Dec. complete. Mar. complete.
Report to OGAC on ARV deliveries to PEPFAR Implementing Partners in FY10	Report to OGAC	2/28/2011	Complete.

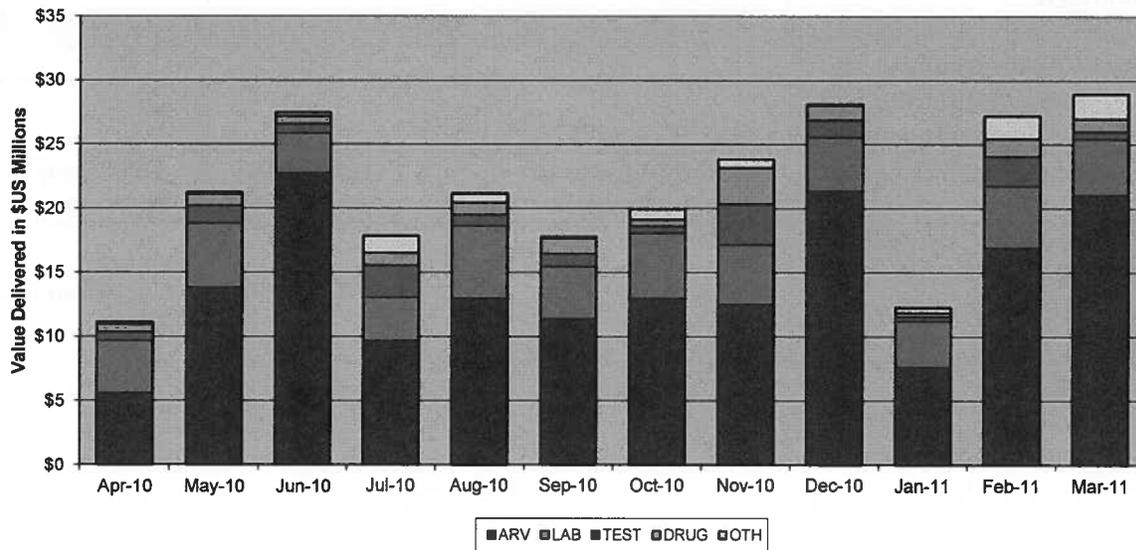
3. Procurement and Distribution Statistics

Value Delivered

	Jan-11 to Mar-11	Y6 to Date	Life of Project
ARVs	\$45,524,941	\$92,293,446	\$457,020,421
Test Kits	\$3,144,854	\$8,112,388	\$82,853,724
Labs	\$12,859,776	\$26,882,885	\$162,327,442
Essential Drugs (OIs)	\$2,660,314	\$7,214,065	\$38,685,197
Anti-malarial	\$48,555	\$48,555	\$265,263
Food by Prescription	\$1,082,095	\$1,779,739	\$3,186,774
Male Circumcision	\$2,255,699	\$2,892,696	\$3,246,951
Other	\$822,720	\$1,040,799	\$14,328,806
TOTAL	\$68,398,954	\$140,264,572	\$761,914,577

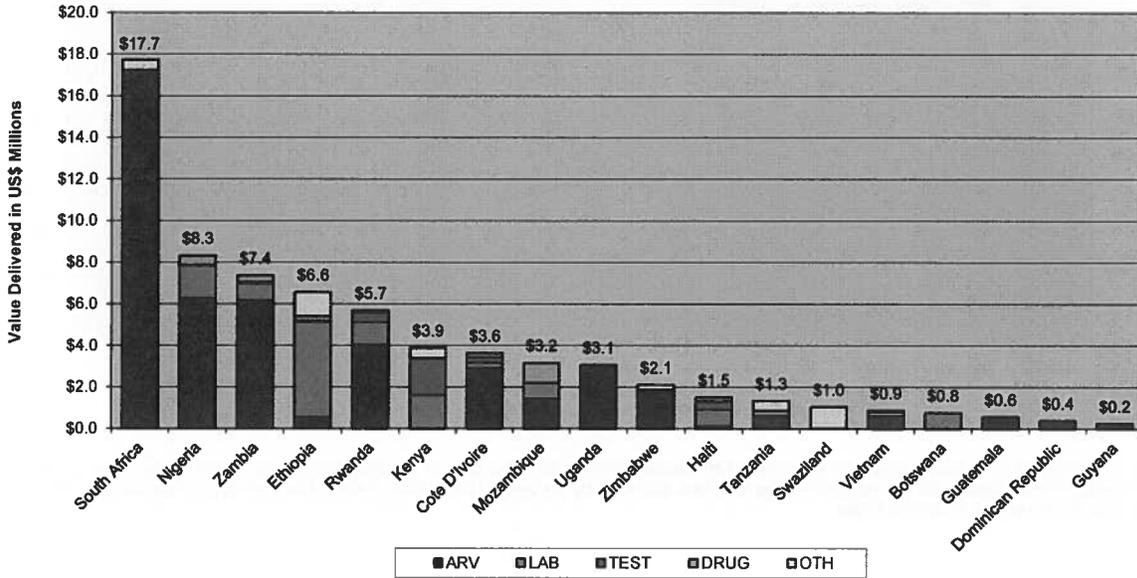
Value of commodities delivered by month (12-month trend)

Value Delivered by Month



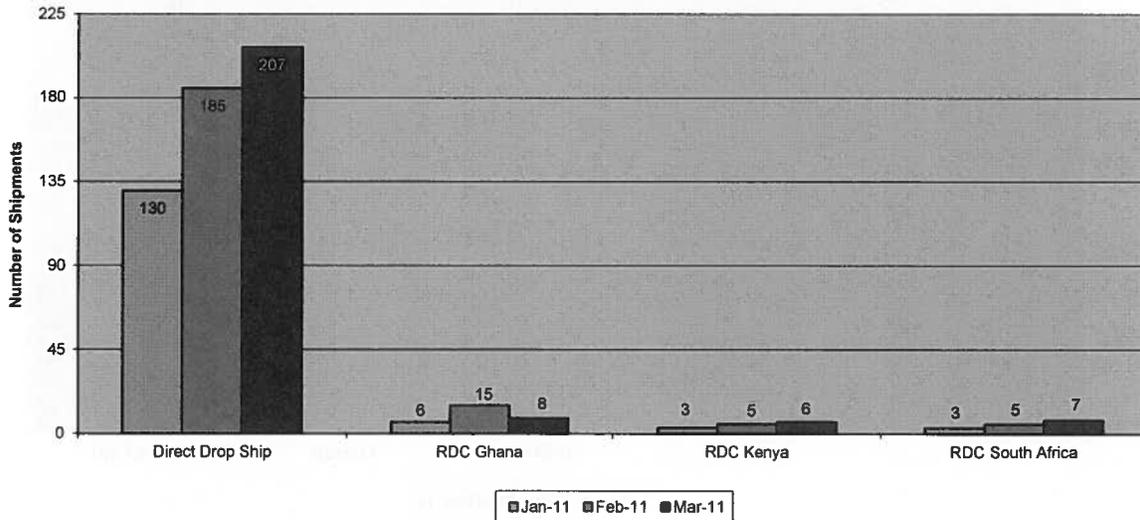
Value of commodities delivered by country = \$68,398,954.15

