



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



# Quarterly Performance Report

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October – December 2011

February 15, 2012

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#### SCMS Project Team

Booz Allen Hamilton | Crown Agents USA, Inc. | i+solutions | JSI Research & Training Institute, Inc. | Management Sciences for Health | The Manoff Group  
MAP International | North-West University | Northrop Grumman | PHD | UPS Supply Chain Solutions | Voxiva | 3i Infotech

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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 15), progress in countries (Section 4, page 19), innovations (Section 5, page 41) and objectives for the coming quarter (Section 6, page 43). 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 to December 31, 2011, are as follows:

- US\$991 million in products delivered to clients, accounting for 10,724 deliveries
- 50 countries received shipments of HIV/AIDS commodities
- 93 percent of ARVs (by volume) delivered by SCMS from October to December, 2011 were generics
- 33 countries received technical assistance in such areas as quantification, warehousing and distribution, laboratory logistics, quality assurance and management information systems (MIS)
- 687 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 highest profile event for the project was our annual Field Office Conference, when country directors joined us in Washington for a week of strategic and technical discussions on their programs and global trends. Under the theme “From Supply Chain Output to Sustained Health Outcomes,” the conference provided a forum to share strategic and technical information with the purpose of aligning SCMS technical, operational and strategic priorities through the end of the project and beyond, in support of the US Government’s health sector development strategy. The four conference objectives focused on:

- Establishing 2012-2013 priorities with a beyond-2013 view that prepares for project transition and sustainable handover.
- Discussing the updated systems strengthening strategy and identifying methodology and tools that are most applicable to each country’s context.
- Sharing examples of best practices and innovations in global supply chain and systems strengthening technical assistance that highlight project outcomes.
- Discussing the foreseen challenges in the international ARV supply market and how SCMS is planning to address them.

The conference included significant involvement from USAID and the SCMS COTR team, with an opening keynote address by Ms. Roxana Rogers, Director of the Office of HIV/AIDS. Mr. John Crowley, Chief of the Supply Chain Management Systems Division, followed Ms. Rogers and

encouraged the project to think about the legacy it will leave and to be proactive in light of funding decreases and changing market dynamics.

The issue of greatest concern to the project was the first identification of a major discrepancy in our recently introduced QA testing program for rapid test kits. The University of Maryland laboratory identified as defective a batch of Bioline kits from Standard Diagnostics (SD). Working closely with SD and our clients, all affected kits have been quarantined. SCMS is the only major procurement project that quality tests rapid test kits and was therefore able to intervene before these kits were used by implementing partners. The problem was first identified in product destined for Tanzania. Other countries affected are Côte d'Ivoire, Kenya and Rwanda. The problem was identified in October and is still ongoing at the time of writing this report in February 2012.

In December the successful South Africa ARV bridging fund program worth \$110 million was drawing to a close. In cooperation with many partners, including the Department of Health, CHAI and SPS, SCMS played a key role in the program. In less than two years, SCMS shipped 200 delivery orders made up of 12 different ARVs as 20 million bottles of ARV tablets and 1.1 million bottles of oral solution.

### **1a. Global Supply Chain**

The global supply performed very consistently during the period, delivering \$70 million of commodities distributed fairly evenly over the three months via 596 shipments to clients. On-time delivery was also steady, with 80 percent of deliveries made within five days of the SCMS promised date, exactly meeting the performance work statement target.

#### **Successes**

- The demand for voluntary medical male circumcision disposable kits is now quite widespread, with orders from Botswana, Kenya, Mozambique, Rwanda, South Africa, Swaziland, Uganda and Zambia. Volumes, however, are still quite low. In December SCMS made its first MC kit deliveries from RDC stock.
- In a major cooperative effort between Government of Nigeria, the Global Fund, USAID and SCMS, we made available ARVs worth about \$5.7 million from the PEPFAR Q3 COP11 ARV deliveries to avert stockouts at GFATM-supported sites. This was made possible because PEPFAR's pooled ARV procurements continue to arrive on schedule, ensuring availability at the central level.

#### **Challenges**

SCMS continues to work with Zambia to fulfill current orders early and fulfill emergency orders for 2FTC Tenofovir disoproxil fumarate/Emtricitabine 300/200 mg tablets and single-dose Efavirenz 600 mg tablets. This situation is linked to a large-scale transition to the 3FTC Efavirenz/Emtricitabine/Tenofovir disoproxil fumarate 600/200/300 mg tablets. The transition has deviated from plan, resulting in urgent needs for additional quantities of 2FTC and single-dose Efavirenz 600.

Due to unexpected storage needs for accommodating Global Fund malaria commodities, the LDC in Abuja, Nigeria is at overcapacity. This situation has created significant constraints for SCMS,

impacting operational effectiveness (service levels) and efficiencies (expenses). With no short-term resolution for the problem, all parties will continue to communicate to reach a resolution.

#### *Things to Watch*

- For the first time in over a year, the supply market for ARVs expanded, with two new players entering the PEPFAR ARV market: HEC pharm (China) received USFDA approval for Zidovudine 300 mg, and Lupin (India) received USFDA approval for Lamivudine/Zidovudine. It is also interesting to note that Universal (Kenya) was pre-qualified by WHO for supply of Lamivudine/Zidovudine.
- In October, Aurobindo became the first major generic manufacturer to join the Medicines Patent Pool. Launched by UNITAID, the pool is a system for patent holders to license technology to manufacturers of cheaper generics and to make the treatments more widely available. Aurobindo signed an agreement for the manufacture of several ARVs (Emtricitabine, Cobicistat, Elvitegravir and fixed dose combinations).
- Aurobindo brought its expanded production capacity for oral solution online in November and is expected to be able to meet many of the backorders for Nevirapine 10 mg/ml. This is a big development in the market, as there has been great concern over this product's supply should Aurobindo struggle with its new production line. In December SCMS filled large orders in Mozambique, Tanzania and Zambia.

#### **1b. Health Systems Strengthening**

This quarter, the Systems Strengthening Strategy Initiative (SSSI) began. Designed to maximize PEPFAR's investment in SCMS through developing a revitalized, results-focused, systems strengthening strategy, the SSSI aims to create comprehensive supply chain functional framework that aligns performance management tools and a new, more focused operating model for providing technical assistance. The official kick-off took place on December 12, 2011 with the SCMS COTR team. Key developments over the quarter focused on launching the initiative and development of the functional framework which guides the other key deliverables. Through a series of internal meetings and literature review of existing frameworks, SCMS developed a draft functional framework. In addition, SCMS produced a warehousing and inventory management prototype for the Capability Maturity Model (CMM), a key component of the SSSI designed to measure supply chain capability. Next quarter's SSSI activities will focus on the finalization of the CMM, National Supply Chain KPIs and revised Technical Service Offerings for SCMS HSS.

#### *Successes*

- SCMS quantification activities continue to deepen and widen in many countries, spreading to lower levels via host country organizations and beyond ARVs and RTKs to include OI and other essential drugs, laboratory commodities and male circumcision commodities. Countries reporting these activities in October included Haiti, Mozambique, Rwanda, Zimbabwe and Nigeria, where we trained 18 Ministry of Health staff and local staff from PEPFAR IPs to conduct their own quantification and supply planning.
- In Botswana, the Public Procurement and Disposal Asset Board (PPADB) approved a three-year direct procurement of 140 vital drugs. CMS initiated a restricted procurement to seven selected suppliers, with support from SCMS's procurement director and tendering consultant.

Thus far, the two selected suppliers have performed exceptionally and availability of the drugs has soared from 63 percent to 93 percent. This type of agreement, which applies strategies used successfully in SCMS's global supply chain, is a landmark for Botswana and will be sustained past September 2013.

- Also in Botswana, we provided TA in updating the PipeLine supply planning tool for infant formula, reviewing consumption and stock data, and reducing the previous forecasted consumption data by 40,000 tins per month with commensurate cost saving contributing to the sustainability of the Govt. of Botswana funded program.
- In Honduras, as a result of supportive supervision visits, the new ARV LMIS has improved the reporting rate from 0 percent to more than 90 percent during the first six months of implementation.
- In Kenya, we procured lab equipment for the Kenya Medical Research Institute (KEMRI) for production of reagents. Initially, KEMRI will produce hematology controls with short shelf life that are difficult to procure internationally. Local production will diminish likelihood of expiration; reducing costs in what is expected to be a sustainable solution.
- In a significant building capacity effort in Nigeria, the first 12 of 20 clinic-in-a-box structures are now installed and available for use. The final eight will be completed in early 2012. Zambia has also installed two storage-in-a-box warehousing units at district health offices. This will resolve a major bottleneck in ensuring commodity availability at service delivery points in these districts.
- In Swaziland, the MC program scaled up from eight fixed sites at the end of September to 16 sites (fixed sites and mobile tents) in October. This scale-up was part of the accelerated saturation initiative (ASI) under the Soka Uncobe program, which added the eight additional sites. Since ASI's launch in February, some 10,000 MC procedures have been performed, with over 1,000 performed during October. SCMS has continued handling storage and distribution of MC kits and related commodities to operating sites. All sites are stocked with sufficient medical supplies to carry out MC interventions.

### **Challenges**

- In December, the Ethiopian Revenue and Customs Authority requested payments of ET Birr 7.552 million (about \$437,000) tax on SCMS-procured commodities delivered to PFSA from 2007 to 2009 and was refusing to release SCMS commodities from Customs. PFSA is taking the issue to the Ministerial level. (This issue was not resolved until mid-January 2012)
- Also in December, in Mozambique, long-running funding challenges appeared to be close to resolution. Following a visit by Ambassador Goosby, the Global Fund and the World Bank, the Global Fund agreed to release ARV funding (\$10 million in commodities, \$13 million including all shipping) to ensure continued supply, primarily of 3TC/AZT/NVP FDC, which is the primary first-line treatment and is used by 84 percent of ART patients.
- In Tanzania, implementation of the warehouse-in-a-box project has been halted pending receipt of the environmental impact assessment, which has been delayed due to long processes within the National Environment Management Council. This has the potential to delay finalization of the project. SCMS and the Medical Stores Department are making efforts to speed up attainment of the permits.

### *Things to Watch*

- In Botswana SCMS is helping CMS prepare for an International Organization for Standardization (ISO) audit, which accredits facilities that meet a minimum set of standards and will provide information on gaps in the current quality management system.
- In Guyana, there have been some far-reaching changes at the Ministry of Health and the MMU (the respective central medical stores for the government), following the recent election.
- SCMS developed draft laboratory equipment maintenance guidance that describes the importance of developing a national maintenance strategy for all testing instruments. It covers maintenance in the context of improving a country's diagnostic capacity by influencing standardization strategy, which, along with quantification results, informs procurement decisions. Different maintenance models are also described, as well as requirements for developing national maintenance strategies. The roles and responsibilities of both laboratories and vendors are explained, and the importance of monitoring vendor performance and compliance with contractual obligations is emphasized. The essential role of maintenance contracts is also outlined. After internal review this guidance went through internal reviews is ready for COTR comments.
- Dialogue continues with CDC and USAID on advancing strategies for harmonization and standardization, as well as informing critical laboratory network optimization strategies to advance service delivery and improve consumption efficiencies of laboratory commodities. Meetings are scheduled in January 2012, and a USG lab TWG meeting is scheduled for February 2012.

### **1c Global Collaborations**

A major component of the global collaborations work to attending international meetings of various types to learn of developments in the fight against HIV/AIDS and to share our knowledge and lessons learned with others. During the quarter among the meetings attended by SCMS were:

- OHA Partners Meeting — SCMS presented two abstracts.
- Clinton Health Access Initiative annual meeting with vendors.
- UNITAID Consultative Forum — presented on supply chain risks and pressures, and changes foreseen in the ARV market.
- WHO/UNAIDS Global Forecasts of Antiretroviral Demand 2012-2014
- Global Fund's Yearly Manufacturers Meeting
- APHA Annual Meeting — presented on market risks and changes in ARV market dynamics
- Joint PAHO/Global Fund procurement and supply management meeting on supply risks in the Latin America and Caribbean Region. This was primarily as result of our work as Technical Secretariat of the Coordinated procurement Planning Initiative and was follow-on from a similar meeting in Nairobi, Kenya addressing the Africa region.
- Fourth Annual Global Health Supply Chain Summit – presented on human resource capacity development and the supply and demand dynamics in the ARV market.
- OGAC-led Annual Meeting of Public-Private Partnership for Pediatric ART – presented progress on the PaATH initiative regarding accelerated registration of new pediatric ARVs and the challenges in the supply of Niverirapine 10ml solution.

