



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



# Quarterly Performance Report

## January – March 2012

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May 18, 2012

### 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 Collaborations. The remainder of the report gives more detail on programmatic milestones (Section 2, page 12), procurement and distribution statistics (Section 3, page 23), progress in countries (Section 4, page 27), innovations (Section 5, page 54) and objectives for the coming quarter (Section 6, page 56). 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 March 2012, are as follows:

- \$1.088 million in products delivered to clients, accounting for 11,293 deliveries. Deliveries for the quarter valued at \$71 million.
- 54 countries received shipments of HIV/AIDS commodities.
- 98 percent of ARVs (by volume) delivered by SCMS from January to March 2012 were generics. In February, 100 percent of ARV deliveries were of generic products.
- 34 countries received technical assistance in such areas as quantification, warehousing and distribution, laboratory logistics, quality assurance and management information systems (MIS).
- 715 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.

In February, the project achieved a life-of-project high performance mark, with 85 percent of all deliveries made to clients within 14 days of the SCMS promise date.

### Highlights from the quarter:

The highest profile event/most critical issue for the project in this quarter was the successful completion of the \$120 million ARV bridging fund initiative in South Africa. The arrival of the last of the ocean shipments in early January enabled a rapid turnaround of the sampling process and the final distribution to depots. Between January 2010 and January 2012, SCMS imported, quality tested, warehoused and distributed to provincial depots over 21.9 million bottles of generic ARVs worth \$102 million, at a cost savings of \$93 million compared to the previous South Africa tender. Leveraging the USG strategy for accessing international pricing, South Africa's Department of Health subsequently achieved a \$630 million (53 percent) price reduction in its next national ARV tender. This achievement was made possible through committed partnerships with NDOH, USAID, CHAI, MSH SPS and especially the 10 provincial depot teams.

Activities, challenges and issues to watch for in the three main pillars of the project — Global Supply Chain, Health Systems Strengthening and Global Collaborations — include:

## 1a. Global Supply Chain

The global supply performed consistent to recent quarters during the period, delivering \$71.3 million of commodities via 569 shipments to clients. On-time delivery held steady on target at 80 percent of deliveries made within 14 days of the SCMS promise date.

### Successes:

- Long-standing negotiations with Abbott Laboratories to establish an IQC for its pharmaceutical products were finally concluded, with agreement on pricing, contract language and terms and conditions.
- In recognition of our good claims record and reduced risk, SCMS's insurers have once again reduced the rate to insure our commodities in transit. The rate is now 0.125 percent of value, a reduction from the 0.15 percent charged the previous year, which in itself was a reduction from the 0.196 percent charged for the period of October 2008 to September 2010. Based on the estimated spent for FY11, if commodity values remain similar, the renewal terms show a potential savings of about \$84,000 for FY12.
- Thirty-one lots of 460 mg Co-trimoxazole tablets produced by Zenufa Laboratories, Ltd., in Tanzania were successfully quality screened using the new near infrared technology to assess production uniformity, weight variation for tableting consistency and disintegration time as a measure of active ingredient release.
- International wholesalers Amstelfarma in the Netherlands and Action Medeor in Germany were re-inspected according to PFSCM quality assurance policies, which mandate approved wholesalers be inspected every two years, and were found to be in compliance with the WHO Model Quality Assurance System for Procurement Agencies and reapproved.
- As of February 2012, the cumulative figure saved through the effective use of freight reached an estimated \$76.6 million. These savings are achieved through forecasting, freight planning and consolidating orders that would normally move via air, and instead shipping them through the more cost-effective ocean and road modes of transport.
- Price negotiations with a vendor of Efavirenz/Emtricitabine/Tenofovir disoproxil fumarate 600/200/300 mg tablets for a delivery of 220,000 bottles to the South Africa RDC resulted in a savings of more than \$200,000 from previous orders and the initially quoted price. The vendor first quoted a price of \$16 per bottle; after negotiations, the price was reduced to \$14.99. Savings will extend to future orders, as this is now the new ceiling price.
- SCMS's first shipment of commodities arrived in Democratic Republic of Congo to support the PMTCT acceleration program. Procurement and delivery of these vital commodities was a significant accomplishment given the complicated logistics and the absence of an SCMS warehouse in the country. Since the commodities had to be delivered to nine different implementing partners around the DRC, we worked with the vendors to consolidate and package commodities by IP at the manufacturing facility, so there was no need for picking and packing in country. Products arrived ready for delivery. This customized logistics model ensured deliveries arrived at their different destinations on time and in full.
- In Pakistan, supporting the National AIDS Control Program and the National Blood Transfusion Program with procurement of CD4, viral load and blood screening diagnostics. SCMS will deliver the products in quarterly shipments throughout the country. This is an excellent example of cooperation between USAID projects, as USAID | DELIVER

PROJECT assisted USAID and SCMS with clearance and monitoring of the first shipments, which reached Pakistan in March.

- In Tanzania, placed our first order with local manufacturer Power Food Industries for ready-to-use therapeutic food (RUTF), specifically 525 boxes of Plumpy Nut (78,750 sachets of 92 g). Power Foods Industries was recently approved by USAID upon recommendation of PFSCM's Quality Assurance team.

#### **Challenges:**

- There have been extensive delivery delays for commodities through ocean freight into Ethiopia via Djibouti. Our freight and logistics (F&L) team originally advised the procurement team in Ethiopia to add an additional 30 days for transport via Djibouti. However, it is taking approximately six weeks for commodities to be delivered to the client in Ethiopia. F&L is working with management and the procurement team in Ethiopia to determine the cause of these delays and resolve the issue.
- The quality assurance issues identified with Standard Diagnostics (SD) Bioline rapid HIV test kits has continued throughout the quarter. Actions in countries are reported individually. In March, SCMS participated in observing an inspection of Standard Diagnostics, the manufacturer of rapid diagnostic test kits located in South Korea. This is part of the ongoing management of the quality concerns and recent recall of SD Bioline kits. The WHO inspection team invited SCMS to join this inspection, which further sparked WHO's interest in performing more joint inspections with SCMS of rapid diagnostic manufacturers. SCMS's QA team will be exploring this option, as it is more effective and less costly than performing independent audits.

#### **Things to Watch:**

- Several Indian ARV manufacturers have increased their production capacity, allowing SCMS and other procurement agents to have orders fulfilled, while encouraging competition. New product entrants into the market for FDA-approved ARV fixed-dose combinations (FDCs) include both the Lamivudine/Zidovudine/Nevirapine-based and Tenofovir/Disoproxil/Fumarate-based FDCs. These new FDCs are increasing capacity and increasing competition in the market for these products. We are seeing vendor lead times and prices for these products decline, and we expect this trend to continue.
- ARV manufacturer Strides Arcolab in India is selling its ARV pipeline to concentrate on its core business of injectable drugs. The decision to exit the generic ARV market and be a niche player comes at a time of intense competition. We are monitoring what impact this will have on the ARV supplier market.
- In Uganda, the QA team visited Quality Chemicals Incorporated (QCI) to monitor its progress as a potential supplier of essential medicines. QCI recently received WHO prequalification for Efavirenz, Artermeter and two fixed-dose combinations. The firm also informed us that it is looking into obtaining US FDA approval.
- An adverse drug report for Lamivudine/Zidovudine/Nevirapine 150 mg/300 mg/200 mg tablets, batch 1041041 from Matrix, was originally reported by two implementing partners in Nigeria. Samples have been sent to the United States for analysis to determine whether the odor is characteristic of the product in general or if some batches are different, indicating the manufacturing controls were not adequate.

- In Kenya, the F&L Unit continues to closely manage port congestion in Mombasa. The port has been experiencing delays in releasing inbound shipments to our clearing agent, Freight in Time (FIT). Slow receiving and clearing could impact our ability to meet client requirements.

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

During the period, the most significant work in systems strengthening was the development of the Systems Strengthening Strategic Initiative, incorporating innovative work creating a capability maturity model for health supply chains; standard technical assistance service offerings in key supply chain areas of focus for the project, e.g. warehousing, procurement forecasting and performance monitoring; and developing standard key performance indicators at a strategic and process level. This work will continue during the next quarter with a series of in-country pilots planned for May, to enable the tools and guidance documents to be completed and ready for publication by the end of June.

Other issues of note or concern in our in-field systems strengthening work include:

#### **Successes:**

- Hosted a USAID/CDC meeting to discuss upcoming activities to advance the USG-driven laboratory harmonization and standardization efforts. Agenda items included reviewing feedback from CDC country directors on advancement of these laboratory efforts, further discussion of identified supply chain issues from a CDC global perspective, initial review of general optimized laboratory instrument procurement and introducing the current draft SCMS Equipment Maintenance Guidance. The meeting also reframed the overarching principles to be included in the SCMS laboratory training course planned for October 2012.
- In Botswana, the Public Procurement and Asset Disposal Board (PPADB) recommended the Central Transport Organization (CTO) and the police service visit Central Medical Stores and benchmark the procurement processes, following procurement capacity building at CMS by the SCMS management team. The police also visited CMS to learn about the benchmarking in contracts process. This is evidence that the SCMS-supported CMS procurement unit is now seen as setting a standard of excellence in Botswana's public sector.
- In Côte d'Ivoire, south to south collaboration with Tanzania brought the SDP-SAT (service delivery point – stock assessment tool) database to PSP-CI. Tanzania's TA provider modified and implemented the database and trained PSP-CI and SCMS staff on the new tool. In the near term, the database will be managed by SCMS and PSP-CI resources. Go-live is planned for April 2012.
- Also in Côte d'Ivoire, later in the quarter SCMS undertook a number of important initiatives to improve IT systems and data quality and management to improve the operations of the national supply chain as the country continues to recover from last year's civil unrest. We are also keenly awaiting finalization of the new standard treatment guidelines, revised from 42 to 12 regimens. This will make a significant difference in simplifying the ARV supply chain.
- In Haiti, the UNDP contract is progressing well. The Global Fund approved UNDP extending its role as principal recipient by six months, and UNDP expressed interest in receiving TA from SCMS on ARV consumption data gathering and reporting at GF-supported sites, just as it is done at USG-supported sites.

- In Malawi, USAID is supporting the male circumcision (MC) program, and in a new activity for SCMS in this country, we will deliver MC kits, HIV test kits and pharmaceuticals to four partners in country. The first quotation was signed in March for deliveries to begin in April.
- In Mozambique, following an urgent request from the Government to disburse a \$17 million grant being held pending the resolution of a “conditions precedent,” Global Fund agreed to disburse \$10 million but requested additional information for the remaining \$7 million. SCMS continues to work with CMAM and the GF Unit of the Directorate for Planning and Cooperation in responding to GFATM concerns. More encouragingly, SCMS-procured ARVs arrived and help maintain stock levels for first-line ARVs, which were in jeopardy due to delays in World Bank shipments, now scheduled to arrive in September and December 2012.
- In Swaziland, developing a five-year strategic health care waste management (HCWM) plan for the Ministry of Health. This plan will help USG and the World Bank support MOH’s development of a robust HCWM system.
- In Kenya, the national quarterly RTK distribution for January through March was undertaken amid crisis due to the Bioline recall. The distribution reached all eight provinces and over 5,000 health facilities managed by the government, faith-based organizations and community-based organizations. A total of 2,200,000 Determine and 3,400 Uni-Gold tests were distributed, and 5,069 Bioline kits were recalled from facilities per the recall protocol.
- In Tanzania, development of our largest current MIS program continued throughout the quarter. In March, we tested the connectivity of EPICOR, MSD’s new ERP system, in five MSD zones to determine any challenges prior to the system’s rollout. Also conducted software acceptance testing to see if the system meets the client’s needs.
- In support of Zimbabwe’s ambitious treatment targets, DfID Zimbabwe awarded a contract worth over \$28 million to SCMS through USAID for procurement of adult and pediatric ARVs over a four-year period (2012–2015).
- In an important example of cross-country cooperation between Vietnam and Zimbabwe, we facilitated the donation of 60,000 bottles of FDC-d4T by the MOH of Vietnam to Zimbabwe. Vietnam recently changed its treatment regimen from d4T to TDF, with the expectation that all patients will be switched to TDF by May/June 2013. This donation ensures Vietnam will not have to destroy excess stock and enables Zimbabwe to continue its policy to support 50 percent of first-line patients on d4T by the end of 2012.

#### **Challenges:**

- In Nigeria, the US Embassy held a security briefing with the USAID Mission and IPs, including SCMS, on the increasing security challenges faced by IP staff at various sites. IPs are urged to update their emergency preparedness plans, institute donor coordination meetings and set up a mechanism for sharing security information among themselves. In addition, the implications of shutting down activities in specific geographical regions were discussed, with some guidance to help in the decision-making process.
- Also in Nigeria, the cashless policy recently introduced by the Central Bank of Nigeria, which imposes very stiff penalties for cash withdrawals above a certain limit, will necessitate radical changes in how payments for workshops and other travel-related activities are handled. The finance team met with our bankers and has developed an SOP on how to proceed.

- In Swaziland, due to lower-than-expected results for the MC program, there is a potential risk of overstock and expiry, particularly for drugs with short shelf life. SCMS is updating its pipeline with these expiries to determine the quantities at risk and is exploring options for donating to MOH prior to expiry.
- In Guyana, the Materials Management Unit relocation project continued to experience delays throughout the quarter due to the lack of a clear position of MOH on various organizational issues at MMU; the warehouse manager and procurement manager positions remaining vacant; and MOH's non-payment to the contractor, which could interrupt warehouse construction.
- In Zambia, due to late funding disbursements by Global Fund, stock security is at risk. A number of items scheduled to be delivered in the third and fourth quarter of the calendar year currently do not have funding from GF. UNDP, the primary recipient, is planning to request earlier funding release or identify other resources to avoid stockouts. SCMS is participating in monitoring the issue and may provide support if there is a critical need.

