



SCMS Quarterly Performance Report

Y8Q1 October-December 2012

February 28, 2013



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



About SCMS

The Supply Chain Management System (SCMS) was established to enable the unprecedented scale-up of HIV/AIDS prevention, care and treatment programs in the developing world. SCMS procures and distributes essential medicines and health supplies, works to strengthen existing supply chains in the field, and facilitates collaboration and the exchange of information among key donors and other service providers. SCMS is an international team of 16 organizations funded by the US President's Emergency Plan for AIDS Relief (PEPFAR). The project is managed by the US Agency for International Development.

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Supply Chain Management System

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Acronyms

ACF	Allocated Cost Factor
ACILT	African Centre for Integrated Laboratory Training
ACT	Artemisinin-Combination Therapies
AIDS	Acquired Immunodeficiency Syndrome
ARVs	Antiretrovirals
ASLM	African Society for Laboratory Medicine
CDC	Centers for Disease Control
CENAME	Centrale Nationale d'Approvisionnement en Medicaments Essentiels
COR	Contracting Officer Representative
CMS	Central Medical Store
DFID	Department for International Development
DRC	Democratic Republic of Congo
ETJ	Emergency Travel Justification
FDA	Food and Drug Administration
GDUFA	Generic Drug User Fee Act
GFATM	Global Fund to fight AIDS, TB and Malaria
GMP	Good Manufacturing Processes
HIV	Human Immunodeficiency Virus
HSS	Health Systems Strengthening
IAPHL	International Association of Public Health Logisticians
IHK	International Hospital Katutura
IPC	Interagency Procurement Committee
JSI	John Snow, Inc.
LMIS	Logistics Management Information System
LOP	Life of Project
MIS	Management Information Systems
MSH	Management Sciences for Health
MSD	Medical Stores Department

MOH	Ministry of Health
NFO	Non-Field Office
OI	Opportunistic Infection
PAHO	Pan American Health Organization
PEPFAR	Presidents Emergency Plan for AIDS Relief
PFSCM	Partnership for Supply Chain Management
PO	Purchase Order
PSP	Pharmacie de Sante Publique
QA	Quality Assurance
RDC	Regional Distribution Center
RFP	Request for Proposal
RTK	Rapid Test Kits
RUTF	Ready-to-Use Therapeutic Food
SD	Standard Diagnostics
SOP	Standard Operating Procedure
SSU	Systems Strengthening Unit
TA	Technical Assistance
THL	Technologia Hospitalar e Laboratorial
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNAIDS	Joint United Nations Program on HIV/AIDS
USAID	United States Agency for International Development
VMMC	Voluntary Medical Male Circumcision
VPP	Voluntary Pooled Procurement
WHO	World Health Organization

Executive Summary

The SCMS team is delighted to submit this redesigned Quarterly Performance Report, which represents significant improvements in reporting project performance. SCMS performed well against most targets during this quarter. The measures are organized by four goal areas:

- Access
- Strengthen systems
- Leadership and partnership
- Operational excellence

In particular, this report is a major step forward in reporting the performance of our systems strengthening work, and includes new measures under leadership and partnership and operational excellence.

Access

The project performed well against all access measures except, most notably, PQ turnaround time for ARVs, which was 50 percent against a target of 70 percent. There were several reasons for this low level of performance, including an unusual number of PQs that required lengthy discussions with clients about products, quantities and/or delivery dates. The PQ turnaround time for HIV test kits was one percentage point below the target of 85 percent. (See pages 34-35.)

The percentage of planned orders improved significantly to 85.7 percent, up from 70.9 percent the previous quarter. The percentage of emergency orders was particularly low at 3.9 percent. A breakdown of the value of emergency orders by product category is documented on page 39.

In addition to performance measures, we note a number of issues related to access, including:

- Challenges with storage capacity at the central warehousing in Ethiopia and Zambia. This issue may spread to other countries as scale-up of voluntary medical male circumcision (VMMC) and other programs increases pressures on limited warehousing and distribution resources. The Partnership for Supply Chain Management (PFSCM) will leverage our knowledge of both SCMS and the Global Fund's VPP to monitor this situation closely.
- To prepare for a large anticipated increase in orders for VMMC kits, SCMS posted an RFP to supply improved versions of both reusable and disposable kits. More than 35 vendors expressed interest and received the documentation for this request, and responses were due in January 2013. Final award(s) is expected in April.
- Always a leader in field office managed procurement, Ethiopia is the first SCMS field office approved to procure essential medicines and food-by-prescription products. Local procurement of these products will speed access by helping avoid the need for international procurement.
- In an important extension of our collaborative work with WHO, SCMS participated in a joint inspection of sterile injectable manufacturer Vital Health in India, and WHO invited SCMS to participate as an inspector in the second re-inspection to evaluate Standard Diagnostics's (SD) progress with implementing corrective actions.

Key statistics related to access during the quarter and cumulative for the life of the project, from October 2005 to December 2012, are in the following table:

Key statistic	Y8Q1	Life of project
Value of commodities delivered	\$84.1 million delivered	\$1.35 billion delivered
Number of deliveries	717 deliveries	14,065 deliveries
Countries receiving shipments	28 countries *	57 countries
Percent generic ARVs by volumes	99%	89%
Counterfeit products detected	0 counterfeits	0 counterfeits

* No new countries received shipments this quarter.

Strengthen Systems

Our efforts to gather performance data for systems strengthening were generally successful and, at the same time, have revealed challenges in measuring capacity building. For example, although we received responses from all selected country programs for the two of five measures reported this quarter (three measures are annual, not quarterly), there was inconsistency of data from country to country, as you will see discussed more within this report.

In-country supply chains performed well in the five areas measured. Of particular note were stockout rates of ARVs and test kits at below 10 percent, reporting rates of 74 percent and expiry rates of less than one percent at central medical stores. For more detail, see page 43, which features a very interesting slide comparing country performance.

SCMS field offices noted major achievements in warehouse systems strengthening, which seek in part to avoid the kind of capacity issues being experienced in other countries. Of particular note are the handover of the third and final warehouse-in-a-box in Tanzania; the beginning of operations at Guyana's new Materials Management Unit; the achievement of ISO 9001:2008 Certification by Botswana's Central Medical Store; and significant progress at South Africa's Gauteng depot, one of two regional depots serving about 30 percent of HIV/AIDS patients in the country. (See pages 16-20)

In distribution, the high-profile supply chain unification initiative in Nigeria has made a very promising start in merging distribution of products for PEPFAR and the Global Fund:

- From July through December 2012, the reporting rate for ARVs from sites increased from 59.1 percent to 88 percent, and for RTKs from 41 percent to 93 percent. The proportion of facilities reporting an ARV stockout on day of reporting fell from 25 percent to 8 percent.
- During monitoring and supportive visits to sites in the supply chain unification region, retrieved \$39,734 worth of commodities at risk for expiry and redistributed them to other facilities for immediate consumption before expiry.

SCMS undertook 31 short-term systems strengthening assignments in commodity security (1), lab logistics (2), MIS (4), quality systems (2), quantification (2), capacity building (5), strategic planning (3), supply chain assessment (4), warehousing and distribution (7) and other (1). Finally, SCMS

worked to open field offices in Burundi and the Democratic Republic of Congo (DRC) and closed a field office in Nicaragua.

Leadership and Partnership

Although all performance measures for leadership and partnership are annual, we report significant activity this quarter.

In a major new initiative to improve laboratory logistics, SCMS collaborated with the CDC's African Centre for Integrated Laboratory Training (ACILT) to host a course in South Africa on "Effective Use of Laboratory Logistics Management Information Systems (LMIS) to Advance Laboratory Optimization Strategies." Outcomes included establishing tests needed for each level of the tiered integrated laboratory network; emphasizing the importance of standardized laboratory equipment and supplies; and establishing key considerations for equipment maintenance at each level of the laboratory network. Following a USG debriefing and very positive reviews, a follow-on course is planned for May 2013.

Participation and presentations in other significant international meetings included:

- The African Society for Laboratory Medicine conference, where SCMS gave six presentations and Botswana's Sekgoma Memorial Hospital Laboratory — one of the SCMS-supported laboratories — received the Best Practice Award for LMIS implementation.
- The annual WHO/UNAIDS meeting with ARV manufacturers, where SCMS was one of the organizations presenting forecasts based on the technical working group meeting held at the SCMS project management office in October.

Operational Excellence

SCMS implemented a series of new measures that assess activities across the project that address operational excellence. Overall, the project performed well, meeting or exceeding its performance targets for all except one measure. In particular, expiry at regional distribution centers was zero percent, and the use of ocean freight remains high at 78 percent. One area of particularly poor performance is an exceptionally low rate of eight percent of technical assistance trips submitted at least three weeks prior to travel. The project is taking action, including training of staff, to improve this result.

We look forward to discussions with and comments from USAID as we work to improve this revised reporting methodology in the months ahead.

Quarterly Performance

During the first quarter of FY13, SCMS performed well against its established performance targets for the global supply chain, including on- or above-target performance for most of the measures. This quarter marked the introduction of several new measures that assess the project's performance in systems strengthening, global partnerships and operations. Targets for these measures will be established after a few quarters of baseline data are collected. Additional information about the performance of each measure can be found in Appendix 2.

Performance for each area will be indicated by a symbol and color analysis.

- Green Circle: Performance on target
- Yellow Triangle: Performance within tolerance band, but not on target
- Red Stop Sign: Performance off target and corrective actions required

SCMS anticipates providing this analysis for four key categories; including, performance, work plan progress, budget and risk. For the current quarter, SCMS is only able to provide this analysis for performance.

I. Goal 1: Access

Provide quality HIV/AIDS commodities efficiently and effectively.

Key Areas of Performance				
Performance	Workplan	Budget	Risk	Overall
	N/A Q1	N/A Q1		N/A Q1

Update on Y8Q1 (October-December 2012) Key Issues & Corrective Actions	
Key Issues	Corrective Actions Progress

*These will be completed from Q2 forward, following up on the progress of corrective actions identified in the previous quarter.