- USAID | DELIVER PROJECT sustainability technical advisory group – showcased SCMS’s work with Botswana Central Medical Stores.

### *Successes*

- The largest and most regular activity of the Global Partnerships team at the SCMS PMO continues to be acting as the Technical Secretariat of the Coordinated procurement Planning Initiative. In addition to several teleconferences with the steering group members, we organized the CPP Initiative’s regular quarterly meeting in December, where the major focus was on the impact of Global Fund funding decisions flowing from their November board meeting. These changes include the replacement of Round 11 with a transitional funding mechanism and new bridge funding for countries anticipating Round 11 funding to maintain their treatment and care programs. . This change in the funding landscape has also impacted the UNITAID/CHAI pediatric ARV program, where new bridge financing has had to be made available for a small number of countries to ensure there is no break in supply during 2012. As of December 31, 2011 the situation remained very fluid. The CPP Initiative will continue to work with the partners to identify and address funding and supply risks.
- Received approval from UNITAID on our application for additional funding to the CPP Initiative. Although there are legal formalities to complete, UNITAID has officially included the funding in its 2012 budget.
- In an interesting regional collaboration, SCMS Guyana provided support to an Office of the Eastern Caribbean States (OECS) workshop in St. Lucia on using Quantimed to forecast HIV/AIDS-related laboratory supplies and antiretroviral medicines. This training reached 24 health professionals, consisting of pharmaceutical and laboratory managers from the region (eight countries make up the OECS) and OECS clinical care coordinators.
- SCMS had several abstracts accepted for the 16th International Conference on AIDS in Africa (ICASA). Staff from Ethiopia, Nigeria and Tanzania presented four posters and a presentation showcasing how SCMS supports the theme: “Own, Scale-up and Sustain.” Topics covered the importance of coordination, scaling down Stavudine, data capture systems and data validation.
- Met for a quarterly update with the CHAI Access team to compare trends, challenges and opportunities. At this meeting we focused on introductions of new CHAI team members, as there have been major changes in the last six to nine months. We also discussed use of our respective forecasting tools going forward, with particular reference to the likelihood that CHAI in-country presence will reduce over the next year. CHAI agreed to provide us with regular copies of its ARV Product Update Memo. SCMS in turn agreed to include CHAI in our quarterly updates of ARV demand from our country forecasts.
- WHO IATT Pediatric Working Group issued recommendation for an optimized list of pediatric ARV formulations for comment by stakeholders and members of the working group, including SCMS. The objective is to reduce fragmentation in the market and enhance use of the most effective formulations and regimens as recommended by WHO. SCMS and CHAI also discussed this list during our meeting.

### *Challenges*

- The key pending challenge for the foreseeable future is the major program of change at the Global Fund, coupled with the Fund’s more constrained financing. The global partnerships team

will monitor and report on this situation very closely, as we envisage adverse impacts, particularly in countries that are heavily reliant on Global Fund to meet the cost of medicines.

### *Things to Watch*

- Deloitte, under the auspices of the Global Health Council, held a round table meeting on supply chain metrics in early November. SCMS was invited to present on our research in this area. The objective and authority of the meeting was somewhat unclear. Deloitte said they wanted to develop consensus on a small number of key indicators that all supply chain consultants in development aid would use in working with national supply chains. The meeting did not complete its agenda and the conclusions were unclear, but we need to monitor developments by Deloitte as this could duplicate or conflict with work SCMS is already mandated to undertake by USAID.
- A case study of SCMS was included in the latest edition of *Essentials of Supply Chain Management*, published by John Wiley and Sons Inc. The author, Michael Hugos, also invited SCMS to contribute a case study to the website linked to the book — <http://www.scmglobe.com/>. This site is an interactive tool for students to work with the case studies.
- SCMS as Technical Secretariat of the CPP Initiative was again invited to work with PAHO to discuss procurement coordination in the LAC region. We have advised the parties concerned that we can only participate if this is country- or regionally-funded, as there is no central funding for this activity. The project was invited to a meeting at OGAC to discuss plans for the International AIDS Society (IAS) meeting to be held July 2012 in DC. Areas of note included:
  - Keynote speech by Secretary of State Hillary Clinton at NIH in November.
  - Follow-up announcements and events on World AIDS Day.
  - OGAC's preparation for messaging leading up to IAS meeting.
  - USG is heavily invested in making the IAS a success, showcasing the US's leading role in fighting HIV/AIDS and ensuring the international community addresses the new challenges to our global efforts. We were advised that the White House is actively engaged in the planning process.
  - OGAC specifically asked partners, including SCMS, to consider how they can support the run-up to the conference and prepare for high-quality, high-profile contributions to the conference itself.

## 2. Programmatic Milestones and Measure

<b>SCMS</b>		<b>Project-wide Workplan TO3 FY2012 – October 1, 2011 – September 30, 2012</b>	
<b>Activity</b>	<b>Deliverable</b>	<b>Target Deadline</b>	<b>Progress</b>
<b>1. Global Supply Chain</b>			
<b>Improve GSC Performance</b>			
Increase number of planned orders (vs. unplanned and emergency), monitor quarterly	Planned at 80%	12/30/2011	Complete.
<b>Build Non Field Office Countries Procurement</b>			
Strengthen procurement and distribution for NFOs	Achieve 80% OTD and 80% client satisfaction	Ongoing	In progress.
<b>Operationalize Field Office Managed Procurement</b>			
FOMP regional training bi-annual[	Training Feb/March and Aug/Sept. 6-10 field staff trained at each training	Ongoing	March training on target.
<b>Implement Procurement Strategy</b>			
Organize annual procurement council with FO conference	Implementation of any required modifications to procurement strategy	11/30/2011	Complete.
<b>ARVs</b>			
Share market intelligence with USG and FDA	Establish quarterly meetings to brief COTR	12/30/2011	Complete.
<b>Food by Prescription (FP)</b>			
Finalize supply chain guidance document to feed into NACS guidance, for USAID, Fanta and other partners	Document	12/30/2011	Draft finalized.
<b>Warehousing and Distribution:</b>			
<b>International Freight and Logistics</b>			
	Analyze and evaluate cost per kg by mode for both door to door and port to port for each of the 10 lanes pairs, to be completed three times a year	11/30/2011	Complete.
<b>Regional and Local Distribution Centers</b>			

Conduct a competitiveness review (VMI)	Report on the influence that VMI has had on pricing and stock availability. Currently RTT have secured Merck in East & West Africa, Pfizer in East Africa and will have GSK available in East Africa by December 2011	10/31/2011	Complete.
<b>Management Information Systems:</b>			
<b>VM Migration</b>			
Procurement Phase		11/4/2011	Complete.
Deployment Phase		11/30/2011	Complete.
Migration Phase		12/19/2011 2/15/2012	On target for Feb.
<b>Data Warehouse</b>			
Procurement Phase		10/3/2011	Complete.
Deployment Phase		12/14/2011 3/16/2012	On target for Mar.
<b>Implement BI Tool Site</b>			
Procurement Phase		10/6/2011	Complete.
RFP. Selection & Award Phase		12/15/2011	Complete.
<b>Implement RfX Tools</b>			
Procurement Phase		10/6/2011	Complete.
RFP, Selection & Award Phase		12/15/2011	Complete.
<b>2. Health Systems Strengthening</b>			
<b>System Strengthening Strategy Initiative:</b>			
Develop framework graphic and narrative content	Published functional framework/narrative	12/31/2011	In progress.
Develop updated technical assistance Operating Model	Global STTA Work plan	12/31/2011	Complete.
<b>In-Country Data Management and Technical Assistance:</b>			
Support and guide the in-country MIS teams with System Development Life Cycle-based project management support, advice, consultation, documentation, and general compliance review during all	Guyana: MACS transfer to new MMU warehouse	12/31/2011	In progress. Implementation planned for Feb.
	Namibia: additional CMS/RMS ERP site implementation	12/31/2011	In progress. Near completion.

phases of each initiative	Namibia: additional NIP ERP functionality	12/31/2011	Canceled.
Redefine and refresh the SMIS technical assistance capability in accordance with the new conceptual framework	Enterprise Project Management System Pilot	12/31/2011	Phase 1: Complete. Phase 2: In progress.
	Technical Assistance Quality and Risk Management Plans	11/30/2011	Template designed and implemented for Feb. deadline.
<b>In-Country Warehousing and Distribution Technical Assistance:</b>			
Develop and implement distance-learning-based warehouse and distribution training to ensure a more cost-effective and global capacity-building effort	Online, distance-learning based curriculum developed and piloted in at least one country (Haiti). Course could be of interest to other countries investing significantly in warehousing capacity-building. (ET/RSA/TZ/ZM and others)	12/16/2011	Delayed.
<b>Human Resource Capacity Development:</b>			
Facilitate Self-Directed Learning (SDL) Modules (as developed by DELIVER) for key Technical FO Staff (particularly for FO's with constrained budgets for capacity building); Within Vietnam, Haiti and CI WPs; could be offered more widely	Completion of 8 SDL Modules by a minimum of 10 Anglophone FO Staff per year	Ongoing	In progress.
Participate in the "People that Deliver" Initiative Steering Committee; Support PtD/SCMS Focus Countries: Support Ethiopia, Namibia, and Mozambique in pursuing PtD work	1 SCMS staff person to participate in Steering Committee Calls; EH to lead Technical Working Group (CORE LOE support)	Ongoing	In progress.
<b>Lab System Strengthening:</b>			

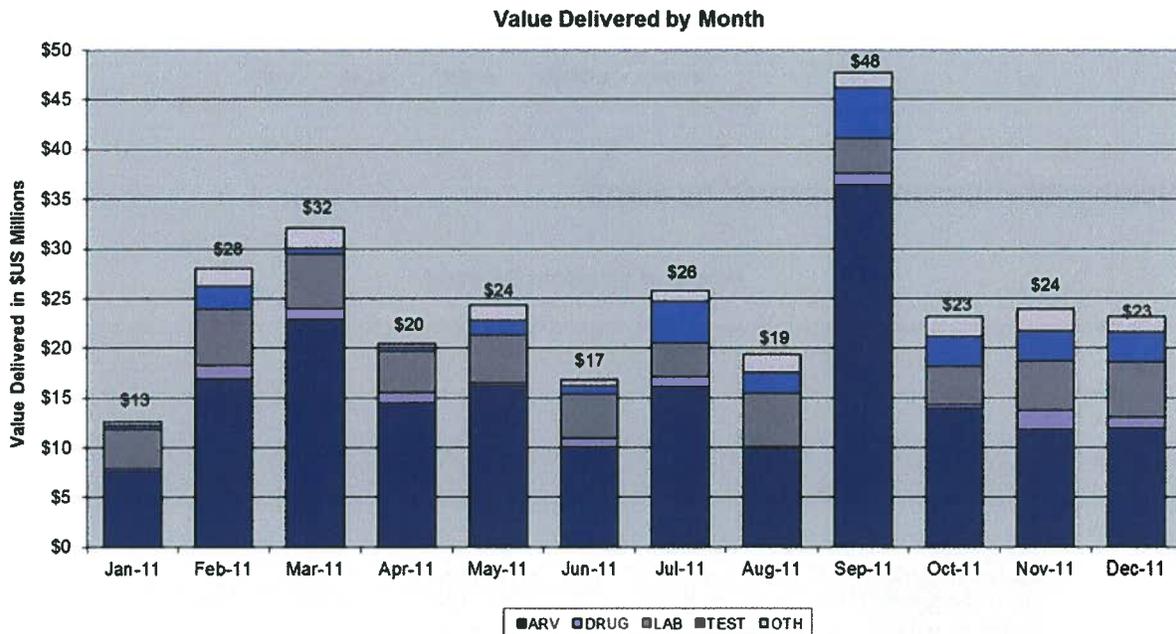
Complete development of data model for measuring alignment and consumption effectiveness of existing lab systems	Data Model documentation	11/30/2011	On hold. Efforts to pick back up in Jan.
Pilot model (RW, CI, NG)	STTA trip report, draft way-forward strategies and established tool kit modifications	RW- Dec. 2011	On hold. Efforts to pick back up in Jan.
Active participation in the review of the new CHAI multi-methodological forecasting tool. Collaborate with JSI/DELIVER/USAID/CDC in training material development and rollout	Release of the new CHAI multi-methodological forecasting tool	Review to commence in September 2011. Application updates in November 2011	In progress. New version of CHAI to be reviewed in Feb.
Develop guidance that will assist countries in assessing country instrument procurement requests. Guidance will be based upon principals established through the Harmonization and Standardization efforts (1). Essential strategic considerations relating to instrument selection	Rationalized Instrument Procurement Guidance - Critical considerations and key questions developed in collaboration with GSC, USAID, and CDC	November 2011	Draft developed. Meeting planned to determine next steps.
Develop SCMS equipment maintenance guidance – informing a strategic response to in-country demands regarding equipment maintenance. Data collection effort: Botswana/Zambia/Rwanda/Nigeria	Equipment Maintenance Guidance – SCMS guidance, National MOH guidance. Includes: Strategic considerations and active equipment inventory management and vendor service agreement compliance	November 2011	Complete.
<b>FPS Global Program Management:</b>			
Organize and facilitate Annual Field Office Conference	2011 Field Office Conference	10/31/2011	Complete.
<b>3. Global Collaboration</b>			
Quarterly Meeting of CPP Steering Committee	Updated risk schedule and meeting report	12/13/2011	Complete.
<b>Contribute to WHO AIDS Medicines and Diagnostic Service Network</b>			
Attend AMDS ARV Forecasting	Presentation of SCMS	11/4/2011	Complete.