#### **Things to Watch:**

- In Nigeria, we began collaboration with the Cazneau Group in support of a public-private partnership (PPP) solution for warehousing and distribution. The USG PEPFAR team asked SCMS to work with the Cazneau Group to sensitize GON to PPP options as part of USG's warehousing services improvement activity within the broader sustainability plan.
- SCMS hosted a review of the new CHAI-developed laboratory forecasting tool (ForLAB), attended by representatives from USAID, CDC, SCMS, CHAI and USAID | DELIVER PROJECT. Attendees established an agreed-upon validation methodology and reviewed the tool against past specifications to determine whether tool functional requirements had been met. The current tool is approximately 90 percent complete in terms of functions and features; the end user documentation and tool outputs are still limited and in development. SCMS recommended that the senior leadership of CHAI, USAID and CDC discuss next steps in the development process, which would include financial backing. The commitment of CHAI, USAID and CDC to completing the development and rollout of such a tool would significantly alter the laboratory quantification and procurement strategies of SCMS and USG. With roles and responsibilities and levels of commitment clearly delineated, it is estimated that this tool could be completed and ready for rollout within the next four months.
- In Kenya, developed a two-year workplan covering October 2011 to September 2013, which focuses on strengthening procurement and developing the capacity of local institutions, reflecting the Mission's priorities.
- In Rwanda, worked with MPDD to review and revise the organization's purchasing structure and special procurement procedures in response to increased demands from sister RBC divisions and an increased number of customers.

## 1c. Global Collaborations

SCMS continues to collaborate and partner extensively, with growing interaction at the country and regional level to supplement existing global activities.

### Successes:

- PFSCM's Pharmaceutical Wholesaler Site Inspection Checklist was solicited as part of a Global Fund/WHO working group that is seeking to harmonize inspection methodologies and tools between QUAMED (a non-profit project to improve quality of medicines in developing countries), PFSCM, UNICEF, MSF, IDA, Crown Agents, GDF, MSH, UNION, UNOPS, USAID, ICRC and CHMP. SCMS will be playing a leading role in this harmonized development. In March, SCMS participated in an interagency working group meeting in Geneva to develop a harmonized tool for assessing procurement agencies, based on the WHO Model Quality Assurance System for Procurement Agencies. SCMS currently uses this model to prequalify wholesalers.
- As Technical Secretariat of the CPP Initiative, continued to work closely with Global Fund, CHAI and USG representatives to track funding risks:
  - UNITAID formally approved our funding application for \$200,000 to develop the CPP information sharing process into a more open and sustainable web-based platform. Agreements between UNITAID and PFSCM are being completed and the detailed project plan signed off, but we have begun gathering requirements and have engaged with MIS to develop this tool.
  - In February, we received the first report by ESTHER (Network for Therapeutic Solidarity in Hospitals) on challenges in Francophone West Africa and, as feared, there appear to be extensive stockouts in the region.
  - In March, held the quarterly Steering Group meeting by phone. Based on reports by ESTHER on challenges in Francophone West Africa, meeting participants agreed that several of these countries face strong and persistent stockout risks. Working with ESTHER, the CPP will identify actions to mitigate these risks.
  - Results from the requirement survey for the web-based information sharing platform, which will be funded by the UNITAID grant, were reviewed at the meeting and a smaller development group established.
  - In June, we will hold the annual in-person meeting in Geneva, timed to coincide with the WHO AMDS network partners meeting to make best use of time and travel resources.
- WHO, CHAI and UNICEF jointly published a recommended "Optimized List of Pediatric ARVs." SCMS contributed to preparing this list and has now circulated it within the project. Our aim is to influence our clients to use this list to reduce fragmentation in the pediatric ARV supply.
- In Arusha, Tanzania, SCMS participated in the launch of the East African Community Medicines Registration Harmonization (EAC-MRH) Project as part of the African Medicines Regulatory Harmonization (AMRH) Programme. The EAC-MRH project is a partnership of many regional and global partners, including the New Partnership for Africa's Development (NEPAD), the East African Community, WHO, the Bill and Melinda Gates Foundation, the World Bank, DfID and CHAI, with the aim of promoting the harmonization of medicines registration in the region.

- Met with WHO AMDS managers of the Global Price Reporting Mechanism to discuss our continued collaboration on this important global resource. WHO received new funding for the database from UNITAID and later this year will be able to begin producing analytical reports for partners such as SCMS. This will assist us in global price analysis and reduce the amount of analysis we will need to compare SCMS pricing to global benchmarks. We also discussed how the database can be expanded to include pricing for a wider range of laboratory analysis instruments.

#### **Challenges:**

- The Global Fund's major program of change continued to be a key challenge, coupled with the Fund's more constrained financing. The Global Partnerships team will monitor this situation very closely to identify adverse impacts, particularly in countries that are heavily reliant on the Global Fund to meet the cost of medicines and to alert CPP members where action is required to address supply chain risks.
- After consultation with USAID, we declined an invitation from Deloitte to join its proposed supply chain metrics working group. This working group was considered duplicative of existing work funded by USAID and existing interagency mechanisms. After declines from other organizations, Deloitte "mothballed" this initiative.

#### **Things to Watch:**

- WHO has announced it is planning to hold the annual AMDS network partners meeting, which convenes 29 partner organizations, in June 2012.
- SCMS submitted 14 abstracts to the XIX International AIDS Conference in Washington, DC, to be held in July 2012. Abstracts were submitted from the SCMS programs in Botswana, Côte d'Ivoire, Nigeria, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe and the PMO, reflecting the project's successes and lessons learned in crisis management, in pre-service training and across many technical areas.
- SCMS's Project Director and senior colleagues met with the new Executive Director of UNITAID to discuss his objectives for the organization and consider where and how it may be appropriate to deepen our relationship in support of common targets. No firm conclusions were reached in this first meeting, but we agreed to continue to discuss by email and in person as appropriate.
- SCMS will be attending the IATT child survival working group meeting set for April in New York. This working group is one of the six working groups of the Inter-Agency Task Team for the Prevention and Treatment of HIV Infection in Pregnant Women, Mothers and Children.
- The South African Government issued a new draft of the Guide to Good Warehousing Practice in the SA Government Gazette for final comments before planned gazetting to law in July. This effort, driven and funded by the Pharmaceutical Logistics Association of SA (chaired by Dr. Iain Barton of RTT) for almost two years, aims to establish rules of best practice that could set standards across the continent. In view of SCMS's close involvement with warehousing and interest in raising standards consistently across the continent, we will be submitting comments.
- We held one of our period market review meetings with the CHAI Drug Access team and discussed priorities for new FDA tentative approvals to support market dynamics and the



## 2. Programmatic Milestones and Measures

<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 3/30/2012	Dec. complete. Mar. 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	Ongoing.
<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>			
Analyze forecasting and supply plan data	Small paper, input for procurement strategy through 2015	2/29/2012	Replaced by White Paper on Forecasting & Supply Planning.
Share market intelligence with USG and FDA	Establish quarterly meetings to brief COTR	12/30/2011 3/30/2012	Dec. complete. Mar. complete.
<b>Essential Drugs (OI etc)</b>			
Evaluate TZ essential medicines pilot	Review and recommendations in final report	1/31/2012	Zenufa pilot evaluated. Prime Vendor postponed until April 2012.
<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>Laboratory- Equipment, Reagents, Consumables</b>			
Develop standardized procedures concerning Maintenance Service Agreements (MSA), including mapping, flowcharts, contractual process and training	SOP	1/31/2012 June 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	Complete.
Perform LAB & RTK quarterly reviews by country	Updated Supply Plans	1/31/2012	Complete.
Perform COTX & other DRUG quarterly reviews by country	Updated Supply Plans	1/31/2012	Complete.
Perform MC Kit quarterly reviews by country	Updated Supply Plans	1/31/2012	Complete.
<b>Inventory Management- Refine Stocking Strategy</b>			
Demand Planning Module- develop and implement	Implement automated planning module	1/31/2012	Complete.
<b>In-Country Supply Planning/Forecasting Technical Assistance</b>			
Ensure that 12 month supply plans and issues associated with 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	Jan. Complete.
<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 lanes	Report	3/30/2012	Complete.
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. 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		<del>12/19/2011</del> 2/15/2012	Complete
<b>Data Warehouse</b>			
Procurement Phase		10/3/2011	Complete.
Deployment Phase		<del>12/14/2011</del> 3/16/2012 4/16/2012	On target for April.
Migration Phase		<del>1/17/2012</del> 3/31/2012 5/30/2012	On target for May.
<b>Implement BI Tool Site</b>			
Procurement Phase		10/6/2011	Complete.
RFP. Selection & Award Phase		12/15/2011	Complete.
Implementation Phase		<del>3/31/2012</del> 4/30/2012 5/30/2012	On target for May.
<b>Implement RFx Tools</b>			
Procurement Phase		10/6/2011	Complete.
RFP, Selection & Award Phase		12/15/2011	Complete.
Implement		<del>3/31/2012</del> 5/30/2012	On target for May.
<b>2. Health Systems Strengthening</b>			
<b>System Strengthening Strategy Initiative:</b>			
Develop framework graphic and narrative content	Published functional framework/narrative	<del>12/31/2011</del> 6/30/2012	Further refinements identified. On target for June 2012.

Update and finalize tools	Updated Logic Model	6/30/2012	Not yet started.
1) Develop Capability Maturity Model Diagnostic tool and associated methodology documentation that defines benchmarks and assesses the supply chain capability maturity 2) Develop National Supply Chain KPIs, users guide, and data dictionary to assess in-country supply chain performance	3) Capability Maturity Model Diagnostic Tool (High-Level & Detailed Level) 4) National Supply Chain KPIs	3/31/2012 6/30/2012	CMM/KPIs piloting in Botswana, South Africa, and Paraguay in May. On track to finalize by June 30, 2012.
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	Technical Services Offerings in: Warehousing and Distribution, MIS, HRCD, Labs, Forecasting and Supply Planning, Systems Strengthening Strategic Plan	1/31- 3/31/2012 5/30/2012	Drafts for review to be completed by April 13.
Develop updated technical assistance Operating Model	Global STTA Work plan TA Quality and Risk Management Enterprise Project Management Updated STTA SOP SOPs	12/31/2011 3/31/2012 1/31/2012 1/31/2012 1/31/2012	Global STTA Work plan complete. TA Quality and Risk Management in progress. Enterprise Project Management contract canceled; insufficient ROI for customization. Updated STTA SOP 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 phases of each initiative	Nigeria: limited LMIS scale-up	3/30/2012	Evaluation Phase: Finalizing a gap analysis and mapping strategies
	Nigeria: initiation/strategic planning for major LMIS scale-up	3/30/2012	Canceled.
	Mozambique: additional WMS site implementations (to Beira)	3/31/2012	USAID now concurred. STTA being prepared for July 2012.
	Guyana: MACS transfer to new MMU warehouse	12/31/2011	March STTA updated Project Migration Plan. Go live scheduled for August 2012.
	Namibia: additional CMS/RMS ERP site implementation	12/31/2011	Activity complete pending service level agreement in place.
	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	Activity stopped.
	MIS Component of SS Strategic Plan	3/30/2012 6/30/2012	To be integrated into SS Strategy.
	Technical Assistance Quality and Risk Management Plans	11/30/2011	Complete.

<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	Modules complete and demos planned for April/May.
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	Complete. Review in May 2012 for any updates to plans.
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 HRCD workplan activity 5, adapt training/skills impact assessment tool and implement for attendees of WOM (Warehouse Operations Management)	2/1/2012	Ongoing.
Publish warehouse compliance tests for inventory management capability assessment- the test is designed to be applied by non-technical personnel	Tool and supporting material	2/1/2012	Under final review. Pilot assessment of tool to be completed in early May.
<b>Human Resource Capacity Development:</b>			
Establish baseline data/situation on HR/Capacity in SCM for at least 7 of 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	RW and ZW completed with DELIVER funds. ZA and VN to be completed in coming months.

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	TS&S document will be completed by May 15 and updates to intranet/external website by May 30.
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.
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 August 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 publishes	1/31/2012	Abstract to IAS accepted on PST; White paper and two country in-briefs complete.

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. Erin Hasselberg confirmed as lead of Technical Working Group and Board Member of Initiative.
<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	Approach established and tested. Documentation and concepts will be integrated into the upcoming CHAI Quantification tool User's Guide.
Pilot model (RW, CI, NG)	STTA trip report, draft way-forward strategies and established tool kit modifications	RW- Dec. 2011, CI March 2012, NG March 2012	CI Complete. RW Planned. NG TBD.
Develop a TA service package-toolkit utilizing data model	Harmonization toolkit- service package: critical data variables, established data analysis methodology, strategic interpretation, advocacy	February 2012	CHAI tool will incorporate this functionality.
Integrate Harmonization as a critical component to all Quantification requests	Harmonization/Standardization analysis module	February 2012	Currently being done manually as an additional analysis step during Quantification STTA.

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. Training material development in December to January 2012.	Completed initial review. Tool outputs established. SCMS leading validation, testing in June. Pilot and rollout to follow.
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 notice to the USG field offices completed and sent to USG in January 2012.
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, 3/12/2012	Dec. complete. Mar. complete.
<b>Contribute to WHO AIDS Medicines and Diagnostic Service Network</b>			
Attend AMDS ARV Forecasting Meeting with Manufacturers	Presentation of SCMS forecasts	11/4/2011	Complete.

Attend AMDS Annual Partners Meeting	Presentation of SCMS forecasts	3/30/2012	Meeting scheduled for June
<b>Report to OGAC on ARV and selected OI deliveries to PEPFAR Implementing Partners in FY 11</b>			
Survey Implementing Partners for ARV deliveries		2/10/2012	Complete.
<b>Prepare SCMS Lessons Learned White Paper for publication</b>		1/9/2012	Drafting in progress.
<b>Public Private Partnership for Pediatric ART</b>			
PaATH drug registration project		3/30/2012	Not completed. Further delays experienced in Guyana.
<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 in November 2011. Harvard requested more work on the concluding questions for students.
<b>4. Knowledge Sharing and Communications</b>			
<b>Global Health Conference</b>			
Abstract development	15 abstracts submitted (depends on theme)	3/1/2012	Chose not to submit to GHC due to changes in structure and lack of clear tie-in for SCMS to the conference theme.
<b>International AIDS Society Conference</b>			
Abstract development	15 abstracts submitted	2/14/2012	14 abstracts submitted to the conference.
<b>Communications Products</b>			
Supply Lines	4 issues	1/10/2012, 3/6/2012	Jan. Complete. Mar. Complete.
Six-year report	Report	11/30/2011	Delayed. Expected May.