Performance:



SCMS performed well toward its goal of providing access to quality HIV/AIDS commodities, reflected in its high performance against targets for most of the measures attributed to the access goal and related objectives.

Performance by Objective

Security:

Product loss continues to remain well below target, with 0 percent this quarter and 0.65 percent over the life of the project.

Reliability:

On-time PQ turnaround: SCMS met or exceeded the established targets for its measures of reliability, with the exception of on-time PQ turnaround, which narrowly missed the 85 percent mark for HIV test kits at 84 percent and reached only 50 percent for ARVs, failing to meet the 70 percent target.

On-time delivery: On-time delivery exceeded its target, with 95 percent of RTKs and 100 percent of VMMC kit orders delivered within 14 days of the PQ projected delivery date. For the quarter, 70 percent of the 44 late deliveries can be accounted for between the non-field office countries and Rwanda. SCMS is taking steps to address these specific challenges.

Quality Products:

Pharmaceutical sampling continues to exceed its target for meeting the sampling SOP, pulling 100 percent of flagged pharma orders during the quarter, an improvement from the 89 percent pulled in Y7Q4.

Strengthen Reach:

The percent of planned orders increased significantly, from 70.9 percent in the last quarter to 85.7 percent in the first quarter of FY13.

Goal	Objective	Measure	Target	Y8Q1	Y7Q4
				Performance	Performance
Access	1.1 Security	1.1.1 Product Loss: Shipping & Storage	≤ 2.25%	0%	LOP: 0.65%
	1.2 Reliability	1.2.1 SCMS Related Stockout Rates	<12	0	0
		1.2.2 On-time Delivery: Core & Non-Core Products	Core: 80%	80%	80%
			Non-core: 70%	76%	70%
		1.2.3 On-Time PQ Turnaround PMO RTK, (RDC) ARV Orders and VMMC kits	ARV: 70%	50%	88%
			Test Kits: 85%	84%	93%
	VMMC Kits: TBD		100%	100%	
	1.2.4 Forecast Accuracy	TBD	Annual Indicator		
	1.3 Quality Products	1.3.1 Pharmaceutical Product Sampling Actual Pulled vs. Flagged	88%	100%	89%
	1.4 Strengthen Reach	1.4.1 Planned, Unplanned & Emergency Orders	Planned: NA	85.7%	70.9%
Unplanned: NA			10.3%	12.1%	
Emergency: NA			3.9%	17%	

Key Results

Over the course of the quarter, SCMS achieved several key results in the efficient and effective provision of HIV/AIDS commodities:

- *Reliability:* With the successful completion of training, the procurement staff in Ethiopia will now manage procurement of essential medicines (OI) and food by prescription. Training included not only best procurement practices for these commodities, but also in-person visits to local wholesalers and a manufacturer to provide hands-on training with pre-screening tools utilized by the PFSCM QA team. While the procurement of ARVs and ACTs are excluded, this is the first SCMS field office to be qualified to procure OI medicines and food by prescription under the FOMP program.
- *Reliability:* SCMS posted an RFP for interested parties to supply SCMS clients with improved versions of both reusable and disposable VMMC kits based on the recommendations of the VMMC working group. More than 35 vendors expressed interest and received the documentation for this request, and responses were due in January 2013. Final award(s) is expected in April. This is an important step in the process of expanding our supply base of VMMC kits to meet rapidly increasing demand for VMMC.
- *Quality Products and Strengthen Reach:* Performed inspections of two pharmaceutical manufacturers and one wholesaler in India:
 - Medopharm, an Indian pharmaceutical company, manufactures oral solid dosage essential medicines and was found to be compliant with WHO current Good Manufacturing Practices (cGMPs). SCMS QA recommended that USAID approve Medopharm for direct SCMS procurement of nine oral solid dosage formulations needed for the Tanzania Prime Vendor Model and the DFID project.
 - Sirmaxo Chemicals, an Indian antiseptic and disinfectant manufacturer, had several critical non-compliances with WHO cGMP related to data integrity. At this time, SCMS QA does not recommend Sirmaxo Chemicals to USAID for direct procurement.
- *Strengthen Reach:* We delivered over \$6.6 million in emergency orders during the quarter. Deliveries were made to South Sudan, Tanzania and Uganda, plus the first batch of emergency orders of pharmaceutical commodities for Cameroon, valued at \$2.6 million, to Centrale Nationale d'Approvisionnement en Medicaments Essentiels (CENAME) by charter plane from the Ghana RDC three weeks after the client signed the PQ.

Key Challenges

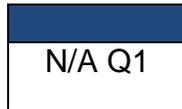
SCMS also faced several key challenges in the efficient and effective provision of HIV/AIDS commodities, including:

- *Reliability:* Capacity issues are creating challenges for delivering cargo to the central medical stores of Zambia (MSL). SCMS has approximately 50,000 kilograms of cargo that has arrived in Zambia and is destined for MSL; however, our freight agent has been instructed to hold these goods until capacity becomes available. Several other shipments are destined for Zambia over the next two months, as well as shipments from USAID | DELIVER PROJECT, scheduled to arrive in Zambia by the end of February. SCMS is working with MSL to resolve the current congestion.
- *Reliability:* Alere shipped a large order of Determine test kits to Kenya prior to receiving the required permission from the Kenya RDC. As a result, these goods were held in Nairobi's airline warehouse pending clearance from Kenyan Customs. On December 26, heavy rains caused

flooding in the warehouse where these test kits were being stored. A small part of the order was compromised, and Alere is taking full responsibility for this incident and replacing the product.

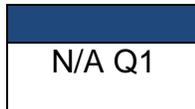
- *Reliability:* The lack of capacity at Ethiopia’s central medical store (PFSA) is causing continued delays for SCMS deliveries. The process currently takes 60 to 80 days on average for a delivery to be accepted by PFSA after it has arrived at the Port of Djibouti. Due to these capacity constraints, Ethiopia Airlines placed a temporary embargo on all inbound freight into Ethiopia. This embargo was enforced in December and will be lifted in January 2013.
- *Reliability:* JHPIEGO, the recipient of SCMS-procured commodities in Lesotho, has lost its duty-free import privileges. Two SCMS shipments that contained pharmaceutical commodities have been confiscated by Lesotho authorities and are yet to be released. In addition, JHPIEGO requested that SCMS cancel all future orders destined to be delivered to Lesotho. Four tentative shipments that were placed with our vendors have been successfully canceled without financial penalty. We await further clarity from JHPIEGO regarding the confiscated items in Lesotho.
- *Quality Products:* Four batches of single-use VMMC kits sent to Zimbabwe were inspected by SCMS and found to have faulty gloves that stuck together. The total number of kits sent to Zimbabwe was 21,595, with three sets of gloves in each kit, for a total of 64,785 sets of gloves. In each of the four batches, one or more pairs of gloves were compromised or unusable. Priontex, the South African manufacturer of VMMC kits, agreed to replace all 64,785 sets of gloves in the four batches.

Workplan:



Progress against the project-wide workplan for each goal area will be included in the Y8Q2 report after the revised project-wide workplan is completed.

Budget:



Progress against budget will be included in the report once a revision of the budget attributions to activities is completed.

Risk:



During the quarter, there were several risks to the secure, reliable supply of quality HIV/AIDS commodities to our clients. SCMS identifies these external factors as risks that may impact the ability to meet key milestones that ensure access to HIV/AIDS commodities, such as on-time delivery.

- *Sufficient Manufacturing Capability:*
 - An increasing number of countries are choosing to switch HIV/AIDS patients to Tenofovir-based regimens. This change is increasing pressure on Mylan, the only FDA-

approved manufacturer of Tenofovir/Lamivudine/Efavirenz, as its full production capacity is now booked for the next five months. We are closely managing the status of current orders for Ivory Coast, Malawi, Nigeria, Rwanda, Uganda and Zimbabwe to anticipate any deviation from the supply plan. We are also closely monitoring vendor on-time delivery while awaiting pending FDA approval of another manufacturer.

- Manufacturers of VMMC disposable kits are working close to maximum capacity, reducing probability of stock availability for emergency orders, which accounted for 91 percent of the VMMC kit value delivered during the quarter. SCMS issued a RFP for additional VMMC kit suppliers to diversify the supplier base for these products and improve availability.
- *Transportation and Customs Clearance:*
 - The road freight border, utilized by SCMS for moving commodities from the Ghana RDC to Pharmacie de la Santé Publique (PSP) warehouse in Côte d’Ivoire, has been closed since September based on our security team’s decision to suspend road freight shipment due to concerns over attacks by insurgents loyal to former Ivorian President Laurent Gbagbo. Currently, we have no road freight shipments planned for Côte d’Ivoire. We are closely monitoring the situation.
 - Imperial Health Services (operators of the SCMS RDCs) experienced recent challenges with the South Africa Customs Authority regarding the limit of its bond store in Centurion. These issues have resulted in restrictions for the RDC on the value it may receive and store in its bonded warehouse for SCMS. These restrictions are beginning to negatively impact the duty-free nature of the imported containers because the RDC is being forced to pay duties to SA Customs. IHS and SCMS senior management in South Africa are working with the relevant authorities to resolve this issue.
- *Changing Guidelines for TFDA approval:* Challenges resulted from new fees to be collected for USFDA activities. These fees were enacted by the Generic Drug User Fee Act (GDUFA) and took effect October 1, 2012. GDUFA is applicable to the manufacturers of ARVs for PEPFAR. The manufacturers voiced concerns about the act during visits. There are significant changes in application fees, manufacturing process steps and API sources that now require review and approval by the USFDA and additional fees. The advantages that generic manufacturers achieve by developing more efficient production methods and raw material sourcing require reporting and review by the USFDA. The balance between the new fees and the possibility of more timely reviews is still being determined.

Y8Q1 (October-December 2012) Key Issues & Corrective Actions	
Key Issues Related to Performance Measures	Corrective Actions
NFO country import waiver/customs clearance taking longer than forecasted (primarily in Pakistan and the DRC)	Work with client in-country to either speed up the processes or provide more realistic times to procurement so that it can be built in to the lead time
Limited number of eligible essential drug products	Targeted search for additional vendors, including pan-African wholesalers, international and local manufacturers
Cephied (GeneXpert) continues to ration orders	Working with supplier and country teams to align expectations with delivery

II. Goal 2: Strengthen Systems

Strengthen supply chains to increase access to quality HIV/AIDS commodities.

