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

PEPFAR Implementing Partner

Quarterly Performance Report

July – September 2012

November 15, 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 Collaboration. The remainder of the report gives more detail on programmatic milestones (Section 2, page @@), procurement and distribution statistics (Section 3, page @@), progress in countries (Section 4, page @@), innovations (Section 5, page @@) and objectives for the coming quarter (Section 6, page @@). The programmatic milestones in Section 2 and objectives in Section 6 are taken from the project workplans provided to USAID.

This quarter contained three significant events for the project. In July SCMS was well represented at the International AIDS Society Conference to Washington, DC, after a gap of 20 years, with many consortium member companies funding the attendance of their staff. Five SCMS abstracts were accepted for presentation, with two verbal presentations on keeping supply chains operational at time of civil unrest in Côte d'Ivoire in 2011 and on human resource capacity development, specifically working with professional training institutions to include supply chain modules in curricula.

USAID/PFSCM jointly sponsored a highly successful and very well-attended satellite session on the supply chain challenges posed by the 15 by 15 challenge to have 15 million people on ART by 2015. With speakers from USAID, PAHO, CHAI, Mylan Pharmaceuticals, Alere Diagnostics and the Zimbabwe Ministry of Health, well over 100 people attended, with standing room only as the meeting commenced.

Also in July USAID advised PFSCM of an extension to the project to September 2015 and requested PFSCM to produce a new Task Order 3 Budget extended to this new date. PFSCM duly delivered the budget proposal to USAID as requested with detailed discussions continuing as of the end of the quarter.

In September, SCMS Vendor Summit held in Dar es Salaam, Tanzania was the first such summit to include all product categories (the previous summit focused on ARV vendors) and the first to be held in Africa. It also included freight and logistics subcontractors from Africa. In total, some 200 representatives of suppliers from Africa, the Americas, Asia and Europe attended. Participant feedback was very positive, citing the inclusiveness of the event and the opportunities to share concerns and suggestions and to network. Our primary intent with the summit was to further improve health outcomes through enhanced supplier relationships. This primary goal was achieved, and participant responses to our summit evaluation survey lead us to believe the summit could make a significant contribution toward creating a sustainable supply chain within the private sector in Sub-Saharan Africa.

Key statistics for the life of the project, from October 2005 as of @@@, are as follows:

- US$@@ million in products delivered to clients, accounting for @@@@ deliveries
- 49 countries received shipments of HIV/AIDS commodities
- 95 percent of ARVs (by volume) delivered by SCMS from @@ to @@, 201@ were generics

- 35 countries received technical assistance in such areas as quantification, warehousing and distribution, laboratory logistics, quality assurance and management information systems (MIS)
- 780 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

1a. Global Supply Chain

The global supply performed strongly during the period, delivering US$@@ million of commodities via @@@ shipments to clients. On time delivery improved over the period by around @@ percentages points over the previous three months, @@% of deliveries were made within 5 days of the SCMS promised date, with a further @@% delivered within 14 days of the promised delivery date.

Successes

- Attended the Joint PEPFAR-WHO Meeting on Accelerating the Scale-Up of VMMC for HIV Prevention in East and Southern Africa. This significant planning meeting facilitated discussions and agreements on country-level and overall programmatic goals. We expect USAID country missions to finalize their individual program targets for 2013 as a result of this working meeting. We also establishing a stockpile of strategic VMMC products in addition to VMMC kits.
- In Malawi, although not a country where SCMS maintains an office, PEPRFAR via USAID is providing about $7.5 million for procurement of ARVs to cover a treatment program funding gap as the country transitions from Stavudine to Tenofovir (Tenofovir/Lamivudine/Efavirenz). PEPFAR has committed to supply around 500,000 units via the SCMS mechanism, while the Global Fund (GF) will supply around 3.4 million units through the VPP mechanism. After this, the Global Fund is likely to continue funding.
- In Tanzania, seven pharmaceutical importers were inspected to determine if their systems and facilities were suitable to temporarily store imported products to be distributed through the SCMS Prime Vendor project. All seven were found suitable for this activity.
- In Zimbabwe, received the first-ever DFID-funded and SCMS-procured ARV shipment, 60,794 bottles of Nevirapine 200 mg tabs worth $147,121. In March, 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).

Challenges

- Throughout the quarter we experienced delays and clearance backlogs on containers imported to Ethiopia. At the end of September, there were 16 containers awaiting delivery, 11 of which were Plumpy Nut. SCMS has been working closely with our client PFSA to address this issue.
- We have seen an uptick in emergency orders from a number of countries including Haiti, Rwanda and Uganda. This will be reported more thoroughly in the six-month report on stockouts and emergency orders due by the end of the calendar year.

- Order for VMMC kits have continued to grow and Production at the most reliable VMMC disposable kit manufacturer (Priontex in South Africa) is quickly reaching its maximum. SCMS is actively seeking to prequalify additional VMMC kit suppliers.
- Vendors and manufacturers have reported that Co-trimoxazole tablets may not be available until December due to a shortage of the active pharmaceutical ingredient (API) Sulfamethoxazole. This shortage is a result of several factors, including pollution control problems and labor conflicts at the API site of key manufacturer Virchow. These issues have recently been addressed and API production has resumed. Fortunately, only one order for SCMS clients has been impacted by this constraint..

Things to Watch

- In Nigeria, the Global Fund sent a team from Geneva to Nigeria to discuss collaboration and integration with SCMS in-country activities. Highlights of the meeting included discussions on including GF-supported facilities in SCMS rapid test kit procurement starting in January 2013, ongoing discussions with the GF board about using PFSCM's Voluntary Pooled Procurement mechanism for ARV procurement for the National Agency for the Control of AIDS, and GF's consideration of collaborating with SCMS on the warehouse upgrade at CMS Oshodi.
- The growth of the VMMC program has required SCMS to hold buffer stocks of VMMC kits and accompanying commodities. SCMS set up bond storage facilities in South Africa and applied to the Medicines Control Council (MCC) for approval to extend these facilities to include VMMC pharmaceutical products. MCC approved, and we are currently confirming whether extension includes all OI drugs.
- We are monitoring how closely the transfer from Stavudine-based to Tenofovir- and Zidovudine-based regimens matches the assumptions used to prepare forecasts of ARV requirements. A slower transfer than modeled will require further Stavudine formulation procurements in the future, which are not planned currently.

1b. Health Systems Strengthening

Successes

- SCMS opened two new field offices in Burundi and the Democratic republic of Congo.
- In Botswana, the new CMS Deputy Manager, Operations, arrived, completing the transition for all six SCMS management team positions.
- In Ethiopia, established a supply chain cost model that the Pharmaceutical Fund and Supply Agency (PFSA) can use to maintain and update information on operating costs to run its business. This enables PFSA to effectively determine the revenue streams required to sustain its business.
- In Swaziland, as per agreement with the Mission and PSI, SCMS completed a full handover of supply chain activities to PSI by the deadline of September 28, complete with supporting documents that will assist PSI after SCMS leaves the country.
- Three significant events in Tanzania, the EPICOR E9 software, MSD's new enterprise resource planning (ERP) tool, is now live. Pre go-live activities included completing data cleaning and migration plans, defining and allocating carton and pallet locations, and

allotting products to the set categories. MSD senior management has been very supportive in providing the necessary approvals and has been keenly monitoring progress. In a second major deliverable we handed over the state-of-the-art prefabricated warehouse-in-a-box (WIB) facility in Mbeya zonal MSD at a formal ceremony in Mbeya region. This is the second of three planned WIB facilities under phase one. At 3,378 square meters, this new facility will greatly expand storage space and includes modern gravity flow technology for enhancing picking and packing. And finally, SCMS is processing an order to supply the UK Department for International Development (DFID) with essential medicines under the prime vendor model for use in care and treatment sites in Tanzania.

- In Nigeria, the effect of last-mile delivery of commodities to service delivery points by SCMS under the supply chain unification initiative has started to bear fruit, as demonstrated by gradual improvement in commodity availability at the facility level (reflected in the LMIS). Prior to the unification activities facilities were not being resupplied every two months. By September all facilities were being supplied on time with required commodities.

Challenges

- In Ethiopia, installation of hematology and chemistry lab machines supplied by SCMS by vendors at selected health facilities is delayed. One problem is the absence of power supply outlets where these machines are to be installed. SCMS is working to procure electrical equipment that fits the power supply system of these facilities. Also contributing to the delay are vendors' capacity limitation and the difficulty of finding professionals trained in installing these lab machines in the local market. SCMS is negotiating with vendors on the possibility of arranging a TOT for lab professionals.
- In August MOHSW Tanzania, through MSD, has suspended all distribution of Triomune-30 (T-30) procured with GOT and Global Fund funding due to alerts of the existence of counterfeit products in some regions. The Tanzania Food and Drugs Authority (TFDA) is conducting product quality assurance monitoring to assess the gravity of the problem. The problem was subsequently isolated to specific batches. No DSCMS products were concerned and we are monitoring the position in case emergency supply is required.
- In Haiti, SCMS has not yet received 2013 targets from CDC/USAID and the Global Fund to finalize the quantification for ARVs and OI drugs. CDC also has not provided targets for lab quantification. SCMS will work with CHAI to quantify needs based on the limited data received, as we continue to follow up with CDC. If targets are not received soon, lab quantification will be based on last year's targets so as not to further delay procurement of needed commodities.
- Nicaraguan President Daniel Ortega has announced his intention to remove USAID and its projects from the country, contributing to an overall volatile political environment for SCMS. A final decision is expected by the end of July regarding the future of USAID in Nicaragua. As a result the USAID Mission in Nicaragua, SCMS and all other USG funded projects have been requested to phase out direct technical assistance, procurement, or any other type of support given to the Nicaraguan. Once our FY12 project activities supporting the Nicaragua Central Medical Warehouse have been completed, expected by the end of November SCMS will have no further involvement in Nicaragua.

Things to Watch

- In Guyana, transition of the COP from an April to March cycle to an October to September cycle will seriously affect the project's budget. The previous COP/FY 12 cycle (April 2012 to March 2013) has projected funds ending in March 2013. Due to a recent push by the COR team to standardize COP cycles, the COP 12 cycle will now be adapted to October 2012 to September 2013. Even with re-allocating approved and received funds for a different COP cycle, this will leave us with a six-month gap in funds from April to September 2013, which may be difficult to cover.
- Held key collaboration discussions with Global Fund in Nigeria. The Global Fund sent a team from Geneva to Nigeria to discuss collaboration and integration with SCMS in-country activities. Highlights of the meeting included discussions on including GF-supported facilities in SCMS rapid test kit procurement starting in January 2013, ongoing discussions with the GF board about using PFSCM's Voluntary Pooled Procurement mechanism for ARV procurement for the National Agency for the Control of AIDS, and GF's consideration of collaborating with SCMS on the warehouse upgrade at CMS Oshodi.

1c Global Collaborations

SCMS continues to @@@@.

Successes

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Challenges

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- Final bullet

Things to Watch

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- Final bullet

2. Programmatic Milestones and Measure

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SCMS	Project-wide Workplan TO3 FY2012 – October 1, 2011 – September 30, 2012		
Activity	**Deliverable**	**Target Deadline**	**Progress**
1. Global Supply Chain			
Improve GSC Performance			
Increase number of planned orders (vs.	Planned at 80%	12/30/2011	Dec. complete.

unplanned and emergency), monitor quarterly		3/30/2012 6/29/2012 9/28/2012	Mar. complete. June complete. September complete
Build Non Field Office Countries Procurement			
Strengthen procurement and distribution for NFOs	Achieve 80% OTD and 80% client satisfaction	Ongoing	80% OTD reached last quarter. Continuous monitoring of the current orders and of NFOs in transition phase.
Operationalize Field Office Managed Procurement			
FOMP regional training bi-annual	Training Feb/March and Aug/Sept. 6-10 field staff trained at each training	Ongoing	Training held in March 2012. Second training held September 2012
Implement Procurement Strategy			
Organize vendor summit(s)	Hold 2 or more regional meetings to improve non-pharma performance	4/20/2012 ~~6/31/2012~~ 9/28/2012	Completed Held Sept 5,6 & 7 In Tanzania
Organize annual procurement council with FO conference	Implementation of any required modifications to procurement strategy	11/30/2011	Complete.
Discuss procurement mechanisms (develop global procurement mechanism)	Paper	9/28/2012	In Process – draft to be discussed 13 Nov 2012 with QA for finalization
ARVs			
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.
Explore and map the supply market and market dynamics (players, baseline production costs, capacity, new products, mergers - for API and finished dosage, analyses impact on market caused by scale up etc.)	Small paper, input for procurement strategy	5/31/2012	complete
Share market intelligence with USG and FDA	Establish quarterly meetings to brief COTR	12/30/2011 3/30/2012 6/29/2012 9/28/2012	Have held multiple MDC meetings.
Essential Drugs (OI etc.)			
Continue to broaden supplier base - International and African manufacturers and wholesalers	ca. 3 new approvals & 5 new IQCs	9/28/2012	All WHO approved African manufacturers now have MSAs. Met with manufacturers in India to broaden OI capabilities.- MSA's with the 3 approved Sub-Saharan ARV Manufacturers, IQC with Macleods Pending,

			Visits to India – Pre-screening of OI's, QA inspections planned Nov/Dec 2012
Evaluate TZ essential medicines pilot	Review and recommendations in final report	~~1/31/2012~~ 11/30/2012	Postponed until November – delayed on request of the field office until Jan 7, 2013
Food by Prescription (FP)			
Finalize supply chain guidance document to feed into NACS guidance, for USAID, Fanta and other partners	Document	12/30/2011	complete
Laboratory- Equipment, Reagents, Consumables			
Evaluate strategy for top 100 items (RFP, contracts)	IQCs with top 3 suppliers	7/31/2012	We did an RFP and evaluated order patterns and concluded IQC for the small group of items will not improve processes.
Develop standardized procedures concerning Maintenance Service Agreements (MSA), including mapping, flowcharts, contractual process and training	SOP	~~1/31/2012~~ ~~6/30/ 2012~~ ~~9/28/2012~~ 12/31/2012	Will be completed by the end of the year – on target
(HIV) Test kits			
Investigate pricing and procurement strategies to optimize value for money	Implement new RTK strategy in coordination with RDC strategy, if agreed	~~4/30/2012~~ 12/31/2012	On target. Presenting conclusions at the ASLM in December
MC Kits			
Issue RFP for MC kits to ca. 5 new suppliers	IQCs with 1 more suppliers and verify we are getting best price	~~7/31/2012~~ 12/31/2012	On target
Implement QA and QC measures (flagging all procurements for sampling)	Test results control system (to log vendor compliance and efficacy)	12/31/2012	Ongoing
Demand Planning & Inventory Management:			
Supply Plans- Quarterly Planning and Updating Process			
Perform ARV quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012 7/31/2012 9/28/2012	January complete April completes July complete. September in progress
Perform LAB & RTK quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012 7/31/2012 9/28/2012	January complete April complete July complete September in progress
Perform COTX & other DRUG quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012 7/31/2012	January complete April completes July complete. September in