Value Delivered by Country

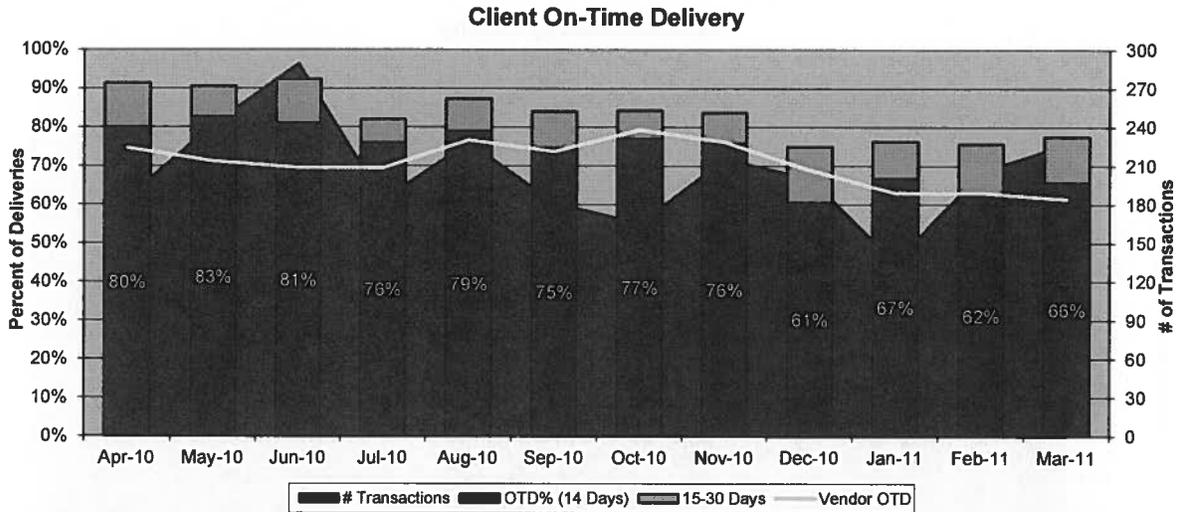


Number of shipments delivered by month

Number of Shipments Delivered

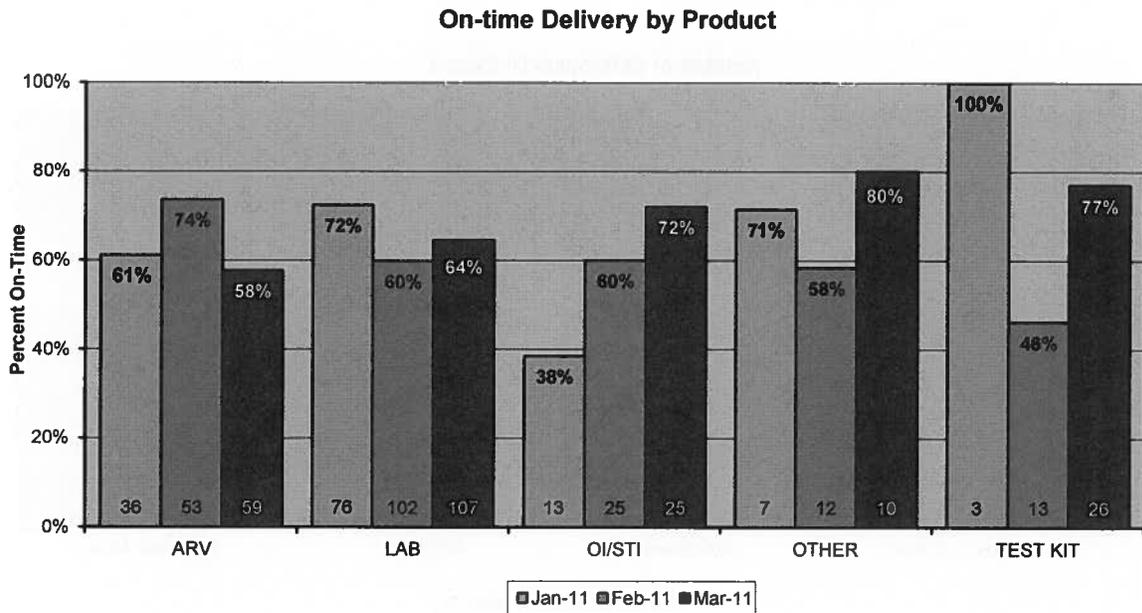


On-time delivery by month (12-month trend)



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 \$110 M, of which US \$32.78 M were for RDC stock and US \$77.22 M for direct-drop shipments.

Ordered categories: ARV \$71.63 M, OI drugs \$1.90 M, RTKs \$5.55 M, laboratory \$16.08 M, other items \$10.45 K, FP \$ 2.57 K, MC kits \$1.83 M.

Current amount of stock in RDCs as at March 31, 2011: US \$19.89 M.

The breakdown is as follows:

- Ghana RDC — US \$13.30 M
- Kenya RDC — US \$3.12 M
- Southern Africa RDC — US \$3.47 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: Drug Advisory Board orientation, Knowledge Sharing and Communications

Key activities:

1. **Continued CMS transformation project activities:**

- Submitted support service tenders to Public Procurement and Asset Disposal Board for vetting. These tenders will facilitate procurement of services required to improve operational efficiency.
- Conducted self-audit training as part of QMS (quality management system). This audit will provide information on current QMS status, including gaps and timetable for completion, to promote supply chain management process improvements that will facilitate sustainable commodity availability.
- Conducted training on management SOPs to strengthen supply chain management processes required for efficiency improvements to ensure continuous commodity availability.
- Conducted a CMS project review with MOH and BOTUSA to discuss successes and challenges in implementing the transformation project.
- MOH appointed warehouse staff and conducted interviews to recruit an IT manager. These recruitments will contribute to improving CMS efficiency and help ensure continuous commodity availability. Also completed development of procurement SOPs.

2. **Designed a medicines logistics system design in collaboration with the Drug Management Unit (DMU).** The new logistics system is expected to alleviate supply chain management challenges by making logistics data available for decision-making at all levels.
3. **Collaborated with the Ministry of Health, Botswana-Harvard HIV Reference Lab to train 21 CMS staff in managing CD4 and viral load commodities.** Participants received training in product identification, commodity minimum storage requirements and CD4 and viral load commodities logistics management.

Challenges:

1. Late submissions of lab logistic management information system (LMIS) reports affect information on patterns of demand and consumption trends, which guides decision-making on procurement, storage and distribution at MOH, CMS and service delivery points (SDPs). The field office is providing continual follow-up and mentoring by phone to instill a culture of timely reporting.
2. Delayed decision-making by MOH regarding senior staff appointments at CMS has significantly delayed the CMS transformation project. In March, agreement was finally reached and recruitment can begin.

Results:

1. Facilitated orientation of drug advisory board members, led by an expert from the Ghana Food and Drug Board, on business governance and operations and the development of operational guidelines to improve efficiency and effectiveness. This orientation will strengthen the drug advisory board's capacity to effectively register new drugs for use in Botswana by 2013, leading to availability of and access to a wide variety of alternative drugs. As part of the retreat, the board evaluated and approved 41 of 45 new drug registration applications, including ARVs.
2. Produced the ARV utilization report based on analyzed monthly data from ART sites for the period September–December 2010, enabling proper resupply decisions to be made.
3. Conducted an "Open Day" event, attended by 45 participants, to showcase SCMS's achievements in collaboration with MOH. Attendees included the Assistant Minister of Health, the US Ambassador and MOH's Deputy Permanent Secretary. Field office staff received accolades for their achievements. The event provided an opportunity for senior MOH officials and other partners to appreciate the critical linkages between CMS and other MOH departments, such as DRU, that support health commodity availability. The Open Day demonstrated the impact of SCMS work through MOH staff testimonial presentations, illustrating that country ownership and sustainability can be expected beyond SCMS.
4. Ambassador Eric Goosby, the US Global AIDS Coordinator, blogged about his recent visit to three African countries. In Botswana, he visited CMS, where SCMS is mentoring senior staff and will hand over facility management to build country ownership of supply chain systems. In the blog, he stated, "I saw how PEPFAR's impact has been enhanced through the Supply Chain Management System (SCMS), which enhances Botswana's supply chain and distribution for medicines and health commodities, advancing reliable and cost-effective practices."

Côte d'Ivoire

Emergency Orders/Stockouts: Central-level stockouts of Ritonovir 100 and Lamivudine/Zidovudine/Abacavir 150 mg/300 mg/300 mg occurred in January. Shipments of both products are en route. In the meantime, PSP-CI is supplying an alternate dosing of Lamivudine/Zidovudine/Abacavir.

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:

Throughout March, the rapidly deteriorating political, economic and security situation, which began after the November 28, 2010, presidential election, increasingly affected operations. Working with the Operating Platform in Accra, the PMO and the COTR in Washington, the in-country team focused only on work deemed essential by the Acting Country Director:

1. **Since PSP-CI was unable to distribute ARVs to many facilities due to the political crisis,** SCMS worked with PSP-CI to package ARV, OI and laboratory commodities for PEPFAR care

and treatment partners, namely Health Alliance International, ACONDA-VS, EGPAF and ICAP. Each partner then distributed the commodities in their respective regions. SCMS also sought the support of the International Red Cross and Red Crescent (IRCRC) to develop a distribution plan for medicines and other HIV/AIDS supplies to war-affected zones.

2. **Worked with PNPEC and Global Fund to place their urgent ARV order using the VPP mechanism**, then revised the supply plan through the end of 2011. Working with PNPEC, PSP-CI and CDC to approve the next order. Also collaborated with PSP-CI and PNPEC to place SCMS's laboratory commodity order to be delivered in June and September 2011.
3. **Worked with the National Program for Orphans and Vulnerable Children (PNOEV) to coordinate orphans and vulnerable children (OVC) drug use.** Though some OVC products have been delivered to sites, many of the OVC products first delivered by SCMS to PSP-CI in June 2009 are still in stock at PSP-CI. Some may expire if they are not used by June 2011. Worked with PNOEV to develop an SOP to encourage using these products for OVCs and held meetings to help facilities learn how to order, use and report on OVC product utilization.
4. **Worked with the MOH, including PSP-CI, Information, Planning and Research Unit (DIPE) and National Program for HIV Care and Treatment (PNPEC), to prepare and submit an integrated five-year National Strategic Plan (NSP) 2011–2015.** SCMS participated in a workshop to ensure the National Strategic Plan for Supply Chain (2009–2013) — drafted with SCMS TA — was incorporated into the NSP, which MOH validated.