Meeting with Manufacturers	forecasts		
<b>MIT-Zaragoza Logistics Center</b>			
Finalize Case Study and Teaching Case based on SCMS experience	Published case Study of SCMS by MIT	12/23/2011	Draft submitted.
<b>4. Knowledge Sharing and Communications</b>			
<b>Communications Products</b>			
Six-year report	Report	11/30/2011	Delayed. Expected in Jan.

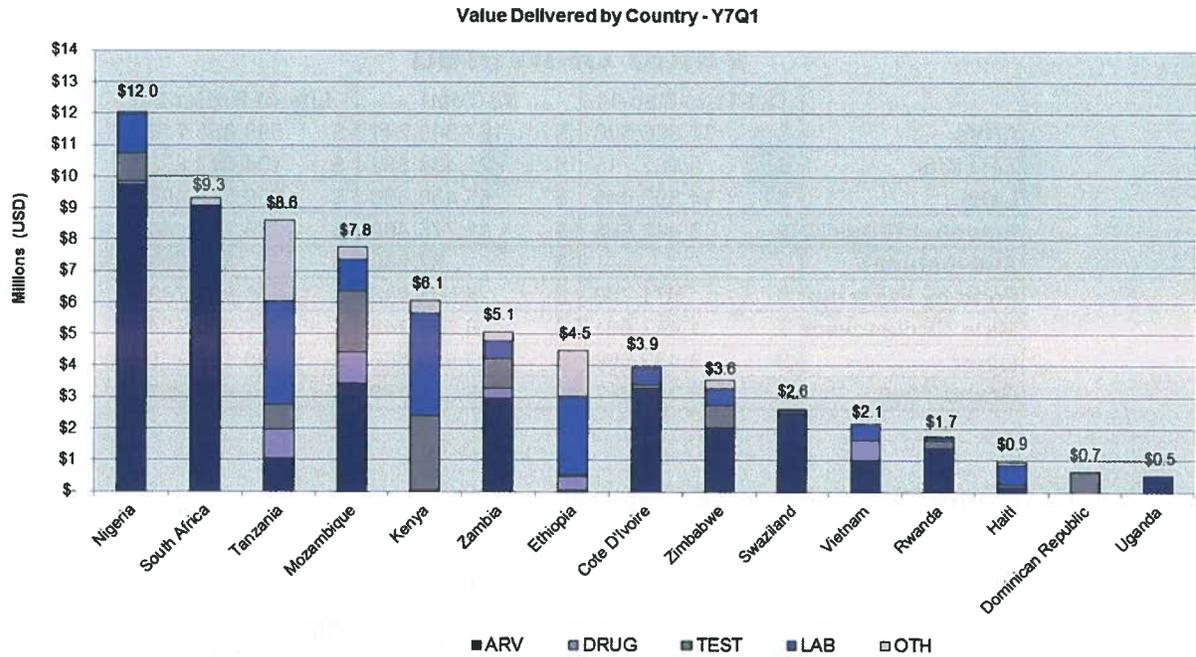
### 3. Procurement and Distribution Statistics

Value Delivered			
	Oct-11 to Dec-11	Y6 Total	Life of Project
ARVs	\$ 37,656,626	\$ 197,348,241	\$ 599,855,716
Test Kits	\$ 8,907,715	\$ 21,438,882	\$ 104,013,823
Labs	\$ 14,390,045	\$ 55,480,390	\$ 206,372,402
Essential Drugs (C	\$ 3,442,605	\$ 11,775,409	\$ 46,732,146
Anti-malarial		\$ 87,885	\$ 304,593
Food by Prescripti	\$ 971,780	\$ 4,504,948	\$ 6,883,763
Male Circumcisior	\$ 1,447,601	\$ 5,280,748	\$ 7,082,604
Other	\$ 3,432,696	\$ 3,046,666	\$ 20,164,779
<b>Grand Total</b>	<b>\$ 70,249,067</b>	<b>\$ 298,963,170</b>	<b>\$ 991,409,827</b>

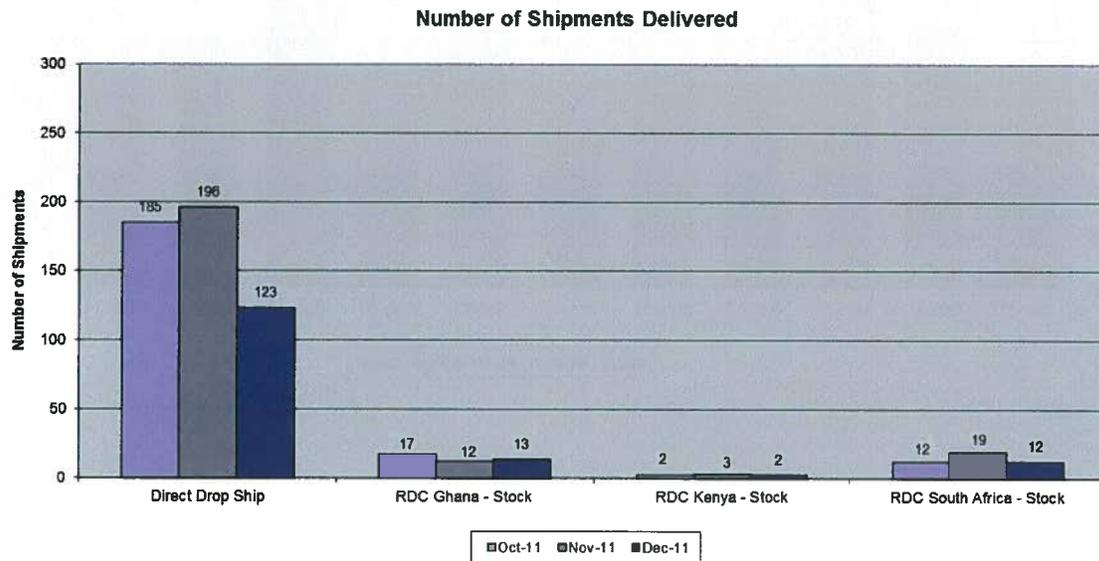
#### Value of commodities delivered (by month)



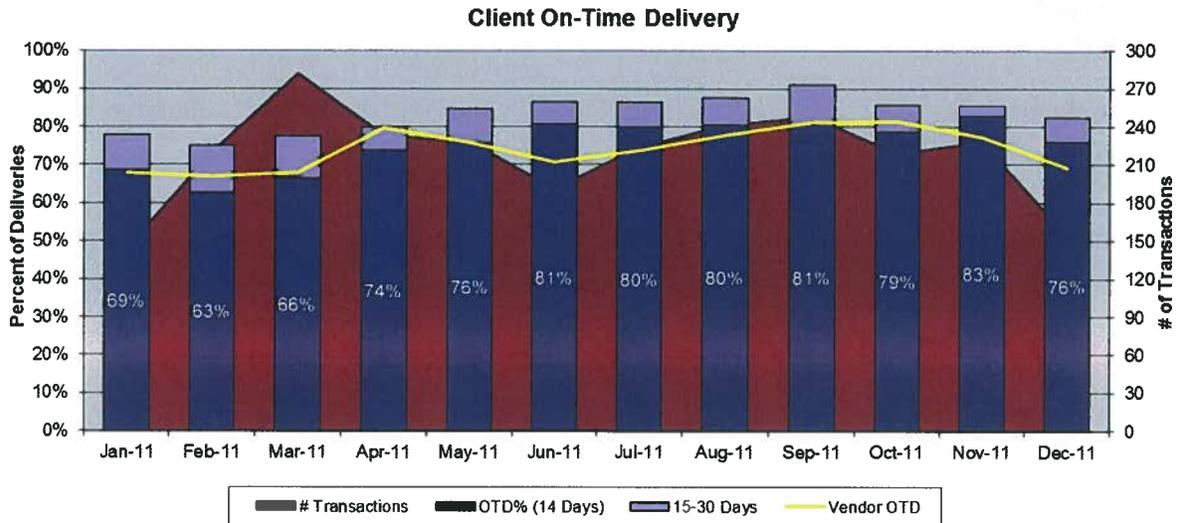
**Value of commodities delivered by country – Y7Q1 = \$70,249,067.39**



**Number of shipments delivered by month**

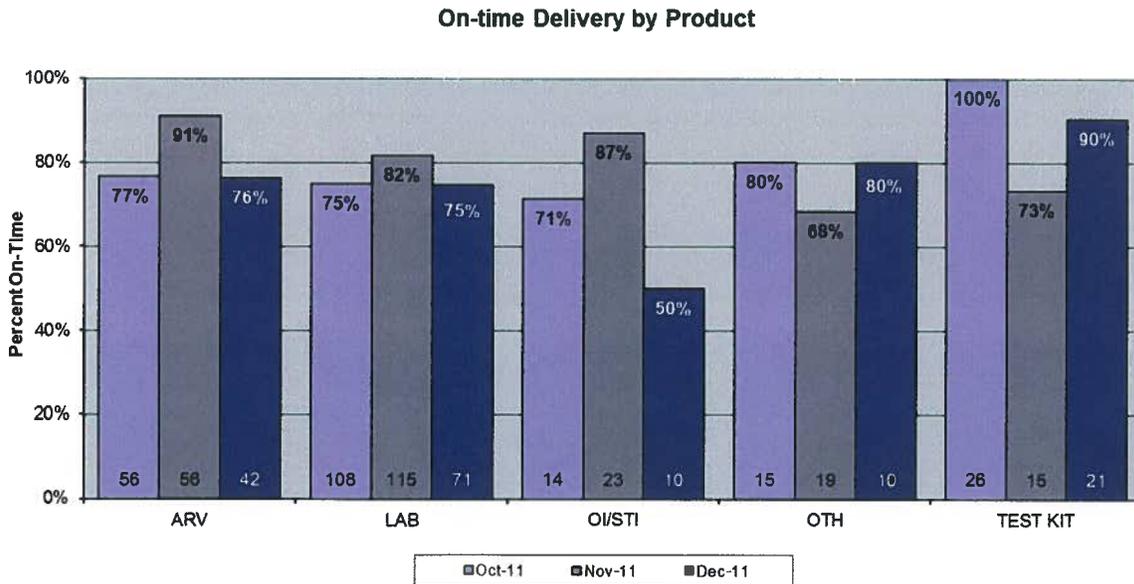


## On-time delivery by month (12 month trend)



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 to Client



## **Additional procurement and supply statistics for the quarter**

**New orders:** US \$76.8M, of which US \$31.4M were for RDC stock and US \$45.4M for direct drop shipments.

**Ordered categories:** ARV \$37.5M, OI Drugs \$2.8M, Rapid Test Kits \$10.2M, Laboratory \$19.8M, other items \$6.1M, MC Kits \$0.4M

**Current amount of stock in RDC:** US \$23.053 M. The breakdown is as follows:

- Ghana RDC — US \$5.081 M
- Kenya RDC — US \$7.251 M
- Southern Africa RDC — US 10.719 M

## 4. Country Reports

### Botswana

**Emergency Orders/Stockouts:** In December, due to the scaledown of the African Comprehensive HIV/AIDS Partnerships (ACHAP) donations, Efavirenz stocks were running low. To avert a stockout, SCMS assisted in obtaining a registration waiver for a generic product from Adcock and subsequent procurement of Efavirenz 200 mg.