**5. Operations**

**Performance Management**

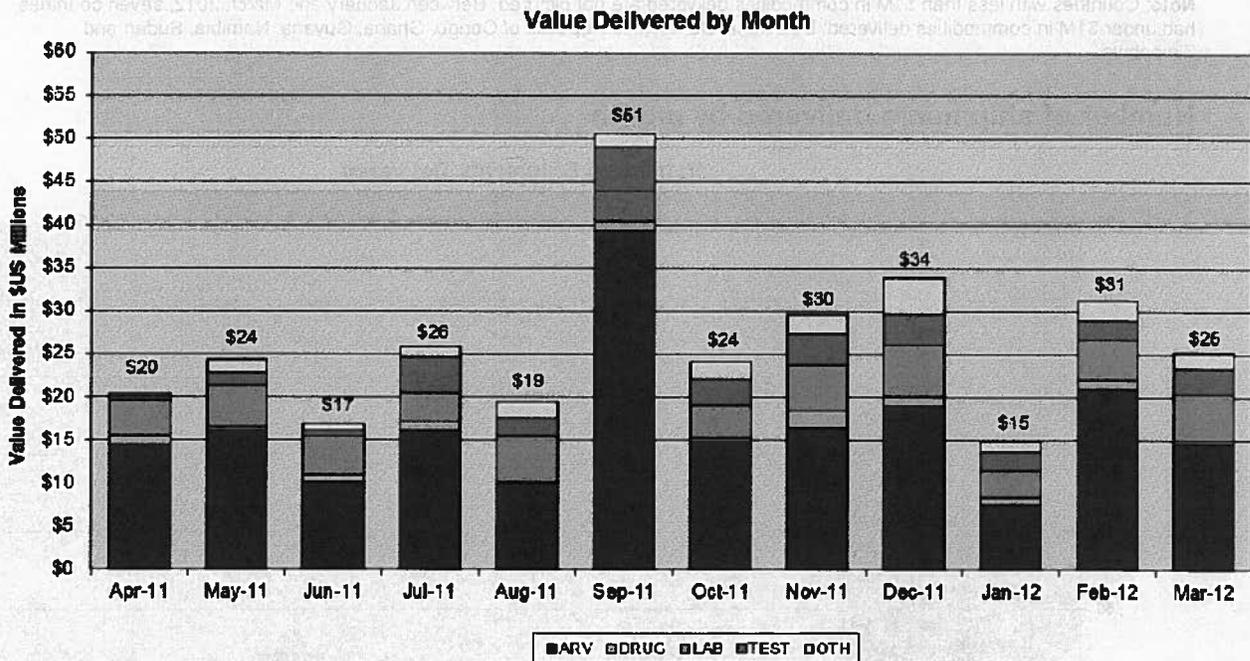
Global/Regional/Country Training (tentative, based on demand)	Regional Training held in South Africa and Training Toolkit deployed in SCMS Countries-available to SCMS partners and Field Offices	3/30/2012	Nigeria training scheduled for May 2012. Reviewing interest from other countries.
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### 3. Procurement and Distribution Statistics

#### Value Delivered

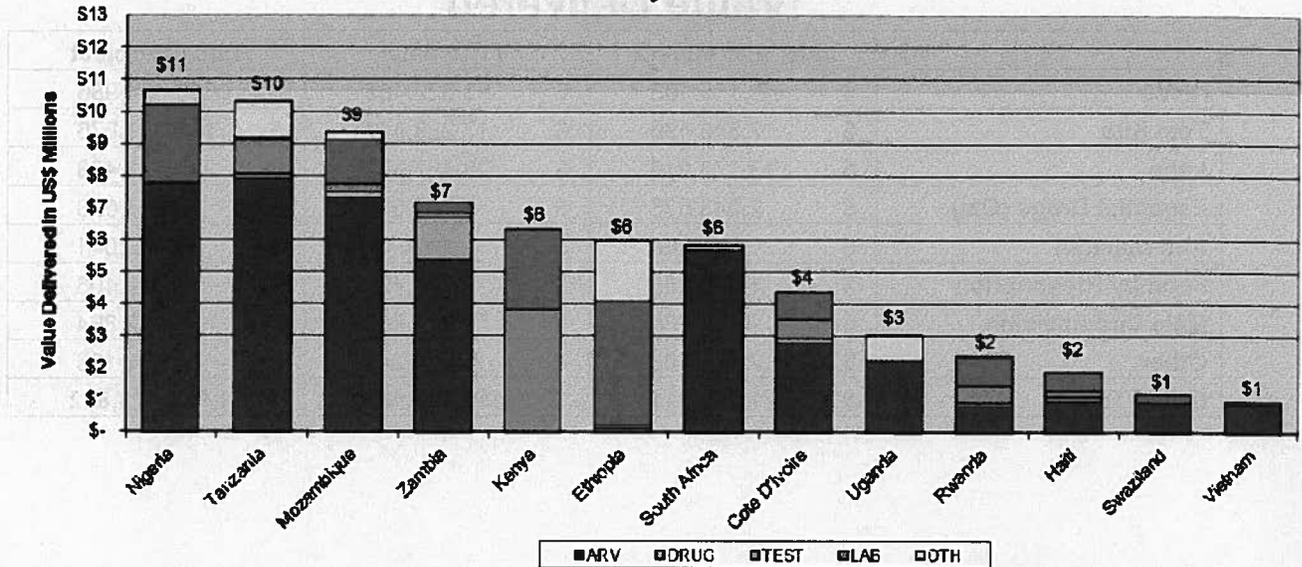
	Jan-12 to Mar-12	Y7 to date	Life of Project
ARVs	\$ 43,115,103	\$ 93,322,465	\$ 658,424,986
Test Kits	\$ 7,348,496	\$ 17,288,417	\$ 112,431,876
Labs	\$ 13,173,918	\$ 28,437,682	\$ 224,722,488
Essential Drugs (Ols)	\$ 2,243,935	\$ 5,762,513	\$ 50,015,026
Anti-malarial	\$ 37,449	\$ 37,449	\$ 342,041
Food by Prescription	\$ 1,730,643	\$ 2,702,423	\$ 8,614,406
Male Circumcision	\$ 1,489,664	\$ 3,276,265	\$ 9,242,864
Other	\$ 2,140,403	\$ 7,954,249	\$ 24,680,166
<b>Grand Total</b>	<b>\$ 71,279,611</b>	<b>\$ 158,781,463</b>	<b>\$ 1,088,473,852</b>

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



**Value of commodities delivered by country – Y7Q2 = \$71,279,611**

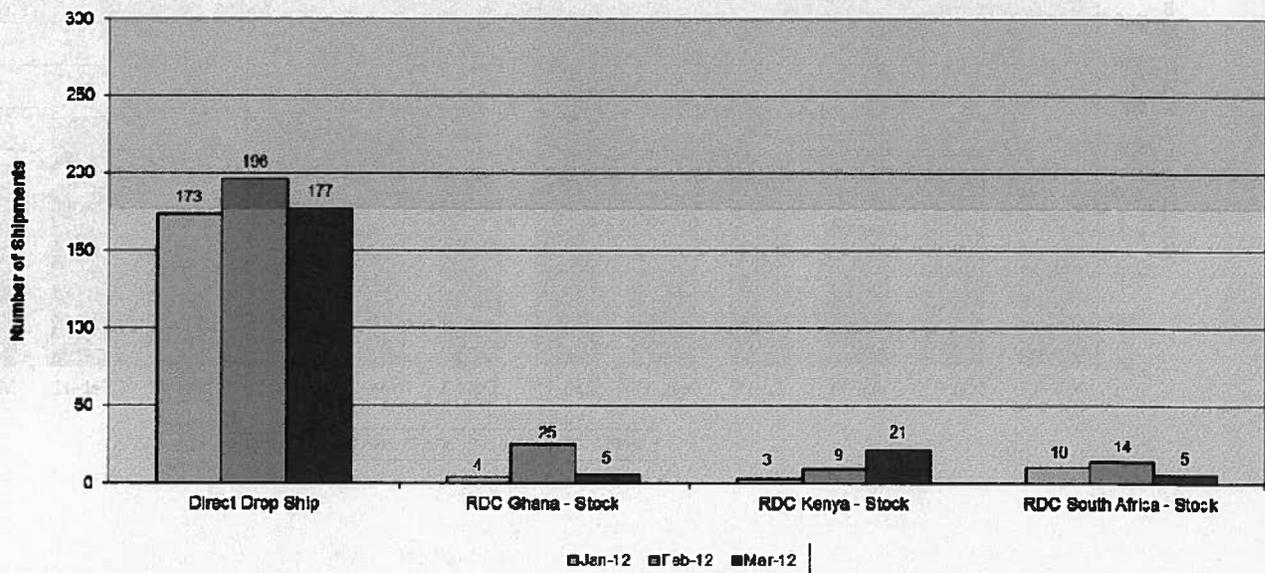
**Value Delivered by Country  
January to March 2012**



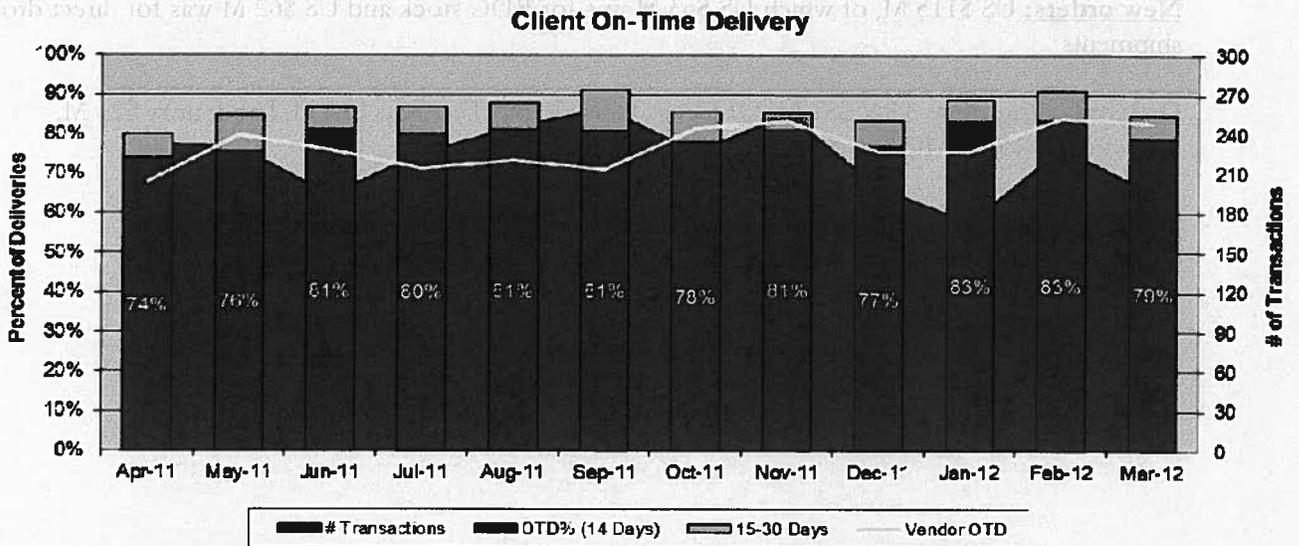
**Note:** Countries with less than \$1M in commodities delivered are not pictured. Between January and March 2012, seven countries had under \$1M in commodities delivered: Botswana, Democratic Republic of Congo, Ghana, Guyana, Namibia, Sudan and Zimbabwe.

**Number of shipments delivered by month**

**Number of Shipments Delivered**

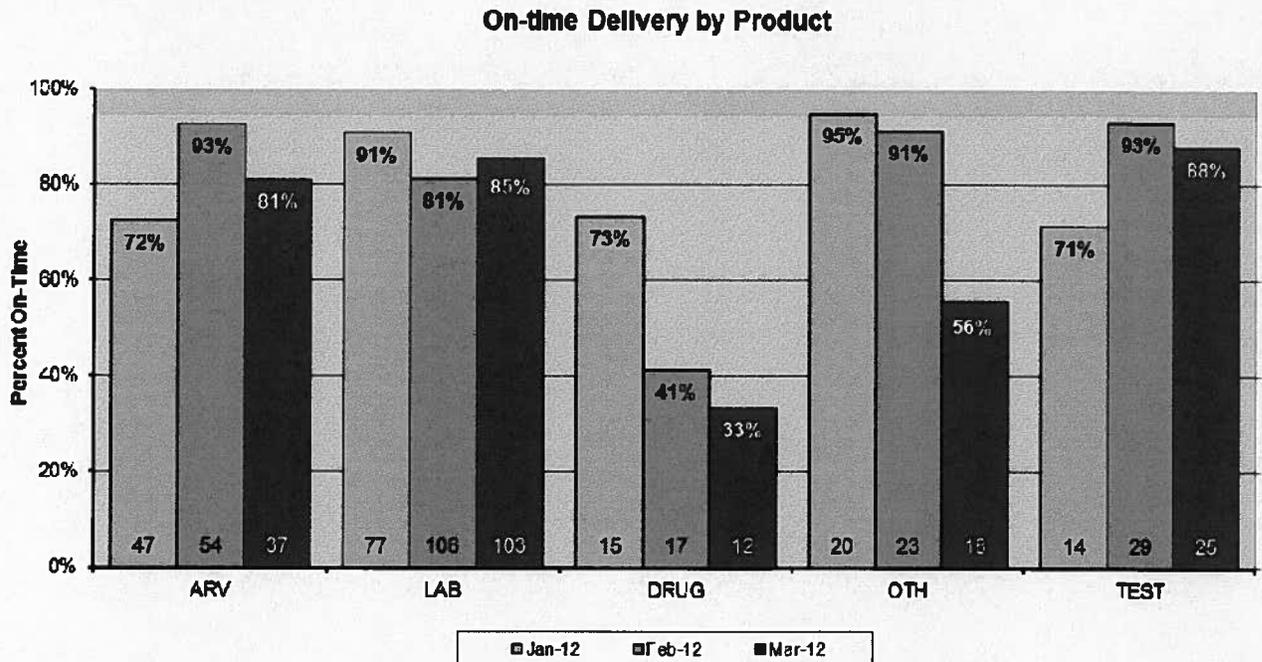


## On-time delivery by month (12-month trend)



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

## On-time delivery by product



## Additional procurement and supply statistics for the month

**New orders:** US \$115 M, of which US \$53 M was for RDC stock and US \$62 M was for direct drop shipments.

**Ordered categories:** ARV \$57 M, OI Drugs \$6 M, Rapid Test Kits \$12 M, Laboratory \$24 M, other items \$13 M, MC Kits \$3 M