		9/28/2012	progress
Perform MC Kit quarterly reviews by country	Updated Supply Plans	1/31/2012 4/30/2012 7/31/2012 9/28/2012	No quarterly reviews as MC supply planning still in its infancy. Planning at a country level by quarter for countries with active MC programs
Integrate elements supply planning and financial budgeting process	Refine the tool for monitoring and tracking data; standard format report	9/28/2012	Complete
Inventory Management- Refine Stocking Strategy			
Refine strategy details (Qtr.) (ARV)	Adequate stocks in RDC	9/28/2012	Complete
Implement strategy (RTK)	RTK stocking strategy, if agreed, in collaboration with procurement	4/30/2012	Complete.
Cost to Serve Analysis – BRC review	Regular reviews	9/28/2012	Complete
Demand Planning Module- develop and implement	Implement automated planning module	1/31/2012	Complete.
In-Country Supply Planning/Forecasting Technical Assistance			
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 4/30/2012 7/31/2012 9/28/2012	January complete April complete July complete September in progress
Hand over quantification and supply planning activities to local counterparts	9 countries planning and conducting quantification and supply planning on their own	9/28/2012	ongoing
Quality Assurance:			
Operational QC Objectives for all commodities			
QA Advisory Panel meeting	Meeting conducted and recommendations implemented	7/31/2012	took place in May
Quality Assurance Summit	Proposals to develop improved pharmaceutical registration systems to help reduce the time it takes for products to become registered in resource poor countries	11/30/2012	May not occur due to participation in September Vendor Summit. Will discuss with USAID if we will repeat facilitation of Wholesaler Forum of October 2011Spoke to USAID about this on Nov 2nd during our routine QA-USAID mtg, USAID asked that we keep this on our agenda for future meetings with them as they are still considering whether a need to continue with this forum exists. Short answer, not

			conclusive whether need still warranted for this meeting.
Waste Disposal Management			
Tanzania API Recycling Project	Feasibility study	9/28/2012	Delayed until March 2013
Swaziland MC Project	Advise and provide risk assessment	1/31/2012	Complete.
In-Country Due Diligence			
Expansion of Essential Medicines-Local Procurement/Due Diligence Pilot Program to two other countries.	Improved due diligence capabilities	9/28/2012	Ongoing. Waiting for USAID missions to request support.
Warehousing and Distribution:			
International Freight and Logistics			
Bi-annual review of competitive and reasonable pricing, particularly on heavy volume lanes	Report	3/30/2012 8/31/2012	March complete. August 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 ~~7/31/2012~~ 8/31/2012	March complete. August complete
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~~	This milestone has been suspended pending the implementation of the data warehouse project. See new milestone.
Implement F&L functionality within the data warehouse project. Important outputs include the Inventory reconciliation between RTT's SAP system and Orion.	Working with RTT to send through data feeds to the data warehouse from their SAP system. Deliver an automated stock reconciliation report.	10/30/2012	Initial information and data feeds have been shared between F&L and MIS, project ongoing
Regional and Local Distribution Centers			
Set up new bond warehouse to facilitate the storage of MC Kits. Warehouse location - South Africa	New warehouse operational to accept MC Kits in bond.	2/29/2012	Complete.
Extend the bond license at the South African RDC to include non-ARV pharmaceutical products. This would enable the RDC to store MC-related medicaments in support of the broader MC program.	Regulatory submission accepted by the Medicines Control Council of South Africa (MCC).	07/01/2012 10/31/2012	Regulatory document completed and submitted to the MCC. Initial approval has been obtained. Awaiting further response
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	10/31/2011	Complete.

	Africa by December 2011		
Management Information Systems:			
VM Migration			
Procurement Phase		11/4/2011	Complete.
Deployment Phase		11/30/2011	Complete.
Migration Phase		~~12/19/2011~~ 2/15/2012	Complete
Data Warehouse			
Procurement Phase		10/3/2011	Complete.
Deployment Phase		~~12/14/2011~~ ~~3/16/2012~~ ~~4/16/2012~~ 10/31/2012	Complete
Migration Phase		~~1/17/2012~~ ~~3/31/2012~~ ~~5/1/2012~~ 11/30/2012	Complete
Implement BI Tool Site			
Procurement Phase		10/6/2011	Complete.
RFP. Selection & Award Phase		12/15/2011	Complete.
Implementation Phase		~~3/31/2012~~ ~~4/30/2012~~ ~~5/30/2012~~ ~~9~~/30/2012	Complete.
Implement RFx Tools			
Procurement Phase		10/6/2011	Complete.
RFP, Selection & Award Phase		12/15/2011	Complete.
Implement		~~3/31/2012~~ ~~5/30/2012~~	Reviewing status, possible restart warranted
2. Health Systems Strengthening			
System Strengthening Strategy Initiative:			
Develop framework graphic and narrative content	Published functional framework/narrative	~~12/31/2011~~ ~~6/30/12~~ 7/31/2012	Collaboration initiated with UNC and SCMS & TAG teams to develop framework approach.
Update and finalize tools Update and finalize tools	Updated Logic Model	~~2/28/2012~~	Oh hold.
	SCMS SS PMP	10/31/2012	Now incorporated with project-wide PMP due for submission Nov 13
	Expanded SCMS PWS	10/31/2012	Baseline data exercise with country teams completed Nov 5, 2012
	National Supply Chain KPIs	~~1/28/2012~~ 10/31/2012	In progress. Awaiting further approval from COR
	ROI Framework	4/30/2012	See above

Develop Capability Maturity Assessment tool and associated methodology documentation that defines the benchmarks and assesses the supply chain function's potential to perform but not performance itself.	Capability Maturity Assessment Tool Capability Maturity Monitoring Tool	~~3/31/2012~~ 10/31/2012	1. Capability Maturity Model Diagnostic tool complete 2. Organizational capability to be aligned with environmental framework 3. Consolidate pilot report submitted to COR
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	~~1/31/2012~~- ~~3/31/2012~~ ~~4/30/2012~~ 8/31/2012	Technical Service & Standards document on Ktree for MIS HRCD LAB W&D Technical Services & Standards document work in progress for : Procurement Quality Assurance
Develop updated technical assistance Operating Model	Global STTA Work plan	12/31/2011	To be updated Country post work planning presentations
	TA Quality and Risk Management	ongoing	Process defined in SOP and risk assessment template for STTA available in KTree
	Enterprise Project Management	1/31/2012	Pilot complete. Insufficient ROI for customization of tool not viable - Closed
	Updated STTA SOP	1/31/2012	Complete.
	Country Workplan budget, SOPs	1/31/2012	Country workplans presentations in progress for FY2013. SOPs for workplanning/budgeting exercise from the PMO perspective were never created.
	Updated FPS RASCI	~~4/30/2012~~ 9/28/2012	In progress for all of FPS Completed in the STTA SOP
	Updated FPS JDs	~~4/30/2012~~ 9/28/2012	In process
In-Country Assistance with Strategic Planning and Coordination:			
Support the capacity of national	2 National Supply Chain Master	9/30/2012	PARTIALLY

governments in the development of national strategic plans for supply chain management through participation in SCMS strategic planning exercises, results oriented trainings and workshops	Plans (Nigeria, Mozambique)		COMPLETE MZ- MoH now completed strategic plan. USG Nigeria have put Nigeria Master Plan on hold
	Support Technical Working Groups and stakeholder workshops in 3 countries HT - Operate TWGs for Laboratory Services, OI Drugs & Pediatrics, RW - Support laboratory harmonization workshop, ZM- Support national TWG on laboratory services and technical sub-committee on laboratory logistics and procurement	9/30/2012	COMPLETE. TWGS operational and supported in Haiti, Zambia and Rwanda
	National strategic plans focusing on specific technical areas: BW - National Condom Strategy, CI - Strategy on PSP Autonomy, HT - Strategy for integration of USG supported supply chains, NG - National warehousing & distribution strategy, HIV-AIDS commodity strategic plan, ZA - USG IP pooled procurement strategy, TZ - Commodity distribution strategic plan, VT - CD4 commodity strategic plan, ZM - Launch and implement HIV-AIDS commodity security plan.	9/30/2012	PARTIALLY COMPLETE. BW now has a condom strategy, CI - PSP steering committee and task force implementing PSP transformation process. NG - warehousing and distribution harmonization strategy pilot now being rolled out. NOTE VT strategy under review in light of funding
Support the development of strategies or policies with organizations that drive increased reliability, predictability, efficiency of financing for short and long-term supply needs based on long term forecasts for ARVs	5 year forecasts for ARVs, RTKs and lab in all countries that procure these products (this will be achieved by extending time horizon of current commodity forecasting exercise from 2 years to 5 years) (HT, RW, NG, MZ, NM, ET, GY, CI, VN, BW, ZW, UG, ZA, ZM, KE and TZ)	9/30/2012	PARTIALLY COMPLETE. 5 year forecasts completed in BW, CI, GY, MZ & NG. 2 year forecasts in HT. Not for RW
In-Country Data Management and Technical Assistance:			
Support and guide the in-country MIS teams with System Development Life Cycle-based project management support, advice, consultation,	Tanzania: LMIS in development	designed by 6/30/2012	USAID Contracts Officer and SCMS COTR have asked SCMS to discontinue funding of the

documentation, and general compliance review during all phases of each initiative			eLMIS work
	Tanzania: new ERP rolled out	~~6/30/2012~~ ~~9/28/2012~~ 12/31/2012	SCMS continues providing on-going Phase 1 support. Phase 2 planning started on Sept/Oct, 2012. Anticipate starting Phase 2 implementation on Jan/Feb 2013).
	Ethiopia: LMIS in development (HCTS)	rolled out ~~9/30/2012~~ 11/30/2012	Project is in development/testing phase. User Acceptance Test (UAT) is scheduled to start at Nov 30.
	Ethiopia: new ERP in development	~~9/30/2012~~ 12/31/2012	ERP planning continues. PFSA signed off the MOU to take on their commitment. Next step is to plan for process improvement activities.
	Haiti: new WMS in design	9/30/2012	Closed
	Cote d'Ivoire: improved warehouse IT infrastructure	6/30/2012	Closed
	Haiti: additional EDT site implementations	9/30/2012	13 sites piloted. Roll out plan developed for FY13.
	Nigeria: limited LMIS scale-up	~~3/30/2012~~ 11/30/2012	Developing the ADS 548 package for approval
	Nigeria: initiation/strategic planning for major LMIS scale-up	~~3/30/2012~~ 11/30/2012	Pending on above.
	Mozambique: additional WMS site implementations (to Beira)	~~3/31/2012~~ 6/1/2012	Complete.
	Zimbabwe: LMIS upgrade (ZISHAC)	~~6/30/2012~~ 11/30/2012	Development stage and planning for User Acceptance Test by Nov 30, 2012
	Zimbabwe: Dispensing software requirements, acquisition, rollout	~~9/30/2012~~ 12/31/2012	Under ADS 548 review and waiting for approval to start development
	Guyana: MACS transfer to new MMU warehouse	~~12/31/2011~~ 8/1/2012	Relocation delayed due to circumstances beyond the control of SCMS. The transfer is now expected to begin in November 2012
	Namibia: additional CMS/RMS ERP site implementation	12/31/2011	Complete.
	Namibia: additional NIP ERP functionality	12/31/2011	SCMS has discontinued support to this activity. Project being taken over by NIP using separate

			funding, leveraging existing relationship with ERP vendor;
	Zambia: LMIS planning, acquisition	9/30/2012	USAID Contracts Officer and SCMS COTR have asked SCMS to discontinue funding of the eLMIS work
Develop a SMIS capability maturity assessment tool	SMIS Capability Maturity Assessment tool component	9/30/2012	Phase 1 stage complete
Redefine and refresh the SMIS technical assistance capability in accordance with the new conceptual framework	Enterprise Project Management System Pilot	12/31/2011	Complete.
	MIS Component of SS Strategic Plan	~~3/30/2012~~ 6/30/2012	Complete.
	MIS Technical Standards and Services Document	12/31/2012	Complete.
	Technical Assistance Quality and Risk Management Plans	11/30/2011	Complete.
In-Country Procurement Technical Assistance:			
Strengthen procurement systems in national entities	Policies and SOPs strengthened in Botswana, Mozambique, Namibia and Rwanda	9/30/2012	PARTIALLY COMPLETE. Policies and SOPS strengthened in Botswana, Mozambique and Rwanda.
Provide training to Government entities as requested	Training provided in Namibia and Rwanda	9/30/2012	COMPLETE. Training conducted in Namibia and Rwanda
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	Stalled. Government now contemplating decentralizing procurement
In-Country Warehousing and Distribution Technical Assistance:			
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 are COMPLETE Brown bag to FPS team in Aug
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 with TZ/ET/GY/RW to establish plan updates. Note GY will need to be revised due to staff

			changes in the MMU and MOH
Evaluate training and technical assistance impact of W&D interventions and implement mentorship/coaching/skills transfer as needed to en sure 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	1. May delegates are in progress with WOM Course assignments due 3 months after return. 2. Pre-course activity under review to establish delegate alignment with areas of responsibility
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~~ 9/1/2012	See Capability Maturity model activity (SSSI) for update
Build Warehouse in a Box (WiB) Installations	3 x WiB's complete in Tanzania by end of FY 12 & 1 x WiB in Rwanda - 50% complete by end of FY 12	~~9/28/2012~~ 11/28/2012	Keko and Mbeya handed over to MOH. Dodoma ready for hand over
Plan and facilitate an Integrated Warehouse and Distribution Conference in collaboration with SSU Unit Leads	Conference Materials and Proceedings Report	~~April/May 2012~~	Funds were re-programmed to MIS conference held in Ethiopia Oct 2012
In-Country Quality Assurance Technical Assistance:			
Develop policies, plans and SOPs for managing expired products and medical and/or human waste	Policies, plans or SOPS in Cote d'Ivoire and Haiti	9/30/2012	CI - in progress with draft completed. HT - in progress with proposal submitted
1. Improve access to quality pharmaceutical by evaluating and supporting local pharmaceutical manufacturers and wholesalers to meet international standards	Standardized model of procuring from local pharmaceutical manufacturers and wholesalers in Tanzania	9/30/2012	TZ model established by GSC
Human Resource Capacity Development:			
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~~ 8/31/2012	HR for SCM assessments completed in Rwanda, Zimbabwe, Ethiopia, Namibia, and Mozambique. Baseline data completed through HRCD retrospective data analysis (done by Gabrielle); results to be communicated by Nov 2012

Assist Country Programs in development of HR for SCM in-country strategy based on assessment results (ET, NB, MZ, Zim, Rwanda, Cote d'Ivoire, Guyana, Vietnam)	7 SCMS HR for SCM Country Strategies	9/31/2012	After communication of HRCD retrospective data analysis, hope to use that data and new workplanning year to re-energize field offices around this area.
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	Done - Disseminated in July 2012; constant updates to "living" document as new practices are identified.
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	Focus of HRCD Technical Working Group call in August 2012- no staff identified. Will be proposed again during Nov 2012 TWG call.
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	Not yet started; unclear as to definitive need (possible to resource out (?) but need funding to pay for the work)
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	Completed not as a white paper but via an abstract that was accepted to Intl AIDS conference; poster, presentation and HRCD-focused Supply Lines success story will be shared with all countries
Promote Pre-Service Training Initiatives in additional SCMS countries	PST groundwork included in at least 3 more SCMS countries (Tanzania, Nigeria, new programs in Zambia & Zim)	10/31/2012	In progress- Nigeria, Tanzania and Botswana in progress