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

**STTA:** Procurement, quantification.

#### *Key activities:*

1. **Provided TA in updating the PipeLine supply planning tool for infant formula**, reviewing consumption and stock data, and reducing the previous forecasted consumption data by 40,000 tins per month with commensurate cost savings contributing to the sustainability of the Govt. of Botswana funded program.
2. **Initiated discussions with the Institute of Health Sciences (IHS) on including a supply chain management (SCM) course in the curriculum.** Agreed on short-, medium- and long-term plans for pre-service training development at IHS, which will start with training lecturers followed by curriculum review and rollout training. This effort is expected to result in a continuous human resource pool with requisite skills in logistics management.
3. **Developed a forecast and supply plan for 140 products on the CMS list.** Following the quantification STTA, CMS continued work to produce a morbidity/logistics-based forecast and supply plan for 140 essential medicines. This will provide accurate and timely data to inform the CMS procurement plan for the year and build data at the Logistics Management Unit (LMU) to ensure uninterrupted supplies.
4. **Provided capacity-building training to MOH in identification and prevention of condom stockout risks.** Following the award of a tender and subsequent contract to a local condom manufacturer, MOH conducted a process validation, which resulted in all consignments from this supplier being halted pending results of that process because of quality concerns. SCMS provided TA to determine stock on hand and the number of months stocks will last, and advised MOH to initiate condom sourcing through other means, including a USAID donation, which MOH pursued successfully. USAID is now processing a procurement of at least seven months of stock to avert a stockout.

#### *Challenges:*

1. We've had difficulty securing an appointment with the Department of Clinical Services to discuss improving logistics management system coordination at MOH. This coordination is critical to ensuring continuation of initiatives to build sustainability and country ownership. The meeting is to initiate identification of a point person responsible for supervising supply chain

coordination. We also continue to experience difficulties and delays in the appointment of senior GOB staff to CMS. Without these senior staff in place we are unable to transfer skills and build sustainable leadership and management capacity in CMS.

**Results:**

1. The Public Procurement and Disposal Asset Board (PPADB) approved a three-year direct procurement of 140 vital drugs. CMS initiated a restricted procurement to seven selected suppliers, with support from SCMS's Procurement Director and tendering consultant. Thus far, the two selected suppliers have performed exceptionally and availability of the drugs has soared from 63 percent to 93 percent. This type of agreement, which applies strategies used successfully in SCMS's global supply chain, is a landmark for Botswana and will be sustained past September 2013.
2. The LMU received 33 laboratory LMIS reports, representing a 79 percent reporting rate from a total of 42 facilities, compared to 66.7 percent in August 2011 and 64.3 percent in February 2011.
3. Certified 32 final-year medical laboratory technology (MLT) students and three trainers at IHS as competent to perform laboratory logistics activities. This pre-service training will promote sustainability in the implementation of the improved logistics management system when the students enter service. Trained students will augment trained core teams at health facilities to strengthen country ownership, inventory management and logistics data recording and reporting for decision making to support continuous laboratory commodity availability.

## **Côte d'Ivoire**

**Emergency Orders/Stockouts:** Indinavir 400 mg and Tenofovir 300 mg are stocked out at the central medical store (PSP-CI) in October. Indinavir is planned to be removed from the STGs and therapeutic alternative Lopinavir/Ritonavir is being substituted. . SCMS has placed an emergency order to meet needs until the new STGs are in place.

**Key Clients:** Ministry of Health of Côte d'Ivoire (including the PSP-CI), HIV/AIDS Ministry of Côte d'Ivoire, USAID, CDC, EGPAF, ACONDA-VS, HIV AIDS Alliance Côte d'Ivoire, JSI/MEASURE Evaluation, CARE-Côte d'Ivoire, ICAP, the PEPFAR/Strategic Information Team, Family Health International (FHI), JSI/MMIS, Centre National de Transfusion Sanguine and CARE/PEPFAR

**STTA:** Strategic Planning, Warehouse Management Information System, Internet Technology Assessment, LMIS.

**Key activities:**

1. **Reviewed the state of quantification activities with the Director General of the Fight Against AIDS (DGLS) in Côte d'Ivoire.** SCMS, with PSP and PNPEC, updated the DGLS on the status of the ARV funding gap and the upcoming quantification scheduled for February 2012. The highlight of the meetings was the reduction of the ARV funding gap, initially identified as a \$17 million gap after the 2010 quantification. The gap was reduced to \$2 million through careful monitoring of the supply plan, the addition of fewer than predicted new patients

on treatment (1,800pm vs. the forecasted 3,000), ordering generics whenever possible and the provision of an additional \$3.35 million in PEPFAR funds for ARVs. This \$2 million gap was then resolved with early COP11 funding and the contributions of GF/PNPEC and PSP/MSLS to the basket funding for ARVs.

2. **Worked with PSP, PNPEC and DIPE to conduct ARV/Co-trimoxazole LMIS supervision visits to 300 randomly selected ART sites nationwide.** This effort was in response to the USAID West Africa Regional Inspector General's (RIG) recommendation to implement quality control procedures for the distribution and handling of Co-trimoxazole at service delivery sites.
3. **Approved incorporating new standard treatment guidelines as part of the upcoming quantification process.** Met with PNPEC, PSP-CI and care and treatment specialists, including PEPFAR IPs, at which time PNPEC confirmed that Côte d'Ivoire will begin using new STGs around July 2012 and that some drugs, such as Abacavir (ABC) and Didanosine (ddI), will be removed from the new STGs and new drugs, such as Atazanavir (ATZ), will be included. This will help reduce the number of different ARVs procured, which has long been a problem.
4. **Conducted the final post-crisis support team (PCST) trip to support strategic management and technical support.** Over the past four months, management and technical advisors have helped the SCMS CI field office complete a 24-month workplan, budget and performance management plan; design a new organogram; set up IT infrastructure; audit procurement files; and draft an MIS road map.

#### **Challenges:**

1. Through a gap analysis conducted in 2010 and revised in 2011, SCMS identified risks and challenges in PSP-CI's operating model, with support from USG and donors such as the European Union. As a result, SCMS has made recommendations to consider changing PSP-CI's business model to improve performance by standardizing processes to central medical stores and training and monitoring staff. We shared these recommendations with the US Ambassador to Côte d'Ivoire and USG, and appropriate Government of CI representatives plan to pursue recommended solutions.

#### **Results:**

1. Conducted a successful exercise to harmonize laboratory equipment for the first time in CI. Worked with DIEM to organize a lab equipment standardization and harmonization STTA for the field office and CDC/PEPFAR. The workshop, attended by PSP, DIEM, CDC and PNPEC, resulted in a defined, consensual list of equipment and commodities. This will reduce the cost of lab equipment and maintenance and simplify the supply of lab commodities.

## **Ethiopia**

**Emergency Orders/Stockouts:** Responded to a stockout of viral load reagents at the Bahir Dar regional lab by delivering reagents from the central warehouse.

**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:** Supply chain management, monitoring and evaluation training, warehousing and distribution.

**Key activities:**

1. **Carried out the interior design of three PFSA warehouses.** These three are among 10 PFSA warehouses that SCMS envisages equipping with standard warehouse fittings and materials handling equipment (MHE) to implement effective warehouse management systems. PFSA is due to build a total of 17 warehouses throughout the country in 2012. This intervention helped build the knowledge and skills of PFSA and SCMS staff on how to design warehouse interiors and specify and quantify MHE. PFSA and SCMS will be responsible for the interior design and MHE specification for the remaining seven of 10 warehouses.

**Challenges:**

1. SCMS is assisting PFSA in addressing distribution problems associated with warehouse storage space limitations and delivery truck shortages. Because of these challenges, central PFSA warehouses were unable to receive or distribute to health facilities 62 refrigerators procured by SCMS, along with 205 hematology and chemistry machines.
2. In December, the Ethiopian Revenue and Customs Authority requested payments of ET Birr 7.552 million (about \$437,000) tax on SCMS-procured commodities delivered to PFSA from 2007 to 2009 and was refusing to release SCMS commodities from Customs. PFSA is taking the issue to the Ministerial level. (This issue was not resolved until mid-January 2012)

**Results:**

1. SCMS installed two 16.8 kW power generators at PFSA-leased warehouses in Bahir Dar and Mekelle. The generators will supply power to two cold rooms, providing cold chain product storage capacity of 24 m<sup>3</sup> at the warehouses. The generators will also help avert power interruptions that interfere with HCMIS-hub's use for daily warehouse operations and pharmaceutical transactions.
2. SCMS contributed significantly toward the WHO accreditation of 24 laboratories across the country. The accreditation is based on criteria that include 12 essential quality components in the WHO accreditation process. SCMS provides technical support to labs in support of one of the essential quality components — supply management under the theme of strengthening laboratory management.
3. Mekelle PFSA hub began integrated distribution of ARV, TB and malaria drugs to health facilities providing treatment for all three diseases in the Tigray region. Eighty-nine sites will benefit from this integrated distribution, which will help optimize the use of transport and warehousing infrastructure. SCMS has long been advocating for integrated distribution of pharmaceuticals, which it piloted by integrating distribution of ARVs, OI drugs and lab products a year ago.

## Guatemala

**Emergency Orders/Stockouts:** No stockouts reported.

**FY 2011 Allocation:** 338,000

**Key Clients:** USAID, Guatemalan Ministry of Health, AIDS, Tuberculosis and Malaria programs

**STTA:** Logistics management information system.

### *Key activities:*

1. **The national HIV program presented SCMS with the ARV quantification for 2012.** MOH personnel explained the origin and calculation for each piece of data in the quantification. SCMS made several recommendations, including establishing a safety stock that is at least equal to the lead time for ARV vendors; requesting that Global Fund and VPP receive two deliveries per year of ARVs and other medicines rather than one to lower expiries and optimize warehouse storage space; implementing the PipeLine and Quantimed tools; and improving the LMIS to address data gaps.
2. **Presented recommendations from the technical report “Technical Assistance for the National Program Warehouse,”** developed in collaboration with SCMS, to the national HIV program and Global Fund staff. Recommendations included:
  - Proposed infrastructure improvements should be complementary, functional and long term.
  - Improvements in the warehouse’s electrical system should meet current and projected electrical demand, with emphasis on using specialized equipment to control temperature.
  - For handling cold-chain products, the government should establish an agreement with the national immunization program, which already has experts, equipment, monitoring procedures and other systems in place to ensure compliance with international cold-chain management standards.
3. **Completed an assessment of the logistics management information system (LMIS) and tools** to identify factors impeding ARV supply chain management and recommend solutions. The assessment included a review of the inventory control system and the design and function of the BRES system to determine the feasibility of integrating ARVs and TB and malaria drugs into BRES and propose a roadmap for doing so.

### *Challenges:*

1. Linked to activity 3 above, identified two major challenges with the LMIS — the forms/tools and data collection procedures are lacking standardization, and central-level programs do not use logistics information for decision making. This will be addressed in future assistance.

## Guyana

**Emergency Orders/Stockouts:** No stockouts reported.

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

**STTA:** Warehousing and distribution and LMIS for MMU relocation.

*Key activities:*

1. **Supported the National Aids Programme Secretariat (NAPS) and MOH during the national week of testing.** SCMS assisted with planning, preparing and processing 109 orders for HIV rapid test kits. This year, MOH made HIV testing more widely accessible, with most testing sites being temporary sites set up for this initiative. A total of 44,116 people were tested, exceeding last year's target of 35,000.
2. **Facilitated the Office of the Eastern Caribbean States (OECS) workshop in St. Lucia on using Quantimed to forecast HIV/AIDS-related laboratory supplies and antiretroviral medicines,** in collaboration with the Director of OECS and approved by USAID. This training reached 24 health professionals, consisting of pharmaceutical and laboratory managers from the region (eight counties make up the OECS) and OECS clinical care coordinators.
3. **Conducted an STTA in December to assess the readiness of MOH's new Materials Management Unit (MMU) to relocate to the new site.** Consultants worked with MOH to analyze existing MMU stock and MACS functionality and observe staff operations, personnel management and commodity storage conditions. These analyses and observations will help MOH prepare for relocation. Presented assessment findings to the new Minister of Health, key MOH partners and program managers.