Key Areas of Performance				
Performance	Workplan	Budget	Risk	Overall
	N/A Q1	N/A Q1		N/A Q1

Performance:



During the first quarter of FY13, SCMS implemented a series of health systems strengthening (HSS) measures across 17 of its field offices for the first time. Several of these are annual indicators for which data will be collected in the fourth quarter of FY13. The first few quarters will serve as the baseline from which USAID and SCMS will set performance targets for these new indicators.

Performance by Objective

Capacity and Capability:

Competency: This measure looks at the number of people trained and deemed competent against the country-specific training target. Several countries performed well against the established targets, while others succeeded in ensuring those trained met the expected competency but did not meet the target for the expected number of people trained. Due to confusion surrounding this indicator, SCMS is currently working to improve this for the second quarter.

Performance:

Supply chain performance (in-country): Overall, countries performed well in the five areas assessed in this indicator. Stockout rates and expiry were generally low, and reporting rates, order fill rate and on-time delivery were generally high.

- Stockout rates: The majority of countries reporting on this indicator experienced stockout rates for ARVs and HIV test kits below 10 percent. Weak-performing countries called out issues with supportive supervision and lengthy procurement processes that are negatively impacting stockout rates.
- Facility reporting rates: Combined, the country programs reported a facility reporting rate of 74 percent. Countries with integrated systems or high levels of assistance with data collection reported the highest facility reporting rates, while lower-performing countries cited issues with consistent supervision, MOH staffing and lack of infrastructure.
- Expiry: There was strong performance among all countries reporting on this indicator, with both quantity and value of expiry at central medical stores across all country programs falling below 1 percent.
- Order fill rate: Countries reported strong performance on this measure, with an aggregated order fill rate of 91.2 percent across the programs.
- On-time delivery: Of the eight countries reporting on this measure, six reported on-time delivery

rates above 85 percent. Overall, on-time delivery for the central medical stores (or equivalent) was 64 percent across all country programs reporting.

Goal	Objective	Measure	Target	Y8Q1	Y7Q4
				Performance	Performance
Strengthen Systems	2.1 Capacity & Capability	2.1.1 Country Ownership	TBD	Annual Indicator	
		2.1.2 Competency	TBD	41%	NA
		2.1.3 Supply Chain Assessment: CMM Score	TBD	Annual Indicator	
	2.2 Performance	2.2.1 Supply Chain Performance: In-country	TBD		NA
		2.2.2 Supply Chain Assessment: KPI Score	TBD	Annual Indicator	

Key Results

Notable results from the field programs during the first quarter of FY13 include:

- *Capacity and Capability:* Waste management initiatives continue to build capacity in country. In Kenya, SCMS piloted non-incineration medical waste management. SCMS Procured 22 autoclaves for the Ministry of Medical Services, which distributed them to districts hospitals for use in managing medical waste. This is the first time Kenyan health facilities have used the non-incineration method of medical waste disposal.
- *Capacity and Capability:* In Botswana, CMS received ISO 9001:2008 Certification. With support from SCMS, CMS completed the final audit by the Botswana Bureau of Standards and received confirmation that it is ISO 9001:2008 (Management System) certified. This certification represents the establishment of standards of management of services to meet customer expectations and will guide implementation of the CMS strategic management system and sustain supply chain management best practice.
- *Capacity and Capability:* Mozambique secured the release of \$24 million from GFATM under Round 9, Phase 1. SCMS supported the Directorate of Planning and Coordination and CMAM to obtain approval of the procurement and supply management plan by the local funding agent and the final disbursement from GF. This approval recognizes the improvements of the national supply chain and indicates a positive transition from emergency funding during the past year.
- *Capacity and Capability:* In Tanzania, SCMS handed over the state-of-the-art prefabricated warehouse-in-a-box (WIB) facility in Dodoma MSD Zone at a formal ceremony held in Dodoma. This is the final of three planned WIB facilities, completing the first phase of the project, which commenced in early 2011. Equally important, SCMS has trained 12 MSD staff in Dodoma zone on good warehouse management practices so they are fully prepared to use the new facilities to their greatest benefit.
- *Performance:* In South Africa, Phase 2 of the re-engineering project for the Gauteng MSD is currently in week 12 of the project plan and is achieving considerable results. SCMS has worked with the MSD to develop solutions and begin implementation. Highlights this quarter include:

-
- Cancellation of additional outstanding backorders with suppliers of commodities not currently needed.
 - Sign-off on a redistribution plan for excess pharmaceuticals at the facility level.
 - Reduction in buyouts of contracted items (items purchased outside the contract for negotiated lower rates, at times for prices as much as 1,000 percent higher) to 0 percent. The past average has been 25 percent of total orders. This is the first time perfect performance has been achieved.
 - Reduction in PO authorization time to three days (past performance averaged nine days).
 - *Performance:* In Botswana, the laboratory LMIS reporting rate for December was 93.3 percent, a radical improvement from the 49 percent reported in December 2011.
 - *Performance:* Positive achievements recorded under the Nigeria supply chain unification initiative SCMS is leading include:
 - From July through December 2012, the reporting rate for ARVs from sites increased from 59.1 percent to 88 percent, and for RTKs from 41 percent to 93 percent. The proportion of facilities reporting an ARV stockout on day of reporting fell from 25 percent to 8 percent.
 - During monitoring and supportive visits to sites in the supply chain unification region, retrieved \$39,734 worth of commodities at risk for expiry and redistributed them to various facilities for immediate consumption before expiry
 - *Performance:* In Ethiopia, assessed the ARV stock situation at 22 high-volume health facilities. The stockout figure was 0.45 percent, 1.78 percent and 2.23 percent for three consecutive reporting periods: March-April, May-June and July-August 2012, respectively. No cases of treatment interruption were reported by facilities.

Key Challenges

Throughout the quarter, SCMS experienced several challenges in its country programs, including:

- *Capacity and Capability:* In Zambia, the lack of equipment maintenance contracts continues to have a negative impact on facility-level commodity usage, as equipment breakdowns reduce usage and increase the risk of commodity expiry. SCMS attended a meeting hosted by the Ministry at which vendors were asked to provide quotations for equipment service contracts. Once procured, service contracts should improve equipment functionality, reducing product wastage through expiry.
- *Performance:* In Botswana, ARV stock levels nationwide hit an all-time low due to challenges encountered during CMS procurement (the Public Procurement and Disposal Asset Board did not approve the CMS tender documents because they did not meet requirements). SCMS and CMS are working together to strengthen procurement systems and other early warning systems, including increasing use of Quantimed and PipeLine in forecasting and supply planning.
- *Capacity, Capability and Performance:* Throughout the quarter, several countries experienced potential or confirmed stockouts:
 - In Zambia, central-level stockout of Cobas ALT and AST reagents, which expired as a result of low usage due to equipment breakdown. Sysmex Poch pack 65 was also stocked out due to manufacturing delays, and FACSCount reagent was stocked out due to an unanticipated increase in usage. In addition, the central level reports stockouts of 35 percent of laboratory commodities, including mostly newly adopted lab equipment such as Cobas C111 and ABX Pentra 200, as well as Guava reagents and other reagents. Most of these stockouts are due to delayed shipments from GF/UNDP, which were expected in November 2012 but did not arrive. Also impacting stock availability is the unfilled funding gap due to an increased

demand for laboratory commodities. Delayed shipments are now expected to arrive between end of December 2012 and February 2013.

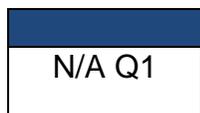
- In Ethiopia, placed two emergency orders for 15,000 cartons of ready-to-use therapeutic food (RUTF) and 786 packs of Vacutainer Serum Separator tube (SST), 1,000 pcs, to avert a potential stockout. Two main factors contributed to the emergency order for RUTF: earlier-than-planned scale-up of the nutrition program to 86 newly on-board health facilities; and the lengthy annual inventory at PFSA, which halted ready-to-use supplementary food (RUSF) distribution, delaying beneficiaries from graduating from RUTF to RUSF and resulting in higher-than-planned consumption of RUTF. The emergency order for SST was mainly due to unprecedented negative adjustment of stock-on-hand of the product at health facilities, the root causes of which are under investigation. Also, placed two emergency orders for 310,000 bottles of Cotrimoxazole suspension and 8,038 boxes of Isoniazid (INH) 300 mg tablet. PFSA requested these orders to avoid potential stockouts due to the expansion of health services and increased consumption of these products.
- In Haiti, placed an emergency order for Determine HIV tests to avert a potential stockout due to above-average use at sites that had implemented a new testing strategy (universal access) using mobile clinics, which was not previously planned and therefore not reflected in our supply plan.
- In Mozambique, CD4 reagents stocked out in some PEPFAR-supported lab sites. THL, the sole-source supplier for many lab commodities in Mozambique, including CD4 reagents, is facing increasing difficulty in keeping BD products in stock, resulting in stockouts. BD is not receiving payment from THL because THL is not receiving timely payment from MOH for CD4 reagents procured from BD through THL.
- In Côte d'Ivoire, no stockouts reported at central level, but regular quarterly data collection from a sample of sites shows stockouts at site level, mainly due to irregular distribution from PSP.
- In Tanzania, procured and delivered 22,560 Determine HIV test kits (four months of stock) as an emergency order. Low stocks at the central level and funding delays from Global Fund triggered this procurement. Per the new interim policy, Determine is the first test used to screen for HIV, thus it was critical to ensure its uninterrupted availability.
- In Burundi, Medonic M-series Diluent and Medonic M-series Lyse were stocked out because SCMS mistakenly specified a different Medonic product on the order. The PQ was amended for quick approval by the Mission. FHI360 found solutions locally to avoid expiry of the incorrect product received, but services are currently not being provided due to stockout of the correct reagents. An urgent order of the correct item is in process.
- In Panama, placed an emergency order for Zidovudine 10 mg/ml (240 bottles of 240 ml) to avert a potential stockout at the Colón treatment center. SCMS coordinated an emergency distribution from Hospital de Niño to Colón.