Challenges:

1. The political crisis has affected normal operations, resulting in the increased likelihood of disruption in customs clearance and transit, a staff travel ban outside of the economic capital city of Abidjan and a TA restriction. As the situation continued to deteriorate, curfews were imposed, office closures became more frequent and prolonged and personal security became a major concern. The situation in Abidjan was dangerous, with one SCMS team member injured when police opened fire indiscriminately.
2. The banking industry is paralyzed, with no international banks open and local banks not accepting international wire transfers, which has impacted our ability to meet the March payroll and other financial obligations. Limited options are available to access cash funds to make these payments, and attempts to access these funds have so far been too risky to carry out.
3. SCMS temporarily closed its office the week of March 25 in response to the deteriorating security situation with continued fighting in the west of the country and the growing number of Abidjan areas affected by violence. While we recognize SCMS's crucial role in facilitating the supply of essential health commodities, staff safety comes first. We are continuously monitoring the situation and hope to reopen the office as soon as security improves.

Results:

1. In January, worked with PEPFAR/CI to procure three generic ARVs by obtaining a long-term waiver. SCMS requested that Division de la Pharmacie et du Medicament (DPM) provide an import waiver for three generics drugs — Atripla[®], Truvada[®] and Ritonavir — that are currently in the registration process. The patented formulation of Atripla and Truvada would have cost \$1.09 million and \$1.08 million respectively, but by obtaining the waiver for generic formulation, SCMS procured the two commodities with a savings of \$1.26 million, or 58.1 percent. In addition, Ritonavir from Abbott, Inc. is thermo-stable and costs the same as the cold-chain-dependent Ritonavir, thus facilitating its consumption.

Ethiopia

Emergency Orders/Stockouts: In January, placed an emergency order worth \$160,833 for Tenofovir Disoproxil Fumarate 300 mg.

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: Quantification training; laboratory logistics strategy; field office managed procurement audit, training and graduation

Key activities:

1. **Organized integrated pharmaceuticals management system (IPLS) supportive supervision training.** SCMS, PFSA and the USAID | DELIVER PROJECT are working closely to roll out IPLS at more than 600 health facilities. Various trainings were conducted throughout the quarter. To enhance IPLS internalization at SDPs in Amhara and Southern Nations, Nationalities and Peoples (SNNP) regions, SCMS trained 11 health professionals from 10 districts. We also presented an orientation on the importance of IPLS to 41 health center heads and logisticians from SNNP's Silte, Guragehe and Hadiya zones and Amhara's North Shewa zone to reinforce IPLS ownership at different levels of health management.
2. **Scaled up activities with the Gondar PFSA hub** as the warehouse embarked on distribution of HIV/AIDS commodities for the first time this month. Gondar hub took over responsibility from Bahir Dar hub for regular refill of commodities at 48 ART and PMTCT sites. SCMS provided a 500-liter capacity refrigerator for cold chain product storage. SCMS now supports all PFSA hubs in Ethiopia.
3. **Assembled and installed a mobile cold room with 24m³ storage capacity at the PFSA Mekelle warehouse.** This room will significantly increase the quality of cold chain products that the hub provides to health facilities. It will also help avoid the storage and waste problems associated with cold chain products. The warehouse used to store such products in refrigerators and cold boxes because of limited storage capacity; problems related to those substandard facilities led to multiple health facility complaints and compromised product quality.

Challenges:

1. The Ethiopian customs authority's new regulation that stripped out the tax/duty-free status of non-HIV pharmaceutical products resulted in increases in clearance lead times and storage costs and subsequent distribution delays to health facilities. Until the issue is resolved for the long term, PFSA decided to expedite clearance of such commodities by paying the required tax from MOH's budget.
2. The absence of a well-defined management system to synchronize activities from procurement to storage and distribution of short shelf-life products resulted in expiry of 90 calibrators worth \$14,000. Delays in notification of the calibrators' arrival to PFSA and some facilities' resistance to request and/or receive these products contributed to this wastage. A cross-functional team of procurement, quantification, lab and distribution units is working to address the problem.

Results:

1. SCMS and PFSA completed installation of a flat pack office consisting of 16 rooms and two restrooms at PFSA headquarters in Addis Ababa. The office cabin, which cost \$149,963, replaces the previous rather chaotic office setup and will help improve operations.
2. Nine additional health facilities are now on board to provide food-by-prescription (FBP) services in Addis Ababa. A starter stock of 1,583 cartons of Plumpy'nut with 150 sachets each was redistributed. Clinicians from these facilities are trained on FBP, and training for pharmacy staff will be completed by the end of the February. The total number of FBP sites supported by SCMS and Save the Children USA has now increased to 156, located in Tigray, Oromiya, Amhara, Harari and SNNP regions and Dire Dawa and Addis Ababa city administrations.
3. At the Jimma PFSA warehouse, SCMS staff handed over the responsibility of pharmaceutical delivery to health facilities to their PFSA counterparts. PFSA staff at Jimma will now handle pharmaceutical delivery to 28 of 50 health facilities previously managed by SCMS. This move is part of SCMS's new country ownership initiative.
4. Stakeholders completed the five-year quantification and forecasting launched in August 2010, agreeing on quantities of pharmaceuticals needed for HIV/AIDS, TB and malaria programs. The total forecasted value of drugs for the next five years is \$1,556,674,684, of which \$1,353,014,006 is for HIV/AIDS, \$48,946,518 is for TB and \$154,714,160 is for malaria. The forecast — officially endorsed by CDC, MOH, regional health bureaus, PFSA, USAID and other partners — is the first of its kind to integrate ARV, TB and malaria drugs.
5. After completing advanced field office managed procurement training, the Ethiopia field office procurement team is now managing all laboratory commodity procurement, ordering directly from local vendors and international vendors under SCMS's existing IQCs. This is a major achievement, demonstrating the team's proficiency in advanced procurement skills. In the last 12 months, the team has managed procurement of commodities worth \$18,221,332 on its own

Guyana

Emergency Orders/Stockouts: No stockouts reported.

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. **Mr. Weisenfeld, Senior Deputy Assistant Administrator for USAID's Bureau for Latin America and the Caribbean, visited the SCMS-managed Materials Management Unit (MMU) warehouse.**

He was accompanied by the USAID Mission Director and the Minister of Health, who led discussions on SCMS's key contributions in improving the national supply chain system and our significant impact on Guyana's health systems. A partners' meeting was held the next day with other USAID contractors. (See a picture of the visit above.)



2. **Updated key forecasts and supply plans and other related activities to ensure commodity security:**

- Validated the national ARV forecast for 2011 with key stakeholders, including the national AIDS program manager, care and treatment coordinator, director of the National Center for Treatment and Care, HIV care and treatment advisor, procurement manager, MOH's MMU, health sector development unit procurement officer and SCMS.
 - Completed revision of the ARV 24-month supply plan from January 2011 through December 2012, as required for the first quarter of 2011.
 - Completed the quantification technical report for ARVs and RTKs for 2011 and submitted to the PMO.
 - Completed further revision of the NBTS blood safety test kits following NBTS/MOH confirmation of new targets for voluntary blood donations for 2011 (10,000 units) and 2012 (12,000 units).
 - Revised the 24-month supply plan for RTKs using the forecast for parallel testing.
3. **Held the fifth Joint Donors Mission meeting**, with attendance from CDC, Global Fund, the European Union, International Development Bank (IDB), PAHO, the United Nations Family Planning Association (UNFPA) and USAID. MOH was also well represented (Food and Drug Department, Health Department Services unit, MMU, National AIDS Program unit and Georgetown Public Hospital Corporation). The Minister of Health provided a comprehensive keynote address that noted the criticality of implementation mechanisms such as Global Fund and PEPFAR in achieving development goals. The new MMU, funded by five different donors, served as an example of how that model of partnership could be extended to other areas of cooperation in the health sector.