*Challenges:*

1. Delays in procuring the revised list of commodities for the fit out of the new MMU warehouse will affect project completion. A lack of vendor response and long lead times contributed to these procurement delays. To address this issue, field office staff and PMO discussed revising approaches to international and local procurement of certain commodities, and we have established a revised procurement plan.
2. Following elections in November and establishment of the new government, changes in leadership and key administrative positions, such as the MOH Permanent Secretary, have greatly impacted ongoing and planned activities, impeding MMU operations and likely affecting planned supply chain activities. Also, the resignation of the MMU warehouse manager and the potential resignation of key procurement and warehouse operations staff leaves no clear direction for the new MOH administration.
3. Procurement of internal fit-out items for the new MMU warehouse continued to be delayed due to local vendors not complying with promised delivery dates, their reluctance in responding, and shipment and clearance delays.
4. Lack of proper supervision, high turnover of lower-level staff in MMU warehouse operations, and lack of MMU staff compliance with systems due to unqualified and untrained staff recruited on a contract basis are all affecting the efficiency of SCMS-managed ARVs and related commodities, despite our efforts to provide ongoing technical support in all aspects of operations, skills transfer, best practices and systems management. This is a big challenge to readiness planning for the MMU warehouse relocation.

### *Results:*

1. Coordinated with USAID to implement a fully operational cold storage facility (CSF) at the point of entry for cold chain commodities. The CSF is a private-public-partnership initiative funded by USAID and supported by SCMS. Historically, there have not been any cold storage facilities at the Cheddi Jagan Airport, the entry point to cater to temperature-sensitive commodities. Initially, due to electricity costs and issues identified by the airport authority, the CSF could only accommodate 20-foot refrigerated containers to store PEPFAR-funded ARVs and HIV-related commodities upon their arrival. Following several meetings with the Ministry of Agriculture, airport authorities, Guyana Power and Lighting, the USAID/Guyana Trade and Investment Support (GTIS) project, and SCMS, the CSF is now fully functional for entities requiring cold chain accommodations.

### **Haiti**

**Emergency Orders/Stockouts:** No stockouts reported.

**Key Clients:** USAID, CDC, COAG, MSH/SDSH, Aids Relief, GHESKIO, FOSREF, POZ

**STTA:** MIS.

### *Key activities:*

1. **Presented the national quantification for ARVs, OI drugs and rapid test kits for COP11 to all partners, national authorities and stakeholders.** This meeting was officially opened by the director of the Département de la Pharmacie et du Médicament (DPM) and the coordinator of the National Program for the Fight against HIV/AIDS, signaling government support for the supply planning process. This year, we categorized and presented the results three different ways — national forecasts, forecasts by stakeholder (Global Fund and PEPFAR) and forecasts by network — to allow each organization to understand what the needs and costs are and how they relate to the national requirement.
2. **Conducted training for site dispensers on the electronic dispensing tool (EDT) and on commodity logistics management to improve ARV and OI drug management.** The EDT maintains patient profiles and history, updates information on stock and its movement, manages the inventory of dispensed drugs, produces monthly consumption reports and provides inventory per product. Attendees of the EDT training included 16 participants from 13 sites representing four networks (GHESKIO, MSH, COAG and FOSREF).
3. **Met with CDC to review the list of products and coordinate their first priority orders for cholera, malaria and WASH (water, sanitation and hygiene) commodities.** CDC is also reviewing the cholera program against an assessment of drugs already in country, looking at partners' projections vs. the number of breakouts registered over the past six months. The number of cases reported dropped significantly, causing many cholera treatment centers to close or move from a less affected area to a more affected one.

### *Challenges:*

1. Continued vacancies in key staff positions (lab advisor, training coordinator and warehouse manager) owing to the lack of qualified personnel in the country since the earthquake continue

to make it difficult to complete some scheduled workplan activities. Interviews with potential candidates are in process and continue to be scheduled by local HR.

**Results:**

1. In November, distributed 135 orders to 62 unduplicated PEPFAR sites, including 37 ARV orders to 28 sites (PMTCT included), 78 lab orders to 47 sites and 17 OI drug orders to 15 sites.

## **Honduras**

**Emergency Orders/Stockouts:** No stockouts reported.

**FY 2011 Allocation:** 598,000

**Key Clients:** USAID, Honduran Health Secretariat

**STTA:** SOP development.

**Key activities:**

1. **Facilitated an SOP development training** to build the skills of key central medical warehouse (Almacén Central de Medicamentos or ACM) personnel and other Health Secretariat (SESAL) staff. With these skills and continued SCMS technical assistance, ACM staff will be expected to develop SOPs for efficient storage, transportation and distribution of pharmaceutical products in the HIV/AIDS supply chain.
2. **Conducted supportive supervision visits to 20 HIV/AIDS treatment centers** (Centro de Atención Integral or CAI) in coordination with pharmacists from the Honduran HIV/AIDS Department (PNS). Teams assessed data quality, verified reporting timeliness and collected information needed for the national ARV quantification that will be conducted in January 2012.

**Results:**

1. On November 16, the Honduran Health Minister, Dr. Arturo Bendaña, led the inauguration of a new central area at ACM. Guests included Dr. Ritza Avilez, USAID HIV/AIDS Specialist, Mr. Silvio Martinelli, Global Fund Portfolio Manager for Honduras, Mr. Randy Lyness, CHF Director for Latin America donors, stakeholders and other local partners. In September 2009, SCMS and CHF (Global Fund's principal recipient) agreed to renovate ACM, with SCMS providing TA, including preliminary designs for a new warehouse and equipment for the completed renovation. The renovation included racking, forklifts and internal systems and trainings. CHF agreed to fund the final design choice and construction costs associated with the renovation.
2. As a result of supportive supervision visits to CAI, the new ARV LMIS has improved the reporting rate from 0 percent to more than 90 percent during the first six months of implementation. For the first time since 2002, when ARV therapy began in Honduras, the HIV/AIDS Department has logistics information regarding ARV availability, consumption, minimum stock level and inventory control. This information will improve ARV forecasting and quantification.

## Kenya

**Emergency Orders/Stockouts:** No stockouts reported.

**Key Clients:** USAID, CDC

**STTA:** None.

### *Key activities:*

1. **Supported initiation of surveillance activities at 43 health facilities**, in coordination with NASCOP and the National HIV Reference Laboratory. This surveillance, which will continue until the end of November, will help analyze Kenya's HIV burden and inform future investments in combatting the disease. SCMS procured and distributed RTKs to the 43 sites.
2. **Drafted a laboratory commodity warehousing and distribution handover plan** in support of USAID Kenya's efforts to transition these responsibilities to KEMSA to help strengthen local institutions in managing supply chains. The plan outlines options for a handover at the end of November or the end of January or for a more gradual handover.
3. **Began planning revision of the HIV testing algorithm to address government and stakeholder concern about the time it takes to test clients.** Testing was taking more than 20 minutes per person, which could discourage people from seeking VCT services. SCMS initiated procurement of new HIV rapid test kits that give results in less than five minutes, including First Response HIV 1-2.0, Insti HIV-1/2 Rapid Ab Test, InstantChek HIV 1+2, and Reveal G3 Rapid HIV-1 Ab Test. We will assist NASCOP and CDC in conducting a survey in the first quarter of 2012 to validate new RTKs with the aim of revising the current HIV testing algorithm.
4. **Procured and distributed 1,831 syphilis screening kits and 1,783 pregnancy test kits to support quality antenatal care services.** These kits were distributed to all provincial and district hospitals.

### *Challenges:*

1. The exact date for transitioning laboratory commodity distribution from SCMS to KEMSA is not clear, which makes planning difficult. USAID/Kenya has indicated that the end of January may be possible for the transition.

### *Results:*

1. Procured lab equipment for the Kenya Medical Research Institute (KEMRI) for production of reagents, strengthening in-country lab capacity. KEMRI will produce hematology controls first, as they have a short shelf life and pose a challenge for international procurement. Local production of this reagent will not only diminish likelihood of expiration but also reduce costs.
2. Distributed 1,923,600 Determine tests, 261,600 Bioline kits and 4,540 Unigold kits to over 5,000 health facilities. This supports efforts to meet the national strategic plan, with a goal of having 80 percent of the population aware of their HIV status by 2013.
3. Delivered 16,000 MC kits, the first shipment of 32,000 MC kits procured by SCMS. The kits were immediately dispatched to Western Kenya, a region with one of the highest rates of HIV

infection in the country. Although tribes in that region do not have a tradition of circumcision, there is a concerted government effort to use MC as an added HIV prevention strategy.

## **Mozambique**

**Emergency Orders/Stockouts:** No stockouts reported.

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

**STTA:** Strategic planning/workplan development, warehousing (Zimpeto).

### *Key activities:*

1. **Conducted a strategic planning exercise for the remaining two years of the project and to develop a FY2012 workplan.** Held discussions with USAID/Mozambique, CMAM and a variety of other stakeholders on topics ranging from increased autonomy for CMAM and the outsourcing of warehousing to more immediate concerns such as a re-orientation of our TA.
2. **Continued to assist MOH, PEPFAR IPs and CMAM in monitoring test kit stock levels and expiry dates at the provincial and district levels.** Monitoring test kits is of particular concern within USG and Global Fund. With MOH support, we developed a distribution plan based on geographic area-specific populations and HIV prevalence rates, which should considerably rationalize kit distribution.
3. **Increased support for CMAM warehousing.** SCMS worked with the Zimpeto Central Warehouse Manager and agreed to more clearly define the staff assigned to teams for in-bound, inventory and outbound activities. We named a CMAM leader for each team and nominated an SCMS TA provider to support each team. The STTA consultant provided orientation training for the TA providers as their new roles required a greater understanding of warehouse operations and MACS. Hired an operations manager technical assistant to assist CMAM with management of the Adil and Beira warehouses. By providing support exclusively for warehousing, SCMS is focusing our assistance to CMAM in this area to increase warehouse transparency and accountability.

### *Challenges:*

1. Supported CMAM and the Directorate of Planning and Cooperation (DPC) in responding to the Global Fund Office of the Inspector General (OIG). Global Fund continues to withhold funding disbursements to Mozambique due to the perception that there is insufficient data from facilities at the central level and insufficient evidence that supplies are reaching facilities. As a consequence, GF sent a team to conduct an audit of the system. SCMS is assisting CMAM and DPC, which manages the GF grant, in responding to OIG queries.
2. The number of RTKs being issued from Zimpeto to provinces indicated that there was a problem in accounting for use of kits. As a result, SCMS worked with DPC to develop an RTK distribution plan that would issue kits on the basis of population and prevalence. Additionally, SCMS continues to help CMAM and DPC monitor RTK stock levels at the provincial and district levels. SCMS also began to work with CMAM to modify the resupply system so that provinces are resupplied with kits monthly along with ARVs, instead of every other month, as well as to encourage greater use of SIMAM for reporting consumption data.

**Results:**

1. The OI and STI drug supply plan that SCMS developed with CMAM during the first quarter of the year has begun to bear fruit. The first shipments of the roughly \$1.5 million in procurement have begun to arrive, avoiding stockouts and securing availability of these products through the first two quarters of 2012.
2. Following a visit by Ambassador Goosby, the Global Fund, and the World Bank, the Global Fund agreed to release ARV funding (\$10 million in commodities, \$13 million including all shipping) to ensure continued supply, primarily of 3TC/AZT/NVP FDC, which is the primary first-line treatment and is used by 84 percent of ART patients. During the month, SCMS worked with USG on emergency procurement of a limited ARV quantity to prevent treatment interruption for a month or two; however, the Global Fund announcement made this unnecessary. The disbursement will require that Mozambique demonstrate that treatments were distributed and consumed appropriately; USG asked SCMS to work with CMAM to ensure that distribution is verified and consumption data is collected.
3. Delivered 18,000 male circumcision kits to JHPIEGO. This process began in July, with additional discussions on mobile clinics, temporary structures and autoclaves. It was ultimately decided by JHPIEGO and USG to procure new MC kits instead of using those available in Swaziland, to not use SCMS to procure the autoclaves, and to move from tents to more durable temporary structures.