Workplan:

N/A Q1

Progress against the project-wide workplan for each goal area will be included in the Y8Q2 report after the revised project-wide workplan is completed.

Budget:



Progress against budget will be included in the report once a revision of the budget attributions to activities is completed.

Risk:



For several measures, consistency and reach of supportive supervision to various supply chain levels presented itself as a risk to supply chain capacity, capability and performance. Supportive supervision drove positive performance on several sub-measures included in supply chain performance, such as stockout rates and facility reporting rates. Information, through facility reporting rates, is a driver of central-level supply chain performance. Without adequate reach through supervision to lower-level facilities, facility reporting rates and, in turn, other performance measures suffer due to a lack of information to inform the procurement, warehousing and distribution supply chain functions.

Y8Q1 (October-December 2012) Key Issues & Corrective Actions	
Key Issues Related to Performance Measures	Corrective Actions
Namibia: Delegate skill level at supply chain trainings	Work with MOH to identify level of knowledge in selecting participants to meet pre-requisites for trainings
Côte d'Ivoire: Delays in reporting & transportation	Fundamental review of the supervision process and outsource transportation (in progress)
Botswana: Staff motivation and transportation at CMS	Raise issue with CMS management and outsource warehousing & distribution

III. Goal 3: Leadership and Partnership

Collaborate with key constituencies to strengthen health supply chains and encourage the adoption of best practices.

Key Areas of Performance				
Performance	Workplan	Budget	Risk	Overall
	N/A Q1	N/A Q1		N/A Q1

Performance:



During the first quarter of FY13, SCMS implemented a series of new measures of activities across the project that address collaboration with key constituencies and partners. Several of these are annual indicators for which data will be collected in Q4 of FY13.

Performance by Objective

Collaboration:

Both measures for the collaboration objective are annual, so no official performance is reported during this first quarter.

Knowledge Exchange:

The project is making progress toward its annual targets on both measures aligned to this objective:

Publications: Although SCMS did not publish any papers in the first quarter, there are currently 12 papers in different stages of production.

Presentations: During the first quarter, SCMS gave 14 presentations to key constituencies, including the Council of Supply Chain Management Professionals, African Society for Laboratory Medicine (ASLM), International Association of Public Health Logisticians (IAPHIL) and the UK All Party Parliamentary Group.

Goal	Objective	Measure	Target	Y8Q1	Y7Q4
				Performance	Performance
Leadership & Partnership	3.1 Collaboration	3.1.1 Coordinated Procurement Mechanism (in-country)	TBD	Annual Indicator	
		3.1.2 Number of CPP country-at-risk schedule submissions per year	4	Annual Indicator	
	3.2 Knowledge Exchange	3.2.1 Publishing	4	Annual Indicator	
		3.2.2 Presentations	15	Annual Indicator	

Key Results

- *Knowledge Exchange:* SCMS attended the 5th Global Health Supply Chain Summit in Kigali, Rwanda. The conference covered three tracks: benchmarking supply chain performance, risk management activity and taking supply chain innovations to the public sector. This event was an excellent opportunity to share ideas and network. SCMS presented our National Supply Chain Assessment work as an approach to measuring supply chain capability maturity and performance in the public health sector, citing the results of the South Africa pilot. The audience provided valuable feedback that this is a relatively new focus in the sector and it would be helpful to have a toolkit for review and analysis to determine key support areas.
- *Knowledge Exchange:* SCMS attended the African Society for Laboratory Medicine (ASLM) conference in South Africa, giving four presentations. This conference provided our laboratory

technical team an opportunity to share with a global laboratory audience our new strategic programmatic focus in laboratory supply chains, laboratory optimization, strategic procurement and equipment maintenance. The conference also served as a venue to expand our network of collaborative partners and voice USAID messaging around laboratory optimization, which we have been actively involved in shaping through technical assistance and strategic development efforts.

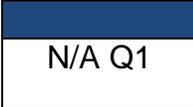
- *Knowledge Exchange*: SCMS attended the annual meeting of Quamed, a multi-national cooperative initiative hosted by the University of Antwerp with funding from the European Commission. Discussion covered the exchange of tools used for the quality assessment of supply organizations. These tools, as well as their interpretation, were presented at the conference. The aim of Quamed is to adopt a common approach to the quality assessment of manufacturers in the developing world, currently limited to sub-Saharan Africa, to both ensure a consistency of approach and avoid duplication. SCMS is currently considering the advantages of joining Quamed and will make recommendations to USAID in early 2013.

Key Challenges

No key challenges were reported during the first quarter of FY13.

Workplan: 

Progress against the project-wide workplan for each goal area will be included in the Y8Q2 report after the revised project-wide workplan is completed.

Budget: 

Progress against budget will be included in the report once a revision of the budget attributions to activities is completed.

Risk: 

No risk to report for Q1 of FY13.

Y8Q1 (October-December 2012) Key Issues & Corrective Actions	
Key Issues Related to Performance Measures	Corrective Actions
No issues to report for Q1 FY 13	

IV. Goal 4: Operational Excellence

Operate an organization that provides best value supply chain and system strengthening services.

Key Areas of Performance				
Performance	Workplan	Budget	Risk	Overall
	N/A Q1	N/A Q1		N/A Q1

Performance:



During the first quarter of FY13, SCMS implemented a series of new measures of activities across the project that address operational excellence. Overall, the project performed well, meeting or exceeding its performance targets for all measures. Some measures aligned to this goal are annual or semi-annual and will be reported accordingly.

Performance by Objective

Cost Effective:

Overall, the project performed well, meeting its targets for cost effectiveness in both operations and implementation of the global supply chain:

Cost Effective: SCMS illustrated its cost-effective operations through its performance on three sub-measures

- Expiry: Expiry at the RDCs during the first quarter of FY13 was 0 percent.
- Surcharge: The surcharge rate continues to remain below the life-of-project target at 3.28 percent.
- Allocated Cost Factor (ACF): The life-of-project ACF rate stands slightly above the performance target of 12 percent, reporting at 12.73 percent as of Y8Q1.

ARV Price Comparison: This is an annual measure that will be reported in Q4.

Ocean Freight: SCMS continues to perform well, with 78 percent of the shipping volume being transported via ocean shipments, exceeding the established target of 50 percent.

Best Value:

Client satisfaction will be reported semi-annually in Q2 and Q4 to reflect the frequency of the customer satisfaction survey. SCMS exceeded the 85 percent client satisfaction target for both the products ordered/received and technical assistance components of our operations measured in the Y7 survey.

Continuous Improvement:

Operational Performance Management:

- Annual partner reviews: This is an annual measure that will be reported in Q4.
- Percentage of TA trips processed according to the SSU TA SOP: During Q1, SCMS underperformed for this measure. Challenges and corrective actions are highlighted in the upcoming sections. As this is a baseline measurement for this new measure, there is no established performance target.

Core systems uptime: SCMS continues to consistently exceed its target of 98 percent for the uptime of its core IT systems, Orion and Knowledge Tree.

Goal	Objective	Measure	Target	Y8Q1	Y7Q4
				Performance	Performance
Operational Excellence	Cost Effective	4.1.1 Cost Effective	TBD	91%	NA
		4.1.2 ARV Price Comparison: SCMS vs GPRM	70%	TBD Q4	Y7: 82%
		4.1.3 Ocean Freight: % of all Freight	≥50%	78%	81%
	Best Value	4.2.1 Client Satisfaction	85%	Y7: 91%	Y6Q3-Y6Q4: 100%
			TBD	Y7: 100%	Y6Q3-Y6Q4: 100%
	Continuous Improvement	4.3.1 Operational Performance Management	TBD	Annual Indicator	
			TBD	8%	NA
	4.3.2 Core Systems Uptime	≥95%	KT: 99.45% ORION: 98.86%	KT: 99.53% ORION: 98.72%	

Key Results

During the quarter, SCMS achieved several key results toward its goal of operational excellence, including:

- *Cost Effective:* Global supply chain reports two important price reductions. Becton Dickinson reduced the price of the FACSCount analyzer control bead set by about 55 percent, from \$187.50 to \$94. This will reduce the cost of low-utilization instruments. Since the beads are consumed at machine startup, the cost of running just a few tests is significantly higher on low-use instruments. This reduction will save SCMS between \$300,000 and \$450,000 per year and allow the cost per test of the FACSCount machine to compete with new point-of-care CD4 instruments. Also, Hetero received t(FDA) approval this quarter for TLE (Efavirenz/Lamivudine/Tenofovir disoproxil fumarate 600/300/300 mg) and quoted \$10.50 per pack. Hetero’s price is almost \$1 cheaper than Mylan’s, at \$11.49. SCMS recently awarded an order for 600,000 packs of TLE to Hetero due to its better price and better lead time, resulting in a cost savings of \$594,000.

Key Challenges

- Continuous Improvement:* SCMS continues to have an issue meeting the three-week requirement for submission of TA trip requests to the COR team. During the quarter, SCMS developed an emergency travel justification (ETJ) process and training program to correct this issue, which will be rolled out in January with an accompanying training for SCMS employees who travel.

Workplan:

N/A Q1

Progress against the project-wide workplan for each goal area will be included in the Y8Q2 report after the revised project-wide workplan is completed.

Budget:

N/A Q1

Progress against budget will be included in the report once a revision of the budget attributions to activities is completed.

Risk:



No risks to report for Q1 of FY13.