Challenges:

1. As part of the process of harmonizing MOH procurement, the CDC will transition procurement of CDC-funded commodities from SCMS to MMU under the framework of its cooperative agreement with MOH. The transition will present a challenge as MMU gears up to take on this procurement, and it is further complicated by ongoing discussions regarding fund allocations, testing targets and forecasting needs under differing CDC and MOH scenarios. SCMS will continue to monitor this situation and supply plans to ensure a reliable commodity supply.
2. The USAID Mission in Guyana is one of six worldwide that will be closing to help reduce costs. USAID will administer its Guyana projects from one of its regional offices. This closing will not affect current PEPFAR contracts.
3. Delayed clearance of consignment of arriving commodities due to cancellation of the "Prior to Process" procedure by the Guyana Revenue Authority." The Prior to Process is a customs clearance procedure that gives priority to USAID-funded commodities for processing, resulting in customs clearance taking one to two days instead of two to three weeks. This has affected all government ministries, institutions and related organizations. SCMS has raised this issue with USAID and MOH.
4. Scheduled completion of construction on the new MMU warehouse has slipped three and a half months from the initial date of January 31, 2011, due to unusually heavy rains and contractor delays.

Results:

1. Completed the 2010 Guyana performance management report. SCMS implemented a performance management plan (PMP) in 2009 with the aim of improving the process of reviewing and assessing progress toward achieving project goals and objectives, as well as

informing decision-making and planning. Many of the indicators where external factors, such as lack of enforcement of prevailing policies, delays in approval by donors responsible for particular product procurement, non-compliance with national supply plans, weak monitoring systems, etc. that are negatively affecting field office ability to meet performance targets. Some indicators that are directly related and are fully under SCMS management, such as the order turnaround time, have remained and been sustained within their respective targets goals.

2. Completed the final draft of the MACS troubleshooting manual, which complements the MACS user manual and was developed by users. MACS users seem to experience several issues during the initial stages of MACS implementation that do not appear to be system related but rather functional user errors. The Guyana team plans to give the troubleshooting manual to new MACS users and share it with SCMS staff in other countries to facilitate improved system use.

Haiti

Emergency Orders/Stockouts: No stockout reported.

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: Support for cholera response, warehousing and quantification.

Key activities:

1. **Cholera response:**

- Continued distribution of laboratory and drug commodities at the Mission's request.
- Completed an assessment of the CDC warehouse in preparation for its use as the central storage location for cholera products.
- Participated in cholera strategy meetings at the national level with all stakeholders and implementers, moving us closer to a well-coordinated response at the national level. Co-organized a workshop with USAID for more than 70 participants — and assumed the secretariat role for the USG team and its partners (17 organizations) — to further establish the cholera response strategy. Next steps include finalizing the standardized national commodity list, conducting a quantification exercise and placing the next large order through SCMS on behalf of the USG team.
- In February, finalized quantification for the newly defined list of products for all USG partners for the next 12 months and submitted the list to the Haiti Mission for approval.

2. **Continued deliveries to all ARV sites** throughout the quarter, and numerous other deliveries to palliative care sites, cholera treatment centers and labs.

3. **Conducted a training of trainers (TOT) on stock management of laboratory commodities** for 23 participants from MOH's geographical departments (nine or 10 technicians), three from the National Laboratory and 11 representing eight major networks operating HIV programs across the country. The training built capacity within MOH and the local partners to conduct supervisory functions at lab sites and ensure proper stock management.

4. **Technical assistance:**

- As a core member of the MOH steering committee, participated in the re-launch of a pilot project to identify issues and propose corrective actions to an active distribution system in

collaboration with MOH, the Leadership, Management and Sustainability program, USAID and WHO.

- MOH requested that SCMS participate in the DPM to prepare a pharmaceutical sector assessment. Assessment findings will be used by the Ministry and major stakeholders to develop a five-year plan for the sector, including establishing a single logistics system

Challenges:

1. The sociopolitical situation remains unclear, and the potential for violence is always looming. This presents a major challenge for our distribution activities, jeopardizing activities and forcing us to concentrate resources on security and safety for our teams in the field and our products.
2. The cholera activities remain intense and require us to divert personnel for their management. We expect serious challenges in finding appropriate personnel to fill the new positions that are likely to be needed on very short notice.

Results:

1. With production of a complete list of cholera commodities and the subsequent first quantification to meet the needs of all USG partners, SCMS has moved forward in developing and applying a strong and unified USG cholera response strategy, effectively shifting from an emergency response to a long-term development activity.

Kenya

Emergency Orders/Stockouts: No stockouts reported

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

STTA: None

Key activities:

1. **Reviewed the present country portfolio of activities in consultation with the Mission.** SCMS will continue to procure laboratory equipment and commodities, including rapid test kits, until September 2013. Distribution of these commodities will no longer be a core SCMS function. Also, SCMS will propose a revised staffing and cost structure for the procurement unit that will allocate a more reasonable workload to staff to ensure the sustainability of SCMS's work.
2. **Initiated procurement of reusable and disposable male circumcision kits in February, worth over \$1,300,000 the kits can be used to circumcise up to 178,000 men.** Discussions with the MC task force on adopting disposable MC kits for use during voluntary MC activities have been going on for more than a year. Disposable MC kits will enable providers to supply quality MC services and enhance scale-up of Kenya's voluntary male medical circumcision program.
3. **Trained 30 laboratory staff from SDPs in the Nyanza province on commodity management practices** in collaboration with MSH/SPS. After a joint SCMS/USAID supervisory visit to the Nyanza Province, USAID requested that all key implementing partners in the region be trained on commodity management. The curricula covered commodity storage space, tracking and reporting tools, expiry tracking for key supplies of high value and short

expiry dates, regular stock and physical counting, proper record-keeping, commodity security for supplies and storage requirements.

Results:

1. Delivered over 158,000 kg of metal racks worth \$388,701 to Kenya Medical Supplies Agency (KEMSA) for its transition to a new and larger warehouse. Although MSH/SPS supported transfer of the racking system from the previous warehouse, additional racking was required to accommodate the larger space. KEMSA requested USAID's support in racking the additional space through SCMS procurement. The delivery and installation of racking at the KEMSA warehouse helps improve overall commodity management in the country.
2. Finalized preparations for this year's second quarter nationwide distribution of RTKs and other laboratory reagents (hematology, chemistry, CD4 testing) and related accessories. We will deliver nearly 1.8 million Determine tests, 750,000 Bioline tests and 23,000 UniGold tests in the second quarter. During this three-month distribution cycle, HIV testing will continue and counseling services will be provided to nearly 1.8 million clients at 4,000 facilities.

Mozambique

Emergency Orders/Stockouts:

- AZT 240ml oral solution for PMTCT stocked out in January. An SCMS emergency shipment of 1,170 bottles arrived to CMAM Maputo warehouse; 2,800 AZT bottles are in the final stage of the import process and procurement has been initiated for another 4,000 bottles. These shipments represent two months of stock and will allow for a smooth introduction of NVP 10 mg/ml to comply with the new WHO guidelines. The phase-in and scale-up of NVP 240 ml are dependent on GF-funded shipments (estimated time of arrive March 2011) and product availability through international manufactures.
- Stockout in March of Lamivudine 150 mg, mainly used in second-line regimens. The central warehouse is not observing first expired/first out (FEFO), which led to expiries and caused the stockout. SCMS expedited a shipment ordered from the South Africa RDC and CMAM is now processing clearance.

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. Quantification training.

Key activities:

1. **Recommended moving forward with expanding MACS implementation**, based on the December post-implementation review (PIR) of MACS,.
2. **Initiated procurements for USG-funded ARVs to be delivered during the second and third quarters of 2011, with a total value of \$7,651,440.** These shipments will ensure the availability of adult ARV treatment through the third quarter of 2011.
3. **Assisted the MOH Global Fund unit and laboratory section in resolving issues related to Global Fund Round 6 Phase 2 laboratory supply procurement.** SCMS worked with them on phasing of quantities and delivery dates, clarifying product descriptions and proposed substitution in areas where they are having difficulty identifying suppliers.
4. **Collected data and developed a comparative matrix for USAID on the status of CMS autonomy in Africa for selected countries** including Botswana, Burkina Faso, Côte d'Ivoire,

Kenya, Rwanda, Tanzania, Uganda and Zambia. This analysis will be used in discussions with the Minister of Health in conjunction with a more in-depth desk review that is ongoing.

5. **Acted as technical lead in a working group to begin updating curricula, materials and plan for a large-scale integrated logistics training effort** to be conducted as soon as the procedures manuals are printed (expected in June 2011). The working group is comprised of CMAM, USAID | DELIVER PROJECT and other PEPFAR implementers. As post-training application of acquired skills has been cited often as a problem among CMAM staff, a supervision guide is being developed to accompany the training materials focused on inventory control management, storage conditions, proper record-keeping and requisitioning.