**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, 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.

**Key activities:**

1. **Provided data analysis for and helped finalize MoHSS's third-quarter 2011 antiretroviral treatment feedback report**, in support of the National Medicines Policy Coordination Subdivision of MoHSS's Pharmaceutical Services Division. This report highlights ARV stock status at all levels of the supply chain and summarizes patient and regimen statistics for the quarter. At the end of September, there were 99,286 patients on ART, of which 90.8 percent were adults and 9.2 percent were pediatrics. Of the 5,108 new adult patients initiated on ART during the quarter, about 83 percent started their treatment on preferred first-line Tenofovir-based regimen in line with revised ART guidelines issued in 2010.
2. **Provided TA to finalize the pharmacy management information system (PMIS) indicators for RMSs.** Discussed these indicators with the national task force (of which SCMS is a member), which provided feedback. The task force recommended a follow-up meeting for

RMS principal pharmacists at MoHSS to further discuss the details of implementing the proposed RMS indicators. At this meeting, the RMSs will defend their proposals as part of their buy-in and ownership process.

**Challenges:**

1. The forecasting forum has been delayed due to lack of consensus by MOHSS counterparts. In COP10, SCMS planned to support MOHSS in conducting a long-term forecast of ARVs, TB medicines and related health commodities, but the forecast was postponed more than once due to competing activities at MOHSS's Division of Pharmaceutical Services. More recently, with the support of USAID/Namibia through a formal letter to MOHSS and positive interest from the Directorate of Special Programs, MSH/SCMS has been engaging the Division of Pharmaceutical Services to obtain buy-in and prioritize this activity.
2. Delivery of the incinerator to be installed on Intermediate Hospital Katutura grounds has been delayed two months. The vendor has cited delays in manufacturing equipment and difficulty in obtaining the open-top container required for packaging the equipment for shipping. The latest update from the vendor shows that the equipment has finally been railed from New Delhi to the port of Mumbai, from where it will be ocean-freighted to Walvis Bay, with the shipping expected to take four to five weeks.

**Results:**

1. Completed upgrading Syspro at the central medical stores (CMS) and conducted refresher training on new features for 28 CMS staff. The upgrade introduced a more user-friendly graphic interface and better reporting capabilities, and will ensure continued software support availability from the vendor. SCMS supplements MOHSS's continued investment in this tool and boosts staff confidence in the system's capability, which is important because optimal system use improves availability of quality information for supply chain management decision making.

**Nigeria**

**Emergency Orders/Stockouts:** No stockouts reported.

**Key clients:** USAID, DOD, CDC, ICAP, UMD IHVN, HARVARD APIN +, CRS/AR, CHAN/NiCAB, Jhpeigo, the 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, warehousing, inventory control, MIS.

**Key activities:**

1. **Trained 18 FMOH and PEPFAR IP staff on the quantification and supply planning tools Quantimed and PipeLine** to strengthen capacity in forecasting and supply planning.
2. **Updated the COP12 RTK 12-month supply plan**, using logistics data from PEPFAR IPs' assessment of UNICEF-donated products to determine the optimal RTK procurement and delivery schedules

3. **Continued to increase the number of procurements managed from the field office**, a testimony to its growing capacity. The field office met its target for PQs managed, managing five out of six October orders, and completed all PQs within the target PQ turnaround time.
4. **Began an assessment of the HIV/AIDS logistics system using the logistics indicator assessment tool (LIAT)** with a training of 38 data collectors, including field work to pretest the data collection tool and allow participants to gain practical experience with tool and the mobile phone technology used for data recording. The mobile phone technology allows for real-time data uploads and facilitates central-level data quality checks. Data from subsequent collection activities will be useful in determining performance and identifying weak areas of Nigeria's HIV/AIDS supply chain. It will also provide baseline data for monitoring and evaluating all interventions being put in place now to determine their effectiveness in the future.
5. **Met with all stakeholders on pooled procurement of CD4 reagents for USG IPs** to review the current CD4 reagent supply chain among IPs and discuss ideas to ensure smooth operations. The USG selected CD4 reagents as the first lab reagent for SCMS pooled procurement, with the objective of having 50 percent of all PEPFAR CD4 reagent requirements for COP 12 procured through the mechanism, which has proven beneficial especially for products like ARVs, OI drugs and HIV RTKs used by PEPFAR-supported programs in Nigeria.
6. **Held a conference with 63 local vendors aimed at building their capacity to improve the quality and timeliness of deliveries** and their adherence to USAID procurement rules. The vendors were taken through the entire procurement process, with guidelines for each step of the process for USG-funded procurements. Participants learned that, going forward, performance reports will be sent to local vendors, and that local vendors who maintain high performance rates are more likely to receive SCMS orders.

**Challenges:**

1. Some IPs expressed reservations, including potential loss of jobs in redundant positions, on the proposed supply chain unification effort. With USG leadership, it is expected that these reservations will be well managed as the plans progress.

**Results:**

1. Averted stockout of ARVs in GFATM-supported sites. With guidance from USG management, we made available commodities worth about \$5.7 million (AZT/3TC/NVP, TDF/3TC, NVP 200 mg and EFV 200 mg) to GFATM-supported sites from the PEPFAR Q3 COP11 ARVs deliveries to help avert stockouts. To ensure PEPFAR IPs did not risk stockout during this transfer, we used logistics data from their LMIS to determine quantities needed prior to the arrival of Q4 COP11 ARVs and moved up delivery where necessary. This collaboration to avoid stockout ensured that some 80,000 clients will continue receiving treatment without interruption.
2. Ten out of the 20 clinics-in-a-box (CIB) ordered by one of the PEPFAR partners (University of Maryland) have been installed at sites in six states, and the remaining 10 have been delivered to sites and await installation. These structures will allow the sites to provide HIV/AIDS services for more patients in a more conducive working environment because additional rooms will be available for clinic staff to use.

## Rwanda

**Emergency Orders/Stockouts:** In December, managed emergency order procurement of 600,000 EDTA Vacutainers for blood collection to support an MOH national HIV testing campaign. Because we were given less than three months to supply these commodities, this had to be placed as an emergency order.

**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), CNLS (National AIDS Commission), PEPFAR implementing partners (FHI, ICAP, EGPAF, Intrahealth, CRS, Drew University), CDC, USAID, E-Health Group

**STTA:** SAGE L500 post-audit, MIS.

### *Key activities:*

1. **Assisted the national quantification team in identifying and collecting key programmatic, morbidity, consumption and service statistics data** in preparation for the 2012-2013 commodity quantification, with special attention to laboratory data. Ten data collection teams visited 99 health facilities (the National Reference Laboratory, two referral hospitals, 41 district hospitals and 55 health centers) to collect laboratory service statistics data. Also held various meetings with central MOH institutions to discuss their programmatic targets and expectations for scale-up. Collected data from RBC/IHDPC-HIV division, RBC/IHDPC-NRL division, RBC/MPD and harmonized LMIS records. This exercise will result in supply plans for COP11 commodity procurements.
2. **In collaboration with USAID | DELIVER PROJECT, worked with MOH to conduct the annual quantification and develop procurement plans for HIV/AIDS commodities** through 2014 in a workshop attended by 22 participants from MOH, district pharmacies, district hospitals, Global Fund, CDC, USAID and PEPFAR IPs.
3. **Hosted a final conference on active distribution titled “Ownership and sustainability of the active distribution,”** with 30 district pharmacists, 40 hospital pharmacists and 15 representatives from the two central medical stores and other central-level institutions. Participants discussed best practices, challenges and opportunities to ensure greater success and commitment to the active distribution program and its continuity.
4. **Completed installation of CCTV in the MPD warehouse as part of a broader plan to strengthen MPD warehousing systems.** We previously equipped the warehouse with forklifts and racking and will soon install fire suppression and cooling systems.
5. **Finalized supply plans for ARVs, OI drugs and laboratory commodities,** taking into consideration facility-level consumption and stock status at all levels captured through LMIS reports and inventory management software at the central level, shipments in the pipeline and product cost.

### *Challenges:*

1. Late procurement requests continue to come to SCMS from the Government leading to emergency orders to prevent stockouts.

*Results:*

1. Reporting rates are at 94.6 percent for ARVs and OI drugs and 98 percent for patient data. Approximately 103,202 patients are now on ARVs. This is the result of ongoing support by SCMS and USAID | DELIVER PROJECT for using the paper-based LMIS for reporting, through support and supervision visits and training of users.

## South Africa

**Emergency Orders:** No stockouts reported.

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

**STTA:** None.

*Key activities:*

1. **Conducted the final visits for the logistics system strengthening program to Port Elizabeth and North West provincial depots.** Progress was evident on the implementation of activities identified in the decision matrix plan since the last visit, in areas such as housekeeping, receiving and temperature controls. Advised both depots to focus on completing the updates to site master files and SOPs, implementing health and safety regulation requirements and ensuring their maintenance contracts are structured to conduct RFPs prior to contracts lapsing. Lapsed contracts will impact ongoing services such as building or equipment maintenance, hence the depots were advised to put in place a maintenance register and retain up to date.
2. **In anticipation of the year-end red zone (December 15 to January 15), SCMS planned inbound and outbound shipments to ensure minimal stock in the LDC and maximum release to the depots.** Picked and delivered all released product to the 10 depots prior to the closure for red zone. SCMS worked with the South African Revenue Service (SARS) teams to ensure backup processes were in place for instances when documentation was submitted during the red zone period to ensure approval.
3. **Met with the Mission to initiate planning for the implementing partner procurement program.** In early January 2012, a meeting with selected implementing partners will convene to present the overall strategy for the program. Further product analysis to determine quantification is underway.

*Results:*

1. December was the planned closing month for receiving USG donation ARVs from vendors. At the end of December, only five shipments remained en route to arrive in January 2012 of more than 330 shipments since April 2010. These shipments were delayed because of re-tendering product in late September due to manufacturing shortfalls, syringe manufacture issues, and Nevirapine tablets that required repacking at the local manufacturer level.

## Tanzania

**Emergency Orders/ Stockouts:** In November, Procured and delivered CD4 reagents worth \$3 million to avert a stockout.

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

**STTA:** Strategic planning, warehousing and distribution.

### *Key activities:*

1. **Conducted landscape analysis of four logistics management information systems as part of preliminary activities for eLMIS.** Reviewed experiences in Mozambique, Ethiopia and Pakistan, which are implementing eLMIS projects, and analyzed their projects based on eLMIS requirements in Tanzania. This activity was crucial in giving the Tanzania team implementing the eLMIS insights into the market tools available to support eLMIS development and a sense of realistic expectations and requirements. Stakeholders from MOH's Pharmaceutical and Supplies Unit, Lab and Diagnostics Sections, Medical Stores Department, UNICEF and SIKIKA participated in this analysis.
2. **Trained 23 laboratory personnel on the laboratory logistics system,** currently in its pilot phase, which upon nationwide implementation will improve laboratory supply management through improved data visibility and informed decision making at the national level.
3. **Initiated incorporation of supply chain management (SCM) modules into pre-service training** through an assessment of the curricula of 12 national training institutions, including implementing partners and the Muhimbili University of Health and Allied Sciences (MUHAS). This activity, a collaborative effort with USAID | DELIVER PROJECT, aims to support sustainable supply chain capacity initiatives implemented by donors, including USAID and PEPFAR. The assessment results will build upon the work done by ITECH, a USAID IP, in incorporating supply chain concepts in the MOHSW medical training curriculum.
4. **Assessed implementation of the laboratory logistics system in 22 laboratories located in seven regions,** including Dar es Salaam, Morogoro and Tanga. Conducted these visits to monitor the pilot phase of this implementation and provide support based on needs. Assessment findings will be used to review the system prior to national rollout, scheduled to begin in early 2012.
5. **Assembled steel structure for all four modules of the warehouse-in-a-box (WIB) facility in Keko warehouse** at the central MSD zone in Dar es Salaam. Keko is one of the three sites targeted for infrastructure support to expand MSD's warehousing infrastructure.
6. **Trained 20 staff from the Zanzibar central medical stores on basic logistics and commodity management.** Topics included warehouse de-junking and an overview of the ARV logistics system. This training was in response to the Zanzibari MOH's request to build logistics and management capacities of its staff for improved commodity management.