**Current amount of stock in RDC:** US \$6.677 M. The breakdown is as follows:

- Ghana RDC — US \$3.068 M
- Kenya RDC — US \$1.791 M
- Southern Africa RDC — US 1.817 M

## 4. Country Reports

### Botswana

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

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

**STTA:** None

#### *Key activities:*

1. **Met with USAID and the MOH Deputy Permanent Secretary responsible for the Department of Clinical Services** to discuss improving logistics management system data management at the Logistics Management Unit, condom testing at the National Drug Quality Control Lab, recruitment of CMS counterparts and supply chain coordination at MOH. Initiated resolutions to build sustainability and country ownership of supply chain improvements. Government authority to recruit SCMS counterparts was subsequently received and the process is proceeding, with just one post unfilled at the end of March.
2. **Conducted a supply chain orientation workshop for 39 safe male circumcision (SMC) staff from high-volume sites in nine districts.** This training builds staff capacity to ensure continuous commodity availability and to achieve our circumcision target by 2016.
3. **Joined PSI, UNFPA and MOH to establish a condom logistics security subgroup and develop a training manual.** SCMS drafted and shared terms of reference (TOR) with MOH for the proposed subgroup and contributed a module on condom supply chain management to strengthen national strategic programming on condom demand, access and utilization. This will contribute to improved condom availability, which will assist the Botswana Government's HIV/AIDS prevention efforts to reach its goal of zero new infections by 2016.
4. **Participated in the costing and forecasting technical working group to revise the 2010-2014 ARV forecasts** as a result of changes in the ARV guidelines and the need to match requirements against available budget. The revised forecasts will be used as an advocacy tool to inform expected MERCK donations and encourage MERCK to extend its donations beyond 2014 to ensure an uninterrupted ARV supply.
5. **CMS received approval from the Public Procurement and Disposal Asset Board (PPADB) to begin cold chain improvements at districts and health facilities in early April.** A 2007 assessment of vaccines management conducted by MOH found that CMS generally has better cold chain management systems in place for vaccines than district and health facility storerooms. As CMS distributes commodities in bulk to health facilities, the maintenance of suitable storage conditions downstream is not guaranteed. The purpose of this work is to ensure the quality of health commodities is preserved from central level to the end user and to minimize wastage.

### **Challenges:**

1. Rapid test kit (RTK) stockouts are disrupting program activities. The root cause was identified as weaknesses in the coordination of RTK logistics data recording and reporting. SCMS revised the monthly report form to ensure essential logistics data items for RTKs are captured. The revised report will be distributed to laboratory district health management team (DHMT) focal persons, who will submit the reports to the Logistics Management Unit (LMU) for aggregation and analysis.
2. Use of different templates and unstandardized tools by facilities to collect laboratory test statistics slows down the process for data aggregation and analysis, as LMU has to transfer data from these different templates into a standardized aggregating tool. SCMS is supporting the Lab Services M&E Unit to develop standard data collection tools for test statistics.

### **Results:**

1. In January, procured, received and delivered 20,000 safe male circumcision (SMC) kits and emergency commodities required for patient resuscitation to the SMC clinics to facilitate scale-up of the SMC program.
2. The laboratory LMIS reporting rate improved to 72.1 percent in February from 49 percent in December. The reporting rate for medicines also improved to 46 percent in January from 25 percent in December. Both were impacted by staff shortages during the annual holiday season.
3. The Public Procurement and Asset Disposal Board (PPADB) recommended the Central Transport Organization (CTO) and the police service visit CMS and benchmark the procurement processes.

## **Côte d'Ivoire**

**Emergency Orders/Stockouts:** In February, reported stockout of Kenza lab reagents at the central level due to increased consumption. SCMS cleared planned deliveries of the Kenza products. Consumption of these reagents has increased from end of 2010 to end of 2011 for several reasons: some Kenza Max machines have been installed at new labs but were not taken into account during previous quantifications; at labs where Konelab and Humalyser machines are installed, Kenza Max reagents are being used because GFATM did not provide specific lab commodities for these equipments; in some sites, Kenza Max is used as back-up when the principal equipment is broken down, increasing consumption of the Kenza reagents.

**Key Clients:** Ministry of Health of Côte d'Ivoire (including 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:** Warehousing and distribution, two quantification STTAs, management information systems

### **Key activities:**

1. Led a national quantification workshop for ARV and lab commodity forecasting, which resulted in five-year commodity forecasts that will give the program a basis for resource

mobilization and negotiation with donors for commodities. The workshop included training for all stakeholders on the Quantimed, PipeLine and lab commodities quantification tools, strengthening national counterparts' technical skills and increasing understanding of forecasting and supply planning methodologies. The quantification took into account a substantial change in treatment assumptions — MOH's reduction of regimens in the standard treatment guidelines (STGs) from 42 to 12.

2. **Collaborated with Tanzania to bring the Service Delivery Point – Stock Assessment Tool (SDP-SAT) database to PSP-CI.** This database will be used to collect data from manual LMIS forms and support ongoing central-level data collection and management of the HIV program and supplies. Tanzania's TA provider modified and implemented the SDP-SAT database and trained PSP-CI and SCMS staff on the new tool. In the near term, the database will be managed by SCMS and PSP-CI resources. Go-live is planned for April 2012.
3. **Undertook a number of important initiatives later in the quarter to improve IT systems and data quality and management** to improve the operations of the national supply chain as the country continues to recover from last year's civil unrest, including an assessment of the PSP-CI IT network.
4. **Drafted and reviewed the assessment tool to be used to evaluate the laboratory LMIS test phase.** In prelude to the pilot phase of laboratory LMIS assessment, the local team, led by SCMS and PSP-CI, designed an assessment tool by gathering information from the current supervision tool and USAID | DELIVER PROJECT's logistics indicators assessment tool (LIAT). SCMS shared the assessment tool with the CDC lab branch, national entities and implementing partners involved in laboratory LMIS implementation. After getting feedback, PSP reviewed and finalized the tool, which will be used to collect data at 55 sites where the laboratory LMIS is being tested.

#### **Challenges:**

1. Ensuring the reliability of data used for quantification is a continuing challenge due to poor data quality from sites. Multiple time-consuming consultations between key stakeholders are required for validation. Various initiatives are underway to redress this situation.
2. PSP-CI is having issues with insufficient reception space allocated for arriving essential medicines. In February, two containers were delivered but not yet offloaded. Previously, PSP-CI was in a stockout situation for essential drugs, but now that these drugs are arriving, storage has become a challenge. We think this is both a storage and a planning issue. As part of SCMS's workplan activities, we are working with PSP-CI to resolve this situation by refurbishing the PSP regional warehouse and meeting regularly with the PSP procurement department to review the delivery schedule.

#### **Ethiopia**

**Emergency Orders/Stockouts:** One emergency order for 3,500 bottles of pediatrics syrup Kaletra (see Key Activity 1).

**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:** Ethiopian private sector logistics capacity assessment and logistics costing rapid assessment, warehousing and distribution

**Key activities:**

1. **Processed an emergency order for 3,500 bottles of pediatrics syrup Kaletra** due to a delay in PFSA's first order to Abbot while the agency was established as a new client within the Abbott systems. There was also some confusion around the date the order was placed and corresponding lead times. PFSA placed its order on December 30, 2011, and assumed delivery would be possible in eight weeks. CHAI, the organization mentoring PFSA through the procurement transition, believed the order was placed in July 2011. To address this situation, SCMS plans to meet with CHAI to find out more details of the transition plan. PFSA has indicated that it will monitor its pediatric ARV supply more closely until it has processed successful procurements for each of the different formulations.
2. **Trained 388 pharmacists, druggists, nurses and heads of district health offices and health facilities in the integrated pharmaceutical logistics system (IPLS).** Participants were drawn from 207 health facilities and districts in Southern Nations, Nationalities and Peoples (SNNP), Amhara, Oromiya and Gambela regions.
3. **Finalized the draft layout for interior designs of 10 PFSA warehouses.** PFSA is constructing 17 warehouses throughout the country, which are planned to be completed in late 2012. Of these, 10 will be equipped by SCMS with standard warehouse fittings and material handling equipment (MHE) that will enable them to implement effective warehouse management systems. The draft layout design and requirements prepared by SCMS were finalized jointly with PFSA managers and relevant technicians in a consultative workshop. This intervention through an STTA also helped build the knowledge and skills of 26 PFSA staff on designing warehouse interiors, specifying and quantifying MHE, warehouse supervision, and health and safety measures.
4. **Conducted a joint workplan finalization workshop with PFSA in presence of USAID.** The draft PFSA-SCMS joint workplan was discussed with PFSA management and the USAID Mission Activity Manager. PFSA input will be incorporated in the plan, which is scheduled to be finalized by April and provides a framework for the technical and material support SCMS will provide through the end of the current SCMS Task Order in September 2013.

**Challenges:**

1. There have been extensive delivery delays for commodities through ocean freight into Ethiopia via Djibouti. Our freight and logistics (F&L) team originally advised the procurement team in Ethiopia to add an additional 30 days for transport via Djibouti. However, it is taking approximately six weeks for commodities to be delivered to the client in Ethiopia. F&L is working with management and the procurement team in Ethiopia to determine the cause of these delays and resolve the issue.

### **Results:**

1. A user feedback assessment recently carried out by SCMS on infection prevention materials at 133 health facilities revealed that most health facilities are satisfied with the utility, availability, perceived quality, shelf life, pack size and packaging quality of the infection prevention materials supplied by SCMS through PEPFAR funding. The only identified area of lower satisfaction was frequency of supply. The assessment findings will help refine the quantification, procurement prioritization and resupply of infection prevention materials to health facilities.
2. SCMS received a letter from Gondar University Hospital expressing appreciation for \$753,508 worth of waste segregation bins that SCMS recently procured and distributed to hospitals and high-volume health centers throughout the country. The variety of the bins is reportedly helping the hospital's efforts to establish proper infection prevention, patient safety and waste management practices.

## **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:** Warehouse operations

### **Key activities:**

1. **Supported MMU in developing a situational analysis of the organization** after recent changes and departures resulted in senior management gaps. This analysis highlighted priority areas for immediate attention and actions required to restore optimal operations, especially for the warehouse management system (MACS), in preparing for the transition of existing systems, operations, stock and personnel upon the new site's completion.
2. **Worked with MOH to prepare for the opening of the new MMU** throughout the quarter, and on completion of the construction, although as noted in Challenges below, significant delays continue.
3. **In March, conducted new MMU relocation readiness assessment STTA.** Drafted a quantification process, identifying products and quantities to be relocated from the three existing locations to the new distribution facility. Identified via MACS a significant number of discrepancies in MOH-managed essential drug stock. Held several meetings with the Minister of Health, Permanent Secretary, Parliament Secretary, USAID and key MMU operations staff and relocation consultants to discuss relocation readiness and existing issues in preparing for warehouse completion in July 2012. Presented findings to MOH and proposed key areas where MOH needs to make decisions.
4. **Provided an orientation to the new Minister of Health and the newly appointed Permanent Secretary,** explaining our ongoing support for the implementation of technical activities that strengthen the national supply chain at the central, regional and programmatic levels. The Minister acknowledged SCMS's technical role and mandate beyond an administrative level.

5. **Conducted site visits to collect and validate data**, and completed revision of the ARV supply plan for Q2 2012. Shared it with stakeholders at the National AIDS Programme Secretariat, Health Sector Development Unit and MMU. The quarterly update informs partners and stakeholders of national ARV stock-on-hand and the breakdown of patients by treatment category.

#### **Challenges:**

1. Coordinated planning to complete the warehouse and prepare for MMU relocation has been met by many challenges, causing delays:
  - Procurement of the fit out items has been delayed while awaiting COTR approval.
  - Procurement through FOMP has encountered multiple challenges, including unresponsiveness from local vendors/suppliers and the redefining of specifications to suit market conditions.
  - Staff departures and post-election leadership changes at MOH have resulted in challenges for the project, with new staff not having full understanding of the project and not honoring the agreements and commitments of the previous administration.
  - Issues with extending construction insurance and MOH's non-payment for the contractor's completed work have lead to suspension of work at the site.

#### **Results:**

1. Completed the SCMS GY 2011 PMP report and shared it with all staff and partners in MMU/MOH, PMO and USAID. The report showed a general improvement in performance when compared to 2010.

#### **Haiti**

**Emergency Orders/Stockouts:** FACSCount CD4 and percentage kits were stocked out at the central level due to shipping delays from the manufacturer. PCR Amplicor kits were also stocked out due to multiple major delays from the donor (UNICEF). Both products have since been received, and distribution to sites has begun. In February, placed an emergency order for Tenofovir due to early enrollment under the new treatment protocol, causing higher consumption of existing stock.

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

**STTA:** Management, laboratory, procurement, organizational development

#### **Key activities:**

1. **In January, reviewed the UNDP contract's progress, and both parties are pleased with its implementation.** Global Fund approved UNDP extending its role as principal recipient by six months. HIV commodity procurements began in February for April delivery, with a final procurement expected in July for October delivery. UNDP expressed interest in receiving TA from SCMS on ARV consumption data gathering and reporting at GF-supported sites, just as it is done at USG supported sites.
2. **Met with CHAI on quantification results and the introduction of ARV fixed-dose combinations.** SCMS and CHAI reviewed the quantification report and verified the numbers to

ensure they reflect the actual needs of the health networks supported by PEPFAR and Global Fund. SCMS will send a follow-up tool to networks to enable them to update their consumption data on a quarterly basis.