Challenges:

1. Planned USAID-funded infrastructure developments (extensions for Zimpeto and Beira warehouses and a newly built warehouse in Nampula), originally due to be delivered September 2011, will now be delayed until closer to mid-2012. This will significantly impact 2011 workplans.
2. CMAM's lack of financial liquidity is making payment of Medimoc's clearance services difficult, which in turn is delaying the green light for shipping and important several Global Fund, USG-funded and CHAI shipments.
3. VPP-procured shipments scheduled to arrive over a 5- to 6-month period are being compressed to arrive in the next 2–3 months. This will create severe warehousing constraints and increase costs to CMAM.
4. Government of Mozambique-funded essential drug procurement is conducted annually in large single consignments. The 2009 procurements are arriving, overcrowding the Zimpeto warehouse, making stock management difficult. CMAM is working on a solution to dispose of expired stock to make more room; in the interim, stock control is vulnerable.

Results:

1. Implemented SIMAM at Maputo Central Hospital, an important step in the LMIS implementation process. Hospitals account for more than half of total drug distribution in Mozambique, and CMAM has identified LMIS installation in hospitals as a priority.
2. Submitted the annual activity report for preventive and corrective maintenance of the 97 PEPFAR-supported instruments to MOH. The report identifies maintenance/repair issues that need resolution and ensures scheduled preventive maintenance is conducted.
3. Completed full inventory, stock adjustment and MACS update for all laboratory commodities at CMAM Zimpeto.
4. Reorganized the local area network for Beira central warehouse onto a single server to promote staff information sharing and improve efficiencies. The warehouse manager can now access critical arrival information, dispatches and inventory electronically.

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: MIS assessment of Meditech system

Key activities:

1. **Assisted the MOH Directorate of Special Programs (DSP) in reviewing malaria stocks compared to reported cases.** DSP asked SCMS to recommend actions to address the significant expiry of Artemether-Lumefantrine tablets at CMS. Malaria cases have dropped an average 33 percent over the past five years, but it does not appear that product procurement adjusted to the drop, leading to product expiry.
2. **Held bidders meeting for installation of new incinerator on the grounds of the Katuru hospital.** Turnout was high, with more than a dozen representatives attending. Since all bidders must have local representation, bidding is expected to be highly competitive.
3. **Quantified and forecasted NIP's lab commodities for the first time with its MIS tool, Meditech.** Working with NIP, identified four reports in Meditech that can be used in combination as a forecasting and quantification tool: a procurement report, an issuing report, a stock-on-hand report and a test request report. Identified gaps in the system to be addressed in the upcoming Meditech STTA that will aim to automate forecasting, quantification and supply plan reports.
4. **Developed three STTAs to improve the use of MIS systems at NIP and two regional medical stores.** After identifying gaps in Meditech's use at NIP, began designing specific tasks for an STTA by Meditech to address them and promote efficient forecasting, quantification and supply planning. A similar exercise will be conducted to identify gaps at the regional medical stores for their Syspro enterprise resource planning (ERP) system.

Challenges:

1. The IntraHealth VCT program has some 57,000 RTKs valued at \$60,000 that will expire in the next few months. The overstock is the result of ordering kits for the National Testing Day and then later receiving additional kits directly from MOHSS. MOHSS is itself holding a significant number of kits with short shelf life. SCMS worked with IntraHealth to exchange some kits and testing items with NIP and MOHSS sites.

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: Procurement (prequalification of local vendors)

Key activities:

1. **Coordinated the quarterly PEPFAR logistics technical working group (LTWG) meeting,** to review PEPFAR IPs' ARV and RTK consumption data from the LMIS. SCMS provided feedback after conducting an analysis of consumption and stock status (based on current stock

- on hand and months of stock). This resulted in several commodity transfers among IPs to prevent stock imbalances (stockouts or overstocking) and wastages resulting from expiry.
2. **Updated the PEPFAR ARV and RTK supply plan and commodity pipeline** using quarterly data from PEPFAR IPs' ARV and RTK LMIS reports. Based on the updates, SCMS and our USG partners revised forward supply planning, thereby helping ensure uninterrupted product availability. SCMS will continue to monitor consumption trends to identify possible changes in consumption patterns that could influence procurement activities.
 3. **Conducted a vendor prequalification exercise** to improve all aspects of field office managed procurement (FOMP) activities. The exercise strengthened field office staff capacity to manage procurement (vendor prequalification, evaluation criteria, evaluation process, etc.) and gave preselected vendors information to enable them to improve their performance (on-time delivery, communications with the field office, etc.).
 4. **Updated the five-year national forecast (2012–2016) for ARVs and co-trimoxazole in March.** Stakeholders (CHAI, NACA, PEPFAR IPs and USG) reviewed and updated critical assumptions regarding ARV and co-trimoxazole requirements, including number of patients to be enrolled, number of patients per regimen and rate of patient switching from one regimen to another. This activity also served as a platform to (re)launch development of an HIV/AIDS commodity security strategy for Nigeria.
 5. **Assisted in the second round of the PEPFAR waste management drive** by supervising incineration of all expired HIV/AIDS commodities retrieved from USG-supported treatment sites and ensuring the commodities were properly destroyed according to USG regulations. Collaborated with AIDSTAR-ONE on this activity. PEPFAR IPs were present to observe.

Challenges:

1. The issue of importing PFSCM commodities through normal customs procedures has still not been resolved. The embassy, including the new U.S. Ambassador to Nigeria, is working to address customs clearance and duty waivers for USG-donated commodities, and has assured us that until a permanent solution is achieved, we may continue to use the diplomatic channel.
2. The Nigerian Embassy in South Africa has twice denied a visa to the vendor responsible for safety cabinet installation/recertification (based on invitation letters first from JSI and then from DOD). DOD has asked the Nigeria Ministry of Defense to issue an invitation letter.
3. SCMS does not have good visibility into PEPFAR IPs' ARV inventory and procurement processes. As a result, IPs order significantly lower ARV quantities than forecast through the SCMS pooled procurement mechanism. SCMS is addressing this by reviewing historical procurements and triangulating these trends with other information to develop a more refined procurement plan.

Results:

1. Used projections from the quantification workshop held in November 2010 with 10 PEPFAR IPs to update the supply plan until June 2012. SCMS is now planning much larger procurements than previously anticipated. The increase from prior forecasts is fueled by partners' higher treatment targets and forecasts, as well as cost increases due to the treatment regimen switch away from Stavudine-based triple therapies.
2. In collaboration with FDS, the project held a stakeholders' workshop to finalize Nigeria's first national pharmacovigilance policy. The final document will be submitted to FMOH for the Honorable Minister's approval. The new policy will provide a framework that will guide effective and prompt reporting, the development and implementation of systems for post-marketing surveillance and promotion of rational medicine use by prescribers, dispensers and consumers.

Rwanda

Emergency Orders/Stockouts: In March, assisted CHAI in procuring Abacavir syrup that was stocked out due to increased demand. This stock will last three months.

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: None

Key activities:

1. **Facilitated an HIV/AIDS prevention, care, treatment and commodities management TOT** in collaboration with TRAC Plus to improve the rational use of ARVs, OI drugs and laboratory commodities used in HIV/AIDS prevention and treatment and to conduct refresher sessions on pharmaceutical supply chain management. This training was targeted at pharmacists responsible for managing pharmaceutical products in district pharmacies and hospitals.
2. **Completed delivery of Phase 3 of active distribution** and route navigation for six new district pharmacies (DPs) that will come on board in Phase 4. With the Phase 4 rollout, 23 DPs (out of 30) will receive active distribution. Held discussions with CAMERWA and the Pharmacy Task Force (PTF) about how often to deliver to DPs and how much stock each DP should hold.
3. **Continued activities to merge management of SCMS and USAID DELIVER Project.** Held discussions with senior managers of SCMS, USAID DELIVER and Crown Agents to ensure the country offices, USAID Mission and in-country counterparts are fully appraised of plans and developments for integrating and streamlining projects under JSI management.
4. **Worked with the CPDS quantification committee to obtain resource management committee approval of the July 2011 to June 2012 quantification report.** This report included cost estimates for ARVs, PMTCT, OI drugs and laboratory commodities. Tenders are underway.
5. **Worked with NRL and USG clinical partners to install lab equipment at two PEPFAR-supported district hospitals and 37 health centers.** By the end of April 2011, 32 chemistry and 33 hematology instruments will be installed at 33 district health facilities.
6. **Worked with PTF on the rollout of the harmonized LMIS paper-based system to all health facilities.** As part of this rollout, SCMS and USAID | DELIVER PROJECT conducted TOTs for 18 district pharmacists and four district managers, who in turn trained 1,253 participants in LMIS and inventory management. Participants were drawn from four referral hospitals, 45 district hospitals, 565 health centers and 267 private pharmacies.