### **Challenge:**

1. Recalled 68,000 SD Bioline test kits that had been procured on an emergency basis to alleviate the gap created by delays in GOT funds disbursement. SCMS quality assurance testing through the University of Maryland and CDC/Atlanta labs identified defective lots of the test kits. SCMS collaborated with MSD to recall all kits from the zones and 1,000 kits suspected to have reached four facilities.
2. In December, implementation of the warehouse-in-a-box project was halted pending receipt of an environmental impact assessment, which has been delayed due to long processes within the National Environment Management Council. This has the potential to delay finalization of this project, which was previously ahead of schedule. SCMS and the Medical Stores Department are making efforts to speed up attainment of the permits.
3. Partners did not achieve the original target of completing the first phase of the Enterprise Resource Planning (ERP) initiative for November 2011. Completion is now expected by April 2012. The primary reason for the delay was the acquisition of our selected software vendor, Epicor, by a private equity company, which impaired the vendor's inability to staff the project during the change in management. A secondary reason has been the steeper than expected learning curve for some MSD staff, resulting in longer knowledge transfer times and slower decision making. However, the new Epicor project manager arrived in Tanzania and is now working to restructure his team, the activity plan, communications and expectations. A new and detailed project plan and timeline are in place.

### **Results:**

1. Launched the prime vendor model, a mechanism that will allow implementing partners to procure 37 selected OI drugs from local distributors and manufacturers. Supplies through the prime vendor mechanism have gone through quality assessment by SCMS and obtained necessary approvals. The model, designed to qualify in-country sources approved for use by USG-funded projects, aligns SCMS's objectives with the Global Health Initiative principle of strengthening and leveraging private sector engagement for sustained support.
2. Completed rollout of the mentoring program countrywide, with a final training of 151 commodity managers from regional and council health management teams from four regions in the Northern Highlands zone. This program is implemented by SCMS supply chain monitoring advisors in all nine MSD zones who promote supply chain sustainability by training NACP and health management teams to be mentors for health facility staff. During the training, managers reviewed basic logistics concepts and ARV logistics system functionalities, and learned how to use the mentoring toolkit to support logistics mentoring of health workers from lower levels. All told, the program trained 626 managers.

## **Uganda**

**Emergency Orders/Stockouts:** No stockouts reported.

**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 Defense Force/Department of Defense, Makerere University/Walter Reed Project

STTA: None.

*Key activities:*

1. **Provided ARV quantification and budgeting support to USAID as part of an ARV rationalization exercise.** As a follow-on to the “One PEPFAR ARV” quantification exercise, which developed a single quantification plan for all PEPFAR implementing partners, PEPFAR is working with MOH to rationalize ARV distribution to public health facilities to ensure a single distribution agent is delivering to each site, rather than being supplied by both a public and a private sector distributor.
2. **Delivered 23,787 bottles of Nevirapine oral suspension to National Medical Stores for MOH’s PMTCT program.** This delivery, made in October and worth \$46,385, was part of an emergency order delayed due to long lead times from the supplier.
3. **Continued processing \$1 million worth of pediatric and adult second-line ARVs donated by UNITAID/CHAI to PEPFAR.** Obtained import waivers and NDA verification certificates. Working with CHAI and USAID 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.

## Vietnam

**Emergency Orders/Stockouts:** No stockouts reported at PEPFAR-supported sites.

**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. **Conducted an assessment of eight TB treatment sites in collaboration with the National TB Program (NTP) and KNCV (Dutch TB Foundation).** In preparation for the introduction of GeneXpert machines in Vietnam, we assessed potential sites, reviewing human resource capacity in stock management, reporting systems already in place that could be adapted to include GeneXpert commodities, and storage capacity.
2. **Supported planning for a pilot use of Atazanavir.** MOH released its new treatment guidelines for ARVs this month, which specifies a new second-line protocol that includes Atazanavir.
3. **USAID approved SCMS’s two-year workplan for October 2011 to September 2013.** USAID hosted the workplan review meeting and provided technical review of activities and budget. This approval authorizes SCMS to hire a senior technical advisor for health systems strengthening and to focus on supply chain assessment and system design activities.

*Results:*

1. **Conducted on-site training for dispensers at eight new methadone sites,** which were receiving their first distribution of methadone and providing starting doses to clients. These new sites bring the total number of functioning methadone clinics in Vietnam to 42.

## Zambia

**Emergency Orders/Stockouts:** In September, SCMS placed an emergency order for Truvada (TDF/FTC), which arrived in November. This order was necessary because TDF/FTC usage had been forecasted to decline as clinicians transitioned patients to Atripla (TDF/FTC/EFV); however, TDF/FTC usage continued to increase while procurements were reduced based on the forecast. The total cost of the shipment was \$2.31 million. Shortages continued and in December, exacerbated by delays to CHAI order, and SCMS placed an emergency order for 300,000 packs (1.6 months) of Tenofovir/Emtricitabine 300/200 mg and 70,000 packs (5 months) of Lamivudine/Stavudine/Nevirapine 60/12/100 mg to be delivered in February/March 2012.

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

**STTA:** Laboratory logistics evaluation, storage-in-a-box installation, pre-service training.

### *Key activities:*

1. **Organized a PMTCT Acceleration Plan meeting of USG partners**, in conjunction with the USAID | DELIVER PROJECT, to provide partners a forum to identify challenges in the current situation and discuss how to address some of these issues through implementation of the PMTCT Acceleration Plan. The meetings will support identification of opportunities to leverage resources and collaborative efforts toward the goal of eliminating mother-to-child transmission by 2015.
2. **In partnership with USAID | DELIVER PROJECT, completed a seven-year national forecasting and quantification exercise for HIV test kits.** The projects also prepared and shared a one-year procurement plan with SCMS, MOH and partners for the 2012 calendar year, for which there is currently a funding gap of about \$1.5 million.
3. **Evaluated the national ART laboratory commodities logistics system**, which has been running since 2008, to identify areas of the system that require adjustment to improve its ability to address labs' needs, as well as identify areas that function well. Preliminary findings indicate that the system is working well, as more than 85 percent of facilities are satisfied. Two critical challenges are data quality and final receipts meeting the full quantity ordered from the central warehouse, even when those commodities are available centrally.
4. **Worked with MOH to conduct a seven-year annual forecast and quantification for laboratory reagents**, identifying commodity requirements and funding needs. Prepared and shared with partners a one-year procurement plan that identified a funding gap of about \$7 million. The Ministry is utilizing the gap analysis document to solicit funding from the government and other donors. One unique feature of this year's quantification is the active participation of MOH's Deputy Director of Laboratory Services and his team, which can be attributed to SCMS's commitment to building capacity for sustainability.

### *Challenges:*

1. The continuing challenge is the poor quality of data at the central medical stores. This makes it difficult to monitor stock availability and take measures to prevent stockouts in a timely manner. The program also faces challenges gathering data from other procurement agents providing

commodities for MSL. Knowing early whether or not shipments will take place as scheduled would permit other partners to respond as needed.

#### **Results:**

1. Delivered an emergency order of HIV test kits to prevent imminent stockout. SCMS's swift action in placing emergency orders in August and September prevented stockouts in October and November. The delay in delivery of GFTAM-funded procurement under UNDP led to critically low levels of HIV test kits. SCMS's delivery of one month of stock (MOS) in October stabilized the national supply, and we are awaiting November deliveries of three MOS by UNDP and 0.5 MOS by MOH. SCMS also brought forward planned orders from March 2012 to December 2011 to cushion any further delays from GFTAM and UNDP.
2. Installed two storage-in-a-box warehousing units at Kafue and Gwembe district health offices. Because storage space is one of the key challenges faced at the district level, SCMS intervened by identifying a cost-effective and immediate solution and supporting installation of these warehousing units to securely store commodities. This intervention resolved a major bottleneck in ensuring commodity availability at district SDPs. SCMS will evaluate the use of these units in a few months to determine whether to expand storage-in-a-box to eight more districts this year.
3. Conducted a TOT for biomedical lecturers to institutionalize supply chain education. Fifteen biomedical professors from three biomedical training institutions obtained a competency certificate in the SCMS-supported national laboratory logistics system and the USAID | DELIVER PROJECT-supported HIV test logistics system. This training is the third of its kind to take place since 2009. With these trained lecturers, institutions are now ready to fully incorporate supply chain training for graduating students in the next academic year.
4. Presented a starter pack for biomedical in-service training to Chikankata College of Biomedical Sciences. SCMS signed a letter of agreement with the biomedical college to print and share logistics and supply chain study materials with the institution to kickstart pre-service training. These materials include SOPs, trainer guides, lecturer guides, student manuals, logistics handbooks and posters. In receiving the material, Dr. Hans Samatanga, head of the institution, thanked SCMS for the initiative and for supporting the institution in training well-informed graduates. He confirmed that the college will put the material to use immediately.

## **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:** None.

#### **Key activities:**

1. **Contracted a consulting firm to conduct a security assessment of all NatPharm branch stores and its headquarters.** The assessment focused on areas such as internal and external

threats, fire safety and occupational safety. UNICEF is expected to provide financial support to implement recommendations made in the assessment report.

2. **Completed the proof-of-concept phase for sites using cell phones to transmit ART patient and logistics data to the central level.** This first phase demonstrated the technical feasibility of this solution, and the project will now be piloted to 40 remote ART sites to increase on-time reporting.
3. **Received responses from seven local and international IT vendors to the RFP** to upgrade the Zimbabwe information system for ART commodities (ZISHAC). This revision will align the system to the manual system that was redesigned earlier this year. Major changes include integration/interface with the NatPharm warehouse management system, decentralization to Bulawayo and incorporation of distribution to outreach sites. It is expected that this revision will begin during the first quarter of 2012 and be completed by the end of the year.
4. **Conducted wide range of training programs for MOHCW in male circumcision logistics, medicines management for regional centers and health workers in management of OIs and ARVs.** In total SCMS trained over 300 MOHCW staff.

#### *Challenges:*

1. Based on updated quantifications shown Result 1 below, we developed projected forecasts and supply plans for 24 months and 18 months and discovered funding gaps for all commodities, except PMTCT ARVs and anti-TB medicines, in 2011 and 2012. Discussions continue with government and donor partners to address these gaps.

#### *Results:*

1. The MOHCW Directorate of Pharmacy Services LSU updated (October) the quantifications for adult ARVs for ART and PMTCT; HIV and syphilis RTKs; male circumcision, point-of-care and early infant diagnosis commodities; and OI, TB and malaria medicines. SCMS provided technical support in collaboration with NatPharm, Global Fund, UNICEF and CHAI. LSU presented these quantification results at a partners meeting hosted by the USAID Mission, with recommendations on implementing cost-effective activities and adjusting program targets to future funding expectations. The Permanent Secretary for Health and Child Welfare and other senior government officials also presented an update on the HIV/AIDS care and treatment program and quantification outcomes to the members of parliament. This meeting highlighted anticipated ARV funding gaps and the need to advocate for financial resources to support the national program.
2. SCMS assisted the MOHCW Directorate of Pharmacy Services and three training institutions for pharmacists and pharmacy technicians in developing a pre-service training curriculum in supply chain management, and provided a TOT to 10 trainers from these institutions. In recognition of the quality of the material developed, Harare Polytechnic Pharmacy Training School agreed to review its curriculum to incorporate supply chain management courses for diploma certification.
3. The Department for International Development (DfID) reacted positively to the October quantification update, which received technical support from SCMS in collaboration with NatPharm, Global Fund, UNICEF and CHAI, and committed to funding to cover ARV pediatric formulation gaps until 2015. The MOHCW DPS LSU presented these quantification results at a partners' meeting hosted by the USAID Mission, and it recommended implementing cost-effective activities and adjusting program targets to future funding expectations. This

meeting highlighted anticipated ARV funding gaps and the need to advocate for financial resources to support the national program.