Y8Q1 (October-December 2012) Key Issues & Corrective Actions	
Key Issues Related to Performance Measures	Corrective Actions
Identify challenges to determine best practice timeline	Trending of ETJ causes for STTA delays to review challenges and identify corrective actions

Appendix 1: Key Quarterly Statistics

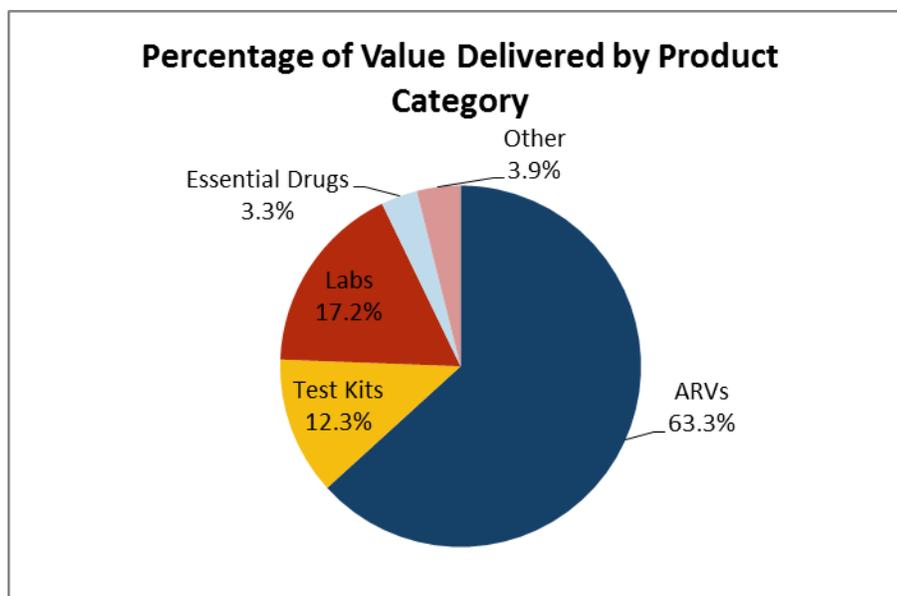
I. Value Delivered

Over the quarter, SCMS delivered \$84 million in commodities to our clients, including \$53.2 million in ARVs and \$14.5 million in lab products. The value of deliveries continues to hold steady in most product categories, with the quarter totaling close to the \$85.7 million delivered in Y7Q4.

Value Delivered			
	October-December 2012	Y8 to date	Life of Project
ARVs	\$ 53,173,268	\$ 53,173,268	\$ 820,776,420
Test Kits	\$ 10,375,300	\$ 10,375,300	\$ 136,555,287
Labs	\$ 14,482,942	\$ 14,482,942	\$ 277,254,123
Essential Drugs (OIs)	\$ 2,754,180	\$ 2,754,180	\$ 60,175,185
Anti-malarial	\$ 15,231	\$ 15,231	\$ 723,158
Food by Prescription	\$ 2,266,935	\$ 2,266,935	\$ 14,517,217
Male Circumcision	\$ 266,880	\$ 266,880	\$ 13,660,528
Other	\$ 729,836	\$ 729,836	\$ 28,638,753
Grand Total	\$ 84,064,571	\$ 84,064,571	\$ 1,352,300,671

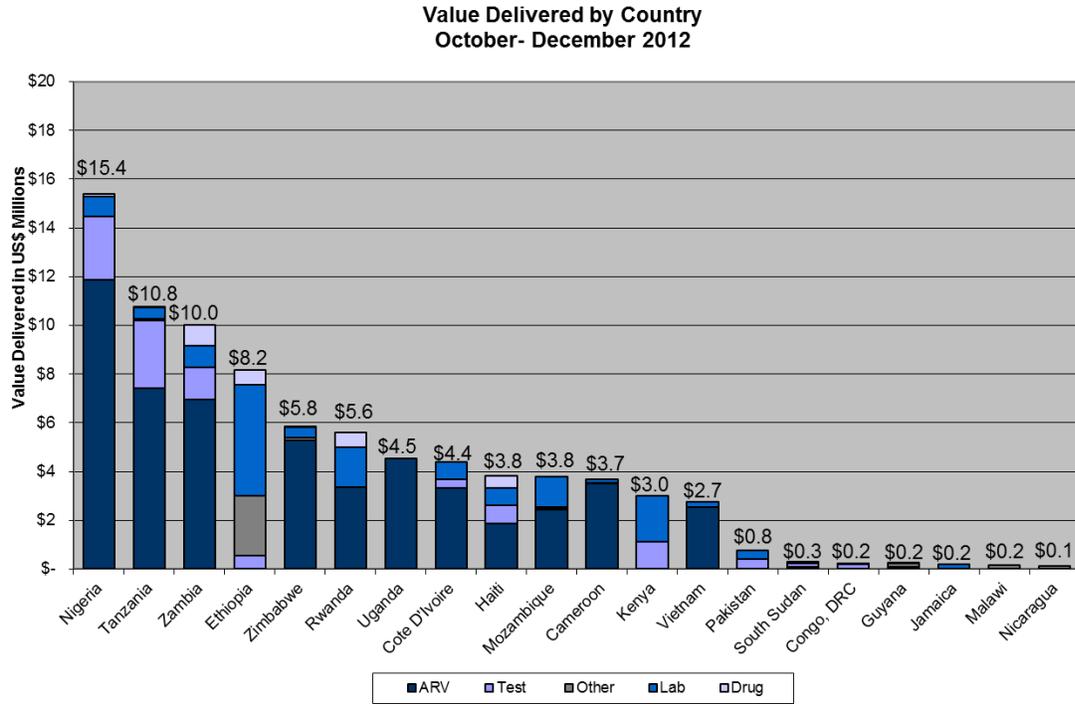
**This graph illustrates the value delivered by product category for the current quarter, year to date and the life of the project.*

For the quarter, ARVs make up 63.3 percent of the value delivered, followed by labs and test kits, which accounted for 17.2 percent and 12.3 percent of the value delivered, respectively.



**This graph illustrates the percentage of value delivered by product category for the current quarter.*

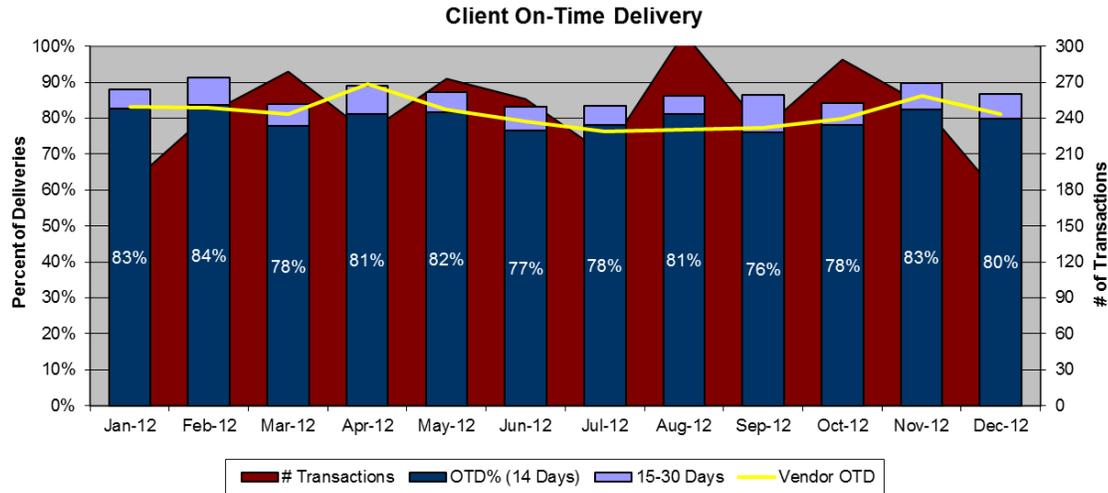
Nigeria and Zambia continue to account for a large portion of the value delivered for the quarter, reflecting \$26.2 million in Y8Q1, down from \$32.9 million in Y7Q4. Cameroon saw an uptick in procurement this quarter, increasing to \$3.7 million in Y8Q1.



*This graph illustrates the value delivered by country for the current quarter. Each color illustrates a product category, which is detailed in the legend. Countries receiving less than \$100,000 worth of deliveries during the quarter are not included in the graph.

II. On-time Delivery (OTD)

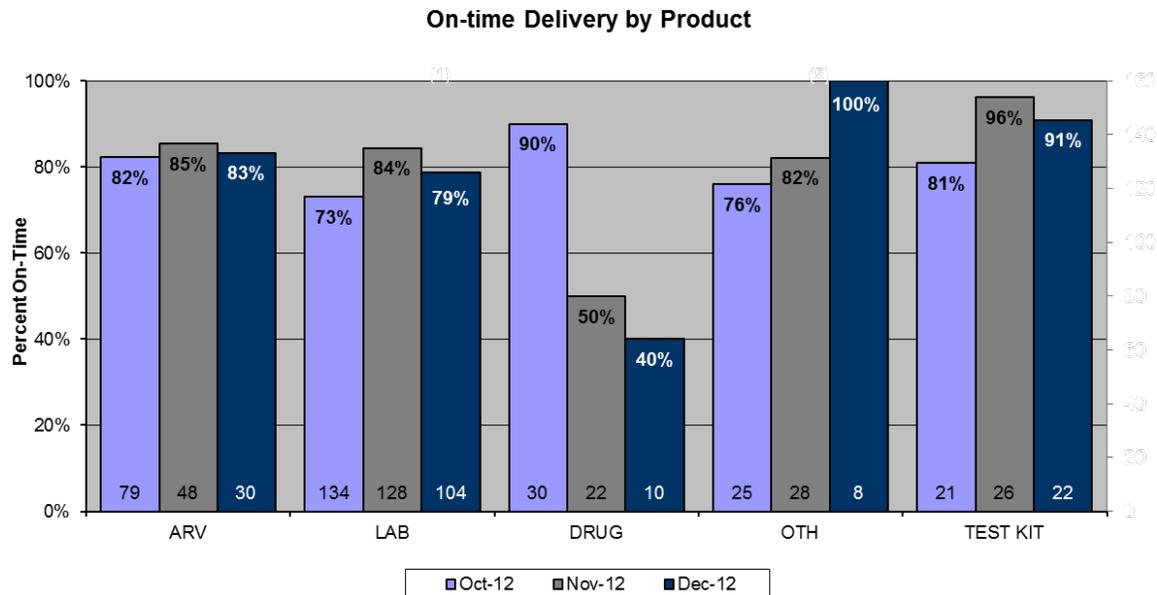
On-time delivery improved slightly to 80 percent for Y8Q1, over 79 percent in Y7Q4. SCMS has held OTD within 3 percent of the proposed target for the last six quarters, ensuring clients receive their deliveries within 14 days of the promised date.