Challenges:

1. Continuing extended delays in CAMERWA's approval of price quotes, due to staff changes in CAMERWA's management team, are delaying commodity procurement.
2. Management of commodity shipments to Rwanda remains a challenge, as CAMERWA and NRL repeatedly cancel orders at the shipping stage due to poor knowledge of lab commodity

consumption. SCMS met with the head of the procurement unit to emphasize the need for improved forecasts. The NRL team will be included in the forecasting training that is planned for CAMERWA in the current workplan.

3. We foresee a delay in CAMERWA taking over the financing of Phase 5 of active distribution. CAMERWA may need continued support to fund this phase. SCMS did not plan for Phase 5 funding, since CAMERWA committed to taking over in August 2011.

Results:

1. Procured Abacavir syrup to fill a supply gap due to increased consumption; the order was delivered in two weeks from the Ghana RDC. CPDS and TRAC Plus commended SCMS for its management of this emergency order.

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. **Worked with Umtata medical depot's leadership as part of a TA effort**, delivering a layout assessment with recommendations and helping develop a project management plan for refinishing the depot's floor. SCMS will be available for assistance as the project management plan is carried out. We are making TA available to provincial depot leadership countrywide to improve management practices and warehousing efficiency.
2. **Met with NDOH, USAID, CHAI and SPS to agree a way forward to support the Government's plans for a central procurement authority.** SCMS proposed a TA partnership approach for determining requirements, which is being reviewed by the Ministry.

Challenges:

1. All ARV commodities funded under the USG Bridging Assistance Grant must be procured and delivered by December 2011, when the project is expected to close out. This timeline is potentially challenging due to vendor delays in production, sample release and delivery. SCMS is negotiating with ARV vendors to ensure improved performance to meet the deadline.
2. The Round V order, the final phase of the ARV Bridging Assistance Grant, was submitted for quote on 8,035,000 units. This procurement supports a massive scale-up of South Africa's ARV program and required significant effort to work with CHAI and NDOH to ensure alignment with the South African Government tender.
3. Faced significant delays in shipment arrivals to ports and sampling timelines due to poor vendor performance, resulting in distribution backlogs at the local distribution center (LDC). SCMS completed a vendor performance review for the South African procurement program to assess these low on-time delivery rates. Based on the review, SCMS is working with vendors to improve their performance, and so far, the resolution and closure rates of incidents raised in the last quarter have improved.
4. Space constraints at the provincial depot and LDC level threaten the distribution of ARVs and other essential drugs and have resulted in SCMS facilitating urgent discussions with the Ministry

regarding depot capacity. Due to significant quantities of commodities arriving for distribution under Round III, depots are facing resource and space constraints that are impacting ability to distribute to their facilities within a week. As a result, SCMS must align distribution quantities while moving products through LDC as planned to reduce storage costs.

Results:

1. VAT refund equivalent to \$1.3M received from the South African Revenue Authority for product previously supplied to SANDF. The USAID Mission has confirmed that they will apply these funds to new TA initiatives.

Tanzania

Emergency Orders/ Stockouts: Stockouts of HIV test kits and CD4 reagents reported in January. In February placed emergency order for Efavirenz 600 mg tabs. Due to late deliveries of MSD stocks of Efavirenz 600 mg tabs, national stock has been drastically reduced, which could trigger a stockout. SCMS is collaborating with MOHSW and NACP to expedite this drug's ordering and clearance processes. And in March shortages reported in didanosine and SD Bioline test kits.

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: Laboratory logistics service delivery (TOT), warehousing and distribution, essential drugs, procurement and MIS

Key activities:

1. **Met with key stakeholders to discuss methods for improving Zanzibar's health system.** Facilitated discussions with Zanzibar's MOH, USG agencies (USAID and Peace Corps), DELIVER and DANIDA on leveraging resources and identifying a model that can best be used to support health systems strengthening.
2. **Visited major local pharmaceutical wholesalers and manufacturers to identify sourcing opportunities for SCMS and other partners** to improve availability of high-quality essential medicines. This is part of SCMS's efforts to build local capacity and ensure HIV/AIDS patients have access to high-quality medicines. To lay the groundwork for piloting local procurement of essential medicines, SCMS visited 24 wholesalers and five manufacturers to assess their product ranges and warehousing capabilities. Also visited national authorities, including the Tanzania Food and Drug Authority (TFDA), NACP and PEPFAR IPs procuring through SCMS, PASADA and Pharmaccess, and vendors.
3. **Completed the preliminary process of procuring a transportation fleet for MSD.** Completed proposal review and identified specifications for the fleet. Issued local and international requests for quote.
4. **Initiated procurement and delivery of three state-of-the-art warehouse-in-a-box (WIB) units** to the Keko (Dar es Salaam,) Mbeya and Dodoma MSD zones. Finalized procurement approval from the USAID Mission and MSD/Global Fund. These units, for delivery within the next 18 months, will be used to expand MSD's storage and distribution capacity.

5. **Led a number of training initiatives on supply chain management systems:**

- Trained 19 MOHSW staff on the laboratory supplies logistics system designed collaboratively by MOHSW and PEPFAR IPs.
- Collaborated with USAID | DELIVER PROJECT to train 25 MSD managers on supply chain management principles, with specific emphasis on logistics and warehouse management.
- Collaborated with MOHSW to train 18 health care workers from eight care and treatment sites in Zanzibar.

Challenges:

1. Stockouts of SD Bioline Rapid HIV test kits and CD4 reagents were due to a shortage of government funds for procurement of these commodities. The Government of Tanzania has requested that the USG team support the procurement of these commodities until the next GF Round 8 disbursement, which is expected in early 2011.

Results:

1. Finalized a best practice review "To Be" process mapping as part of the Phase 1 implementation process for MSD's new ERP. Results of the review will be compared with those of the "As Is" process mapping completed in November 2010, to identify gaps in MSD business processes, which will then be used to fine-tune the ERP design process.
2. The Public Procurement Regulatory Authority (PPRA) reviewed and certified finalizing the procurement training manuals prepared by SCMS. The manuals will be used for procurement training of user departments, the tender board, MOHSW's procurement management unit and any subsequent public sector procurement trainings by PPRA.

Uganda

Emergency Orders/Stockouts: Because of a UNITAID/CHAI shipment delay, SCMS placed an emergency order, at MOH's request, for Zidovudine 300 mg tablets and Nevirapine oral suspension, estimated at \$612,264 in value, for the PMTCT program. This was a USAID/PEPFAR donation to PMTCT to serve more than 13,000 mothers and babies.

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.

Key activities:

1. **Processed an aggregate order of adult first-line ARVs for USAID valued at \$4.36 million.** The shipments will be delivered from our RDC in May and August 2011 as per the quarterly supply plan, serving all patients supported by PEPFAR IPs.
2. **Processing deliveries for a pediatric and adult second-line ARV donation by UNITAID/CHAI estimated at \$2.5 million.** Obtaining importation waivers and NDA verification certificates for the donation. Working with the CHAI team and IPs on quantification and pipeline monitoring for these ARVs to facilitate a seamless transition from CHAI to

PEPFAR funding for first- and second-line pediatric ARVs and second-line adult ARVs, which is expected in April 2012.

3. **Procured ARVs for patients on salvage therapy and an additional 6,690 packs of Tenofovir/Emtricitabine/Efavirenz combination for JCRC.** This is the recommended alternate first-line formulation in Uganda. Shipments for the order are expected to arrive in May and August 2011, respectively.
4. **Continued processing \$1.6 million in delivered donations for pediatric and adult second-line ARVs from UNITAID/CHAI.** SCMS is obtaining import waivers and NDA verification certificates for the donation to PEPFAR IPs. We are also working with CHAI and IPs on quantification and pipeline monitoring for these ARVs to facilitate a seamless transition from CHAI to PEPFAR funding for first- and second-line pediatric ARVs and second-line adult ARVs, expected in April 2012.
5. **The Joint Clinical Research Council (JCRC) confirmed an order for salvage therapy branded ARVs.** JCRC approved the price quote for this recommended alternate first-line formulation, worth \$59,741; shipments are expected to arrive by May 2011.

Results:

1. In January two ARV shipments for the Joint Medical Stores (JMS) and one for MUWRP arrived. These shipments, totaling over \$900,000, will ensure uninterrupted ARV treatment for more than 65,000 patients on treatment.
2. Delivered 500 male circumcision kits to the Makerere University/Walter Reed Project, which was the first MC kit order SCMS procured for Uganda.
3. Delivered ARV commodities worth \$1.47 million as part of the USAID-consolidated order to support IPs in March. These ARVs will ensure uninterrupted ARV treatment for over 65,000 patients.
4. Also in March, delivered the first two shipments of the MOH PMTCT emergency order: 1,000 bottles of Nevirapine oral solution and 56,113 doses of Zidovudine 300 mg tablets to National Medical Stores and Joint Medical Stores.