3. **An STTA in organizational development reviewed the challenges the Haiti field office will face from now until 2013** in light of likely transition scenarios and planned activities, and discussed with key stakeholders the most appropriate solutions that will reinforce the project's ability to successfully complete its mandate in Haiti.
4. **Met with the CMMB network, a new client, to orient them on SCMS's procedures and technical assistance offerings.** CMMB now provides support to six out of eight former AIDS Relief sites under the PEPFAR program; AIDS Relief's contract ended on February 29, 2012.

#### **Challenges:**

1. Treatment sites' early utilization of the new ARV combination (Tenofovir/Lamivudine/Efavirenz) as a first-line regimen (previously a second-line regimen), despite SCMS's request to wait for new stock to arrive, quickly depleted existing stock; consequently, CHAI will increase its orders and SCMS is closely monitoring its distribution and has placed emergency orders to avoid potential stockout.
2. CDC's adding of new ARV sites midway through the COP year will create a higher rate of usage that could create a stockout risk for drugs and lab commodities. Supply plans will be reviewed to accommodate these increases.

#### **Results:**

1. The National Laboratory for Public Health (LNSP), in collaboration with SCMS, successfully launched a new SOP manual for stock management of lab commodities, with the objective of standardizing laboratory activities, improving work quality in labs throughout the country and fulfilling the long-term vision of strengthening Haiti's health system. A ceremony at LNSP to officially present the manual to MOH cadres, implementing partners, PEPFAR-supported networks and the general public was well-publicized and heavily attended.
2. To meet the challenges reported above CHAI increased its orders and SCMS placed emergency orders to avoid potential stockout. In March, an emergency order of Tenofovir arrived in a record time of three weeks, which effectively lifted the emergency.
3. Continued routine supply of treatment sites; as an example, in March SCMS delivered 140 orders to 62 PEPFAR sites — 31 ARV orders to 28 sites, 85 lab orders to 51 sites, 20 OI drug orders to 15 sites and four other orders (cholera products) to three sites.

## **Kenya**

**Emergency Orders/Stockouts:** Emergency procurement of Uni-Gold tests (see Results 1).

**Key Clients:** USAID, CDC

**STTA:** Procurement

**Key activities:**

1. **The national quarterly RTK distribution for January-March 2012 was undertaken amid the crisis of the Bioline recall.** This extensive exercise covered all eight provinces and over 5,000 health facilities managed by the government, faith-based organizations and community-based organizations. A total of 2,200,000 Determine and 3,400 Uni-Gold tests were distributed, and 5,069 Bioline kits were recalled from facilities during distribution.
2. **Distributed 2,400 Uni-Gold rapid test kits to all eight provinces in February.** This supply prevented a prolonged stockout of Uni-Gold, which was selected as the replacement test after the Bioline test kit recall. The rapid upsurge in demand for Uni-Gold caused a temporary stockout, which was normalized with the arrival of SCMS's emergency procurement of 18,000 Uni-Gold kits.
3. **Developed a placement agreement with Partec and Alere manufacturers for CD4 count platforms.** MOH, CDC and SCMS held discussions with Partec and Alere regarding placement of Partec Cyflow Counter II and PIMA testing platforms in Kenya programs to increase the number of facilities capable of performing CD4 tests. The laboratory technical working group is discussing the requirements that will form the basis of the contract, such as the number of required units, how the manufacturers will ensure equipment is maintained and the procurement volume. Once this is finalized, SCMS will develop a contract with the company that meets the requirements.
4. **Developed a two-year workplan, covering October 2011 to September 2013,** focused on strengthening procurement and developing the capacity of local institutions, reflecting the Mission's priorities. To meet the capacity-building goals for local institutions, commodities distribution will be transitioned to KEMSA between mid-2012 and 2013.
5. **SCMS streamlined information flows (data on quantities delivered and delivery dates) related to the distribution of laboratory commodities from the Kenya RDC to facilities.** This was completed during a management STTA provided by the PMO. The distribution information will be uploaded into a shared platform, which will allow NASCOP, provincial heads, CDC and USAID to access the information in real time to enhance accountability and visibility into SCMS's distribution performance.

#### **Challenges:**

1. USAID/Kenya has expressed concerns related to storage and commodity distribution, reporting on procurement and distribution, delayed procurement, costs of commodity storage and distribution, and expired stock. SCMS filed a formal incident report, and the PMO Incident Manager has been actively engaging the relevant parties at the field office, RDC and USAID to identify root causes and agree on preventive actions.

#### **Results:**

1. Averted an HIV testing crisis by fast-tracking Uni-Gold procurement. Following the WHO global alert to remove the Standard Diagnostics Bioline HIV rapid test kit from its list of approved kits due to failures in quality assurance tests, the Government of Kenya issued a temporary algorithm in which Determine remains as a screening test, while Uni-Gold will become the confirmatory test. SCMS immediately initiated procurement of 18,000 Uni-Gold kits to bridge the shortfall, with delivery achieved within one month, averting any stockout risk.
2. NASCOP recognized SCMS for our support in its couples testing rapid result initiative (RRI). This initiative aimed to test 263,110 couples, and 226,004 were tested, an 85.9 percent success

rate. NASCOP released the results of the initiative and highly commended SCMS for the role we played in ensuring RTK availability to all testing sites.

## **Latin America**

### **Guatemala**

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

**STTA:** Management information systems, warehousing and distribution

### **Honduras**

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

**STTA:** None

#### **Key activities:**

##### *Guatemala:*

1. **Developed final design for the malaria warehouse renovation** at MOH's request. The warehouse will store 600,000 to 900,000 bednets in collaboration with Global Fund. With the technical assistance of two engineers, SCMS developed the design and preliminary cost estimate and submitted these to MOH.
2. **Finalized an LMIS assessment for the HIV, TB and malaria programs** and presented the results to the new MOH authorities. In accordance with the recommendations in the assessment, an LMIS workshop will be conducted with the Information System Unit and Logistics Unit in May.
3. **Provided technical assistance to HIVOS**, one of the principal recipients of the Global Fund grant. HIVOS had requested that SCMS conduct a workshop for its 16 sub-recipients to equip staff with basic logistics concepts to improve maintenance of medication quality, including for HIV products. The workshop covered general logistics concepts, logistics cycle components and best warehouse practices applied in small stores.

##### *Honduras:*

1. **Conducted supportive supervision visits to 23 CAI sites** (Centros de Atención Integral, HIV/AIDS treatment sites) to monitor and evaluate the performance of the ARV LMIS and determine if corrective actions were necessary to control data quality.
2. **Initiated a storage assessment of five regional and departmental hospitals and warehouses prioritized by the STI/HIV/AIDS strategy**, with the objective of identifying current storage practices and gaps in receiving, inventory control, packing and dispatching, distribution and human resources in the hospital warehouses with HIV/AIDS treatment facilities. Six more visits are planned in April.

### **Mozambique**

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

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

**STTA:** Warehousing (Zimpeto)

**Key activities:**

1. **Completed GIS mapping of all PEPFAR-supported laboratories and instruments** (biochemistry, hematology, CD4), plus non-PEPFAR point-of-care (POC) hemoglobinometers (Homocue 201+). The mapping will be used to recommend placement of new equipment and help drive resupply and maintenance planning.
2. **Assisted in moving expired products from the Adil 3 warehouse to the incineration site.** Adil 4 was emptied last year and Adil 3 is now ready for routine storage. The Adil warehouses — intended for use until the Zimpeto warehouse extension is completed with USAID infrastructure support — continue to be rented by SCMS because of construction project delays.
3. **Updated MACS to include roles and functions.** MACS permits implementation of “role-based access,” which limits access of some functions to specific users (e.g., limiting the ability to create stock adjustments to supervisors). This month, roles were defined for CMAM staff in MACS. Previously, all staff were permitted to carry out any function. In conjunction with the use of perpetual physical inventory, role-based access is intended to increase accountability in the warehouse and reduce the use of stock “adjustments” when stock “movement” is the appropriate action.
4. **Assisted CMAM in developing a presentation on ensuring commodity security to senior Ministry officials,** who met to discuss the status of the HIV/AIDS program and plans for the next two years. Also assisted CMAM in refining performance indicators to be reported to the World Bank. CMAM had previously agreed to several indicators that required refining and explanation as to how the data would be collected and how to interpret it.
5. **Worked with the Lab Section to quantify 2013 forecasts for non-PEPFAR equipment** and to identify which instruments will be included in the Ministry’s own contract with THL (the company employed by SCMS to deliver PEPFAR-supported lab commodities) for maintenance and resupply. Also updated the supply plan for PEPFAR-supported CD4, hematology and biochemistry needs.
6. **Completed the quarterly update of the lab forecast** for CD4, biochemistry and hematology reagents and consumables for PEPFAR-supported sites.

**Challenges:**

1. A number of HIV RTKs are unaccounted for at CMAM for the second time in the last 12 months. Following the first incident, the kits were moved to the smaller lab warehouse for closer monitoring. Following this incident, the kits will be inventoried daily and moved to a locked section of the warehouse.
2. Global Fund previously halted disbursement of funding to Mozambique under Round 9, Phase 1 funding and issued a “conditions precedent” letter to MISAU requiring improvements in the supply chain and in data quality. Subsequently, MISAU made an urgent disbursement request to GFATM for \$17 million to cover first-line ARVs, without which no other donor could cover the gap. Global Fund agreed to the disbursement of \$10 million but required additional information

for the remaining \$7 million, including a monitoring and evaluation plan for the CMAM operational plan and updates to the procurement and supply management (PSM) plan. GFATM's audit revealed major concerns with data quality around patient counts and services provided. GFATM will not release funding for CY13 until data quality improvements are made. SCMS continues to work with CMAM and the GF Unit of the Directorate for Planning and Cooperation to respond to GFATM concerns.

**Results:**

1. As a result of a meeting between SCMS and CHAI, CHAI will now share data for point-of-care testing (POCT) machines for CD4 testing (PIMA) with SCMS, which will allow for data analysis related to CD4 testing. Previously, it was difficult to get the data due to the lack of a reporting system for PIMA machines, since these are, by design, not kept in labs that are routinely reporting data to SCMS.
2. SCMS-procured ARVs arrived and helped maintain stock levels for first-line ARVs, which were in jeopardy due to delays in World Bank shipments (which are now scheduled to arrive in September and December 2012) and GFATM's halting of disbursements.

**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:** None

**Key activities:**

1. **Submitted the final draft of SOPs for procurement of pharmaceuticals and related supplies to Central Medical Stores (CMS).** In addition to documentation of the procurement team's work processes, the SOPs also include job aids for using Syspro, CMS's inventory management and order processing tool. This manual will assist staff in job performance and will be used to train new staff.
2. **Procured and delivered about 14,500 Uni-Gold HIV 1/2 test kits,** helping meet the needs of PEPFAR-funded stand-alone New Start HIV counseling and testing sites supported by IntraHealth International.
3. **Provided technical assistance to the PMTCT technical working group to prepare cost estimates of ARV requirements.** This activity supports implementation of Option B+, which entails starting ART in all pregnant women with HIV and a CD4 count of  $\leq 350$  cells/mm<sup>3</sup>, regardless of clinical symptoms. SCMS will continue to provide technical assistance to this working group, under the MoHSS Directorate of Special Programs, to forecast changes in consumption patterns of specific ARV formulations that will result from implementation of Option B+, so as to guide procurement planning.

4. **Procured and delivered 15,000 Determine HIV 1/2 and 1,250 Clearview Complete HIV 1/2 tests** to help meet the needs of PEPFAR-funded stand-alone New Start HIV counseling and testing sites supported by IntraHealth International. Also met with IntraHealth to review the consumption trends of HIV rapid test as part of preparations to transition the supply of these commodities to the MoHSS pharmaceutical supply system.
5. **Facilitated port clearance and delivery of two 40-foot containers of incinerator components**, filing documentation required for waiver of import duties for these commodities, procured for installation at Intermediate Hospital Katutura. Next steps involve assembly of the incinerator components, including a 20-meter high chimney, which will be undertaken by an engineer from the equipment manufacturer in India and overseen by a local engineer (see Challenge 2 below). The installation is projected to be completed by the end of May.

#### **Challenges:**

1. The vendor for CMS's SYSPRO upgrade, EOH, requested additional payment for work done under a firm fixed-price contract without requesting an amendment to the contract. We explained that we had no obligation to make these payments. EOH stated it would "reconsider" its service to CMS if SCMS did not pay. SCMS has not made this payment to EOH.
2. The Ministry of Works and Transport has not appointed a local engineer to oversee the installation of the incinerator chimney at Intermediate Hospital Katutura, further delaying the arrival of the engineer from the equipment manufacturer in India. SCMS continues to follow up with MoHSS so the engineer can be appointed by mid-April.

#### **Results:**

1. With TA from SCMS, MoHSS finalized and adopted six regional medical store pharmacy management information system (PMIS) indicators and the related data collection methods. To secure adoption, SCMS presented these indicators to the MoHSS PMIS task force and arranged for two regional medical store managers to attend this meeting. At the meeting, SCMS proposed two additional indicators focused on temperature control in the warehouse, fridges and the cold room.
2. Provided TA for reorganization of Namibia Institute of Pathology (NIP) main stores to have a unidirectional flow of commodities, with distinct receiving, storage and dispatch areas. This has improved the flow, security and product tracking in the stores.