Participate in the "People that Deliver" Initiative Steering Committee; Support PtD/SCMS Focus Countries: Support Ethiopia, Namibia, and Mozambique in pursuing PtD work	1 SCMS staff person to participate in Steering Committee Calls; EH to lead Technical Working Group (CORE LOE support)	Ongoing	Erin H is current Technical Working Group lead for PtD and thus a de facto member of the overall Initiative's Board.
Lab System Strengthening:			
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 in CI Harmonization STTA/Workshop in 12/2011. 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	~~December 2011~~ ~~March 2012~~ CI completed - March 2012, Nigeria, March 2013, RW date TBD	CI Complete. NG being planned for March, 2013, RW being planned, date 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~~ March 2013	Elements are included in the new version of the ForLAB CHAI tool, will need to be integrated into User's Guide.
Integrate Harmonization as a critical component to all Quantification requests	Harmonization/Standardization analysis module	~~February 2012~~ March 2013	ForLAB CHAI tool will incorporate this functionality. Tool can now perform, tool not complete Validation in process
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	Completed initial review. Tool outputs established. SCMS leading validation, testing started in June, 1012. Tool almost complete. Delays due to communication and technical challenges. Tool has been demonstrated at ACILT SCMS Course on October 8-12, 2012. Pilot

		in December to January 2012.	and rollout strategy to follow in close coordination with USAID, CDC, CHAI, SCMS, and BD. Expecting release date of March, 2013.
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 Provide TAs as requested	DRAFT notice to the USG field offices completed and with USG since January, 2012. Have implemented use of questions when notified of instrument procurement requests. If not notified of instrument requests, process not enforced. All lab-based TAs include optimized procurement guidance approach.
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	11/1/2011	FPS high level strategic component complete. Sent to field for comments. None received. Included in ACILT training course, October 8-12, 2012. Awaiting GSC component to include RFP, contract negotiation, and other procurement components. Initial discussion held with MIS Principal Advisor to develop an asset management tool to advance equipment maintenance strategy, linked to existing Guidance.
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.	10/1/2012 Complete, next training May 2013	October ACILT training conducted -5 day lab logistics optimization training. Seven countries attended (Nigeria, Kenya, South Africa, Rwanda, Vietnam, Lesotho, and CI).
FPS Global Program Management:			

Organize and facilitate Annual Field Office Conference	2011 Field Office Conference	10/31/2011	Complete.
3. Global Collaboration			
Quarterly Meeting of CPP Steering Committee	Updated risk schedule and meeting report	12/13/2011, 3/12/2012 6/11/2012 9/7/2012	All quarterly meeting held as planned, supplemented by additional meetings as necessary.
Contribute to WHO AIDS Medicines and Diagnostic Service Network			
Submit quarterly procurement data to GPRM	Data report	9/28/2012	Complete.
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~~ 6/30/2012	Complete
Report to OGAC on ARV and selected OI deliveries to PEPFAR Implementing Partners in FY 11			
Survey Implementing Partners for ARV deliveries		2/10/2012	Completed February 2012
Submit report		4/6/2012	Complete and submitted to OGAC, April/May
Prepare SCMS Lessons Learned White Paper for publication		~~1/9/2012~~ 9/28/2012	In drafting stage
Public Private Partnership for Pediatric ART			
Annual meeting participation		11/30/2011	Attended and contributed to Annual Mtg
PaATH drug registration project		3/30/2012	Program completed and final report submitted April 2012
Present project outcomes	Final Project Report	4/2/2012	Completed
MIT-Zaragoza Logistics Center			
Finalize Case Study and Teaching Case based on SCMS experience	Published case Study of SCMS by MIT	12/23/2011	Teaching case published in September 2012
Maintain Regular Contact with Key Partner Organizations		9/28/2012	Ongoing.
Attend international conferences and ad hoc meetings as agreed with USAID, OGAC, CDC and/or organized by other global partners		9/28/2012	Attended a wide range of conferences in agreement with USAID, including ICASA and IAS Bi-annual International AIDS Conference in Washington DC. Presentations included well-attended fringe meeting supply chain challenges in the 15 million on treatment target.
4. Knowledge Sharing and Communications			

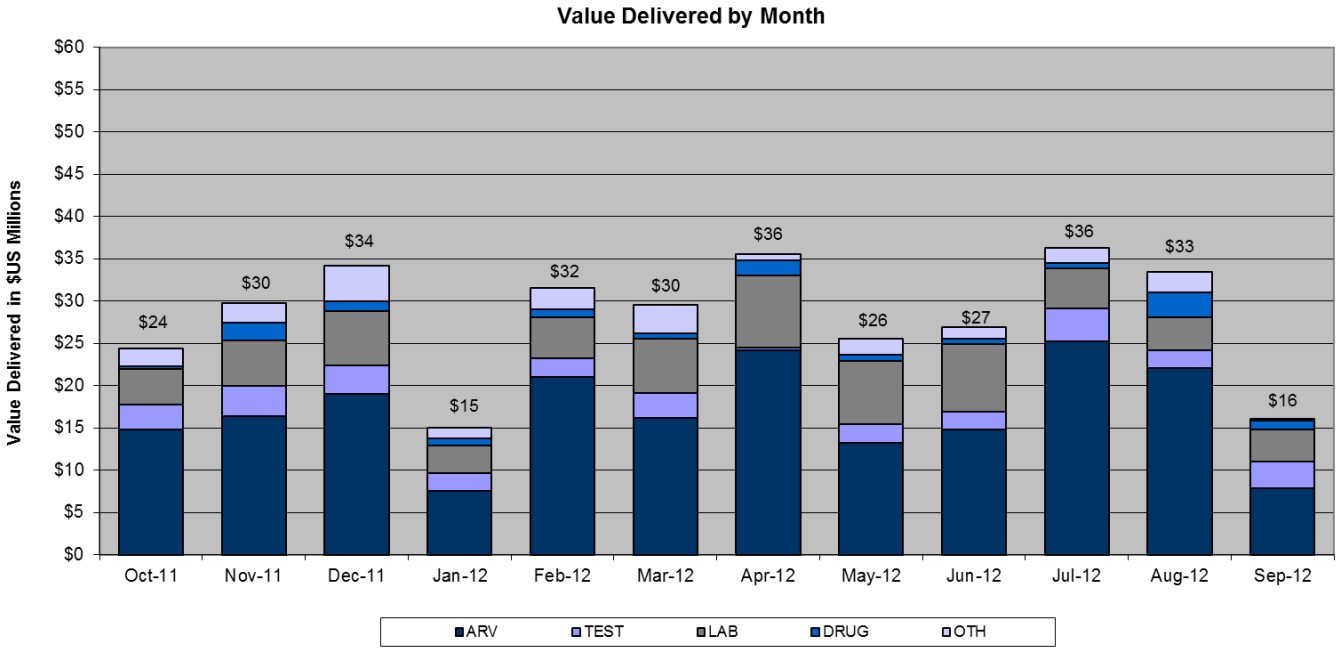
Global Health Conference			
Abstract development	15 abstracts submitted (depends on theme)	3/1/2012	GHC Conference canceled as GHC is being wound up. Attended ICASA conference instead in December. Four abstracts accepted.
Prep for conference		6/12/2012	Canceled
Attend conference	4 abstracts accepted as presentations	6/15/2012	Canceled
International AIDS Society Conference			
Abstract development	15 abstracts submitted	2/14/2012	14 abstracts submitted, plus one co-authored with CDC.
Attend conference	4 abstracts accepted as posters or presentations	6/8/2012	5 abstracts accepted, three as posters and two as oral posters. Also held a very successful Satellite event with 150 in attendance.
Communications Products			
Supply Lines	4 issues	1/10/2012 3/6/2012 6/6/2012 9/4/2012	First issue distributed in October. March on target. March complete. June issue published in July
Six-year report	Report	~~11/30/2011~~ 7/31/2012	Published in July, with introductory letter co-signed by Ambassador Goosby and Administrator Shah. USAID LPA distributed to some Hill staff.
5. Operations			
Operations			
Develop cross-project close-out plan	Close-out workplans including internal and external deadlines	9/28/2012	Delayed due to extension
Complete extension cost proposal for TO3	Cost proposal with attachments	8/31/2012	Completed.
Complete subcontractor compliance reviews for relevant SCMS subcontractors	Compliance review reports for each reviewed subcontractor with action plans	9/28/2012	Compliance Reviews have been completed and reports include follow up items and action plan.
Performance Management			
Work with Field staff, clients, host country counterparts and other development partners to develop and/or strengthen performance management systems	SSSI: At least 12 performance management systems, including PMPs or some other type of performance management framework that reflect SSSI	8/17/2012	1. Cote d'Ivoire, Ethiopia, Mozambique, Zambia, Zimbabwe, and Botswana PMPs finalized. 2. Nigeria PMP drafted.

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 Country PMP training completed in May 2012
Meet with all PMO units to evaluate and revise strategy and performance measures to reflect TO3 performance requirements, particularly related to Field Office demands	PMO performance framework of goals and measures to manage global supply chain operations and country program support services	10/31/2012	SCMS Performance Management Plan developed, with aligned goals, objectives, and measures - per USAID Technical Direction Memorandum 302.
Finance			
Management and monitoring of ACF and procurement surcharge rates	Monthly reports	9/28/2012	Monthly reports submitted as required
Management and monitoring of Blended Rate Cost (BRC) for RDC operations	Quarterly reports and Annual reconciliation (with COTR approval)	9/28/2012	Quarterly updates agreed as required

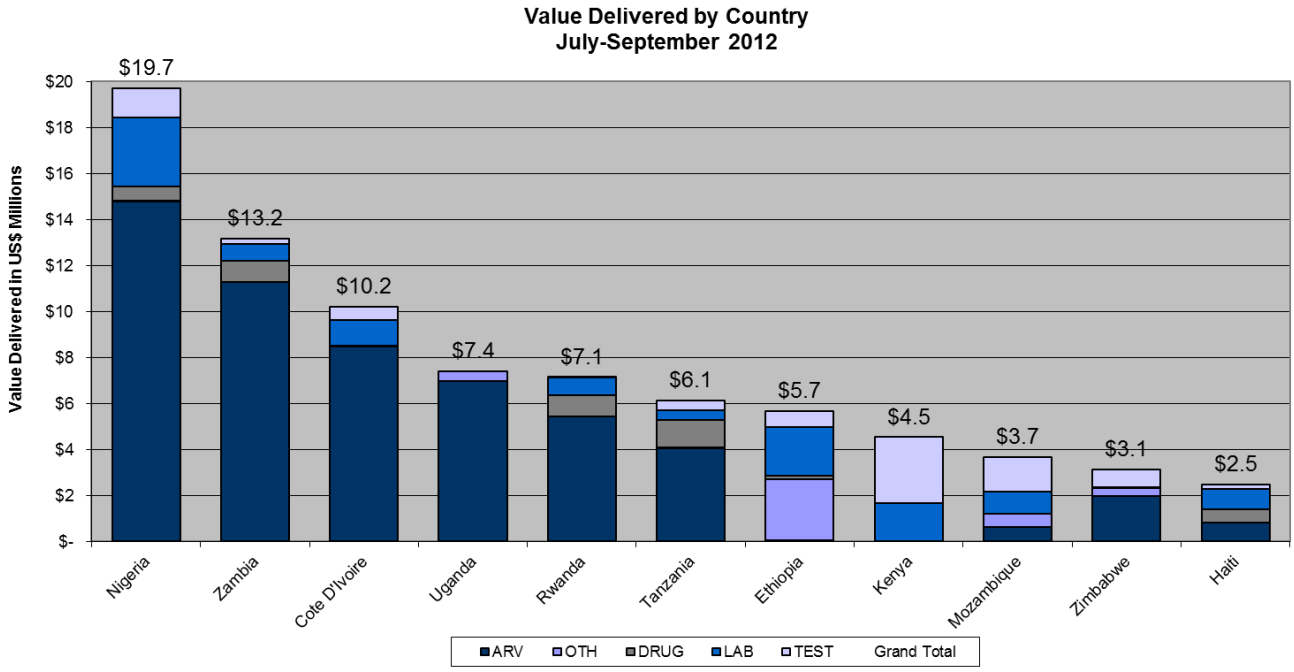
3. Procurement and Distribution Statistics

Value Delivered			
	July-Sept 2012	Y7 to date	Life of Project
ARVs	$ 55,162,902	$ 202,250,047	$ 767,275,457
Test Kits	$ 9,214,463	$ 31,097,544	$ 125,650,771
Labs	$ 12,481,092	$ 66,954,841	$ 259,889,880
Essential Drugs (OIs)	$ 4,321,325	$ 13,244,425	$ 57,414,488
Anti-malarial	$ 132,000	$ 403,335	$ 707,928
Food by Prescription	$ 2,416,545	$ 6,338,300	$ 12,250,282
Male Circumcision	$ 1,171,670	$ 7,338,905	$ 12,973,908
Other	$ 822,687	$ 10,485,508	$ 27,823,019
Grand Total	**$ 85,722,684**	**$ 338,112,905**	**$ 1,263,985,733**