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: None

Key activities:

1. **Updated the methadone program's management protocols** covering dispensing, disposal of empty bottles, reporting, handling wastage, discrepancies, and pump maintenance. The revisions, currently under review by VAAC, will align Vietnam's protocols with international best practices.
2. **Shared generic SOPs on the smooth forecasting, procurement and distribution of second-line TB drugs.** The national TB program (NTP) does not have a buffer stock for these drugs because they have short shelf lives and are very expensive. In addition, the protocol varies among patients based on how they react to each of the three drugs, which makes it very hard to

manage. SCMS met with NTP and shared SOPs from other countries as a first step in developing Vietnam-specific SOPs for second-line TB drugs.

3. **Held several meetings with VAAC and USG to plan the upcoming five-year lab forecast and the process for gathering data on testing equipment.** Collecting data in April and May, before the arrival of STTA providers, will enable the forecast to be conducted during the two weeks when the TA providers will be in country.
4. **Participated in the green light committee (GLC) assessment of the multi-drug-resistant (MDR)-TB program pilot phase.** Provided information on our work with NTP on MDR drug management and distribution, accompanied GLC on site visits and explained issues concerning storage and stock management.
5. **For the methadone scale-up program, provided training and support to 20 active methadone dispensary sites as well as sites scheduled to be operational.** Three of the 20 dispensary sites received their first doses of methadone after waiting three months for MOH approval.

Challenges:

1. Continuing work with the People's Aid Coordinating Committee on renewing our office license and expanding it to include additional provinces. The lack of an updated office license for the Hanoi and Ho Chi Minh City (HCMC) offices continues to limit the sites at which SCMS is allowed to provide monitoring visits for ARVs and methadone.
2. The Ho Chi Minh Provincial AIDS Committee requested SCMS discontinue performing site visits in HCMC province until April due to an ongoing investigation of methadone and ARV outpatient clinics by the authorities.
3. Developing an emergency plan with VAAC as a long-term approach to addressing current stockout of GF and national program (NP) drugs. SCMS is initiating an emergency order as a short-term solution. After conducting a periodic stock review with CPC1, we learned that VAAC had been distributing PEPFAR drugs to GF and NP sites, which are outpatient clinics for ARVs. Participated in several emergency meetings between the PEPFAR Coordinator and the Director of VAAC to assess the impact on PEPFAR drug supply, and determined that GF and NP are currently in a stockout situation. Adding to this situation's urgency, the next GF order is not expected until October, and the national program does not expect its budget to be approved until June or its procurement completed until January 2012.

Results:

1. During a meeting with VAAC, CDC, USAID, CHAI and the Global Fund, the PEPFAR coordinator announced that SCMS would take over procurement and distribution of pediatric drugs in 2012 as CHAI phases out the UNITAID-funded procurement of these commodities. SCMS has been working with PEPFAR and VAAC to develop a transition plan for procurement and distribution in which VAAC will perform a national ARV quantification, including pediatrics, and meet quarterly with all involved stakeholders for procurement planning.
2. MOH approved Circular 9, drafted by SCMS as part of a TA implementation, and disseminated it to VAAC central, provincial and site levels and to all partner nongovernmental organizations (NGOs). Circular 9 delineates the roles and responsibilities for site-level ARV management and describes the storage and qualification requirements for ARV stock managers/dispensers in ARV and lab reagent distribution and oversight. Circular 9 will support improvement in sites' human resources, as it mandates ARV managers' qualifications (must be an intermediate pharmacist) and mandates that all sites be harmonized and run by an ARV manager. It will also

help set standards for site infrastructure and information management as it mandates requirements for proper drug storage and the required reporting format.

3. VAAC has taken a leading role in conducting the quantification for procuring SCMS's current ARV order number 28, which was placed this month. SCMS trained VAAC on quantification for procurement this past January. VAAC's undertaking quantification for this order is an important step in moving forward with national distribution planning. It is anticipated that VAAC's role will need to expand to cover quantification for procurement at a national level and will require coordination of different donor resources (PEPFAR, CHAI, GF) along with NP procurement.

Zambia

Emergency Orders/Stockouts:

ARVs:

- In January, Medical Stores Limited (MSL) (central level) was stocked out of Lamivudine 150 mg for a short period. SCMS placed an emergency order for one month's worth, which was received later in the month. The reason for the stockout was the lack of a commitment from other partners to procure this product after April 2010. Additional SCMS orders are planned.
- MSL also stocked out of Lamivudine/Stavudine 150/30 mg tabs (Coviro 30) because planned shipments from GF and Government of the Republic of Zambia (GRZ) did not arrive as scheduled.
- MSL stocked out of Nevirapine 200 mg due to delayed GF shipments. SCMS placed and MSL received an emergency order for over one month's worth.
- In February ABC 300 mg was stocked out due in part to a CHAI delivery expected on January 15, but delayed until February 15. Nevirapine 200 mg was stocked out from February 1 to 15 due to MOH delays in implementing the GFATM mechanism through the Principal Recipient, UNDP, to sign and fund new grants. SCMS brought in a one-month emergency supply to fill this gap.

The average stockout rate for laboratory commodities was 3 percent.

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

STTA: None

Key activities:

1. **Participated in the MOH male circumcision (MC) TWG meeting**, which convened a national group of MC experts who are responsible for the MC program's strategic direction and target setting. Topics addressed included disseminating operational plans and MC targets for 2011 and providing safe MC services. Targets agreed upon included reaching 300,000 boys/men aged 13–39 and 80 percent of neonates by 2015 and expanding the provision of safe MC services from 10,000 successful procedures per year in 2010 to 100,000 in 2011.
2. **Moved forward with procuring several modified clinics-in-a-box** to increase district-level storage capacity. Over the past several months, SCMS finalized container specifications and scope of an STTA to perform assessments at each site identified to receive a CIB. The structures will provide low-cost storage modified for each site's specific needs.
3. **Participated in the MOH laboratory technical working group (TWG) meeting** to discuss and strategize national laboratory service interventions, including supply chain. The focus of this

year's meeting was on partner support of MOH activities and the need to have a formalized instrument maintenance agreement with vendors. MOH is leading this process and has since drafted contracts that are under the Auditor General's review.

4. **Completed review of a draft report on user requirements for LMIS computerization** in March, working in partnership with USAID | DELIVER PROJECT and Program for Appropriate Technology in Health. This was a follow-up activity from February, when SCMS worked on identifying data requirements for integrated LMIS computerization. Finalization of this report and MOH approval will provide the framework for computerizing Zambia's laboratories.
5. **Worked with the central medical store (MSL) to conduct physical counts of health commodities**, including laboratory reagents, to improve stock status accuracy at the central level. This exercise will help MSL identify commodity stock imbalances to synchronize actual stock levels with the warehouse management software.

Challenges:

1. Delay in product delivery under both GF/UNDP and GRZ procurement plans continued through most of the quarter, although improving toward the end of the period, putting pressure on SCMS to place emergency orders. This affects SCMS procurement planning, as USG funding is increasingly spent on filling supply gaps rather than on established procurement plans.
2. MSL continues to experience stock imbalances due to differences between actual stock levels and the warehouse management system. This has led to stock expiries because the system is not picking them for distribution to facilities. The current SCMS-supported stock-taking exercise should help MSL to address these stock imbalances.

Results:

1. Completed a comprehensive supply plan for laboratory, HIV test and ARV commodities to be included in the global SCMS plan. Also, the field office contributed to compiling the integrated financial forecast for 2011. These plans will assist SCMS's global efforts to quantify commodity requirements and address funding challenges while procuring cost-effective, quality products.

Zimbabwe

Emergency Orders/Stockouts: No stockouts reported

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: Zimbabwe ART distribution system TOT; DTTU, AutoDRV SOPs and training curriculum; information and communication technologies for data transmission; advanced FOMP training.

Key activities:

1. **Working with LSU and NatPharm to distribute ARVs and Fluconazole** to 171 ART sites nationwide and with DTTU teams completed first 2011 quarterly deliveries of condoms, contraceptives, HIV RTKs and ARVs for PMTCT to all provinces.
2. **Helped MOHCW Directorate of Pharmacy Services develop a strategy for incorporating supply chain management into the pre-service training of pharmacists, pharmacy technicians and nurses.** Project and MOHCW DPS staff met with the training schools for

pharmacists and pharmacy technicians and the Pharmacists and Nurses Councils of Zimbabwe to get their input on the draft strategy, which will be discussed at a stakeholders' workshop in early February.