## **Nigeria**

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

**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:** Warehousing, lab quantification

*Key activities:*

1. **Developed a concept paper to pilot the unification of the PEPFAR supply chain in selected sites** for the supply of ARVs, RTKs, CD4 reagents and Co-trimoxazole. Currently, individual PEPFAR partners operate over a dozen separate supply chains to distribute product to the facilities. The purpose of the supply chain unification pilot, which will run in five contiguous states in the southern part of Nigeria (Cross River, Akwa-Ibom, Bayelsa, Abia and Rivers), is to demonstrate the feasibility of managing a single PEPFAR supply chain centrally, led by SCMS.
2. **Began collaboration with the Cazneau Group in support of a public-private partnership (PPP) solution for warehousing and distribution.** The USG PEPFAR team asked SCMS to work with the Cazneau Group to sensitize GON to PPP options in Nigeria as part of USG's warehousing services improvement activity within the broader sustainability plan.
3. **Continued activities to build the FMOH FDS's warehousing capacity**, particularly to increase GON's ability to provide warehousing services that meet acceptable standards (including warehouse physical design, operating budget development and warehouse management).
4. **Held the quarterly PEPFAR logistics meeting**, which provides a platform for coordinating logistics activities for all PEPFAR partners. At this meeting, SCMS reported on the FY13 quantification, plans for pooling the procurement of CD4 commodities for PEPFAR partners, and the plan for the PEPFAR supply chain unification pilot. Partners received e-copies of the national approved LMIS and SOP, an updated calendar of logistics activities and a template for collecting baseline logistics data from the sites that will be included in the supply chain unification pilot.
5. **Conducted a central warehouse assessment in Calabar** to identify options for a central warehouse to support commodities resupply to health facilities in the supply chain unification pilot. Visited the Cross River State government warehouse, partly managed by Axios Foundation, and several private warehouses. A final decision will depend on the results of data collection from the IPs to determine expected quantities.
6. **In March, held the first PEPFAR supply chain unification pilot steering committee meeting** to discuss implementation plans, strategies for resupplying sites, key performance indicators and concerns from committee members. The committee — made up of representatives of USG, the six participating IPs, GON and SCMS — is responsible for overseeing the implementation and success of supply chain unification pilot activities. Under the supply chain unification pilot, SCMS will be responsible for providing warehousing and distribution services for all service delivery points supported by PEPFAR IPs in the unification pilot zone. The project will support 41 ART sites, 23 HIV counseling and testing (HCT) sites and 63 PMTCT sites.
7. **Contributed to discussions on the ARV and Co-trimoxazole supply plans with USG, GF/NACA, GON and other stakeholders** to develop strategies for addressing identified funding gaps for the national ARV and Co-trimoxazole requirements for 2012. A series of advocacy activities to increase GON and GF/NACA funding for drug procurements is planned to help ensure commodity availability.

### **Challenges:**

1. Data quality continues to be a major challenge, as it affects the accuracy of forecasts for program commodities. As SCMS has more visibility into facility-level data through the use of eLMIS solutions, it is expected that there will be improvements. In the meantime, SCMS continues to advocate for the proper use of tools and methods for better data capture.
2. At various time during the quarter, business activities in Nigeria were greatly affected by an industrial action and acts of violence from internal terrorism.
3. The challenges faced by GF-supported programs in importing and warehousing ARVs and other commodities continue to put a strain on our supply chain, as we may be asked again to provide commodities pending delivery of their orders. SCMS has requested an early delivery of Q1 orders to reduce some of the pressure and has increased quantities for the Q2 orders to fill any backlog in deliveries to PEPFAR IPs.
4. GON has approved a new algorithm for conducting HIV tests in Nigeria, which includes 15 new RTKs, including SD Bioline, which was recently decertified by WHO and USAID due to quality issues. How this will affect the uptake of RTKs on hand by PEPFAR partners is still being studied and requires careful planning to avoid stock expiries or stockouts.
5. The cashless policy recently introduced by the Central Bank of Nigeria, which imposes stiff penalties for cash withdrawals above a certain limit, will necessitate radical changes in how payment for workshops and other travel-related activities are handled. The finance team met with our bankers and has developed an SOP on how to proceed.
6. Attended a security briefing with the US Ambassador, the USAID Mission and other IPs where discussions were held on the increasing security challenges faced by IP staff at various sites and how they are coping. US Embassy security staff facilitated a session on security tips. IPs were urged to update their emergency preparedness plans, institute donor coordination meetings and set up a mechanism for sharing security information among themselves. In addition, the implications of shutting down activities in specific geographical regions were discussed, with some guidance to help in the decision-making process.

### **Results:**

1. Extended discussions between USG, SCMS and FDS have finally reached agreement on the provision of infrastructure support for the national Central Medical Store in Oshodi, outside of Lagos. The objective is that SCMS support will greatly increase the ability of GON to safely and securely warehouse commodities for the national supply chain. A long-term technical assistance provider engaged by SCMS is collaborating to build FMOH/FDS's capacity in warehousing in support of improving infrastructure.

## **Rwanda**

**Emergency Orders/Stockouts:** Emergency Uni-Gold procurement due to SD Bioline recall. In February, placed three emergency orders for ARVs and OIs (see Challenges). In March, delay in finalization and delivery of commodities under the 2011 tenders caused emergency orders and stockouts (see Challenges 2 below for more details):

- Emergency orders: Cotrimoxazole 960 mg tablets; Dapsone 100 mg tablets; Efavirenz 600 mg tablets; Abacavir 20 mg/ml syrup; Vacutainer Tubes EDTA; blood collection needles G21.

- **Stockouts:** Cotrimoxazole 960 mg tablets; Dapsone 100 mg tablets; Metronidazole 5 mg/ml inj.; Spectinomycine 2 g inj.; Abacavir 20 mg/ml syrup; Lopinavir 80mg + Ritonavir 20 mg 5x60 ml (MPDD procured); Vacutainer Tubes EDTA; blood collection needles G21.

**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:** Laboratory logistics

**Key activities:**

1. **As a follow up to the ARV, OI drug and laboratory supplies quantification and the resource management committee (RMC) meeting in December, RMC requested that SCMS revisit the laboratory supplies requirements** to ensure they fall within the budgets committed to by USG and Global Fund. SCMS revised the assumptions and the corresponding targets for COP11 and COP12. As a result, the number of people to test was reduced from four million to three million.
2. **Assisted MPDD with the procurement of COP10 and COP11 ARVs, OI drugs, MC kits, TB/HIV commodities and laboratory commodities.** We prepared price requests, price quotes and orders to vendors and regularly monitored them to ensure on-time delivery. All ARVs and OI drugs needed before July 2012 were ordered through SCMS and MPDD/GF direct procurement mechanisms.
3. **Attended meetings to address the issue of defective SD Bioline HIV rapid test kits.** Agreed on a new serial algorithm, with Determine as the screening test, Uni-Gold as the confirmatory test and Shanghai Kehua as the tie-breaker.
4. **Worked with MPDD to develop tools to streamline procurement practices:**
  - Developed a code of ethics and conduct for MPDD based on laws and instructions governing the conduct of public service staff in Rwanda and prescribed by the Rwanda Public Procurement Authority.
  - Developed guidelines to allow MPDD to make use of framework contracts for select essential medicines.
  - Conducted MPDD supplier prequalification.
5. **Conducted a supplier prequalification workshop for MPDD in collaboration with MOH and MSH/SIAPS.** As a result, MPDD revised its prequalification SOPs and tender dossier to be used for the upcoming prequalification. It is expected that the revised documents will allow MPDD to identify and short-list credible suppliers and reduce the number of failed or non-responsive offers.
6. **Worked with MPDD to review and revise the organization's purchasing structure and special procurement procedures** in response to increased demands from sister RBC divisions and an increased number of customers. In addition to regular procurements funded by Global Fund, MPDD and CPDS, new customers are coming in with substantial needs for MPDD to serve, including four referral hospitals and a military hospital. Customers and needs continue to rise as RBC/MPDD is taking on procurement of medical equipment for district hospitals.

### **Challenges:**

1. Delayed and emergency orders for ARVs and lab products continue to be the focus of SCMS management attention, though no stockouts have resulted. These orders are a priority, particularly as SCMS and MPDD prepare for joint tenders of lab commodities per approved supply plans. SCMS has initiated an internal performance review of procurement management and oversight activities in its country operations and is readying to restructure to adequately respond with required skills and staff.
2. Alignment of inputs and requirements between MPDD and SCMS, under the current joint tendering process, to finalize negotiation memorandum of ARV and OI commodities continues to be a time-consuming challenge. The process, recognized as inadequate in working details by both MPDD and SCMS, has largely accounted for the stockouts and emergency orders described above and is the subject of concerted review and revision by SCMS with MPDD. An STTA initiated this month and to be completed in April is underway to resolve historical process gaps.
3. Similarly, poor management of the procurement process has resulted in laboratory equipment procurement delays of more than a year. SCMS readjusted procurement tasks and increased follow-up, and equipment is now arriving in country.
4. Due to issues of data quality and completeness, the SCMS MIS team is still working on ARV and OI drug data entry from districts for January 2012, and an analysis for December 2011 is ongoing. To avoid further issues, a supportive supervision and quarterly feedback to district pharmacies is planned for April.

### **Results:**

1. Achieved national consensus for lab LMIS standards in Rwanda, following a national laboratory logistics system design workshop conducted by SCMS with participants from PTF/MOH, RBC (NRL, MPDD, National Blood Transfusion Center), district pharmacies, referral and district hospitals, FHI360, BUFMAR and the USAID Mission. Participants at the workshop agreed on LMIS components, including a standardized inventory control system with provisions for proper storage, distribution, monitoring and supervision. Draft logistics SOPs were prepared and will result, once finalized, in the development of national training curriculum.

## **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. **In January, imported 20,020 MC kits from SCMS Swaziland to the South Africa LDC.** SCMS completed a survey of selected CDC and USAID sites to obtain stock-on-hand data and predicted usage. Using this data, we developed a distribution plan for the kits for February.

2. **In March, defined the scope of an initial audit assessment of the Gauteng provincial depot, which processes approximately 30 percent of all ARVs distributed in the public sector in South Africa.** This initiative was in response to an urgent request for assistance from the Gauteng provincial authority to improve depot operations and performance. The scope proposes an initial assessment of the current state of business processes, performance, skills and security. In addition to providing the depot with initial results of the assessment, the technical assistance team will provide recommendations for immediate improvements and finalize a project plan for a second phase.
3. **With USAID, prepared for the initial meeting to begin pooled procurement for PEPFAR implementing partners.** This meeting will be an important first step to transitioning to more efficient procurement for PEPFAR commodities. The meeting will present results from the SCMS ARV Bridging Assistance program and provide an opportunity for initial thoughts and feedback from the PEPFAR partners.

**Results:**

1. The last of the ocean shipments under the \$120 million ARV bridging fund initiative arrived in South Africa in early January, enabling a rapid turnaround of the sampling process and the final distribution to depots. Between January 2010 and January 2012, SCMS imported, quality tested, warehoused and distributed to provincial depots over 21.9 million bottles of generic ARVs worth \$102 million, at a cost savings of \$93 million compared to the previous South Africa tender. Leveraging the USG strategy for accessing international pricing, South Africa's Department of Health subsequently achieved a \$630 million (53 percent) price reduction in its next national ARV tender. This achievement was made possible through committed partnerships with NDOH, USAID, CHAI, MSH SPS and especially the 10 provincial depot teams.
2. Provided a briefing document on the Bridging Assistance Program results to USAID, incorporating data from the abstract developed for the International AIDS Conference. The COR reported passing the document to Ambassador Shah's office.

**Swaziland**

**Emergency Orders/Stockouts:** Placed an emergency order for 400 chase buffer for Determine HIV 1/2 tests with seven weeks' lead time in anticipation of a back-to-school campaign in late April, during which time stock would be dangerously low.

**STTA:** Quality assurance

**Key activities:**

1. **Ensured the uninterrupted supply of MC commodities to five permanent sites and nine outreach sites through a simple PUSH system,** whereby the central-level warehouse both issues the supplies and determines quantities based on monthly site consumption data. Prepared deliveries of 53 lab commodity orders, 23 drug orders and 57 equipment orders and distributed to nine service delivery points.
2. **Supplied MC commodities to the Luke Commission (TLC) and the Family Life Association of Swaziland (FLAS).** PSI requested that SCMS assist TLC and FLAS, sub-

recipients under PSI's Combination Prevention Program, with resupply of some MC commodities and with infectious waste transport from their outreach programs.

3. **Supported installation of the third (of four) regional incinerators and subsequent training for 15 hospital staff.** Met with a local subcontractor who will be providing engineering and management oversight to the capital improvement project of six regional hospitals and health centers.
4. **Planned for the April back-to-school (BTS) campaign,** a two-week initiative aiming for 3,100 male circumcisions, collaborating in weekly planning meetings led by MOH and including PSI, Jhpiego, FLAS and JSI. In addition to conducting site assessments, we have analyzed monthly stock reports to ascertain accurate consumption data, inventoried the central-level warehouses and begun preparation of supplies by site. Of the 14 proposed BTS sites, there will be six new sites requiring full set-up.

#### **Challenges:**

1. Due to lower-than-expected results for the MC program, there is a potential risk of overstock and expiry, particularly for drugs with short shelf life. We are updating our pipeline with these expiries to determine the quantities at risk and are exploring options for donating to MOH prior to expiry. Of particular note, there was an excess of rapid test kits that would expire in June/July 2012.
2. There continues to be a downward revision of program target interventions and a reduction in the number of permanent sites with the official end of the Soka Uncobe "circumcise and conquer" campaign on March 31, program leadership is transitioning from Futures Group to PSI under PSI's Combination Prevention Program. The transition to PSI will require strong coordination among implementing partners, particularly PSI and MOH, to find the appropriate balance between country ownership and implementing partner execution of activities. To avoid the risk of the transition jeopardizing earlier gains made in logistics management and reporting from sites, SCMS and PSI are working together for a smooth transition in leadership and all supply chain management activities (planned for September 2012).
3. The reconstruction of the Mbabane Government Hospital (MGH) incinerator house is off to a slow start due to numerous delays caused by contractual, legal and site requirements. The incinerator is due to be operational by the end of April, with the incinerator house completed by the beginning of May. In the meantime, SCMS continues to transport MGH's infectious waste to another regional hospital until the incinerator is up and running.