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

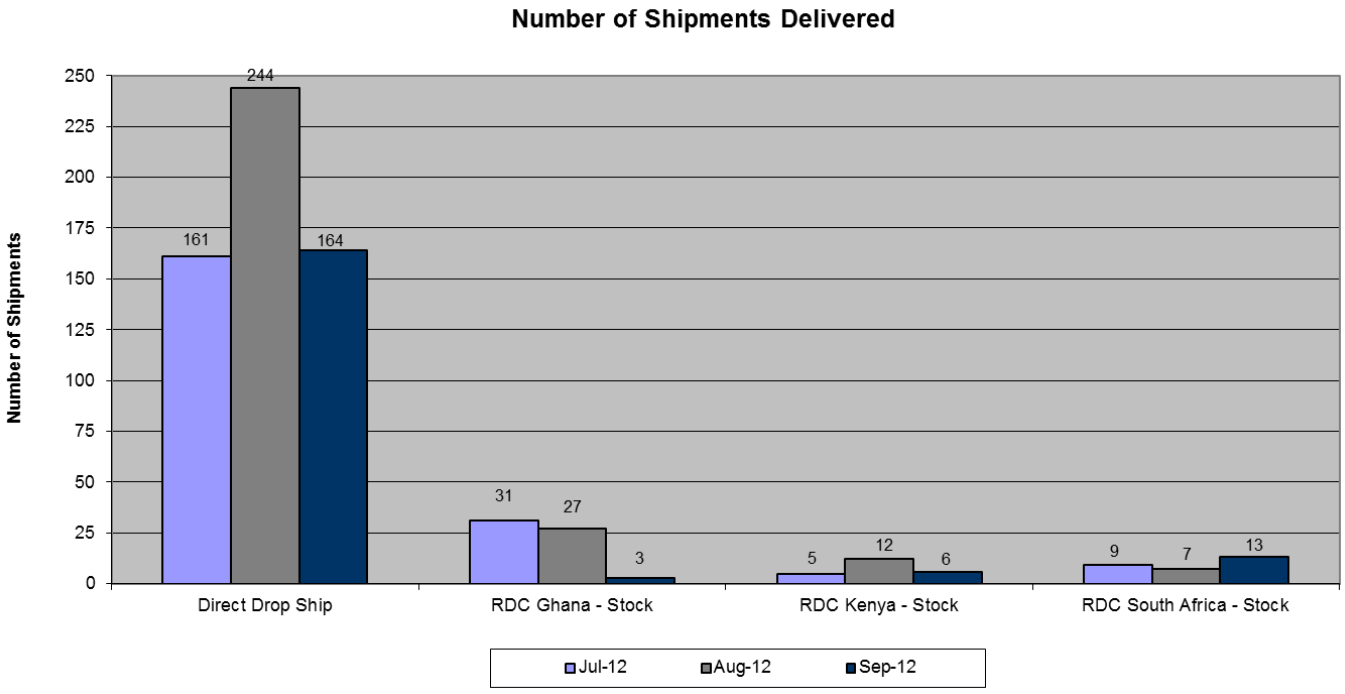


Value of commodities delivered by country – Y7Q4 = $85,722,684

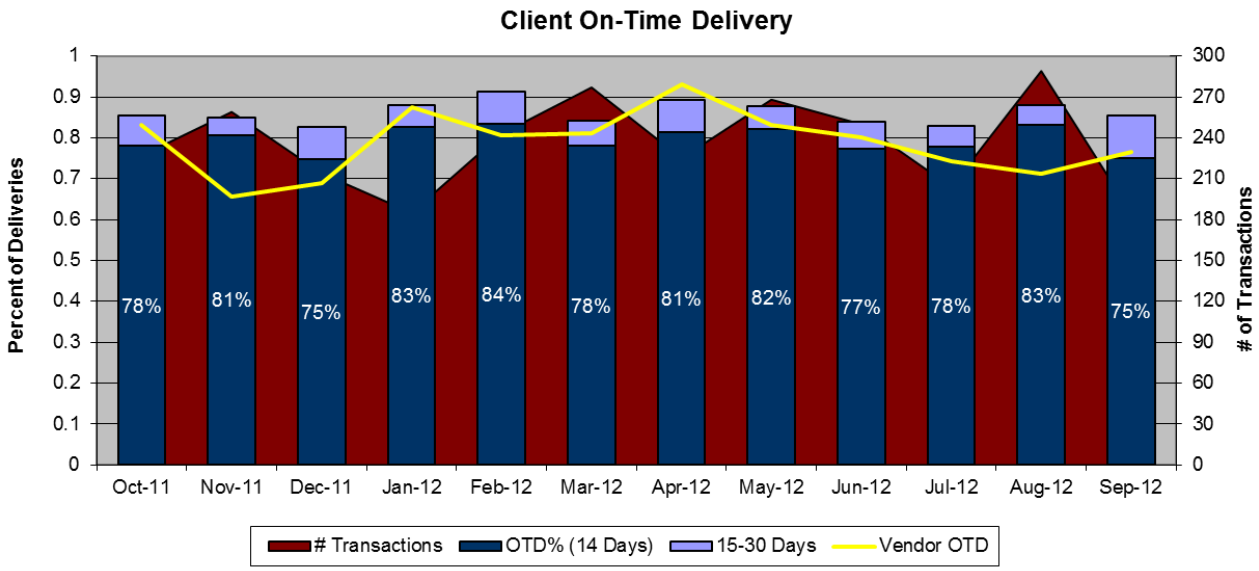


***Note**: Countries with less than $1M in commodities delivered are not pictured. Between July and September 2012, 17 countries had under $1M in commodities delivered.*

Number of shipments delivered by month

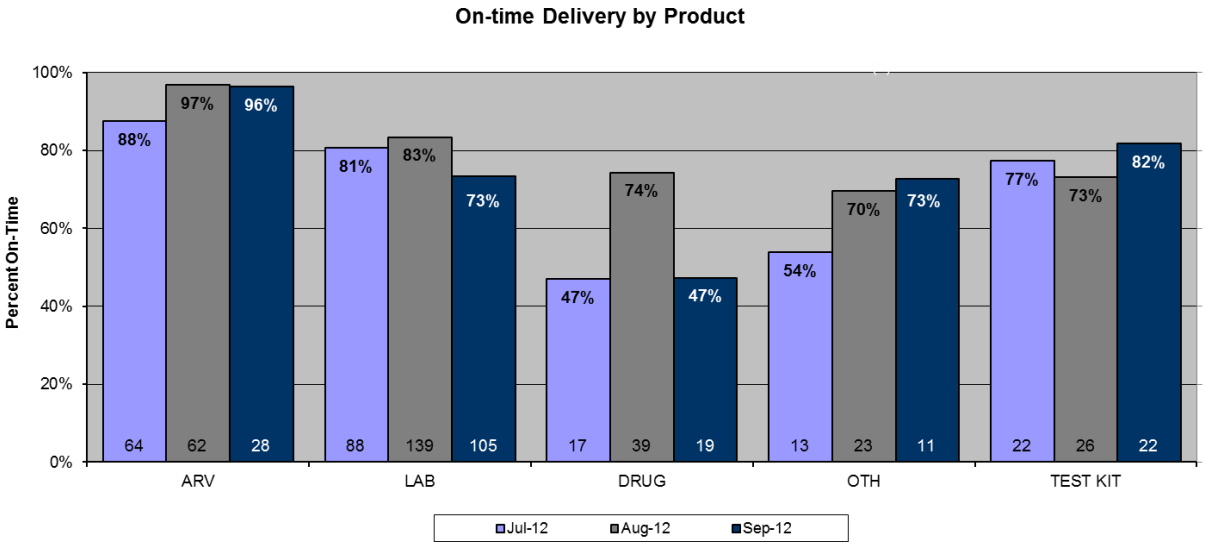


On-time delivery by month (12-month trend)



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

On-time delivery by product



Additional procurement and supply statistics for the quarter (July-September 2012)

New Orders Placed in August 2012	
Grand Total	$96.7M (USD)
Direct Drop Total	$54.5M (USD)
RDC Stock Total	$42.2M (USD)
Order Categories	
ARV	$57.8M (USD)
DRUG	$5.0M (USD)
TEST KITS	$8.5M (USD)
LAB	$22.4M (USD)
OTHER	$3.0M (USD)

4. Country Reports

Botswana

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: BOTUSA/CDC and USAID (primary), Drug Regulatory Unit (DRU), Central Medical Stores (CMS), Government of Botswana (GOB), National Drug Quality Control Laboratory (NDQCL), National Health Laboratory (NHL), Prevention of Mother to Child Transmission Unit (PMTCT), the national ART program (MASA), MOH STI Unit (condom and male circumcision commodity supply chain)

STTA: Monitoring and evaluation, strategic planning

Key activities:

1. **At the Central Medical Stores** the new CMS Deputy Manager, Operations, arrived in July, completing the transition for all six SCMS management team positions. CMS management developed a new distribution and transport schedule, including new rail and road delivery methods, and implemented it on July 1. This schedule will improve commodity distribution from the central level to service deliver points (SDPs), ultimately improving use of resources and commodity availability. We also supported CMS's progress toward ISO:9001 accreditation by helping CMS management address recommendations made during the June audit. The team is waiting for confirmation of a final audit date from the local Bureau of Standards. Certification from this audit will create a minimum benchmark that will guide staff in sustaining supply chain management process improvements.
2. **Facilitated development of a five-year forecast (2012-2017) for hematology commodities**, in collaboration with MOH and other stakeholders. This forecast will provide data MOH needs to plan for resource mobilization, procurement, distribution and data management to ensure access to quality laboratory services..
3. **Strengthened procurement capacity** by supporting MOH/PMTCT team in the evaluation of 2009-2010 infant formula tender bids in line with Botswana Public Procurement and Asset Disposal Board (PPADB).
4. **Provided TA to establish an MOH-led commodity security forum, which held its first meeting this month.** The forum will provide advisory support to MOH toward achieving its overall goals for commodity supply chain management services and will coordinate and strengthen linkages between the MOH and all organizations involved in the supply chain to ensure a steady supply of quality commodities.

Challenges:

1. More financial resources are required for training rollout for the new medicines and related supplies logistics system to strengthen inventory management and accurate reporting of logistics data to the central level. SCMS has lobbied MOH to mobilize additional resources for the trainings and has developed a new training plan to expedite rollout through a district health management team-led process.

Results:

1. The ARV LMIS reporting rates for April and May 2012 were 66 percent and 59 percent, respectively, from the 27 trained hospitals, compared to 45% in December 2011. This improvement is attributable to the LMIS training rollout by SCMS in collaboration with MOH during Quarter 3.
2. Procured from PEPFAR and delivered on time 160,000 HIV RTKs (4,000 Unigold kits and 1,600 KHB kits) required for the VMMC program. We received messages of gratitude from MOH and CDC/Botswana.
3. Completed management transfer of hematology reagents from NHL to CMS, where they will be managed in an established supply chain best practice environment to ensure continuous availability.
4. The US Ambassador to Botswana, Ms. Michelle Gavin, marked a key milestone — the official handover the of the Nkoyaphiri circumcision clinic to MOH. This clinic will provide a dedicated space for voluntary medical male circumcision (VMMC) services, including pre-/post-operative care, group education, individual counseling and HIV testing. This site was chosen because of its strategic location near males employed in the capitol. The clinic will help achieve national VMMC targets while maintaining a commitment to safety, quality and high standards. SCMS was responsible for coordinating specifications development, procurement and installation for the clinic.
5. Developed the first SCMS health commodities storage guidelines poster for pharmacy and laboratory storage facilities, in collaboration with MOH and PMO. The posters, which will be distributed to all public health facilities, will better communicate good storage practice (GSP) principles and encourage adherence to storage guidelines, helping ensure the quality and efficacy of commodities for the duration of their shelf life. These guidelines will be shared with all SCMS countries.

Burundi

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, FHI360, Burundi National AIDS Council

STTA: None

Key activities:

1. **Continued to update supply plans, in collaboration with FHI360**, the principal implementing partner of the PEPFAR HIV/AIDS program in Burundi. Developed templates that will enable FHI provincial bureaus and districts to report stock and distribution data. This data will be aggregated by FHI360 before entry in Pipeline to inform supply planning. The major remaining challenge is obtaining consumption data from PMTCT and VCT sites. Until there is a system in place to collect consumptions, distribution data will be used as proxy.
2. **Helped the National AIDS Council (Secretariat Exécutif Permanent/Conseil National de Lutte contre le Sida) estimate financial gaps in the strategic plan.** This activity was in preparation for the upcoming joint strategic planning STTA between SCMS and in-country partners in September. SCMS estimated total needs and potential financial gaps for HIV

commodities by providing a projection of drug quantities and a financial analysis for the next five years, with reference to the national programmatic expansion plans.

3. **Conducted joint field visits with FHI360 to district pharmacies and health facilities managing PEPFAR-funded commodities** to better understand the current flow of products and information and the reasons behind the lower consumption of procured commodities. The visits also identified immediate solutions to help FHI360 obtain accurate logistics data from testing and treatment sites to enable informed decisions about future orders.

Results:

1. For the first time since SCMS began procuring commodities for Burundi, we have data available for all commodities in FHI storage after completing a physical inventory with FHI. This will help inform future commodity forecasts
2. Increased availability of HIV commodities at the district and facility levels through the more proactive approach of direct delivery of products to districts in coordination with facilities.

Côte d'Ivoire

Emergency Orders/Stockouts: No stockouts reported at central level; however stockouts at the health facility level have resulted from significant irregularities in the distribution schedule. The central medical store plans to contract additional transport capacity with funding from Global Fund and technical assistance from SCMS.

Key Clients: Ministry of Health and HIV/AIDS of Côte d'Ivoire (MSLS), including the Pharmacie de la Santé Publique (PSP-CI), Direction General de l'Hygiène Publique (DGHP), Direction Générale de la lutte contre le Sida (DGLS), Direction General Sida (DGLS), Programme National de Développement des Activités Pharmaceutiques (PNDAP), Centre National de Transfusion Sanguine (CNTS), Direction de l'Infrastructure de l'Equipement et de la Maintenance (DIEM), Direction of Information, Planning, and Evaluation (DIPE), Direction de la Pharmacie et du Médicament (DPM), USAID, CDC, PEPFAR Implementing Partners (EGPAF, ACONDA-VS, HIV/AIDS Alliance Côte d'Ivoire, MEASURE Evaluation/JSI, CARE-Côte d'Ivoire, ICAP, Family Health International [FHI360])

STTA: Distribution, central medical store transformation.

Key activities:

1. **Provided STTA to PSP to develop a distribution services contract for all medical supplies in Côte d'Ivoire, including HIV commodities, essential drugs and products for other programs.** Trained PSP personnel on bid pricing, evaluating capability and managing a third party contractor, and ensured that the RFP included minimum requirements for a transport company. Conducted a workshop with the committee to review PSP's draft legal framework, during which we shared knowledge of central medical store reform and financial frameworks and assisted the committee with reforms.
2. **Provided ongoing TA to support PSP reform.** USAID/PEPFAR requested that SCMS support PSP's transformation into an autonomous non-profit entity, as requested by the Government of Côte d'Ivoire. SCMS participated in several meetings on transformation. As

agreed to with members of MOH's technical working group on PSP reform, SCMS hired a local consultancy company and an international consultant to facilitate the reform process. SCMS recently sent TWG members on a study tour of Burkina Faso Central Medical Stores and plans another trip to Benin Central Medical Stores for August.

3. **Provided TA to MOH entities — Direction of Infrastructure, Equipment and Maintenance (DIEM) and National Laboratory of Public Health (LNSP) — to validate national guidelines for laboratory harmonization and standardization**. Before adopting these guidelines, completed in December 2011, GOCI required validation from national counterparts and donors. In partnership with the CDC/RETROCI laboratory branch, SCMS, DIEM and LNSP held a workshop to validate the guidelines. Participants included laboratory experts, biomedical engineers, procurement officers from national entities (MOH central directorates, hospitals and universities) and donors. DIEM will work with MOH to obtain GOCI's agreement.
4. **Provided TA to MOH's Direction of Pharmacy and Medicines (DPM) to validate national SOPs for managing unusable pharmaceutical products.** Organized a workshop with national counterparts and donors to review and validate the SOPs, drafted in July 2012. These SOPs are split in three steps — collection, storage and destruction of unusable pharmaceutical products — and clearly outline the roles and responsibilities of each national health entity. We now await MOH approval.
5. **Provided TA to MOH's program for developing pharmaceutical activities (PNDAP) to develop a tool to assess implementation of national pharmacy standards** adopted by MOH. The tool was successfully tested in two sites and will be used in October to assess 34 hospital and district pharmacies. SCMS will upgrade one of these pharmacies to meet the standards and serve as a model.

Challenges:

1. Pressure from high-ranking GOCI politicians complicated SCMS's role, under the mandate of USAID PEPFAR, to provide TA to the PSP reform TWG. SCMS and the TWG initially agreed to a planned approach to reform and activities that would support informed decisions on the transformation. However, political pressure to enact change more rapidly than planned has compromised SCMS's timeline and ability to fully engage the TWG. SCMS plans took a flexible approach and has remained engaged as the process continues.
2. Recent changes at MOH have created challenges with respect to DPECTS (MOH's directorate of HIV/AIDS care and treatment), the new entity supervising PNPEC. SCMS has been working closely with PNPEC, the national organization in charge of all HIV/AIDS programs. However, we can no longer communicate directly with PNPEC and must go through DPECTS, which has a director but no staff, as recruitment has not yet taken place. This has created delays in receipt of feedback.
3. PSP is facing significant distribution problems due to a lack of both transport capacity (trucks) and stock management skills. Stock management issues include overstocking, insufficient destruction of expired drugs and lack of coordination of delivery from some donors and the government. Currently, PSP management is focused on its reform process, and these daily management issues have lost priority. SCMS is working with PSP to outsource distribution and analyze the stock management issues.