## 5. Innovations

Innovative approaches continue to show good progress during this quarter, including:

- SCMS established a process for testing rapid test kits and non-proprietary laboratory reagents. Implemented with the University of Maryland, the program very clearly demonstrated its worth in identifying faulty kits from SD Biotec batches of the HIV1/2 3.0 kit. The impact of this quality issue is reported elsewhere in this report.
- 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 Botswana Guyana, Namibia, Zambia and Zimbabwe being implemented.
- In Tanzania, locally manufactured essential drugs continue to be successfully tested at the Muhimbili University in Dar es Salaam, with further deliveries cleared for delivery under local procurement. This initiative in Tanzania is a pilot application of new approaches to local procurement of pharmaceuticals which we hope to roll out to other countries with an appropriate-sized local pharmaceutical industry to support the sustainable supply of quality-assured, affordable essential medicines.
- The warehouse-in-a-box and clinic-in-a-box initiatives — to provide a turnkey solution for the supply, delivery, installation, training and handover of new facilities as one package — are gathering momentum. Deliveries of the storage-in-a-box were made in Nigeria and Zambia, and the initial frames for the first full size warehouse-in-a-box was constructed in Tanzania.
- The innovation to improve the search capability of the existing SCMS e-catalog completed final testing within SCMS and will be rolled out in early 2012. This is slightly behind schedule due to the need to clarify PEPFAR categories for products and program activities. The new functionality will improve the search experience for clients and SCMS field offices, reducing the time necessary to agree to 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, efficiency and cost within the SCMS procurement system.
- The USAID-agreed-to initiative to develop a dedicated planning processor linked to Orion and CRM to automate the current manual process of aggregating global demand from individual program and country forecasts also completed final testing for rollout and is now being used on a pilot basis in the PMO. This will enable the demand management team to generate supply plans and restocking orders for SCMS inventory without the need for multiple data entry, thus reducing the risk of error and improving the process's efficiency. Growing demand and the increased number of orders and clients has made it increasingly difficult to effectively manage this process manually.

Two innovations of note in our country programs are:

- In Zimbabwe, in collaboration with MOHCW, SCMS completed the Delivery Team Topping Up (DTTU) LMIS data capturing tool (AutoDRV) upgrade. The upgrade sought to improve the delivery software used at sites during deliveries to collect data to make it flexible enough to allow recording of additional products. The upgraded software can now handle a larger number of products, which has enabled the project to add primary health care package (PHCP) products and CD4 point of care (POC) and early infant diagnosis (EID) products to the laptop-based data

collection system instead of using manual forms. This has greatly improved the turnaround time of LMIS reports because they no longer need to be encoded centrally. Even with the rapid MOHCW scale-up of PMTCT sites, the upgrade has prevented the need for an additional staff to encode PMTCT commodities data.

- SCMS Nigeria began using mobile phone technology for data recording. The mobile phone technology allows for real-time data uploads and facilitates central-level data quality checks. Data from these collection activities will be used in determining performance and identifying weak areas of Nigeria's HIV/AIDS supply chain.

## 6. Objectives for January- March 2012

<b>SCMS</b> 		Project-wide Workplan TO3 FY2012 – October 1, 2011 – September 30, 2012	
Activity	Deliverable	Target Deadline	Progress
<b>1. Global Supply Chain</b>			
<b>Improve GSC Performance</b>			
Increase number of planned orders (vs. unplanned and emergency), monitor quarterly	Planned at 80%	12/30/2011, 3/30/2012	Dec. complete. Mar. in progress.
<b>ARVs</b>			
Analyze forecasting and supply plan	Small paper, input for procurement strategy through 2015	2/29/2012	In progress.
Share market intelligence with USG and FDA	Establish quarterly meetings to brief COTR	12/30/2011, 3/30/2012	Dec. complete. Mar. on target.
<b>Essential Drugs (OI etc)</b>			
Evaluate TZ essential medicines pilot	Review and recommendations in final report	1/31/2012	Zenufa pilot on target. Prime Vendor pilot postponed until Apr.
<b>Laboratory- Equipment, Reagents, Consumables</b>			
Develop standardized procedures concerning Maintenance Service Agreements (MSA), including mapping, flowcharts, contractual process and training	SOP	1/31/2012	In progress with delays.
<b>Demand Planning &amp; Inventory Management:</b>			
<b>Supply Plans- Quarterly Planning and Updating Process</b>			
Perform ARV quarterly reviews by country	Updated Supply Plans	1/31/2012	On target.
Perform LAB & RTK quarterly reviews by country	Updated Supply Plans	1/31/2012	On target.
Perform COTX & other DRUG quarterly reviews by country	Updated Supply Plans	1/31/2012	On target.
Perform MC Kit quarterly	Updated Supply Plans	1/31/2012	On target.

reviews by country			
<b>Inventory Management- Refine Stocking Strategy</b>			
Demand Planning Module – develop and implement	Implement automated planning module	1/31/2012	On target.
<b>In-Country Supply Planning/ Forecasting Technical Assistance</b>			
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 (10 ARV, 4 RTKs, 7 Lab.)	1/31/2012	On target.
<b>Quality Assurance:</b>			
<b>Waste Disposal Management</b>			
Swaziland MC Project	Advise and provide risk assessment	1/31/2012	Complete.
<b>Warehousing and Distribution:</b>			
<b>International Freight and Logistics</b>			
Bi-annual review of competitive and reasonable pricing, particularly on heavy volume loads	Report	3/30/2012	Mar. on target.
Work with F&L Freight Analyst to analyze the top 10 lane pairs for SCMS Core Countries quarterly, by mode of transport (land, sea, air), for both door to door and port to port movements	Analyze and evaluate cost per kg by mode for both door to door and port to port for each of the 10 lanes pairs, to be completed three times a year	11/30/2011, 3/30/2012	Nov. complete Mar. on target.
<b>Management Information Systems:</b>			
<b>VM Migration</b>			
Migration Phase		12/19/2011 2/15/2012	On target for Feb.
<b>Data Warehouse</b>			
Deployment Phase		12/14/2011 3/16/2012	On target for Mar.
Migration Phase		1/17/2012 3/31/2012	Mar. on target for Mar.
<b>Implement BI Tool Site</b>			
Implement Phase		3/31/2012 4/30/2012	Apr. on target for Apr.
<b>Implement RFx Tools</b>			
Implement		3/31/2012	On target.

<b>2. Health Systems Strengthening</b>			
<b>System Strengthening Strategy Initiative:</b>			
Update and finalize tools	Updated Logic Model	2/28/2012	Delayed. New date to be agreed upon.
Develop Capability Maturity Assessment tool and associated methodology documentation that defines the benchmarks and assesses the supply chain function's potential to perform but not performance itself	Capability Maturity Assessment Tool Capability Maturity Monitoring Tool	3/31/2012	In progress.
Develop SCMS Technical Service Offering: a compendium of systems strengthening "tools" and interventions that are available to SCMS, USAID, and local counterparts to address capability and performance gaps of in-country supply chain systems. (Best Practices, Standards, Methodologies, Tools, Technical Briefs and Website content in priority SCMS supply chain functional areas and cross-cutting domains outlined in the conceptual framework.)	Technical Services Offerings in: Warehousing and Distribution, MIS, HRCD, Labs, Forecasting and Supply Planning, Systems Strengthening Strategic Plan	3/31/2012	On target.
Develop updated technical assistance Operating Model	Global STTA Work plan TA Quality and Risk Management Enterprise Project Management Updated STTA SOP Country work plan, budget, SOPs	12/31/2011, 3/31/2012, 1/31/2012, 1/31/2012, 1/31/2012	Work plan complete. Ongoing.
<b>In-Country Data Management and Technical Assistance:</b>			
Support and guide the in-country MIS teams with System Development Life Cycle-based project management support, advice, consultation, documentation, and general compliance review	Nigeria: limited LMIS scale-up	3/30/2012	Pending USAID concurrence.
	Nigeria: initiation/strategic planning for major LMIS scale-up	3/30/2012	In progress.
	Mozambique: additional WMS	3/31/2012	Pending

during all phases of each initiative	site implementations		USAID concurrence.
Redefine and refresh the SMIS technical assistance capability in accordance with the new conceptual framework	MIS Component of SS Strategic Plan	3/30/2012	In progress.
<b>In-Country Warehousing and Distribution Technical Assistance:</b>			
Assess warehousing requirements and develop a plan of action in order to achieve WHO GWDP 2005 QAS/04.068-rev 2	Develop four country warehouse technical assistance roadmaps for countries with this activity in their plan. (TZ/ET/GY/RW)	2/1/2012	On target.
Evaluate training and technical assistance impact of W&D interventions and implement mentorship/coaching/skills transfer as needed to ensure quality and compliance	In conjunction with HRCDD workplan activity 5, adapt training/skills impact assessment tool and implement for attendees of WOM (Warehouse Operations Management)	2/1/2012	On target.
Publish warehouse compliance tests for inventory management capability assessment - the test is designed to be applied by non technical personnel	Tool	2/1/2012	On target.
<b>Human Resource Capacity Development:</b>			
Establish baseline data/situation on HR/Capacity in SCM for at least 7 of the SCMS program countries (ET, NB, MZ, Zim, Rwanda, Cote d'Ivoire, Guyana, Vietnam)	HR for SCM Assessment Country Reports; Global Analysis of HR for SCM in at least 7 SCMS Country Programs	3/31/2012	In progress.
Compile & disseminate existing best practices, standards, methodologies in capacity building for SCM (At least 13 SCMS FO's to be conducting capacity building activities)	Complete listing of existing SCMS Best Practices, Standards, and Methodologies in capacity building for SCM available on SCMS internal and external websites; resources to be made available at Field Office Conference	1/1/2012 & Ongoing	In progress.

Research and compile resources on best practices in skills transfer methodologies (including OJT/Mentoring/Coaching and technology) (8 SCMS countries are seconding staff and will need proven methods/activities to transfer skills in more day-to-day interactions; at least 13 SCMS countries are working in informal relationships to build skills and will benefit from the Toolkit that comes out of this research)	Research completed	3/31/2012	In progress.
Write Case Study/White Paper referencing factors for success and challenges in implementing PST for SCM (highlighting Namibia, Zim, Rwanda, Ethiopia, and other FO programs) and share with field offices interested in implementing PST	Case Study/ White Paper published	1/31/2012	In progress.
<b>Lab System Strengthening:</b>			
Pilot model (RW, CI, NG)	STTA trip report, draft way-forward strategies and established tool kit modifications	CI Mar. 2012, NG Mar. 2012	In progress. Efforts expected to pick up in Jan.
Develop a TA service package – toolkit utilizing data model	Harmonization toolkit – service package: critical data variables, established data analysis methodology, strategic interpretation, advocacy	Feb. 2012	On target.
Integrate Harmonization as a critical component to all Quantification requests	Harmonization/Standardization analysis module	Feb. 2012	In progress.
Active participation in the review of the new CHAI multi-methodological forecasting tool. Collaborate with JSI/DELIVER/USAID/CDC in training material	Release of the new CHAI multi-methodological forecasting tool (Training material development)	Jan. 2012	In progress. New version of CHAI to be reviewed in Feb.

development and rollout			
<b>3. Global Collaboration</b>			
<b>Global Collaboration:</b>			
<b>Quarterly Meeting of CPP Steering Committee</b>	Updated risk schedule and meeting report	12/13/2011, 3/12/2012	Dec. Complete. Mar. on target.
<b>Contribute to WHO AIDS Medicines and Diagnostic Service Network</b>			
Attend AMDS Annual Partners Meeting	Presentation of SCMS forecasts	3/30/2012	On target.
<b>Report to OGAC on ARV and selected OI deliveries to PEPFAR Implementing Partners</b>		3/30/2012	On target.
Survey Implementing Partners for ARV deliveries		2/10/2012	In progress.
<b>Prepare SCMS Lessons Learned White Paper for publication</b>		1/9/2012	New date to be agreed upon.
<b>Public Private Partnership for Pediatric ART</b>			
PaATH drug registration project		3/30/2012	Deadline could be at risk due to delays in Guyana following the change of government in recent elections.
<b>4. Knowledge Sharing and Communications</b>			
<b>Global Health Conference</b>			
Abstract development	15 abstracts submitted (depends on theme)	3/1/2012	Pending. Waiting for theme to be announced.
<b>International AIDS Society Conference</b>			
Abstract development	15 abstracts submitted	2/14/2012	Complete.
<b>Communications Products</b>			
Supply Lines	4 issues	1/10/2012, 3/6/2012	Jan. complete. Mar. on target.
<b>5. Operations</b>			
<b>Performance Management</b>			
Global/Regional/Country Training (tentative, based on	Regional Training held in South Africa and Training Toolkit	3/30/2012	In progress.

	demand)	deployed in SCMS Countries - available to SCMS partners and Field Offices		
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