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

*This graph illustrates client on-time delivery for all product categories by month over for the past 12 months. Per the legend, the dark blue illustrates the percentage of deliveries that meet the OTD target. The light blue highlights the additional percentage of those that are delivered within 15-30 days of target. The red background illustrates the number of deliveries per month labeled on the right axis. The yellow trend line illustrates the vendor on-time delivery rate for each month.

On-time delivery, broken out by product category, illustrates that most product categories are performing on target, while essential drug OTD is steadily declining.



*This graph illustrates the on-time delivery by product category for each month of the current quarter. The number on the bottom of each bar represents the number of shipments.

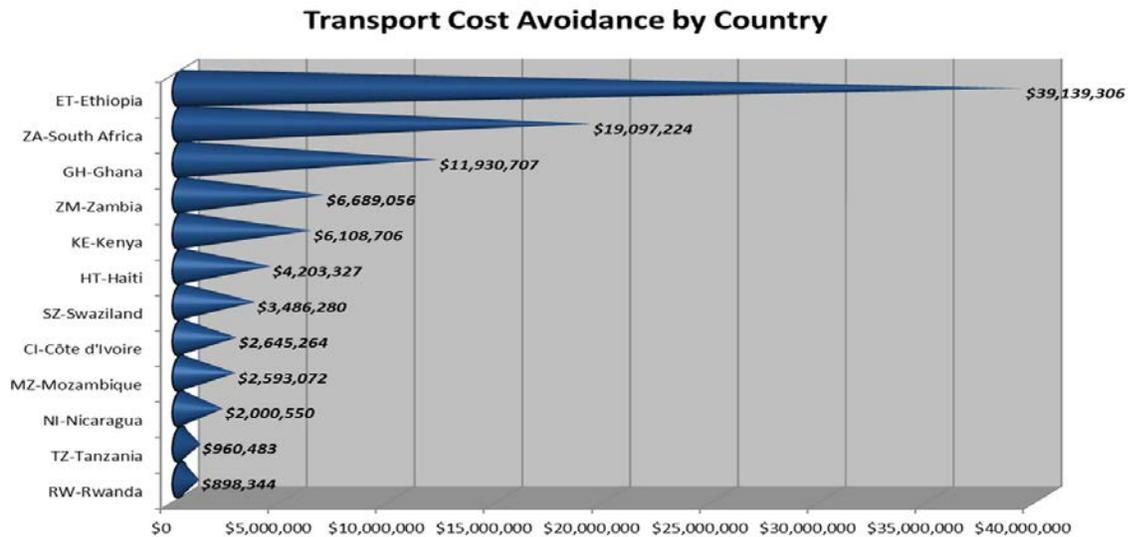
III. Freight

Ocean freight continues to make up the majority of SCMS shipment tonnage. For Y8Q1, ocean freight accounted for 78 percent of shipments.



**This graph illustrates the volume (tonnage) of shipments that are shipped by each transportation method (ocean, road and air) by quarter. Each color represents a different mode of transportation.*

Over the life of the project, SCMS recorded \$101 million in savings by using ocean and road freight versus air freight and \$10 million in savings by using road transport.



**This graph displays the cost savings achieved by using ocean shipments in lieu of air freight by country for the life of the project.*

IV. Forward Orders

Several new orders were placed during the quarter, illustrating a sustained volume of procurements.

New Orders Placed from October-December 2012	
Grand Total	\$175.8M(USD)
Direct Drop Total	\$106.6M (USD)
RDC Stock Total	\$69.2 (USD)
Order Categories	
ARV	\$70.2M (USD)
DRUG	\$10.0M (USD)
TEST KITS	\$66.0M (USD)
LAB	\$19.6M (USD)
OTHER	\$10.0M (USD)

**This table breaks down the value of new orders placed during the quarter by direct drop and RDC, as well as product categories.*

shipments controlled by SCMS as a percentage of value delivered

Chris Larson

≤3%

0%

0.65%



Context

- SCMS continues to have a low rate of loss due to damage, expiry and diversion. The quantity for this period was zero, but we do not expect that this will continue going forward. Still we expect that the current rate of loss for the LOP of 0.07% will continue to be applicable, though we expect this LOP average to decline through 2013.

Performance



Risk & Mitigation

Risk	Impact	Probability	Mitigation Action	Owner

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Measure 1.2.1 SCMS Related Stockout Rate

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend										
			Y8Q1	Y7Q4											
The total number of SCMS related stock-outs of ARVs or Test Kits on the core product list reported by SCMS clients.	Chris Larson	<12 per year	0	0	=										
<ul style="list-style-type: none"> Though SMCS worked on and delivered many emergency orders for ARVs to both PEPFAR and Non-PEPFAR clients during the period, we did not receive any notifications of actual stock outs during the period. Some of the can be attributed to the products SCMS was able to provide on short notice. But also, some of this may be attributable to a less than robust communication process whereby countries do not always report when stock outs occur. SCMS does follow up with our emergency order clients to ensure no stock-out occurred. 			<p style="text-align: center;">Performance</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Quarter</th> <th>Number of Stockouts</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>0</td> </tr> <tr> <td>Q2</td> <td>N/A</td> </tr> <tr> <td>Q3</td> <td>N/A</td> </tr> <tr> <td>Q4</td> <td>N/A</td> </tr> </tbody> </table> <p style="font-size: small; margin-top: 10px;">NB: SCMS related stock-outs are defined as a stock-out due to a breakdown in the SCMS delivery process, resulting in a deviation from the planned delivery schedule.</p>			Quarter	Number of Stockouts	Q1	0	Q2	N/A	Q3	N/A	Q4	N/A
Quarter	Number of Stockouts														
Q1	0														
Q2	N/A														
Q3	N/A														
Q4	N/A														
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Reason	Country	Client	Product												
N/A	N/A	N/A	N/A												
Risk & Mitigation			Issues & Corrective Actions												
Risk	Impact	Probability	Mitigation Action	Owner	Issues	Corrective Actions	Owner	Deadline							

Measure 1.2.2a On-Time Delivery: Core Products

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend																																								
			Y8Q1	Y7Q4																																									
Percentage of orders delivered no more than 14 days after the PQ projected delivery date.	Gordon Comstock	Core: 80% ARV, LAB, DRUG, HIV Test Kit, VMMC Kits	80%	80%	=																																								
		Non-Core: 70% ORDT, MRDT, ANTM, ACT, FP, OTH	79%	70%	↑																																								
Context <p>In Y8Q1 OTD performance for CORE products is at or above 80% for the past four quarters. Total volume is holding fairly steady. SCMS maintains OTD of ARVs while volumes are simultaneously increasing and ARV prices decline. Reducing supply risk through splitting orders over multiple vendors. OTD for HIV RTKs improved to 95% on time with the remaining 5% delivered within 15-30 days of the target. SCMS achieved 100% for OTD of VMMC products, an improvement from the 83% obtained during Y7Q4. PMO managed OTD decreased in the past three quarters as many NFO countries have come on-line and delivery challenges in Rwanda. Of the 44 late PMO deliveries 19 are to NFO countries and 12 are Rwanda, related due to complex communication between the country partners, making up 70% of the late PMO orders. In Y8Q1 FOMP OTD performance was 86% which is a 5% increase from the previous quarter. Volume is also increasing with 320 deliveries in Y8Q1 versus 290 in Y7Q4.</p>			Performance <p>Note: (i) Core includes ARV, HIV Test, VMMC, Drug, Lab. Non-Core includes FP, Test, OTH. (ii) Other Core includes Drug, Lab, ACT, ANTM.</p>																																										
Risk & Mitigation <table border="1"> <thead> <tr> <th>Risk</th> <th>Impact</th> <th>Probability</th> <th>Mitigation Action</th> <th>Owner</th> </tr> </thead> <tbody> <tr> <td>ARV Vendor On Time</td> <td>High</td> <td>High</td> <td>Multiple Vendor Strategy / Vendor Management / Shifting ocean to air when delayed</td> <td>Ard van Dongen</td> </tr> <tr> <td>RTK Import Waiver and Customs Clearance Processing</td> <td>High</td> <td>Medium</td> <td>Add the appropriate amount of waiver processing time required at PQ time</td> <td>Laura Thomas</td> </tr> <tr> <td>Manufacturers of VMMC disposable kits working almost at maximum capacity reducing probabilities of stock availability if new emergency orders are placed</td> <td>High</td> <td>High</td> <td>Issued tender to diversify supplier base and stocking RDCs in Kenya and South Africa with disposable VMMC kits</td> <td>Juan Jaramillo/ Elisha Kitula</td> </tr> </tbody> </table>			Risk	Impact	Probability	Mitigation Action	Owner	ARV Vendor On Time	High	High	Multiple Vendor Strategy / Vendor Management / Shifting ocean to air when delayed	Ard van Dongen	RTK Import Waiver and Customs Clearance Processing	High	Medium	Add the appropriate amount of waiver processing time required at PQ time	Laura Thomas	Manufacturers of VMMC disposable kits working almost at maximum capacity reducing probabilities of stock availability if new emergency orders are placed	High	High	Issued tender to diversify supplier base and stocking RDCs in Kenya and South Africa with disposable VMMC kits	Juan Jaramillo/ Elisha Kitula	Issues & Corrective Actions <table border="1"> <thead> <tr> <th>Issues</th> <th>Corrective Actions</th> <th>Owner</th> <th>Deadline</th> </tr> </thead> <tbody> <tr> <td>NFO Country import waiver /customs clearances takes longer than forecasted</td> <td>Work with client in country to either speed up the processes or provide more realistic times to Procurement so that it can be built into the lead time. Mainly Pakistan and DRC</td> <td>Laura Thomas Irma Karsten</td> <td>Ongoing</td> </tr> <tr> <td>Limited number of eligible essential drug products</td> <td>Targeted search for additional vendors, including pan-african wholesalers, international & local manufacturers</td> <td>HdBesten</td> <td>May 2013</td> </tr> <tr> <td>Data integrity in ORION to ensure delivered POs are validated by the 6th business day of the month.</td> <td>Procurement Managers in field offices are required to provide a weekly report to Senior Procurement Advisor noting AD/UD code and date of validation of all delivered POs.</td> <td>Senior Procurement Advisor</td> <td>Every Friday by 3pm EST.</td> </tr> <tr> <td>Cephied (GeneXpert) continues to ration orders</td> <td>Working with supplier and country teams to align expectations with delivery.</td> <td>Peter Smith</td> <td>3/30/2012</td> </tr> </tbody> </table>			Issues	Corrective Actions	Owner	Deadline	NFO Country import waiver /customs clearances takes longer than forecasted	Work with client in country to either speed up the processes or provide more realistic times to Procurement so that it can be built into the lead time. Mainly Pakistan and DRC	Laura Thomas Irma Karsten	Ongoing	Limited number of eligible essential drug products	Targeted search for additional vendors, including pan-african wholesalers, international & local manufacturers	HdBesten	May 2013	Data integrity in ORION to ensure delivered POs are validated by the 6th business day of the month.	Procurement Managers in field offices are required to provide a weekly report to Senior Procurement Advisor noting AD/UD code and date of validation of all delivered POs.	Senior Procurement Advisor	Every Friday by 3pm EST.	Cephied (GeneXpert) continues to ration orders	Working with supplier and country teams to align expectations with delivery.	Peter Smith	3/30/2012
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Cephied (GeneXpert) continues to ration orders	Working with supplier and country teams to align expectations with delivery.	Peter Smith	3/30/2012																																										