4. Sea and land borders were closed due to recent shootings at the land border between Côte d'Ivoire and Ghana. As a result, ARV and OI drug shipments from the Ghana RDC have been disrupted. Because these goods are very heavy, SCMS frequently uses ground transportation to reduce freight costs. In the short term, SCMS will assess stock status, discuss shipping urgent orders to CMS by air and delay non-urgent deliveries until the land border reopens.

Results:

1. The President of Côte d'Ivoire signed two decrees to mark the Government of Côte d'Ivoire's (GOCI) commitment to support the CMS reform process. These agreements plan to dissolve the current CMS/PSP-CI and create a new nonprofit organization called Nouvelle Pharmacie de la Sante Publique de Cote d'Ivoire (NPSP-CI). This transformation of the national central medical store will require technical support from SCMS and funding for logistics services to store and distribute ARVs.

Ethiopia

Emergency Orders/Stockouts: Emergency order for 30,000 bottles of Nevirapine 10 mg/240 ml oral suspension with syringe reported in July.

Key Clients: USAID, CDC, Ethiopia Federal Ministry of Health (FMOH), HIV/AIDS Prevention and Control Office (HAPCO), Ethiopia Health and Nutrition Research Institute (EHNRI), Pharmaceutical Fund and Supply Agency (PFSA), Clinton Health Access Initiative (CHAI), Abt Associates, Save the Children, SIAPS, and Ethiopia Network for HIV/AIDS Treatment, Care and Support (ENHAT-CS), World Food Programme (WFP) World Vision, Population Services International (PSI) I-Tech

STTA: Warehousing and distribution, management information systems

Key activities:

1. **Established a supply chain cost model that PFSA can use to maintain and update information on operating costs to run its business**. This enables PFSA to determine the revenue streams required to sustain its business. This may result in a change to the five percent service fee that PEPFAR/SCMS has been paying PFSA for using its clearance, storage and distribution services. This activity also identified other potential areas for distribution optimization.
2. **Developed an automated system to manage operations from clearance to delivery to health facilities of short-shelf-life products.** The automated system is based on the SOPs we developed previously for all operations along the supply chain of short-shelf-life products and will help avoid expiry of products that could not be handled through the standard system for other products. The system helps track where the product is in the supply chain and alerts staff via automatic emails when the product passes from one level to another.
3. **Organized a review meeting on the progress** of **supply chain and integrated pharmaceutical logistics system (IPLS) implementation** in Addis Ababa, Dire Dawa, and Somali and SNNP regions, in collaboration with city administrations and regional health bureaus**.** Discussed strengths and weakness of the pharmaceutical logistics systems. Raised issues

of leveraging on PFSA, zonal and sub-city health departments and district health offices to scale up the integrated distribution of program products through the PFSA channel to avoid duplication of efforts.

Challenges:

1. External quality assurance panels (lab products) once reported as arrived to Ethiopia are lost. This is a short-shelf-life product with an expiry date of October 10, 2012. Ethiopian Airlines (carrier) supplied a master airway bill to PFSA confirming that the shipment arrived to Ethiopia on September 25. SCMS then requested PFSA clear and deliver the product to EHNRI. However, PFSA reported that the shipment couldn't be found during inspection. We are following up with the carrier and vendor on this.
2. Installation of 205 chemistry and 205 hematology machines continues to be delayed. Since March, the vendors have installed 49 hematology machines and 12 chemistry machines. A national stakeholder workshop facilitated by SCMS identified group training sessions for technicians using the chemistry machines as one way to speed up implementation, and better pre-installation assessments and site preparation work as another. Both initiatives are now being implemented. Installation of hematology machines is planned to be completed by end of December, but there is no confirmed end date from the vendor for installation of chemistry machines, which are currently averaging two installations per week.
3. SCMS has worked closely with the PMO freight and logistics team and PFSA to significantly reduce the backlog in ocean containers waiting to be received in PFSA warehouses; however, a new issue has arisen with the clearance of air shipments. PFSA has assigned new staff and a new clearance company to process air shipments arriving at Addis Ababa International Airport. The resulting loss of skills and experience has caused a backlog of shipments, and average clearance time has risen from four to 12 days. This is a particular concern for cold-chain shipments and short-shelf-life products arriving by air. SCMS is escalating this issue with PFSA senior management.

Results:

1. The Ethiopian Revenues and Customs Authority reversed its decision to request retrospect payment of duty and tax on non-pharmaceutical HIV/AIDS commodities imported since 2009. A series of high-level negotiation among Customs, PFSA, USAID and SCMS took place to resolve this issue. Customs accordingly issued a directive to its Addis Ababa export and other goods facilitation branch to clear any commodities imported and locally procured for programs carried out with USAID assistance. The directive also stated that all import declarations halted on the ground of claimed tax/duty since 2009 should be cleared.
2. SCMS conducted an assessment on the shift from using CD4 double tube to CD4 single tube at facilities where the shift is being piloted. We found that the run time for the single tube (40-45 minutes) is significantly less than that of the double tube (70-80 minutes). In addition, using the single tube does not compromise clinical utility of the test and increases test throughput per day. It also an enables pediatrics monitoring and will potentially save the program $500,000 per year. Consequently, the decision was made to fully shift from the double tube to the single tube nationally.
3. SCMS raised awareness at health facilities about a large stock of slow-moving OI drugs worth $643,707, thereby creating demand, and distribution of these products has started. A recent

rapid assessment conducted by SCMS on stock levels revealed the presence of a huge stock of OI drugs, valued at $1,226,371, at risk of expiry at central PFSA warehouses. The remaining $582,634 worth of stock is still at risk of expiry, and SCMS is working with USAID to explore either creating additional demand or donating to health facilities outside the HIV program.

Guyana

Emergency Orders/Stockouts: No ARV or RTK stockouts reported.

Key Clients: USAID, Ministry of Health (National AIDS Program, Materials Management Unit, Food and Drug Department, National Public Health Reference Laboratory, Regional Health Services, TB, Malaria, MCH and other projects/programs within MOH), Centers for Disease Control (CDC), National Blood Transfusion Service (NBTS), Catholic Relief Services (CRS)

STTA: Warehousing for MMU transition

Key activities:

1. **Supported MOH program teams at a GF assessment meeting for the Rolling Continuation Channel (RCC) Phase 2 proposal.** MOH program teams/staff in attendance were the National AIDS Secretariat (NAPS), Health Sector Development Unit (HSDU), voluntary care and treatment team, Home-Based Care Coordinator and National Public Health Reference Library (NPHRL) Director. GF was represented by a Senior Development Specialist and a Procurement Consultant from Cardno Emerging Group and the GF's local funding agent.
2. **The LMIS core team held its 23rd meeting**: with the newly appointed Regional Health Services (RHS) Director participating, which is significant because the team has had both its chair and co-chair vacant for the past five months, and because it shows a more active role on his part. The MOH is also taking the lead on the project with greater supervision and support at the regional level.
3. **In September, the outgoing USAID Officer in Charge, William Gelman, initiated a project briefing with the US Ambassador, Brent Hardt, and the CDC Country Director, Barbara Allen, to appraise the Ambassador of SCMS's accomplishments** in strengthening the national supply chain and current challenges. The Ambassador was also updated on the status of the new MMU.
4. **Held an orientation and project briefing with Daniel Smolka, Director of the USAID Mission for Barbados and the Eastern Caribbean.** The USAID Mission in Guyana is transitioning and its programs will be overseen by USAID/Barbados and the Eastern Caribbean starting October 1. The USAID operating unit in Guyana will continue to be served by a small Guyana-based staff who will liaise with local counterparts from the US Embassy in Georgetown.
5. **Conducted monitoring visits to all ART sites and quarterly review of ART morbidity data, ARV consumption and stock-on-hand data** for the period of June through August 2012. Conducted a physical count of ARVs at each site, reviewed the ARV dispensing register to verify the amount dispensed to users, and reviewed the ART registers to check the number of active patients currently on each regimen. Updated information from site visits helped complete the revision of the ARV supply plan for Q4 2012.

Challenges:

1. SCMS has provided the MMU with 13 weeks of technical assistance and training in operations and stock transfer to ensure a smooth transition to its new site, but we still face a number of challenges:
   - Progress has been slow due to gaps in key staff positions. Lagging recruitment continues to hinder the formalization of the new MMU organizational chart. From applications, we vetted only three candidates showing any potential for an interview. MOH continues to waver on its position to remove the current MMU Director and recruit a more suitable candidate.
   - Progress is also hindered by delays in procurement of fit-out items and issues in stock control due to outstanding back orders with the supplier.
   - The absence of proper transportation equipment has delayed plans to move stock from three different MMU locations, among other tasks.
   - Lack of responses, timely decision making and internal coordination on the part of MOH continue to affect relocation planning. Completion of the warehouse is still anticipated for mid-October, with MMU operations going live by early November.
2. Transition of the COP from the usual April to March cycle to an October to September cycle will seriously affect the Guyana FO budget. The previous COP/FY 12 cycle has projected funds ending in March 2013. Due to a recent push by the COR team to standardize COP cycles, the COP 12 cycle will now be adapted to October 2012 to September 2013. This means our COP 12 funds must now last us through September 2013 rather than March 2013.

Results:

1. Monthly expenses to operate the rented MMU FARM facility were fully transitioned to MOH in July.
2. Automated stock and inventory reports can now be generated from the MACS warehouse management software. These reports provide key data to MMU and MOH staff for better management and decision making.
3. Conducted LMIS training at NPHRL for 15 personnel from six laboratories and the administrative department. Trained participants on proper maintenance of the stock ledger, donations register and expired/damaged products register, as well as proper completion of the combined requisition and issue voucher, with emphasis on "quantity to order."

Haiti

Emergency Orders/Stockouts: Stockout of Lamivudine pediatric solution due to an increase in consumption as a result of changes in treatment protocol reported in July. SCMS placed an emergency order to cover treatment needs for the rest of the year.

Key Clients: USAID, CDC, COAG, MOH, Haitian Red Cross, MSH/SDSH, CMMB (Catholic Medical Mission Board), University of Miami, University of Maryland, GHESKIO, FOSREF, POZ, CDS (Centers for Development and Health), ICC (International Child Care), I-TECH, PIH (Partners in Health), FHI/Project CHAMPS (Family Health International), CHAI (Clinton Health Access Initiative), PAHO/PROMESS

STTA: Supply chain assessment, waste management

Key activities:

1. **Received TA to prepare waste management program proposal in July.** PFSCM, through the Haiti field office and in collaboration with the USAID Mission, developed and submitted a proposal to USAID for a national pharmaceutical waste management program. To develop this proposal, SCMS engaged MOH and other local stakeholders to collect data needed to establish the program.
2. **Worked with MOH to operationalize the regional distribution center/depot (CDAI) in Les Cayes in the south department.** Cleared out all expired drugs and old material and conducted an inventory of all drugs and medical supplies in the warehouse. SCMS staff are currently compiling inventory data to produce a summary document for MOH. CMMB will work on the physical infrastructure while SCMS will provide the internal storage layout and cover equipment and material handling needs.
3. **Attended the HIV pediatrics technical committee meeting to review the pediatric treatment norms and identify potential changes in product needs for next year**. Major changes included the introduction of Abacavir (ABC) and Lopinivir/Ritinovir (LPV/r) in first-line PMTCT treatment for mothers. The technical committee plans to research the availability of pediatric Tenofovir (TDF) formulation on the international market and will consider its introduction into the treatment regimen for pediatric patients.
4. **Organized a training on cholera-related commodities management** for 39 pharmacists, stock managers, nurses, drug dispensers and other SDP personnel from USG-supported sites (GHESKIO and ICC networks) and the public sector (the national water treatment and distribution company and MOH), as part of the interagency agreement with CDC/USAID. Participants were trained in basic daily stock management and conducting inventory.
5. **Met with partners (World Vision Haiti, FOSREF, CMMB, DASH [Development of Health Activities in Haiti] UMD, UM, GHESKIO, PIH) to forecast and quantify ARVs and OI drugs for 2013** and gather needed data in preparation for the exercise, such as targets for ARV and OI care, number of individuals tested and mortality rate. These meetings were held within the framework of the working committee on quantification, which comprises SCMS, MoH, CHAI and UNDP.

Challenges:

1. Delays in blood bag orders due to lack of availability on the international market have created challenges for the national blood safety program. However, the Red Cross and blood safety program were able to find alternatives. Our order arrived in mid-August and distribution has begun.
2. Conducted a full assessment of all 156 PEPFAR-supported sites after tropical storm Isaac, which caused extensive property damage and knocked out 94 percent of Port au Prince's power. The assessment revealed that no major damages or injuries were sustained at project sites, therefore stock replacement is not an issue.
3. Our intervention with the CDAI (MOH regional depot) at Les Cayes is taking longer than expected, as the site lacks adequate staffing and operational procedures. SCMS and CMMB will partner to conduct stock management training for CDAI personnel.

Kenya

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, CDC, National AIDS and STIs Control Programme (NASCOP), Division of Leprosy, Tuberculosis and Lung Disease (DLTLD), National Blood Transfusion Services (NBTS), Kenya Medical Supplies Agency (KEMSA)

STTA: None

Key activities:

1. **Conducted the national quarterly distribution of RTKs** for July-September 2012. This distribution reached all provinces and supplied RTKs (including 1.5 million Determine and 9,000 Unigold tests) to more than 5,000 health facilities managed by the government and faith-based and community-based organizations. SCMS quantified the requirements of the facilities and developed the distribution schedule for RTT.
2. **Provided TA to the National HIV Reference Laboratory (NHRL) to improve quality assurance systems for RTKs.** In April, NHRL's results of Determine RTK quality tests differed from the results of the University of Maryland and CDC Atlanta. SCMS, through University of Maryland and CDC Atlanta, developed a harmonized protocol for evaluating Determine RTKs and for conducting post-market distribution surveillance. University of Maryland mentored NHRL staff to improve laboratory operations. Harmonizing testing protocol among the labs is an important step in building MOH's capacity to conduct QA.
3. **Procured the first lot of Abbot Real Time reagent for early infant diagnosis (EID) testing.** As part of the scaling up of viral load testing in Kenya, SCMS procured Abbott Real Time reagent for use in four laboratories that have the capacity to conduct EID. We are monitoring consumption data for these commodities so we can better quantify future procurement.
4. **Finalizing procurement of equipment to support upgrading LMIS at provincial hospitals.** For selected hospitals, testing machines will be connected to computers and results will be transmitted directly to the central unit. Total SCMS procurement includes 36 computers and assorted server equipment.
5. **In July and August, SCMS, USAID, CDC, MSH/HCSM (Health Commodity Service Management) held a series of meetings to discuss laboratory supply chain challenges.** The team looked at all stages of the supply chain (forecasting and quantification, procurement, warehousing, distribution, reporting) and identified challenges and solutions. We finalized an action plan, which will be shared at the PEPFAR interagency technical team (PITT) November meeting for input
6. **Met with NASCOP and Global Fund to develop one coordinated supply plan for laboratory commodities to help prevent oversupply and expiries.** GF will procure CD4 for two quarters, up to April 2013, and HIV ELISA reagent for screening blood for transfusion for four quarters, up to December 2013.
7. **Helped finalize the national forecasting and quantification for HIV commodities for 2012-2015** by providing consumption information for laboratory commodities for the past two years.