3. **Facilitated a workshop with MOHCW staff to finalize the detailed functional requirements document for the upgrade of ZISHAC**, the ARV LMIS, which will be integrated with NatPharm warehouse management system and decentralized to Bulawayo for the supply of the southern region of the country.
4. **In March, LSU began retraining 500 MOHCW staff from 250 ART sites on the redesigned Zimbabwe ART distribution system (ZADS)**. LSU and provincial pharmacy managers conducted five logistics trainings for 117 participants from Bulawayo, Matabeleland North and South, Mashonaland East and Manicaland.
5. **Trained pharmacists, pharmacy technicians, dispensary assistants and nurses in TB medicine management** as part of GF Round 8 activities. The training acquainted them with the latest TB guidelines and imparted good stock management practices.
6. **Helped LSU assess existing data transmission options for ARV reporting/ordering** to improve on-time reporting rates, in particular for the most remote sites. Based on assessment findings, MOHCW decided to pilot the approach of providing ART sites with camera phones and training pharmacy staff to take an image of the completed paper consumption/requisition form, then email this image via the mobile data network to LSU for manual data entry.

Challenges:

1. Although first-line Tenofovir (TDF) drugs had not yet arrived, in January, several facilities initiated transition to first-line TDF regimens using drug supplies aimed at second-line patients. LSU met with district medical officers of such facilities, who agreed to scale down transition to the new regimens until supplies are available. However, most of the patients on TDF/3TC that facilities are reporting have transferred from neighboring South Africa and Botswana, where they initiated the treatment. Mpilo Hospital started switching patients back to AZT- and D4T-based regimens because of the current unavailability of Tenofovir/Lamivudine.
2. Although overall ZADS reporting rates are good (over 95 percent), the on-time reporting rate is fluctuating around 70 percent and was particularly low this month. A combination of LSU monitoring, training, support and supervision and use of technology such as cell phones for data transmission should lead to better on-time reporting rates.

Results:

1. Zimbabwe passed an important ART landmark: according to the MOHCW, more than 300,000 patients (285,551 adult and 16,254 pediatric: total = 301,805) were receiving ARV treatment at the end of 2010.
2. MOHCW DPS LSU inaugurated the MC commodities ordering and distribution system, delivering the first MC order of 1,000 kits to the Bulawayo MC clinic. SCMS supported the system's design and implementation, including developing SOPs and a training program for those implementing and running the system.
3. The MOHCW Directorate of Pharmacy Services LSU updated the quantifications for adult and pediatric ARVs for ART and PMTCT, HIV and syphilis RTKs, OI, TB and malaria drugs. The quantifications revealed donor commitments and planned shipments of adult ARVs are not sufficient to switch all existing patients from Stavudine- to Tenofovir-containing regimens while keeping stock above minimum levels. Based on the quantification's outcomes and available resources, the adaptation committee recommended the ART program initiate all new patients on Stavudine and only switch existing patients who have been on treatment for at least three years

(27 percent of existing patients) and pregnant women to Tenofovir. Due to the transition to serial algorithm and donor commitments, RTKs will be available in full supply through 2011. The quantification team identified a funding gap for syphilis test kits, TB and malaria drugs and co-trimoxazole. Based on the quantification's outcomes, MOHCW will launch an appeal to partners for bridging the gap.

4. The NatPharm board of directors approved the report of SCMS and USAID | DELIVER PROJECT's NatPharm Roadmap Assessment, conducted in September 2010. MOHCW and NatPharm will meet with supply chain management partners and product donors to discuss report findings and identify roadmap areas that various partners will support over the 24-month life of the program to strengthen NatPharm warehousing, information, distribution and management systems and infrastructure.

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 initiative is now becoming part of the SCMS routine practice, with further samples collected and 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 continues to spread to other SCMS countries with initiatives in Guyana, Namibia, Zambia, Zimbabwe and other under discussion.
- In Tanzania, locally manufactured essential drugs were successfully tested at the Muhumbili University in Dar es Salaam to provide quality assurance (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 (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 to improve the customer experience and efficiency and cost within the SCMS procurement system. User definition of requirements and initial programming proceeded during this quarter.

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. During this quarter, requirements were agreed and orders prepared in Mozambique, 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.

In Zimbabwe we helped Logistics Supply Unit (LSU) assess existing data transmission options for ARV reporting/ordering to improve on-time reporting rates, in particular for the most remote sites. Based on assessment findings, MOHCW decided to pilot the approach of providing ART sites with camera phones and training pharmacy staff to take an image of completed paper consumption/requisition forms to then email this image via the mobile data network to LSU for manual data

entry. If successful, as cell phone coverage continues to grow in Africa, this approach could be applied elsewhere.

Country	Year	Population (Millions)	Cellular Subscriptions (Millions)
Algeria	2008	33.0	1.0
Algeria	2009	33.0	1.0
Algeria	2010	33.0	1.0
Algeria	2011	33.0	1.0
Algeria	2012	33.0	1.0
Algeria	2013	33.0	1.0
Algeria	2014	33.0	1.0
Algeria	2015	33.0	1.0
Algeria	2016	33.0	1.0
Algeria	2017	33.0	1.0
Algeria	2018	33.0	1.0
Algeria	2019	33.0	1.0
Algeria	2020	33.0	1.0
Algeria	2021	33.0	1.0
Algeria	2022	33.0	1.0
Algeria	2023	33.0	1.0
Algeria	2024	33.0	1.0
Algeria	2025	33.0	1.0
Algeria	2026	33.0	1.0
Algeria	2027	33.0	1.0
Algeria	2028	33.0	1.0
Algeria	2029	33.0	1.0
Algeria	2030	33.0	1.0
Algeria	2031	33.0	1.0
Algeria	2032	33.0	1.0
Algeria	2033	33.0	1.0
Algeria	2034	33.0	1.0
Algeria	2035	33.0	1.0
Algeria	2036	33.0	1.0
Algeria	2037	33.0	1.0
Algeria	2038	33.0	1.0
Algeria	2039	33.0	1.0
Algeria	2040	33.0	1.0
Algeria	2041	33.0	1.0
Algeria	2042	33.0	1.0
Algeria	2043	33.0	1.0
Algeria	2044	33.0	1.0
Algeria	2045	33.0	1.0
Algeria	2046	33.0	1.0
Algeria	2047	33.0	1.0
Algeria	2048	33.0	1.0
Algeria	2049	33.0	1.0
Algeria	2050	33.0	1.0

6. Objectives for January – March 2011

SCMS		Project-wide Workplan TO3 FY2011 - September 30, 2010 - October 1, 2011	
Activity	Deliverable	Target Deadline	Progress
1. Global Supply Chain			
Procurement:			
Procurement strategies			
Organize annual procurement council (April or to coincide with annual field office conference)	Meeting	5/2/2011	On target.
ARVs			
Develop market intelligence plan (players, baseline production costs, capacity, new products, mergers—for API and finished dosage, etc.)(visits involved)	Study paper	4/18/2011	On hold.
MC kits			
Issue RFP for MC kits to 10 suppliers	IQCs with around 3 suppliers	6/30/2011	Complete.
System and management structures: offices (as appropriate) are staffed to manage procurements and SCMS systems are in place			
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.
Cost to serve analysis—BRC review	Regular reviews	6/1/2011	Complete.
Management Information Systems:			
Middleware Documents		4/15/2011	Pending.
System Integration and Interdependencies		4/15/2011	Pending.
2. Health Systems Strengthening			
In-Country Assistance with Strategic Planning and Coordination:			
Facilitate standardization and maintenance of lab equipment and testing techniques	National lab standardization initiatives underway in at least six countries	6/30/2011	In progress.

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)	6/15/2011, 9/15/2011	Jun. 2011 on target.
In-Country Data Management and Technical Assistance:			
Develop a global technical assistance framework for strengthening MIS capacity of in-country supply chain organizations at all levels; that includes technical assistance policies and procedures	MIS Strategy	4/30/2011	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 procedures	Warehousing and distribution strategy document	3/31/2011 5/30/2011	On hold.
Field Program Support from PMO to enable countries to achieve HSS objectives			
With USG, partner projects (such as DELIVER, SPS) and field to define the elements and sub-elements of sustainable in-country supply chains to be measured	Capacity outcomes and indicators developed	4/30/2011	In progress.
	Tool for measuring relative sustainability completed	4/15/2011	In progress.
3. Global Collaboration			
Global Collaboration:			
Manage funding early warning system			
Collect and analyze financial data	Quarterly updates to Steering Comm	6/30/2011, 9/30/2011	Jun. 2011 on target.