#### **Results:**

1. After exploring donation options and obtaining approval from USAID/Swaziland and MOH, 29,000 Determine and 20,000 Uni-Gold tests were donated to MOH's National Reference Laboratory (NRL), which both saved write-offs in the MC program and averted an unforeseen stockout at the central level.
2. NRL reached out to SCMS after discovering a dangerously low supply of Vacutainer EDTA (blood collection) tubes at the central level. Due to unrealized targets for the MC program, SCMS had an excess of EDTA tubes, due to expire in 2012. With USAID/Swaziland and PSI approval, we donated 85,000 EDTA tubes to NRL, averting a national-level stockout.

#### **Tanzania**

**Emergency Orders/Stockouts:** Determine and Uni-Gold test kits (see Challenge 2 below).

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

**STTA:** ERP implementation, warehousing and distribution, essential medicines, quality assurance

**Key activities:**

1. **Emergency procurements helped avert stockouts.** The Mission approved a stop-gap measure for SCMS to procure first-line ARVs (originally planned to be procured under Global Fund) and pediatric ARVs (originally planned to be procured by CHAI) worth about \$13 million. In addition, the Mission approved SCMS to procure CD4 reagents worth about \$6.58 million and HIV test kits worth about \$3.86 million. This was all unplanned support, as procurement was expected to be done by GOT under Global Fund, which has been facing funding delays. Through SCMS pipeline monitoring feedback, the Mission prevented an imminent stockout.
2. **In January, tested the ERP's parameters in the first conference room pilot,** providing MSD design team users the opportunity to test the system. This activity identified additional activities to be conducted, including increasing user proficiency in the system and putting in place necessary modifications to support all business scenarios. In February, completed the second phase of the conference room pilot of the new ERP system to assess subject matter experts' proficiency
3. **Collaborated with GOT to develop a rollout plan for the laboratory logistics system to all laboratories,** following a review of the system's pilot results. In a workshop attended by 25 laboratory personnel from pilot sites, participants assessed pilot results and determined that the system parameters adequately met the central-level information requirements for logistics decision making.
4. **The warehouse-in-a-box (WIB) project continues after receiving Environmental Impact Assessment (EIA) certificates.** The team installed the racking and electrical configuration for the Keko MSD warehouse; commenced floor casting and scarification of the loading area for the Mbeya MSD warehouse; and continued with site preparation for the Dodoma MSD warehouse.
5. **Reviewed near infrared reflectance (NIR) equipment installed at the Muhimbili University of Health and Allied Sciences (MUHAS)** as part of prime vendor model routine surveillance. SCMS is closely monitoring the implementation of QA testing activities since it has proven that quality assessments often raise the vendor's quality compliance level.
6. **Tested the connectivity of EPICOR, MSD's new ERP system, in five MSD zones** (Central, Tabora, Mbeya, Tanga and Mtwara) in March as part of preparatory efforts to implement EPICOR. This activity assessed the system's connectivity in the zones and enabled MSD subject matter experts to identify and address impending challenges related to connectivity prior to rollout. Also conducted software acceptance testing (SAT), in which MSD subject matter experts tested the customization of EPICOR to determine if it meets their needs. The

new system, expected to be functioning by mid-2012, will enhance MSD's business processes in managing health care commodities.

7. **Participated on behalf of PFSCM in the launch of the East African Community Medicines Registration Harmonization (EAC-MRH) Project**, held in Arusha, Tanzania. The EAC-MRH is part of the African Medicines Regulatory Harmonization (AMRH) Programme, with an overall aim to improve public health by increasing access to good quality, safe and effective medicines by reducing the time needed to register essential medicines for the treatment of priority diseases. Expected benefits of the EAC-MRH launch include harmonized registration dossier format and technical specifications, increased technical capacity and efficient use of resources, increased applications from manufacturers, cost savings and greater access to good quality and affordable medicines.

#### **Challenge:**

1. A slow assessment process by the National Environment Management Council (NEMC) on the warehouse-in-a-box (WIB) environmental impact impeded progress in the early part of the quarter. Approval was received in March.
2. Regarding the recall and delisting of SD Bioline HIV test kits, although there has been no formal communication on the government-approved transitional HIV testing protocol, the MOHSW technical committee indicates that the government has agreed on a temporary protocol — Determine as a first test and Uni-Gold as a confirmatory test. With USG funding, SCMS placed an emergency order for Determine and Uni-Gold kits from the Kenya RDC. However, Alere, the supplier of Determine kits, has switched names, thus requiring additional registration as an approved supplier per Tanzania Food and Drug Authority (TFDA) regulations. MOHSW is working with the supplier and TFDA to hasten the registration process.
3. A stockout of first-line ARVs is expected due to the delayed release of \$12 million from Global Fund. The ARV pipeline review conducted in February, with SCMS support, indicated that most of the commonly used first-line ARVs were below the recommended minimum stock position, with no clear timelines for placing stock replenishment orders. SCMS shared the results with MOHSW/NACP and subsequently discussed them with the GF consultants who visited Tanzania, to justify the need for expedited action to release expected funds. This report compiled by SCMS was also used to initiate action for the additional \$35 million worth of ARVs required to be delivered before end of 2012 under the Phase II GF proposal. GOT is expected to submit the proposal to GF by April 15, 2012.
4. Because of the transfer of additional ERP software development work from MSD to Epicor consultants and the delayed project finalization, additional funds of \$1.16 million are needed to complete the project. We calculated, justified and submitted incremental costs to the Mission for additional ERP expenditure concurrence, which we have obtained, and we are now pursuing COR approval.

#### **Results:**

1. Finalized incorporation of the supply chain management module into the curriculum for bachelor of clinical medicine at the Muhimbili University of Health and Allied Sciences (MUHAS). This is part of SCMS's initiative to support GOT in building pre-service capacities to develop a cadre of medical practitioners who are familiar with supply chain management.

2. Delivered 6,000 Determine HIV test kits (about 1.2 months of stock) in March and supported MSD in conducting distribution plans of the kits to all MSD zones to avert stockouts caused by WHO's delisting of SD Bioline test kits. Per the temporary GOT-issued protocol, the Determine kits will be used as a first test and Uni-Gold as a confirmatory test. SCMS is working with GOT to quantify the revised national requirements per the new testing protocol to enable mobilization of resources and timely procurement of the kits. SCMS, through funding from the Mission, has placed an order for Uni-Gold kits, to be delivered in subsequent months.

## 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 Defence Force/Department of Defense, Makerere University/Walter Reed Project

**STTA:** None

### **Key activities:**

1. **In January, participated in MOH and PEPFAR's rationalization discussion on the ARV supply chain for the public and private sector.** SCMS provided budgeting input for the PEPFAR-supported implementing partners in preparation for the planned ARV public-private rationalization exercise. The expected outcome of this exercise is increased efficiency of available resources, with the goal of more patients accessing treatment with available funds.
2. **Continued processing National Drug Authority (NDA) verification documents and importation waivers for the USAID ARV consolidated order.** These documents are for Q1 and Q2 2012 ARV shipments for adult first-line formulations and salvage therapy medicines worth \$1,354,412. Their processing will facilitate timely medicine delivery to designated warehouses (JMS, Makerere University/Walter Reed Project and JCRC).
3. **Continued processing pediatric 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 2013 and April 2012, respectively.
4. **JCRC confirmed an order for salvage therapy branded ARVs worth approximately \$100,000, scheduled for delivery by September 2012.**

### **Challenges:**

1. Two separate deliveries of MC kits were received with water damage evident in the secondary packaging of the kits, delaying distribution of these goods. The damage was incurred during transit. The kits came from the same vendor but the shipments were managed by different carriers. Replacements have been ordered for all damaged kits. SCMS opened an investigation

into both deliveries to determine the nature of the damage and to take necessary preventive action for future deliveries.

**Results:**

1. In March, delivered ARV commodities worth \$1,354,412 as part of the USAID consolidated order for the implementing partners.
2. Processed the NDA approval documents for MC kits. To date, SCMS has processed MC kit orders worth \$2.04 million (122,500 kits). Demand for MC kits in Uganda continues to grow.

## **Vietnam**

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

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

**STTA:** None

**Key activities:**

1. **Participated in a stakeholder meeting hosted by VAAC on transitioning patients from Stavudine- to Tenofovir-based protocols.** Stakeholders discussed the ongoing transition to the new protocols, approved in November 2011. The main point of negotiation was between the government, which does not want to see Stavudine stock expire, and treatment doctors, who feel it is unethical to keep patients on a drug that potentially causes irreversible side effects. As a result of the meeting, VAAC, in collaboration with the USG team, asked SCMS to consider donating its stock of Stavudine FDC to expedite use of Global Fund and National Program stock so the transition can happen more rapidly (see Results 3 below).
2. **Participated in the Vietnam country delegation during a joint WHO/Global Fund capacity building workshop on procurement and supply management, held in Bangkok.** The workshop brought together participants from 20 Asian countries to discuss global and regional issues. Topics discussed included how to mitigate stock risk due to financial disbursement delays, potential effects of new trade agreements such as the trans-pacific partnership (TPP), ensuring access to drugs by countries with low prevalence, the potential for sharing medicine among countries experiencing overstock and access to generic drugs for middle-income countries as donors depart.
3. **Finalized and submitted the first draft of a supply chain assessment protocol to VAAC for review.** At VAAC's request during our workplan retreat, SCMS planned to undertake a baseline assessment of the current HIV/AIDS supply chain as Vietnam transitions to a national distribution system. This protocol is the first step and we await VAAC's response.
4. **MOH gave approval for a pilot satellite methadone dispensing site in Hai Phong.** At USAID's request and in consultation with stakeholders, SCMS drafted a framework for a pilot satellite methadone dispensing site and shared it with provincial leaders in Hai Phong and other stakeholders for buy-in. Once the framework is agreed to, the next step is to develop an SOP in compliance with all Government of Vietnam agencies' regulations/laws and donor requirements.

5. **With VAAC, conducted an assessment of BD's new distributor, Tam Long, and oversaw the transfer of stock to its warehouse.** As a result of the assessment, we asked Tam Long get a good distribution practice (GDP) certification, which the warehouse obtained prior to moving SCMS stock.

#### **Challenges:**

1. SCMS, VAAC and CHAI continued discussions with Roche as part of the procurement transition of early infant diagnosis (EID) commodities from CHAI to SCMS. Roche's current stance is that the UNTAID/CHAI agreement expired in December 2011 and the prices do not carry over to new agreements. SCMS continues to work with Roche to finalize an agreement on both price and terms so an order can be placed and stock delivered before June 2012, when the CHAI stock will run out.

#### **Results:**

1. After negotiations with the Vietnamese Tax Authority since 2009, SCMS was authorized for and received VAT exemption for CPC1 storage and distribution costs for ARV order 28 and 28E and OI order 5. This is the first time we have received exemption for the cost of in-country service of importation storage and distribution. We estimate an annual cost savings of about \$35,000 as a result.
2. In close collaboration with VAAC, we gained consensus on one integrated site supervision tool for laboratory sites. Historically, VAAC's laboratory supervisory system has been fragmented, with individual tools developed on the basis of different types of tests, resulting in commodity-specific supervisory formats (i.e., ELISA, CD4, EID, viral load, RTK, etc.). This new integrated tool will streamline the site supervision process and reduce the time needed to document site visits. We finalized the new tool and it is now in VAAC's formal approval process.
3. Identified Zimbabwe as the recipient country for a Stavudine FDC (FDC-d4T) donation and initiated the re-export process. As a follow-up to February's decision to re-export FDC-d4T to facilitate the transition to Tenofovir without incurring expiry of the Stavudine stock, we identified Zimbabwe as having a need for the stock, collected a full set of export documents (invoice, packing list, COO and COA) and are awaiting the Certification of Donation from USAID and an authorization letter from VAAC to CPC1 to re-export the drug. Once we obtain final documents, we plan to ship the product during the first week of April.

## **Zambia**

**Emergency Orders/Stockouts:** There was a stockout of FACSCalibur CD4 reagents at the central level due to expiry in December 2011. In March, there were central-level stockouts of five lab commodities (Humalizer Glucose, ABX Pentra Alphalyse, Olympus ALT, ABX Pentra Cleaner and ABX Micros Minilyse), caused by the unexpected increase in usage of the ABX Micros and Pentra machines used in hematology, as well as delays in GFR8 under UNDP procurement, which was expected to be in country in March/April. SCMS has brought forward planned orders for June/July to mid-May to address the stockouts. At the service delivery level, stock status of these commodities is currently at two months of stock.

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

**STTA:** None

**Key activities:**

1. **SD Biorline was phased out in Zambia.** In response to the quality assurance issues of SD Biorline HIV rapid test, USAID/Zambia wrote to the Ministry of Health, indicating USG's position on Biorline's procurement. The Ministry responded by issuing a press release indicating continued use of the current stock but noting that once this batch is finished, use of the kit as tie-breaker would be discontinued.
2. **Completed SCMS's portion of the annual procurement plan for major laboratory commodities** and identified the national need for lab supplies to support ART and general lab services. However, due to an approximately \$7 million funding gap, negotiations and readjustment of needs based on available funding were required between MOH and other funding agencies to generate funded procurement plans for all procurement partners. With the readjustment, the SCMS procurement plan stands to address 71 percent of national need for the 2012 calendar year, up from 55 percent in 2011. SCMS's contribution will help ensure continuous availability of commodities to health facilities, supporting the more than 350,000 patients on treatment.
3. **Created and delivered starter packs for pre-service training to four biomedical training institutions.** The materials — including teaching curriculum, SOPs, student workbooks and logistics training handbooks — will help kickstart the institutionalization of supply chain logistics trainings in local institutions as per the letter of agreement between SCMS and these institutions. With this starter pack, the institutions are in position to fully implement supply chain training in the next academic year, which begins in April 2012. This intervention will help ensure long-term sustainability of logistics and supply chain management.
4. **Conducted data collection and analysis to prepare for the first quantification review meeting for labs this year.** This meeting required a thorough analysis of service provision statistics, logistics information and demographics data to determine any required adaptations to the procurement plan to predict and meet patient needs. Through MOH involvement in this process, the project will have a sustainable impact by imparting the knowledge of processes required for forecasting, quantification and review.