Challenges:

1. An order of Abbott Viral Load reagent was damaged by a break in cold chain storage due to delayed customs waiver processing. SCMS procured $101,901 worth of Abbott Viral Load reagent, which was damaged during consignment.
2. The $2 million we have received for COP 12 is not adequate to maintain our current activity levels, given that our monthly expenditures are about $2 million. We have put on hold a number of procurements due to lack of funds.

Results:

1. Collaborated with IPs (Deloitte, KEMSA, MSH-HSCM, Walter Reed, CDC and USAID) to design a logistics plan to divide the country into four zones and improve efficiency of RTK distribution. Distribution to Zone A was successfully completed in one week, a significant improvement over the previous time of three to four weeks. A total of 997,900 Determine tests and 87,640 Unigold tests were distributed to 1,479 sites. This process will be followed for the remaining zones.
2. Improved procurement for HIV viral load. Due to the fragile nature of the Abbott viral load reagents, SCMS and Phillips Health Care (Abbott representative) designed a procurement strategy to avoid loss/waste of the reagent, which could be resulting from temperature escalation. Phillips Health care will provide two invoices, one for reagents and another for consumables, and will split invoices into categories (frozen reagents, cold chain reagents, room temperature consumables). SCMS shared lessons learned from this experience with the Uganda MOH and CHAI in Kenya.

Latin America

El Salvador

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, Salvadoran Ministry of Health

STTA: None

Guatemala

Emergency Orders/Stockouts: No stockouts reported.

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

STTA: Management information systems, warehousing and distribution

Honduras

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, Honduran Health Secretariat

STTA: Supply Chain Assessment, service delivery, quantification

Nicaragua

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, Nicaraguan Health Secretariat

STTA: Management information systems (remote)

Panama

Emergency Orders/Stockouts: In September Ritonavir 100 mg 30 tabs, Tenofovir 300 mg 30 tabs, Tenofovir/Emtricitabi 300/200 mg 30 tabs..

Key Clients: USAID, Panamanian Health Secretariat

STTA: LMIS

Key activities:

Guatemala:

1. **Conducted an LMIS workshop with stakeholders to build consensus on essential logistics information for proper medicine handling within MOH.** Participants included SCMS, MOH and its logistics unit, USAID|DELIVER PROJECT, Global Fund principal recipient Hivos, and the national programs for HIV, TB and malaria. This will strengthen the supply chain for HIV, TB and malaria commodities because every participating MOH program developed a plan to improve their logistics information system..
2. **Developed an organizational structure proposal for the national program's medicines warehouse (NPMW)** conducted an assessment that included an evaluation of competences of MOH personnel to improve the NPMW's organizational structure and to develop manuals and personnel functions. Interviewed future users of the NPMW, including program staff (HIV/AIDS, malaria, TB, respiratory infections, reproductive health, food security) purchasing medicines centrally and central warehouse staff, to assess their knowledge of health commodity logistics and warehouse management. Based on this assessment, developed an organizational structure proposal for MOH review and approval.
3. **In collaboration with MOH, conducted an assessment of the supply chain for HIV/AIDS, syphilis and hepatitis B RTKs** and of health facilities' capacity to forecast, manage and distribute RTKs. Conducted field visits to 22 health facilities and hospitals, coordinated and led by the national AIDS program, and conducted interviews at the MOH central level. Based on this assessment, MOH requested SCMS identify supply chain issues and provide recommendations to improve overall supply chain management of RTKs at MOH.
4. **Trained the national AIDS program, HIVOS, the Hospital Vice-Minister, and Roosevelt Hospital staff in the use of Quantimed**, in collaboration with staff from the Honduras field office. The goal of the workshop was also to develop an ARV quantification database and prepare a one-year quantification, which SCMS is currently completing..

Honduras:

1. **Participated in the PAHO/Global Fund Regional Strategy to Monitor the Supply Chain Information for ARV** meeting to help develop a baseline for information exchange between

countries in the region to expedite and strengthen ARV procurement and supply systems. In this first phase, Honduras, Guatemala and Dominican Republic were identified as key countries to participate and provide their ARV logistics data

2. **Contributed technical input on the key performance indicators (KPI) of the regional strategy to monitor supply chain ARV data** (supported by PAHO/GF). As this regional strategy depends on logistics information, defining the KPIs is essential to help monitor current ARV stock status.
3. **Provided TA to finalize the HIV RTK quantification and forecast for 2013**. Collaborated with the national laboratory to review and agree upon the final report. Scheduled a meeting for next month to present the findings and recommendations to high-level SESAL staff and gain commitment on follow-up activities needed to strengthen the HIV RTK supply chain.
4. **Completed ARV LMIS regional trainings** in the five prioritized regions of the HIV/AIDS strategy, as part of the system sustainability plan developed by SESAL. Trained 69 new regional-level SESAL staff on SOPs for ordering, monitoring and managing ARVs.

Nicaragua:

1. **Provided strategic planning and technical warehouse assistance to CMS and MOH**.
2. **Completed design for the renovation of Almacentro central warehouse**. Following presentation of pre-investment study results (including topography, soil and concrete) to MOH's Director of External Cooperation and Infrastructure, we produced a preliminary design for the warehouse renovation. Presented the proposed design to MOH and USAID, and while received favorably, it will require further technical review and adjustment by the local multidisciplinary team and external reviewers.
3. **Contracted three pharmaceutical chemists for an assessment of organization and storage of medical supplies** (drugs, periodic replacement material, reagents and clinical laboratory equipment) at the central medical store warehouse. This study will include a survey of all data and information available for items currently in storage. The data will be used to calculate volume by product to maximize storage space and improve stock mobility

Panama:

1. **Conducted an ARV LMIS design workshop** with HIV/AIDS program members, MOH treatment center representatives, central warehouse staff and other stakeholders.
2. **Created an LMIS SOP guide** based on the outcomes of the LMIS design workshop. MOH reviewed, approved and formalized the guide. The ARV LMIS was tested by treatment centers to ensure procedures are well defined and templates are complete and user friendly.

Challenges:

1. Nicaraguan President Daniel Ortega has announced his intention to remove USAID and its projects from the country, contributing to an overall volatile political environment for SCMS. A final decision is expected by the end of July regarding the future of USAID in Nicaragua. As a result the USAID Mission in Nicaragua, SCMS and all other USG funded projects have been requested to phase out direct technical assistance, procurement, or any other type of support given to the Nicaraguan. Once our FY12 project activities supporting the Nicaragua Central Medical Warehouse have been completed, expected by the end of November SCMS will have no further involvement in Nicaragua.
2. In Panama, the proliferation of ARV drug regimens for a patient population of just over 6,000, coupled with the absence of updated ART guidelines, signals an immediate need to revise,

standardize and monitor prescription patterns and rational use of these medications to contain expenditures and reduce fragmentation in the supply chain. SCMS plans to support the creation of a national ARV committee and provide training on product selection.

Mozambique

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: USAID, CDC, CMAM (the central medical stores), Laboratory Section DNAM/MISAU (MOH), Department of Planning and Cooperation (MOH), National Blood Bank Program (NBBP)

STTA: None

Key activities:

1. **Worked with CMAM and USAID to finalize the performance-based financing (PBF) indicators** that will be included in USAID's fixed amount reimbursement agreement (FARA) with MISAU. Finalization of the PBF mechanism had been delayed due to internal considerations at USAID.
2. **Continued development of the Adil central warehouse.** This warehouse was elevated several months ago from being a satellite store to serving more independently at the central level. In August, the CMAM Director decided that management of the warehouse required additional strengthening. SCMS worked with CMAM to identify MOH staff to improve overall warehouse management.
3. **The USG team asked SCMS to obtain a price quote for a list of key TB medicines after it become clear that MOH would have difficulty meeting its TB medicine needs.** This was a follow-up request from earlier in the year when it had been believed that MOH would have sufficient time and funding to refill its TB medicine buffer stock.
4. **Worked with CMAM on an acceleration plan for the HIV/AIDS program.** MOH would like to achieve 80 percent of eligible HIV-positive patients on ART by the end of 2015, and has also set complementary targets for the diagnosis and treatment of malaria and TB as part of the strategy. SCMS engaged with key stakeholders to quantify requirements for medicines and lab supplies and estimate storage and personnel required to support this target. The process is expected to take several months. We are working to ensure targets are realistic and will not exceed capacity of the system.

Challenges:

1. In August it was recognized that waste management for male circumcision has become a challenge, since the surgical materials, which are made of metal, cannot be incinerated (they do not melt) or disposed of as municipal waste (due to re-use concerns) and cannot be placed in existing sharps pits (since the volume of material is high). SCMS has suggested recycling through scrap metal dealers that can smelt the material, preventing its re-use. JHPIEGO, which is leading the VMMC project, continues to discuss options with MISAU and has asked that all outstanding orders not already placed be temporarily halted.

Results:

1. Completed the 2012 lab quantification. In collaboration with the clinical lab section and the AIDS Control Program, completed quantification for 2012-2015 laboratory needs (for CD4, hematology, biochemistry and viral load) using the June 2012 MOH ART target for "universal access" by 2015 (reaching 80 percent of all eligible patients). The total costs of the 2012-2015 quantification are more than $97 million.
2. Completed SOP training for more than 2,200 participants nationwide. On August 30, the final three SOP trainings were held for the health facility level, completing six months of training in supply chain management for all commodities, the first such training in more than eight years. The Permanent Secretary of Health, the Director of CMAM and the USAID Deputy Director of Health Systems were on hand to distribute diplomas and congratulate the participants and trainers for their accomplishment.

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 and Nutrition Unit, Namibia Institute of Pathology (NIP), VCT partners (IntraHealth)

STTA: Quantification

Key activities:

1. **Provided technical support for analysis of new incinerator operations.** At USAID/Namibia's request, SCMS undertook a detailed analysis of the health care waste volume, expenditures and revenues of Intermediate Hospital Katutura's current incineration facility. Analysis showed that the revenues currently generated by the incinerator can comfortably offset the direct operational expenses (fuel and direct labor) of running the new incinerator. This analysis will help guide MoHSS in determining estimated costs of outsourcing the incinerator's management to a private operator.
2. **Participated in the XIX International AIDS Conference (AIDS 2012)**. SCMS and MOHSS's Division of Pharmaceutical Services (DPS) presented two posters highlighting achievements in strengthening the supply chain in Namibia. This support has enabled the uninterrupted availability of ARVs and the universal scale-up of the ART program. One poster was presented by the Deputy Director of DPS during a discussion session titled "No Breaks in the Chain — Ensuring Uninterrupted Drug Supplies."
3. **Provided technical input on the strategy for male circumcision scale-up in Namibia**. Worked with MoHSS to compile the strategy's commodity supply management section, emphasizing the need to integrate the supply chain for male circumcision commodities into the pharmaceutical supply system, to undertake systematic quantification and to consider requirements for campaigns or outreach, including aspects related to health care waste management.

4. **Provided technical support to multi-regional medical depots (MRMDs) to pre-test the draft supply chain-related indicators**, to be included for routine monitoring in the expanded pharmaceutical management information system (PMIS).
5. **Provided technical support to MOHSS to undertake a comprehensive three-year quantification of medicines and commodities** needed for HIV/AIDS and other key public health programs. Results of the quantification have already been used by MOHSS to support Namibia's Global Fund Rolling Continuation Channel (RCC) grant renewal application and to mobilize local resources.

Challenges:

1. Installation of the incinerator at Intermediate Hospital Katutura, due to start the third week of August, was further delayed because travel complications delayed the engineer from India for two weeks. There are also challenges regarding the incinerator waste water treatment plant and stringent local requirements for installation of the fuel tank that need to be addressed. SCMS is engaging MoHSS and the vendor to find solutions.

Results:

1. Handed over the renovated warehouse and warehousing equipment to NIP. SCMS has been providing TA to NIP since 2007 to strengthen its laboratory supply chain management systems. As part of this assistance, we helped renovate NIP's central warehouse and procured several pieces of equipment for storage and material handling at a total value of $213,660. The USAID/Namibia Mission handed over the equipment, the renovated central warehouse and our TA reports to NIP in a ceremony attended by staff of NIP, MoHSS and CDC.
2. Installed adjustable pallet racking at the Oshakati multi-regional medical depot as part of the warehouse storage space optimization effort. This resulted in 48 additional pallet bays for storage of bulk pharmaceuticals, such as intravenous fluids, thus freeing space in other parts of the warehouse to store less bulky ARV formulations.

Nigeria

Emergency Orders/Stockouts: No stockouts reported.

Key clients: USAID, DOD, CDC, CIHP, IHVN, FHI/SIDHAS, APIN, CHAN/CHARIS, Jhpeigo/ZAIHAP, 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, FGH, ANHi, EFMC and SHT

STTA: Warehousing and distribution

Key activities:

1. **Supported NASCP and the USG laboratory TWG in conducting a five-year national RTK quantification**, in collaboration with other stakeholders. The forecast will be used to identify potential gaps in supplies, engage with stakeholders on resource mobilization and inform the 2013 GON RTK budget.
2. **Supported development of GON's warehousing services capacity with:**

- Finalized the bills of quantities (BOQs) for the renovations needed to improve warehousing infrastructure at the Federal Medical Center in Oshodi Lagos and the Cross River State central medical stores in Calabar.
- Collected data to be used in calculating national warehousing size as part of developing a national warehousing strategy. Actual commodity throughput data received from HIV/AIDS, malaria and TB programs will be used to compute projected volumes of commodities to be warehoused, inform current and future warehousing capacity expansion, and propose a supply chain strategy to handle such volumes, including development of procurement and supply plans.
- Developed and advertised an expression of interest (EOI) for an inventory and warehouse management system (IWMS) for CMS Oshodi.
- Assisted GON in determining possible state-level warehouses to be renovated with Global Fund resources, considering the planned support for warehousing infrastructure upgrade by other programs, such as PEPFAR.

3. **Developed various commodity availability scenarios from now through June 2013 using logistics data on HIV/AIDS commodities** to inform the USG logistics TWG of future stock situations and identify funding gaps. The scenarios will inform funds reprogramming decisions by USAID to ensure uninterrupted commodity availability.
4. **Conducted the third national ARV and cotrimoxazole supply plan workshop in collaboration with GON (NASCP and FDS)**. At the workshop, funders presented their commitments for 2012, and SCMS presented national stock status as of June 2012 and existing funding gaps. Participants included USG, FMOH, CHAI, PEPFAR IPs, NACA and the Nigeria Ministry of Defence. The final workshop report will inform stakeholders of the funding gap for the remainder of 2012.
5. **Supported the newly inaugurated FMOH/FDS national pharmaceutical and other health commodities management (NPHCM) working group** to coordinate all procurement and supply management activities for the various disease programs (whether sponsored by FMOH or other donors). This is the first attempt by GON (in recent years) to coordinate all PSM activities at the national level to ensure efficiency and foster greater collaboration among donors.
6. **Supported the HIV/AIDS supply chain unification initiative**, distributing commodities to SDPs starting with a pilot phase in five southern states:
   - SCMS and GON federal and state officials visited 113 PEPFAR sites (64 ART, 45 PMTCT and four HIV counseling and testing) in Anambra, Ebonyi, Imo, Enugu, Delta and Edo states. Collected information on commodity logistics management practices and provided technical support and on-the-job training.
   - Provided performance feedback to warehousing and transport service providers engaged for supply chain unification activities based on a review of their July/August distribution services, to help ensure a sustained level of performance in September.
   - Provided orientation/on-the-job training to new staff supporting the unification pilot.
   - Resupplied 192 sites, 50 more than were resupplied in July/August.
   - Presented the approved HIV/AIDS supply chain unification expansion plan to the supply chain unification steering committee for comment. The USG procurement and supply management TWG had already given approval for expansion to the Federal Capital Territory

(FCT) and nine additional states (Anambra, Ebonyi, Imo, Enugu, Delta, Benue, Kogi, Nassarawa and Edo).