Measure 1.2.2b On-Time Delivery: Non-Core Products

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend																		
			Y8Q1	Y7Q4																			
Percentage of orders delivered no more than 14 days after the PQ projected delivery date.	Peter Smith	Core: 80% ARV, LAB, DRUG, HIV Test Kit, VMMC Kits	80%	80%	=																		
		Non-Core: 70% ORDT, MRDT, ANTM, ACT, FP, OTH	79%	70%	↑																		
<p align="center">Context</p> <p>Non-Core Non-core products and non-HIV lab tests OTD was 81% for Y8Q1. These orders tend to be complex items such as vehicles, warehousing and heavy equipment. The low number of deliveries per quarter, 15 deliveries in Y8Q1, make the OTD more variable than other categories.</p>			<p align="center">Performance</p> <p align="center">Note: (i) Core includes ARV, HIV Test, VMMC, Drug, Lab. Non-Core includes FP, Test, OTH. (ii) Other Core includes Drug, Lab, ACT, ANTM.</p>																				
<p align="center">Risk & Mitigation</p> <table border="1"> <thead> <tr> <th>Risk</th> <th>Impact</th> <th>Probability</th> <th>Mitigation Action</th> <th>Owner</th> </tr> </thead> <tbody> <tr> <td>Delays at import</td> <td>Low</td> <td>High</td> <td>Most countries know these items take longer and plan accordingly.</td> <td>Peter Smith</td> </tr> </tbody> </table>			Risk	Impact	Probability	Mitigation Action	Owner	Delays at import	Low	High	Most countries know these items take longer and plan accordingly.	Peter Smith	<p align="center">Issues & Corrective Actions</p> <table border="1"> <thead> <tr> <th>Issues</th> <th>Corrective Actions</th> <th>Owner</th> <th>Deadline</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Issues	Corrective Actions	Owner	Deadline				
Risk	Impact	Probability	Mitigation Action	Owner																			
Delays at import	Low	High	Most countries know these items take longer and plan accordingly.	Peter Smith																			
Issues	Corrective Actions	Owner	Deadline																				

Measure 1.2.3a On-Time PQ Turnaround: ARVs

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend
			Y8Q1	Y7Q4	
Average number of days between client initially contacting SCMS for a price request (PR) and SCMS sending a price quote (PQ) to the client, broken out by 5 milestones/"steps" in the process.	Chris Larson	ARV: 70%	50%	88%	↓
		HIV Test Kits: 85%	84%	93%	↓
		VMMC: TBD	100%	100%	=

Risk & Mitigation				
Risk	Impact	Probability	Mitigation Action	Owner
Delays in turning around PQs on time effect client satisfaction	Medium	Low	Advanced supply planning to ensure RDDs allow enough lead time	Quantification advisors in PMO and FO
			Work with FO's to send PQs to clients more timely	WB, FO procurement team (Uganda, Haiti)

Issues & Corrective Actions			
Issues	Corrective Actions	Owner	Deadline

ARVs

- During this period, many of the PQs for ARVs required considerable discussion and follow up with clients. This included clarifications on the products or quantities requested and the required delivery dates. In most cases, these clarifications take 1-2 weeks to run down with clients meaning that with the 14 day requirement for RDC PQs, almost any follow up we have with the client can push us beyond the 14 days metric.
- Considerable follow up was required on PQs for Uganda (6 PQs – clarification of products and quantities), and DRC (registration issues), and Angola (2 PQs – clarifications on registration, products and quantities. Also there were delays on the FO finalizing PQ's; HT, Zam, Uganda
- Client PQ's that cover ARVs ordered for delivery from RDCs are typically done with sufficient lead time (order to delivery time frame) such that delays in finalizing PQs seldom impact the on time delivery performance to the client. This was the case in Y8Q1.

Performance

PQs Completed within Target: ARV via RDC (PMO)

4 Qtr. Performance 82%

Note: The target PQ turnaround time for each product group is as follows: ARVs fulfilled via RDC is 14 days, HIV test kits is 21 days, and VMMC is 42 days.

Measure 1.2.3b On-Time PQ Turnaround: HIV Test Kits

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend
			Y8Q1	Y7Q4	
Average number of days between client initially contacting SCMS for a price request (PR) and SCMS sending a price quote (PQ) to the client, broken out by 5 milestones/"steps" in the process.	Laura Thomas	ARV: 70%	50%	88%	↓
		HIV Test Kits: 85%	84%	93%	↓
		VMMC: TBD	100%	100%	=

Context	Performance
<p>HIV RTK</p> <p>PQ turn around has been about 80% for three of the four listed quarters. With the low overall number of test kit PQs it only takes a few late to drive down the performance. The past quarter had three late PQs: Haiti, Uganda and Georgia. NFO countries have a long turn around on PQ to clarify needs with the country.</p>	<p>Performance</p> <p>PQs Completed within Target: HIV Test Kit (PMO)</p> <p>4 Qtr. Performance 84%</p> <p>Note: The target PQ turnaround time for each product group is as follows: ARVs fulfilled via RDC is 14 days, HIV test kits is 21 days, and VMMC is 42 days.</p>

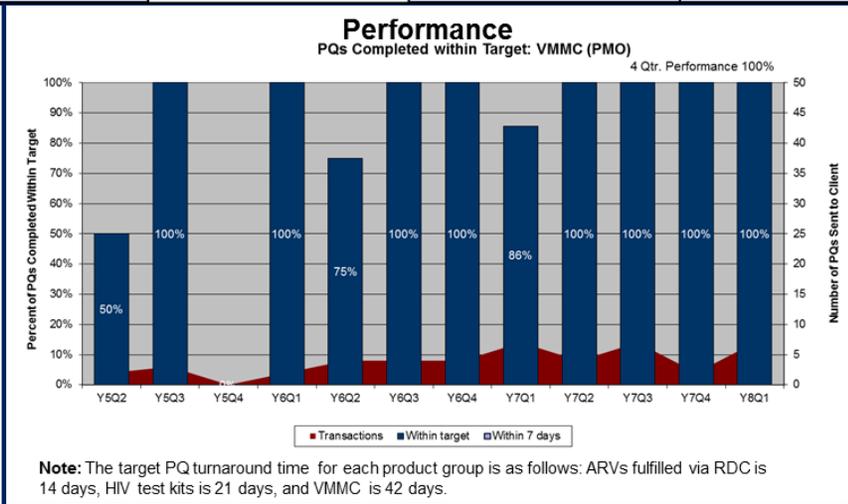
Risk & Mitigation					Issues & Corrective Actions			
Risk	Impact	Probability	Mitigation Action	Owner	Issues	Corrective Actions	Owner	Deadline
NFO Countries take longer to process	Low -- as long as the orders are not emergency	Medium -- we will continue to deliver random late PQs for NFO countries.	We have been faster at engaging NFO countries to clarify needs.	Laura Thomas	Kenya: a Whse fire destroyed 23 boxes of Determine. The fire and remediation slowed getting kits into inventory.	Supplier is replacing product.	Laura Thomas	March 30

Measure 1.2.3b On-Time PQ Turnaround: VMMC Kits

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend
			Y8Q1	Y7Q4	
Average number of days between client initially contacting SCMS for a price request (PR) and SCMS sending a price quote (PQ) to the client, broken out by 5 milestones/"steps" in the process.	Juan Jaramillo	ARV: 70%	50%	88%	↓
		HIV Test Kits: 85%	84%	93%	↓
		VMMC: TBD	100%	100%	=

Context

VMMC
 In Y8Q1, SCMS maintained a performance of 100% for VMMC PQs completed within target. SCMS has maintained 100% on this measure for the last 4 quarters. Familiarity with shipping options for target countries as well as the use of the RDCs for VMMC products have helped maintained the 100% on this measure



Risk & Mitigation

Risk	Impact	Probability	Mitigation Action	Owner
Increase in request for reusable VMMC kits that are currently not stored in RDCs	Medium	Medium	Conversations with vendors about possible future orders and stocking RDCs with some reusable kits	Juan Jaramillo / Elisha Kitula

Issues & Corrective Actions

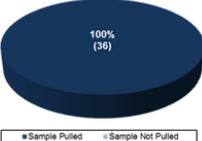
Issues	Corrective Actions	Owner	Deadline

Measure 1.2.4 Forecast Accuracy (in-country)

Measure Definition	Measure Owner	Target	Year 8 Performance		Performance Trends
			Y8Q1	Y7Q4	
The percentage difference between forecasts made for a year and the actual consumption that year	Alan Pringle	ARVs	TBD	NA	
		Test Kits	TBD	NA	