**Challenges:**

1. MOH had forecasted that FACSCalibur was to be used 70 percent of the time and FACSCount 30 percent. However, data from the November 2011 quantification showed that practitioners were using FACSCalibur 40 percent and FACSCount 60 percent, leading to an excess of FACSCalibur reagents, which then expired at the central level. The forecast assumptions have been revised and SCMS has placed an order for the reagents for delivery in February/March 2012.
2. MOH continues to have difficulties in fully funding the procurement of major health commodities. SCMS and partners continue to share commodity and funding gap updates with the government to highlight the need for increased budgetary allocation for these commodities, especially laboratory reagents and supplies.
3. Identifying a reliable date to hold quarterly review meetings with partners is a recurring challenge. Due to MOH's unavailability, this quarter's meeting was postponed despite it being

- planned several weeks in advance. The meeting was rescheduled for April, as MOH's participation, facilitation for capacity building, input and leadership is essential.
4. Due to late funding disbursements by Global Fund, the stock security of antiretroviral drugs and laboratory commodities is at risk. A number of items scheduled to be delivered in the third and fourth quarter of the calendar year currently do not have funding from GF. UNDP, the primary recipient, is planning to request earlier funding release or identify other resources to avoid stockouts. SCMS is participating in monitoring the issue and may provide support if there is a critical need.

**Results:**

1. Installed storage-in-a-box warehousing units at Kafue and Gwembe districts, both of which have been plagued by chronic storage problems. In separate statements, the district medical officers for Kafue and Gwembe thanked SCMS for the initiative and the general efforts being made to ensure commodity security at the service delivery level. They indicated that the new storage is a relief to the districts, as health commodities are now stored appropriately. SCMS intends to expand the provision of these units to other districts once the current units are evaluated.
2. The stockout rate of major laboratory commodities fell from 12 percent in December to three percent in January, as SCMS delivered most of the stocked-out commodities.

**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:** Management information systems

**Key activities:**

1. **In collaboration with MOHCW's Directorate of Pharmacy Services (DPS), conducted a requirements gathering workshop for the planned ARV dispensing software** to collect and validate new user requirements from the intended software users. The workshop was attended by MOHCW central-level staff and pharmacy dispensing staff from MOHCW health facilities and private hospitals. Requirements gathered will be used to develop the RFP for the ARV dispensing tool.
2. **The SCMS-supported NatPharm Roadmap Coordinator continued to assist NatPharm in mobilizing resources and coordinating support from various partners.** Five UNICEF-funded generators were successfully installed at the regional and branch stores, and leaks in the Harare regional store roof were fixed.
3. **Gathered user requirements for the ARV dispensing software** to replace the current paper-based system. Met with vendors and conducted site visits of private facilities to gather intelligence on what other sectors in the government have done in dispensing. Determined requirements for MOHCW, government hospitals and dispensing facilities, and dispensing staff. Also produced System Development Life Cycle (SDLC)-compliant documentation for launching

a competitive RFP for international and local vendors. The RFP is expected to launch in April 2012.

5. **Technically supported the Zimbabwe human resources for supply chain management capacity assessment**, conducted to document the state of human resources management and capacity in the country's public health supply chain; to identify opportunities to build capacity by attracting, motivating, developing and retaining new and existing talent; and to document professionalization efforts of personnel working in the country's public health supply chains. The assessment, funded by USAID | DELIVER PROJECT, culminated in a stakeholder's workshop attended by 24 representatives of human resource and health supply chain partner organizations, where the STTA providers presented assessment findings and recommendations.
6. **Continued support for the MOHCW AIDS and TB program's ART team:**
  - The ART Coordinator presented "HIV Testing, Linkage to Care, Initiation of Treatment, Retention in Care: Presenting the Cascade" at the International Treatment Optimization meeting in Harare. The meeting aimed to define "optimized" HIV treatment delivery systems that rely on community systems and integrated health and community mechanisms.
  - MOHCW's ART partners, including SCMS, WHO, USAID, CHAI and MSF, met to discuss issues encountered in implementing the 2010 ART guidelines. It was noted that sites reported varied implementation levels for the switch to the new Tenofovir-based regimen. Support visits will target non-performing sites.
  - With support from WHO, Pangaea and the National AIDS Council (NAC), MOHCW convened a decentralization meeting for HIV/AIDS prevention, treatment and care for more than 100 participants from implementing partners and funding agencies. The meeting reviewed progress made in decentralizing HIV services in Zimbabwe, with the goal of achieving universal access to HIV services by 2015.

#### **Challenges:**

1. The ART program is scaling up rapidly, with 403,000 patients as of December 2011 and a scale-up rate of 7,953 per month. MOHCW maintained the switch scenarios (Stavudine- to Tenofovir-based regimens) of 50 percent in 2012 and 100 percent in 2013 for the adult ARVs. From meetings held in February, these scenarios imply a funding gap of \$30 million in 2012 and \$50 million 2013 for HIV RTKs, essential medicine primary health care packages (PHCPs) and, in particular, Co-trimoxazole for both OI and general use and TB and malaria medicines. If all commitments are received on time, there will be no funding gap in 2012 for pediatric and PMTCT ARVs, CD4 point-of-care (POC) and early infant diagnosis (EID) reagents, and syphilis RTKs. MOHCW will mobilize resources and/or consider making programmatic adjustments to manage the ARV funding gap.

#### **Results:**

1. We signed off on the Delivery Team Topping Up (DTTU) LMIS data capturing tool (AutoDRV) upgrade project, and the upgraded tool was introduced during current January-February DTTU deliveries. The upgrade improves delivery software for on-site data collection to record additional products, adding PHCP, CD4 POC and EID products to the data collection system, replacing manual forms. This has greatly improved the turnaround time of LMIS reports, which no longer need to be encoded centrally. This upgrade has facilitated MOHCW's

rapid scale-up of PMTCT sites without the need for an additional staff to encode PMTCT commodities data, thus improving efficiency and value for money.

2. MOHCW continues to achieve full ARV availability and now distributes ARVs to 240 static sites that distribute them to an additional 692 outreach treatment sites; MOHCW also now distributes MC commodities to eight sites.
3. DfID Zimbabwe awarded a contract worth over \$28 million to SCMS through USAID for the procurement of adult and pediatric ARVs over a four-year period (2012–2015). This funding represents a vote of confidence by a major non-USG funding agency in the work our team and the MOHCW DPS Logistics Unit (LU) are doing in Zimbabwe, and in SCMS's ability in general to provide cost-effective, quality ARVs in a timely manner.
4. SCMS facilitated a donation of 60,000 bottles of Stavudine FDC (FDC-d4T) by the MOH of Vietnam to its counterparts in Zimbabwe. Vietnam recently changed its treatment regimen from d4T to TDF, with the expectation that all patients will be switched to TDF by May/June 2013. This donation will allow Vietnam to avoid having to destroy excess stock and will enable Zimbabwe to continue supporting 50 percent of first-line patients on d4T by the end of 2012 and relieve ARV funding challenges.

## 5. Innovations

The major innovation activity is the development of the Systems Strengthening Strategy Initiative, built around the concept of a capability maturity model and regular key performance indicator monitoring and evaluation in all aspects of national health supply chains. This innovation is also mentioned in the Project Highlights section under Health Systems Strengthening. Work will continue on this innovation during the coming quarter, with pilot testing planned for May and rollout of the final tools and documentation in June.

Existing 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 Bioline batches of the HIV 1/2 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 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 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, which 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.

			<p>market caused by stock up etc.)</p> <p>Share market intelligence with LG and FDA</p> <p>to build RDT</p> <p>Establish quarterly meetings</p>
			<p>Develop standardised procedures concerning</p> <p>Agreements (M&amp;A) including</p> <p>contractual process and</p> <p>training</p>
			<p>Develop new RLA strategy</p> <p>in coordination with RHC</p> <p>strategy if agreed</p>

## 6. Objectives for April – June 2012

<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, 3/30/2012, 6/29/2012	Dec. complete. Mar. complete. Jun. on target.
<b>Implement Procurement Strategy</b>			
Organize vendor summit(s)	Hold 2 or more regional meetings to improve non-pharma performance	4/20/2012, 6/31/2012	Scheduled for September.
<b>ARVs</b>			
Explore and map the supply market and market dynamics (players, baseline production costs, capacity, new products, mergers- for API and finished dosage, analyse impact on market caused by scale up etc.)	Small paper, input for procurement strategy	5/31/2012	In process.
Share market intelligence with USG and FDA	Establish quarterly meetings to brief COTR	12/30/2011, 3/30/2012, 6/29/2012	Dec. complete. Mar. complete. Jun. on target.
<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 June 2012	In progress with delays.
<b>(HIV) Test Kits</b>			
Investigate pricing and procurement strategies to optimize value for money	Implement new RTK strategy in coordination with RDC strategy, if agreed	4/30/2012	There are kits in the warehouse only to cover the SB Bioline recall. Other than that, it's not a great option and not panning out due to cost.

<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, 4/30/2012	Jan. complete. Apr. on target.
Perform LAB & RTK quarterly reviews by country	Updated Supply Plans	1/31/2012, 4/30/2012	Jan. complete. Apr. on target.
Perform COTX & other DRUG quarterly reviews by country	Updated Supply Plans	1/31/2012, 4/30/2012	Jan. complete. Apr. on target.
Perform MC Kit quarterly reviews by country	Updated Supply Plans	1/31/2012, 4/30/2012	Jan. complete. Apr. on target.
<b>Inventory Management- Refine Stocking Strategy</b>			
Implement strategy (RTK)	RTK stocking strategy, if agreed, in collaboration with procurement	4/30/2012	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, 4/30/2012	Jan. complete. Apr. on target.
<b>Warehousing and Distribution:</b>			
<b>International Freight and Logistics</b>			
Investigate the option of converting the FLEET tool into an access database, making data updates simpler	Work with IT team to determine SOW, cost & time of implementation	4/30/2012	Project replaced by the Data Warehouse Implementation.
<b>Management Information Systems:</b>			
<b>Data Warehouse</b>			
Deployment Phase		12/14/2011 3/16/2012 4/16/2012	On target for Apr.
Migration Phase		1/17/2012 3/31/2012 5/1/2012	On target for May.
<b>Implement BI Tool Site</b>			
Implement Phase		3/31/2012 4/30/2012 5/30/2012	On target for May.

<b>Implement RFX Tools</b>			
Implement		3/31/2012 5/30/2012	On target for May.
<b>2. Health Systems Strengthening</b>			
<b>System Strengthening Strategy Initiative:</b>			
Develop framework graphic and narrative content	Published conceptual framework/narrative	12/31/2011 6/30/2012	On target for June.
Update and finalize tools	ROI Framework	4/30/2012 6/30/2012	In development. TWG meeting needs to be scheduled.
1) Develop Capability Maturity Model Diagnostic tool and associated methodology documentation that defines benchmarks and assesses the supply chain capability maturity 2) Develop National Supply Chain KPIs, users guide, and data dictionary to assess in-country supply chain performance	3) Capability Maturity Model Diagnostic Tool (High-Level & Detailed Level) 4) National Supply Chain KPIs	3/31/2012 6/30/2012	CMM/KPIs piloting in Botswana, South Africa, and Paraguay in May. On track to finalize by June 30, 2012.
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	1/31- 3/31/2012 4/30/2012	Drafts for review to be completed by April 13.

Develop updated technical assistance Operating Model	Updated FPS RASCI Updated FPS JDs	4/30/2012 6/30/2012	To be completed after CMM/KPI pilot and finalization.
<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 phases of each initiative	Tanzania: LMIS in development	6/30/2012	Canceled.
	Tanzania: new ERP rolled out	6/30/2012	Verification Phase: On target for a July 2 go-live.
	Cote d'Ivoire: improved warehouse IT infrastructure	6/30/2012	STTA completed in March. Next steps being planned with PSP in April.
	Zimbabwe: LMIS upgrade (ZISHAC)	6/30/2012	On target.
Redefine and refresh the SMIS technical assistance capability in accordance with the new conceptual framework	MIS component of SS Strategic Plan	3/30/2012 6/30/2012	To be integrated into SS Strategy.
<b>In-Country Procurement Technical Assistance:</b>			
Pilot national governments accessing SCMS IQCs using their own funds	Exploratory discussions, in the context of transition from PEPFAR, held with Government of Vietnam	4/30/2012	VN will be affected by GOV strategy on decentralization.
<b>In-Country Warehousing and Distribution Technical Assistance:</b>			
Plan and facilitate an Integrated Warehouse and Distribution Conference in collaboration with SSU Unit Leads	Conference Materials and Proceedings Report	April/May 2012	On hold.

<b>Human Resource Capacity Development:</b>			
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 August 2012	In progress.
<b>Lab System Strengthening:</b>			
Work with partners to adapt and expand existing Lab Logistics training curriculum to create a course in Lab Systems Logistics and Supply Chain Management and build capacity within a capable laboratory skills training institution to conduct	Course Goals and Objectives, competency-based curriculum, MOU, with training institution, TOT curriculum	TBD-dependent on Core funding	October ACILT training approved 5 day lab logistics training module. Initial concept submitted. CDC comments received. Resubmission in April.
<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, 6/11/2012	Dec. complete. Mar. complete. Jun. on target.
<b>Report to OGAC on ARV and selected OI deliveries to PEPFAR Implementing Partners in FY11</b>			
Submit report		4/6/2012	Complete.

<b>Public Private Partnership for Pediatric ART</b>			
Present project outcomes		4/2/12	Delayed due to extended timetable in Guyana.
<b>4. Knowledge Sharing and Communications</b>			
<b>Global Health Conference</b>			
Attend conference	4 abstracts accepted as presentations	6/15/2012	Four abstracts accepted to ICASA.
<b>International AIDS Society Conference</b>			
Attend conference	4 abstracts accepted as posters or presentations	6/8/2012	Complete. Six accepted.
<b>Communications Products</b>			
Supply Lines	4 issues	1/10/2012, 3/6/2012, 6/6/2012	Jan. complete. Mar. complete. Jun. on target.