7. **Received a Global Fund team from Geneva to discuss areas of collaboration and integration with SCMS.** Highlights of the meeting included discussions on including GF-supported facilities in SCMS rapid test kit procurement starting in January 2013; ongoing discussions by the GF board with respect to using PFSCM's Voluntary Pooled Procurement mechanism for ARV procurement for NACA; and GF's consideration of collaboration with SCMS for the warehouse upgrade at CMS Oshodi

Challenges:

1. Disagreements exist among stakeholders concerning the approved testing algorithms. This has implications on logistics activities, especially quantification. Discussions are ongoing between NASCP and appropriate agencies to resolve this issue.
2. Delays on the part of HIV/AIDS, malaria and TB program managers in giving data on the quantity of commodities procured by GON for their programs, as well as the quality of data eventually sent, slowed the process of determining the national warehousing space requirement, but as reported above, this has now been resolved.
3. The expression of interest (EOI)/request for quote (RFQ) advertised in July for the inventory and warehouse management system (IWMS) for CMS Oshodi was canceled due to the poor quality of responses received. A revised RFQ has been drafted and we are awaiting responses.

Results:

1. The effect of last-mile delivery of commodities to service delivery points by SCMS under supply chain unification has started to bear fruit with a gradual improvement in commodity availability at the facility level (as reflected in the LMIS). Prior to the unification activities, monitoring visit reports and stock status data showed that facilities were not being resupplied every two months, as stipulated in the national SOPs, and when resupply did occur, facilities' orders were not always fully met. Now, all facilities are being supplied on time with the required commodities.

Rwanda

Emergency Orders/Stockouts: Emergency order placed for laboratory reagents and consumables for 6th CPDS (Coordinated Procurement and Distribution System) for delivery in August. In August potential stockouts of Biomerieux, Sysmex and Beckmann Coulter products were reported.

Key Clients: RBC (Medical Procurement and Distribution Division [MPD], National Reference Laboratory [NRL] Division, HIV Division), Pharmacy Task Force (PTF)/MOH, MOD, Global Fund, PEPFAR Implementing Partners (FHI360, ICAP, EGPAF, Intrahealth, CRS, Drew University), CDC, USAID

STTA: None

Key activities:

1. **Performed July joint tender evaluation of ARVs in collaboration with RBC/MPD procurement teams.** The new work instructions developed by SCMS and RBC/MPD were followed to harmonize the procurement processes for joint tendering and to ensure adherence to federal acquisition regulations (FAR) and USAID requirements for procurement of ARVs funded by PEPFAR.
2. **Conducted an eLMIS kickoff meeting with MOH senior leadership, key stakeholders and system users, in collaboration with One Network (the IT company supporting eLMIS implementation), to give participants an overview of the project, objectives and management approach.** A detailed description of milestones, deliverables, timelines and key performance measures for the automated LMIS system were also presented. In addition, One Network representatives held a technical discussion with the logistics management office (LMO), MPDD and the SAGE Pastel software implementation team to discuss integration requirements for SAGE Pastel and eLMIS to ensure seamless integration. They developed a draft project management plan and initiated a review and validation of "as-is" process flows using RFP requirements, LMIS harmonization SOPs and site visits reports.
3. **Gathered morbidity, service statistics and consumption data in September for the 2012 quantification exercise.** Visited 129 health facilities with 12 teams of two data collectors each. Also organized various meetings with representatives from MPDD, NRL and the HIV Division to understand their programmatic objectives.

Challenges:

1. The field office and SCMS buyers are having difficulty improving the delivery lead times for Biomerieux, Sysmex and Beckmann Coulters commodities to alleviate the near stockout Rwanda is facing for these products. Buyers are negotiating with the respective vendors to make these commodities available. Shipments are expected in October.

South Africa

Emergency Orders: No stockouts reported.

Key Clients: USAID, National Department of Health (NDOH), National Department of Treasury (NDOT), South African Catholic Bishops Conference (SACBC), Gauteng Department of Health, Limpopo Department of Health

STTA: None

Key activities:

1. **Approval to begin Phase 2 of re-engineering the Gauteng medical depot was granted in July granted by USAID** with the project starting early August. Representatives from the provincial treasury department will be part of the project team.
2. **A national task team comprised of NDOH and three USAID/PEPFAR programs — SCMS, SIAPS and the Foundation for Professional Development (FPD) — completed the Limpopo depot assessment in September**. SCMS developed the direct delivery strategy in line with the Minister of Health's request and presented it to all stakeholders. The proposal is

awaiting signoff for implementation. Once signed off, we will deploy an analysis team, which will include TA from the European Union, to start analysis of the first province, Mpumalanga.

3. **Funding gap assistance to the South African Catholic Bishops Conference (SACBC) continued.** SACBC, a CDC partner, has been a recipient of PEPFAR funding for the procurement and distribution of ARVs through identified SACBC sites. Since SACBC facilities do not have pharmacists to pre-pack bulk supplies, nor do they have clinical staff with dispensing licenses, all ARVs are prepacked per patient on a prescription basis, allowing patients to pick up their medication each month. The depots and hospitals close to the SACBC sites are unable to provide patient-ready packs, so SCMS manages ARV procurement and distribution to these sites. September's deliveries took place with no incidents. SCMS is drafting an RFP to continue USAID support of SACBC sites until May 2013.

Challenges:

1. NDOH has failed to communicate the project plan to the Limpopo provincial office, which has caused delays in the project. Further, the discipline of depot staff in carrying out their functions still has not been addressed by NDOH. Failure to follow up on these fronts will cause further delays.

Results:

1. The 10-month Phase 2 MSD re-engineering project for the Gauteng depot is currently in week eight of the project plan and is achieving considerable results. SCMS has worked with the MSD depot team to develop solutions and begin implementation. Highlights to date include:
   - Approval to cancel supplier outstanding backorders up to the value of $4 million.
   - Implementation of a weekly forecasting and planning meeting.
   - Approval to cancel facility backorders greater than three months old.
   - Consolidation of roll cages (used to transport product to facilities), resulting in a $200,000 savings.
   - Introduction of procurement controls around contract adherence, resulting in a $100,000 savings to date.
   - Signoff by the MSD CEO on the QA department proposal.
   - Order fulfillment improvement from 60 percent to 72 percent.

   To date, the project has shown qualified financial savings of $1,150,000, resulting in an ROI of 67 percent. This is based on the cost of TA, training and support. Achievement of the target ROI of 300 percent is still on track.

Swaziland

Emergency Orders/Stockouts: No stockouts reported.

11 COP Allocation: N/A

Key Clients: USAID, MOH, Jhpiego, JSI, MSH, Population Services International (PSI), National Reference Laboratory (NRL), Family Life Association Swaziland (FLAS), The Luke Commission (TLC)

STTA: Quality Assurance in July

Key activities:

1. **Ensured uninterrupted supply of VMMC commodities to sites** through a simple push system, whereby the central-level warehouse issues the supplies and determines quantities based on monthly site consumption data.
2. **Continued work with the local contractor on the capital improvement project**, which involves repairing existing incinerator housing, disposal sites and temporary waste storage locations at seven regional hospitals and health centers. Following submission of technical drawings, the contractor submitted the final materials list to SCMS, and we are now awaiting USAID/Washington approval. The contractor has acquired a list of Ministry of Public Works certified contractors and is developing the RFP for work to be done. This project is slated to be completed by the end of December.
3. **Provided supply chain support for the final back-to-school (BTS) campaign**, which took place August 20 through September 14.

Results:

1. In July MOH, in coordination with SCMS, hosted a ribbon-cutting ceremony at the Mbabane Government Hospital to highlight the advances made in HCWM. The keynote speakers were the MOH Principal Secretary Representative and the U.S. Deputy Chief of Mission (DCM), Craig Cloud. The ceremony highlighted the completed installation of four regional hospital incinerators, the undertaking of capital improvements at seven regional health facilities, and the finalization of national HCWM guidelines and a strategic plan for the country.
2. Finalized handover of supply chain activities from SCMS to PSI by the deadline of September 28. Executed a detailed handover plan in August and September to ensure smooth knowledge transfer, providing PSI with intensive one-on-one training and support on all supply chain components, including warehouse management, LMIS and site support. In addition, we provided a detailed procurement and logistics handover report to PSI and held a closure meeting to ensure resolution of any outstanding issues. Also developed a procurement plan agreement outlining procurement roles and responsibilities for SCMS and PSI going forward. After review by PSI and the Mission, the document is ready for signatures.

Tanzania

Emergency Orders/ Stockouts: Emergency orders in July for Determine HIV test kits, Efavirenz 600 mg tabs and AZT 300 mg/Lamivudine 150 mg tabs.

Key Clients: Ministry of Health and Social Welfare (MOHSW), Zanzibar Ministry of Health (ZMOH), National AIDS Control Program (NACP), Medical Stores Department (MSD), United States Agency for International Development (USAID), PEPFAR Implementing Partners, Tanzania Food and Drugs Authority (TFDA)

STTA: Warehousing and distribution, procurement, ERP implementation, quantification

Key activities:

1. **Expanded the list of essential drugs managed in the prime vendor model to 45 items from the initial 37** due to the demands from IPs for additional products. An RFP was issued to identify additional vendors and we are reviewing the dossiers submitted to assess potential vendors' quality procedures.
2. **Analyzed consumption trends for first-line ARVs and first-line alternative ARVs** in 21 high-volume ART facilities in Dar, Iringa, Mbeya and Mwanza regions. Following MOHSW's adoption of the new WHO guidelines, we are monitoring consumption trends as patients are shifted to slightly cheaper, but equally efficacious medicines. Monitoring will ensure adequate time to adjust shipment plans as necessary and helps SCMS validate the consumption data submitted by facilities each quarter.
3. **Facilitated sensitization meetings for regional and district management in the Coast region and Mwanza and Dodoma zones on the newly rolled out laboratory logistics system**, designed to improve the visibility of usage information for laboratory supplies.
4. **Met with the vendor who will design the eLMIS for the ministries of health in Tanzania and Zambia** to review and validate use cases and develop detailed system requirements that will be used to determine the software development estimates. Also discussed with the vendor a communications plan, activity prioritization and a project delivery plan. This meeting served to establish the amount of work that can be accomplished using available funding and will inform the kickoff meeting scheduled for October, which will be attended by the representatives from both ministries of health, central stores, USAID and other partners.

Challenge:

1. MOHSW is experiencing acute shortage of key ARVs and HIV test kits due to delays in GOT procurement and withdrawal of SD Bioline from the market. Funding shortages led GOT to request support from USAID to initiate an emergency procurement for four months of stock of three items — two first-line ARVs and Determine HIV rapid test kits, estimated to cost more than $3.7 million. The order was placed and the first shipment is expected to be delivered end of August.
2. The RFP for deploying an eLMIS for the Ministries of Health in Tanzania and Zambia was cancelled due to high costs proposed by the best-evaluated vendors. SCMS and USAID|DELIVER PROJECT will now collaborate with Open LMIS — an initiative funded by the Gates Foundation, Village Reach and other stakeholders to develop a system that will be globally accessible — to develop components of the system. The MOHs in Tanzania and Zambia have accepted the new initiative, and will hold a meetings with the vendor.
3. MOHSW, through MSD, suspended all distribution of Triomune-30 (T-30) procured with GOT and Global Fund funding due to alerts of the existence of counterfeit products in some regions. The Tanzania Food and Drugs Authority (TFDA) is conducting product quality assurance monitoring to assess the gravity of the problem. It is estimated that 25 percent of HIV/AIDS patients are on the T-30 regimen. The problem was subsequently isolated tot wo batches from the local supplier Tanzania Pharmaceutical Industries Ltd,a nd all orders from that supplier have been canceled by the government. MOHSW sent directives on the recall to all regions, and MSD is working on getting those products back to the central level. Distributions for the remainder of the batches are ongoing. The public has been made aware through media of what characteristics would indicate counterfeit batches. SCMS is closely monitoring stock levels and consumption

trends and is seeking availability of this product from our RDCs in case an emergency procurement is needed.

4. Through SCMS-facilitated quantification of VMMC commodities, we identified a funding gap for initiatives implemented by PEPFAR IPs. The current budget allocation is $2 million, but the quantification revealed that the IPs require a budget of about $12 million to achieve high goal targets. During this quantification, 15 PEPFAR IPs were trained on pipeline monitoring to equip them with the skills to monitor stocks and plan shipments.

Results:

1. The EPICOR E9 software, MSD's new enterprise resource planning (ERP) tool, went live in July as a result of the collaborative efforts of MSD and EPICOR. The team accomplished activities leading to the go-live, including completing data cleaning and migration plans, defining and allocating the carton and pallet locations, and allotting products to the set categories. MSD senior management has been very supportive in providing the necessary approvals and has been keenly monitoring progress. As of the end of September, MSD personnel in the central store and all nine zonal stores are using the enterprise resource planning (ERP) system Epicor 9 for business operations (sales, finance, procurement and logistics).
2. In August, handed over the state-of-the-art prefabricated warehouse-in-a-box (WIB) facility in Mbeya zonal MSD at a formal ceremony in Mbeya region. This is the second of three planned WIB facilities under phase one. At 3,378 square meters, this new facility will greatly expand storage space. It features three modules and fully modern technology, including gravity flow for enhancing picking and packing. Equally important, 16 MSD staff have been trained on warehouse management so they can use the new facilities to their greatest benefit.
3. Hosted and participated in the SCMS vendor summit targeted to align the strategies of buyers and manufacturers that are transforming the public health commodity market for developing countries, identify challenges and actions participants can take to ensure a reliable, safe and cost-effective supply of health commodities, and increase the connection between local and regional manufacturers.
4. Delivered the racking and equipment to be installed in the warehouse for Zanzibar's central medical stores (ZCMS), funded by USAID in collaboration with the Danish International Development Agency (DANIDA). This new warehouse is needed because the current facility does not support the existing population's needs, which have increased drastically since the facility's construction in the 1960s. In addition to racking and equipment, SCMS provided procurement support and TA on project management, and is coordinating the move to the new warehouse. The design of the new structure, to be delivered to USAID in October, meets good warehouse practice guidelines and expands ZCMS's inventory management capabilities.

Uganda

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: Uganda Ministry of Health (MOH), National Drug Authority (NDA), Inter-Religious Council of Uganda (IRCU), Joint Clinical Research Council (JCRC), Joint Medical Stores (JMS), National Medical Stores, Uganda Peoples Defence Force/Department of Defense, Makerere

University/Walter Reed Project, Strengthening TB and HIV&AIDS Responses in East, East Central and South West Uganda Programs, Strengthening Uganda's Systems for Treating AIDS Nationally

STTA: None.

Key activities:

1. **Collaborated on commodity quantification with the SURE program (Securing Ugandans' Rights to Essential Medicines), Medical Access Uganda Limited (CDC procurement agent) and the PEPFAR team (USAID and CDC).** This quantification assessed ARVs, condoms, laboratory supplies and reagents, and other related commodities for PEPFAR-supported patients in preparation for the annual COP planning exercise. This is the third joint ARV forecasting and budgeting exercise for the Uganda PEPFAR program.
2. **Provided quantification support to the national PMTCT program and PEPFAR PMTCT coordination team for Option B plus quantification.** The country is currently transitioning from Option A to Option B plus, which allows women to begin treatment regardless of CD4 count and infants to receive the same treatment from birth through four to six weeks regardless of feeding method. Generated a supply plan, which formed the basis for procurement. SCMS is currently handling procurement of the Option B plus selected commodities worth more than $6.6 million.

Results:

1. In July, delivered an emergency order of adult first-line and second-line ARVs worth more than $2 million at MOH's request, through the Emergency Commodity Fund. The need for emergency supply resulted from multiple causes, mainly delay in delivery of Global Fund-procured ARVs. This ARV delivery will ensure uninterrupted treatment in the MOH program, currently treating more than 309,000 clients.
2. In August, delivered ARVs worth $1,370,800 as part of the ARV consolidated order for adult first-line and second-line formulations for USAID-supported IPs and ARVs worth $2,458,500, as part of the PMTCT Option B plus order. The latter ARVs will be used for the rollout of Option B plus as per the new PMTCT treatment guidelines.

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), National TB Program

STTA: None

Key activities:

1. **With VAAC, conducted a stock count of expired and damaged ARVs and lab supplies in the Hanoi and HCMC warehouses**. Documenting the returned and expired commodities is

the first step before undertaking the annual drug destruction to ensure the safe and proper disposal of unusable products.

2. **Conducted a 12-month cost analysis of all SCMS TA and commodities, and allocated expenditures down to the provincial level**. As part of a larger PEPFAR-wide cost analysis in Vietnam, SCMS provided inputs for all expenditures from April 2011 to March 2012 and used proxy data to break down the expenditures within 25 PEPFAR provinces and within further subdivisions across different program areas.
3. **The Tenofovir fixed-dose combination (TDF FDC) package insert was approved by the Drug Administration of Vietnam (DAV)** enabling the products to be released from the warehouse (se Challenegs below) and distributed to site level. The quick development and approval of a distribution plan including TDF FDC facilitated the timely distribution of these drugs and avoided site-level stockouts.
4. **Began the combined quarterly supply planning process in August to review in-country and pipeline stock status for HIV/AIDS-related pharmaceuticals and supplies.** The ARV management council meeting was followed by quantification sessions for methadone and laboratory reagents. Sessions were also held to finalize the strategies for transitioning patients from Stavudine-based to Tenofovir-based protocols and to align future stock requirements for the review period with the transition strategy.
5.
6.

Challenges:

1. Tenofovir fixed-dose-combination (TDF FDC) was still held in the warehouse in July since arrival in country in May, awaiting approval from DAV for the Vietnamese package insert. Because of this delay, PEPFAR had to borrow Lamivudine from Global Fund for the June distribution.
2. Data collection for the supply chain system baseline assessment is delayed for several reasons: a long bidding process to select a consultant agency for data collectors; communication and approval by USAID on the assessment budget; and the availability of a VAAC consultant and rollover funding for SCMS to continue the work into October.
3. Challenges continued in meeting pressure from USAID to implement a transition plan for the ARV supply chain in the next three years, with the central-level government unsure of its ability to take on procurement and supply chain management, which has resulted in a lack of human resources at the central level. The transition plan is further challenged by the fact that we must transition in 25 provinces in a three-year period (because the project has three years left), while other partners with fewer provinces have five years (because they were recently awarded new five-year agreements). Also VAAC has requested that no organization approach the provinces on its own to create an individual transition plan, but wait until an overarching national transition plan is in place.
4. Last year, PEPFAR agreed to take over the procurement of pediatric ARVs and early infant diagnosis commodities for one year because GF was not ready to take it on. GF was supposed to take over procurements from CHAI two years ago, but because GF was not ready at the time, CHAI extended its procurement for one year to help smooth the transition. When GF was still not ready last year, PEPFAR took over from CHAI for an additional year, with the agreement that GF would take over after that. The principal recipient (the government) continues to say it

is not ready. PEPFAR has reiterated in the quarterly quantification meeting that we will only order four pediatric items to extend the stock to September 2013 and match the stock of the other pediatric commodities. PEPFAR strongly urged GF PR that it must start its first pediatric order within the next two months to prevent stockout risk.

Results:

1. The national TB program (NTP) approved the suite of 28 SOPs — developed by SCMS in collaboration with NTP — that covers central, provincial and district management of TB drugs. These SOPs will now be printed, and a stakeholder workshop will be held for their dissemination.
2. VAAC has been very happy that SCMS's value of returned and expired drugs has decreased each year. This year, it is down to $9,939 from last year's $12,100. By contrast, CHAI procures much less than SCMS, but will be destroying $84,257 this year.
3. Received and distributed Amplicor under early infant diagnosis (EID) order No. 1. This was the first SCMS shipment of EID reagents. This shipment helped the project fulfill its commitment with partners to transition from CHAI to SCMS without any emergency situations at the site level.
4. SCMS successfully negotiated for VAAC to retain one of our seconded staff. Last year, PEPFAR asked USG partners to develop a transition plan for all project staff who were either seconded to or working in government agencies. At that time, SCMS had two seconded positions in VAAC and started a dialogue with the government on transitioning them to VAAC. During the year, one of those staff members left, but as of September 30, the second staff member ended his employment with MSH and transitioned to the government.

Zambia

Emergency Orders/Stockouts: Central-level stockout of Hepatitis B tests, BD FACSCalibur Trucount controls, AST reagents, and Olympus ALT, cholesterol and tryglycerides. BD Trucount controls were received with a low shelf life, while Olympus ALT, cholesterol and tryglycerides expired as a result of low usage at facilities due to large pack sizes.

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

STTA: None

Key activities:

1. **Worked with MOH to finalize review of the list of ART-related full supply lab commodities** (commodities that are expected to always be available centrally for ordering by sites). MOH microbiology experts met to finalize potential new microbiology products and further reduce the overall number of items in the national system. In June, the list was reduced from 342 to 330 products, and this meeting further reduced the list to 325 products. Given the funding gap that exists for lab commodities, only 226 of these products will be in full supply. Also, given the success of the lab logistics system in place for ART-related lab commodities, MOH announced that the system will now also manage non-ART-related lab commodities and will be referred to more generally as the laboratory logistics system.

2. **Supported MOH by hosting a laboratory commodity forecast and quantification review meeting.** This meeting was chaired by the MOH Director of Laboratory Services and facilitated by the MOH Biomedical Scientist-Logistics. Their leadership of the meeting demonstrated increased MOH capacity for quantification. MOH and SCMS continue to input forecast figures in pipeline to update the total country funding need for laboratory commodities for 2012.
3.

Challenges:

1. Met with MOH to discuss the anticipated November stockout of the Determine HIV tests. SCMS has already exhausted the $1.1 million received as early release COP12 funding, and the remaining $900,000 will not be available until October. Because of the four-month lead time, the Determine tests may not arrive until 2013. SCMS advised MOH to mobilize funds to fill the $2,043,860 gap.
2. Met with MOH, UNDP and Global Fund in August to discuss the procurement status of UNDP laboratory commodities, OIs and ARVs. UNDP pushed back the delivery dates for the lab commodities from August to between November 2012 and February 2013 for $3,895,670 worth of shipments under GF Round 8 Year 1/UNDP. This change will result in low stock of the reagents Olympus Urea, ABX Minolyse, ABX Minoton, ABX Miniclean, ABX Diluent and ABX Basolyse, as these shipments have already been moved from the initial June 2012 delivery date. This delay could also cause a stockout of Cobas Direct Bilirubin reagent.
3. MOH has asked SCMS to procure the syphilis RTKs manufactured by Standard Diagnostics. This is a challenge because this product can only be procured from Standard Diagnostics, which is the company that manufactures the suspended SD Bioline HIV test that was found to have quality problems. SCMS is in consultation with MOH to devise the way forward on this procurement.
4. Lack of equipment maintenance contracts continues to have a negative impact on facility-level commodity usage, as equipment breakdowns reduce usage of certain reagents, which then increases the risk for expiry, as seen with the reported stockout of Cobas ALT and AST reagents. In the coming fiscal year, SCMS will work with MOH to determine the best method of equipment maintenance and to set up mechanisms for improved performance.

Results:

1. MOH declared August VMMC campaign month to boost demand for VMMC services. ZPCT II recorded a significant increase in procedures, from 1,239 in June to more than 7,000 in August, thereby increasing the number of VMMC kits needed. Due to the campaign's success, it was extended through September. SCMS procured the kits and made sure sufficient supplies were available for the scale-up.

Zimbabwe

Emergency Orders/Stockouts: No stockouts reported.

Key Clients: Ministry of Health and Child Welfare (MOHCW), National Pharmaceutical Company of Zimbabwe (NatPharm), USAID, DFID, Global Fund (GF), European Commission, EGPAF,

PSI, TB CARE, Pharmacy Technician Training School, University of Zimbabwe School of Pharmacy, Harare Polytechnic

STTA: HR Capacity Development

Key activities:

1. **Collaborated with MOHCW's Directorate of Pharmacy Services (DPS) Logistics Unit (LU) and NatPharm throughout the quarter to distribute or plan distribution of ARVs and Fluconazole to 127 ART sites**, with a 100 percent reporting rate reached by September from the northern region and a 97 percent reporting rate from the southern region.
2. **The SCMS-supported NatPharm Roadmap Coordinator continued to assist NatPharm in mobilizing resources and coordinating support from various partners.** Efforts focused on developing a new two- and five-year business strategy for NatPharm that focuses on moving NatPharm toward a more sustainable future that ensures high-quality services at reduced costs and dependency upon partner funds.
3. **Global Fund Mission visited Zimbabwe and conducted study tours and meetings with implementers and partners.** The ART team shared the revised ARV gap analysis with the Mission. The Global Fund made a commitment to advance HIV treatment funds for 2014 under GF Round 8 Phase 2 to cover the current gaps in ARV buffer stock ($28.7 million), averting potential ARV stock outs.
4. **Supported MOHCW strategic planning and policy development and implementation:**
   - Met with partners to discuss the need to revise/update the distribution system for VMMC products and to closely monitor project targets compared to actual services provided; the latter will impact procurement and the anticipated introduction of new VMMC products, all of which have supply chain implications.
   - Held discussions with MOHCW after the clearing agent was advised that duty-free certificates (DFCs) were causing unnecessary delays for MOHCW-consigned ARV shipments.
   - At the national medicines and therapeutics policy advisory committee meeting, discussed the need for MOHCW's AIDS and TB Unit to give guidance on switching patients to third-line ARVs and the provision of these medicines.
5. **Supported LMIS software development and implementation:**
   - For the ZISHAC (Zimbabwe information system for HIV/AIDS commodities) software upgrade, nearly completed the planning stage, and the software development team is now working on design.
   - The second phase of the pilot for transmitting ARV consumption data using cell phones has been completed. The pilot will be reviewed in October.

- **Supported a number of trainings throughout the quarter**; e.g in September, for 98 nurses and dispensary assistants on medicines management; for 26 health facility staff on the Zimbabwe ART distribution system (ZADS); for 96 health workers on integrated HIV prevention, treatment and care; and for MOHCW staff and partners on Quantimed and Pipeline.
- **Responded to a request from MOHCW, USAID and CDC to start assisting with laboratory logistics.** The request grew out of recognition of the need to improve the management of laboratory products, particularly given the importance of laboratory services for

HIV/AIDS, TB and OIs. A laboratory system design exercise has been scheduled, and additional support for lab logistics system implementation has been incorporated into the SCMS FY13 workplan.

Challenges:

1. Field monitoring visits have revealed that storage space constraints and staff shortages remain prevalent. Various partners, including UNICEF and Global Fund, have discussed making physical improvements at facilities to improve storage, but there has been no move in that direction yet. Staff shortages are under the purview of the government.

Results:

1. In Zimbabwe, received the first-ever DFID-funded and SCMS-procured ARV shipment, 60,794 bottles of Nevirapine 200 mg tabs worth $147,121. In March, 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). This funding represents a vote of confidence by a major non-USG funding agency in the work our team and the MOHCW DPS LU are doing in Zimbabwe and in SCMS's ability in general to provide cost-effective, quality ARVs in a timely manner.
2. There will be no funding gap for ART ARVs in 2012 and 2013, thanks to USAID's additional support for 60,000 patients and Global Fund's agreement to fund the buffer stocks required using its 2014 funds. Additionally, if all funding commitments are received on time, there will be no funding gap in 2012 for pediatric ARVs, PMTCT ARVs, CD4 point-of-care reagents, early infant diagnosis reagents and syphilis RTKs. The SCMS-supported LMIS provided the consumption and patient data used in quantifying most of the commodity categories.

5. Innovations

A major innovation activity continues to be 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. During the quarter we pilot tested the assessment and measures. At quarter's end we are in discussions with USAID on next steps.

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. As reported elsewhere the range of essential drugs covered by this innovation expended in the quarter.
- 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 clinic/storage-in-a-box have been made in Botswana, Nigeria and Zambia, and the two of three full-size warehouse-in-a-box have been handed over to Medical Stores department in Tanzania.
- The innovation to improve the search capability of the existing SCMS e-catalog completed final testing within SCMS went live in the quarter. The new functionality improves 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 went live in the quarter and is being used at the PMO and in field offices to upload plans. This enables 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 efficiency. Growing demand and the increased number of orders and clients had made it increasingly difficult to effectively manage this process manually.
- **The People that Deliver Initiative hosted a satellite session at the AIDS 2012 Conference.** This satellite, "Achieving Excellence in the Supply Chain Workforce: The People that Deliver

Global Partnership," presented on the global initiative and country progress. SCMS presented on the importance of logistics management units and the work of PFSCM partner John Snow, Inc. (JSI) to support development of these units in Zambia, Zimbabwe and Tanzania. The Namibia Ministry of Health and Social Services also highlighted the support of SCMS and SIAPS in building the capacity of people working in supply chain.

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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 improves 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 to determine performance and identify weak areas of Nigeria's HIV/AIDS supply chain.
- The System Strengthening Unit (SSU) shared with the field offices the first drafts of the Technical Services and Standards (TS&S) frameworks for four core areas: human resource capacity development (HRCD), warehousing and distribution (W&D), laboratory, and management information systems (MIS). Q&A sessions with field office staff reviewed framework content to gain insight into suggested additional components for the TS&S from field experience. The shared ideas and tools will be incorporated into the next version of the frameworks.
- SCMS will be coordinating and hosting a satellite session at the upcoming ASLM (African Society of Laboratory Medicine) conference in South Africa in December. The session will focus on current HIV test market dynamics, optimizing laboratory networks and addressing laboratory supply chain challenges.
- Planning continues for the African Centre for Integrated Laboratory Training's (ACILT's) workshop, entitled "Effective Use of Laboratory Logistics Management Information Systems (LMIS) to Advance Laboratory Optimization Strategies," scheduled for October. Twenty-four applications from eight countries have been received, and SCMS is awaiting the final list of course participants, to be provided by CDC-South Africa. Continued helping develop course content, dedicating one day of the workshop to demonstrating the ForLAB tool (see next item for more information on this tool).

- Testing and validation efforts continue on the ForLAB quantification tool. Completing this task was delayed due to late delivery of updated applications and reoccurring communication

issues regarding system outputs and import data file formats. These issues have been addressed through the use of WebEx. Current issues are related to output functions and reporting requirements. The system is expected to be ready to demonstrate in October at the ACILT workshop.