Context					Performance																																																								
<p><i>This measure is an annual measure that will be reported on at the end of the SCMS fiscal year.</i></p>					<table border="1"> <caption>Forecast Accuracy Data (Estimated from Chart)</caption> <thead> <tr> <th>Country</th> <th>ARV (%)</th> <th>RTK (%)</th> </tr> </thead> <tbody> <tr><td>BW</td><td>20</td><td>65</td></tr> <tr><td>CI</td><td>70</td><td>32</td></tr> <tr><td>ET</td><td>40</td><td>95</td></tr> <tr><td>GT</td><td>55</td><td>32</td></tr> <tr><td>GY</td><td>60</td><td>60</td></tr> <tr><td>HT</td><td>48</td><td>85</td></tr> <tr><td>HN</td><td>30</td><td>65</td></tr> <tr><td>MZ</td><td>15</td><td>35</td></tr> <tr><td>NA</td><td>12</td><td>82</td></tr> <tr><td>NG</td><td>65</td><td>45</td></tr> <tr><td>PA</td><td>35</td><td>48</td></tr> <tr><td>RW</td><td>50</td><td>75</td></tr> <tr><td>SA</td><td>55</td><td>42</td></tr> <tr><td>TZ</td><td>78</td><td>88</td></tr> <tr><td>VN</td><td>55</td><td>95</td></tr> <tr><td>ZM</td><td>78</td><td>88</td></tr> <tr><td>ZW</td><td>50</td><td>78</td></tr> </tbody> </table>			Country	ARV (%)	RTK (%)	BW	20	65	CI	70	32	ET	40	95	GT	55	32	GY	60	60	HT	48	85	HN	30	65	MZ	15	35	NA	12	82	NG	65	45	PA	35	48	RW	50	75	SA	55	42	TZ	78	88	VN	55	95	ZM	78	88	ZW	50	78
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Measure 1.3.1 Pharmaceutical Product Sampling: Actual Pulled vs. Flagged

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend																		
			Y8Q1	Y7Q4																			
The number of pharma POs with samples pulled for testing as a percentage of the total number required to pull according to the Pharmaceutical Product Sampling and Testing Policy.	Chryste Best	88%	100%	89%	↑																		
Context <ul style="list-style-type: none"> ARVs were collected from SA & Ghana RDCs, Haiti and Vietnam – no issues with collection Drugs were mainly collected from Haiti – no issues with collection 			Performance Product Sampling - Actual Pulled vs. Flagged  <table border="1"> <thead> <tr> <th>Product Type</th> <th>Flagged</th> <th>Collected</th> <th>In Transit</th> <th>Unable to Collect</th> </tr> </thead> <tbody> <tr> <td>ARV</td> <td>16</td> <td>16</td> <td>-</td> <td>-</td> </tr> <tr> <td>DRUG</td> <td>9</td> <td>9</td> <td>-</td> <td>-</td> </tr> </tbody> </table>			Product Type	Flagged	Collected	In Transit	Unable to Collect	ARV	16	16	-	-	DRUG	9	9	-	-			
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Measure 1.4.1 Planned, Unplanned and Emergency Orders

Measure Definition	Measure Owner	Target	Year 8 Performance																						
			Y8Q1	Y7Q4																					
Percentage of SCMS orders that are planned, unplanned & emergency Orders	Chris Larson	NA	Planned	85.7%	70.9%																				
			Unplanned	10.3%	12.1%																				
			Emergency	3.9%	17%																				
<p>Context</p> <ul style="list-style-type: none"> SCMS continues to make it a priority focus to plan ARV orders. We do this through our quantification process whereby PMO quantification advisors work with countries to develop national level ARV supply plans that are updated quarterly. SCMS also incorporates a strong training agenda relative to quantification training FO staff as well as host country staff from the country MOH. We continue to work to improve the percentage of RTK and LAB orders that are planned. We are also focused on working with countries to increase the number of planned orders for MC kits. To do this, we are focused on providing direct quantification support via TA as well as remote assistance to clarify demand. 			<p>Performance</p> <p>Planned, Unplanned & Emergency Order Expenditure</p> <table border="1"> <thead> <tr> <th></th> <th>Planned</th> <th>Unplanned</th> <th>Emergency</th> </tr> </thead> <tbody> <tr> <td>ARV</td> <td>98.8%</td> <td>0.0%</td> <td>1.2%</td> </tr> <tr> <td>RTK</td> <td>78.6%</td> <td>16.8%</td> <td>4.6%</td> </tr> <tr> <td>VMMC</td> <td>0.0%</td> <td>9.2%</td> <td>90.8%</td> </tr> <tr> <td>Other</td> <td>70.1%</td> <td>23.7%</td> <td>6.2%</td> </tr> </tbody> </table>				Planned	Unplanned	Emergency	ARV	98.8%	0.0%	1.2%	RTK	78.6%	16.8%	4.6%	VMMC	0.0%	9.2%	90.8%	Other	70.1%	23.7%	6.2%
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Measure 2.1.1 Country Ownership

Measure Definition	Measure Owner	Target	Year 8 Performance	Year 7 Performance	Trend
2.1.1a-Number of SCMS-supported countries with approved national supply chain strategic plans 2.1.1b-Level of country counterpart ownership QASP 2.1.1c-% of supply chain functions documented in SOPs	Alan Pringle	TBD	TBD	NA	

Context	Performance																
<p>This measure is an annual measure that will be reported on at the end of the SCMS fiscal year.</p>	<p>2.1.1a 0% 100%</p> <p>2.1.1b 0% 100%</p> <p>2.1.1c 0% 100%</p>																
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Measure 2.1.2 Competency

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend
			Y8Q1	Y7Q4	
2.1.2 Competency-Percent of non-SCMS staff trained and deemed competent in supply chain functions	Diane Reynolds	TBD	41%	NA	

Context					Performance																												
<ul style="list-style-type: none"> Formula to be updated to measure competency against number of people trained versus targets BW, HT, NG, SA: Target high, but competency met for those trained RW and PA: Shift in training schedule NA: Met training target but not competency target 					<table border="1"> <caption>Performance Data</caption> <thead> <tr> <th>Region</th> <th>Percent of Non-SCMS Trained and Deemed Competent</th> </tr> </thead> <tbody> <tr><td>BW</td><td>23%</td></tr> <tr><td>ET</td><td>100%</td></tr> <tr><td>GY</td><td>108%</td></tr> <tr><td>HT</td><td>76%</td></tr> <tr><td>NA</td><td>64%</td></tr> <tr><td>NG</td><td>63%</td></tr> <tr><td>PA</td><td>0%</td></tr> <tr><td>RW</td><td>2%</td></tr> <tr><td>SA</td><td>71%</td></tr> <tr><td>TZ</td><td>91%</td></tr> <tr><td>ZM</td><td>100%</td></tr> <tr><td>ZW</td><td>100%</td></tr> </tbody> </table>			Region	Percent of Non-SCMS Trained and Deemed Competent	BW	23%	ET	100%	GY	108%	HT	76%	NA	64%	NG	63%	PA	0%	RW	2%	SA	71%	TZ	91%	ZM	100%	ZW	100%
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Risk	Impact	Probability	Mitigation Action	Owner	Issues	Corrective Actions	Owner																										
Challenges with coordination at MoH on executing training	High	Medium	Increased advocacy	FPS Management	NA: Delegate skill level	Work with MOH to Identify level of knowledge in selecting participants to meet pre-requisites	H. Abdallah																										

Measure 2.1.3 Supply Chain Assessment: CMM Score

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend																		
			Y8Q1	Y7Q4																			
2.1.3 Results of the Supply Chain Assessment CMM tool, illustrating capability maturity of in-country supply chains	Diane Reynolds	TBD	TBD	NA																			
<p style="text-align: center;">Context</p> <p><i>This measure is an annual measure that will be reported on at the end of the SCMS fiscal year.</i></p>			<p style="text-align: center;">Performance</p> <p><i>Format for displaying CMM performance will be determined after the tool is completed</i></p>																				
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Measure 2.2.1 Supply Chain Performance (in-country)

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend																			
			Y8Q1	Y7Q4																				
2.2.1a Facility Reporting Rates 2.2.1b Expiry 2.2.1c On-time delivery 2.2.1d Stock-out rates 2.2.1e Order Fill Rate	Diane Reynolds	TBD		NA																				
<p>Context</p> <ul style="list-style-type: none"> Five indicators represent high level view of supply chain performance where SCMS supports functions in ARVs and RTKs tracer commodities Strong performance resulting from: <ul style="list-style-type: none"> Oversight in: LMIS, good planning and training, infrastructure in place CI reported challenges relating to delays in reporting, reporting quality, and transportation BW challenges with distribution highlight need for outsourcing RW challenges with delayed procurement 			<p>Performance</p>																					
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Measure 2.2.2 Supply Chain Assessment: KPI Score

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend																		
			Y8Q1	Y7Q4																			
2.1.3 Results of the Supply Chain Assessment KPI tool, illustrating performance of in-country supply chains	Diane Reynolds	TBD	TBD	NA																			
<p align="center">Context</p> <p><i>This measure is an annual measure that will be reported on at the end of the SCMS fiscal year.</i></p>			<p align="center">Performance</p> <p><i>Format for displaying KPI performance will be determined after the tool is completed</i></p>																				
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Issues	Corrective Actions	Owner	Deadline																				

Measure 3.1.1 Coordinated Procurement Plans (in-country)

Measure Definition	Measure Owner	Target	Year 8 Performance	Year 7 Performance	Trend																																															
Percentage of SCMS-supported countries with coordinated procurement plans	Alan Pringle	TBD	TBD	NA																																																
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		Mozambique	Yes	No																																																
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		Nigeria	Yes	No																																																
		Rwanda	No	Yes																																																
		South Africa	Yes	Yes																																																
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Risk	Impact	Probability	Mitigation Action	Owner	Issues	Corrective Actions	Owner																																													

Measure 3.1.2 Number of CPP Country-at-Risk Schedule Submissions

Measure Definition	Measure Owner	Target	Y8 to date	Year 7 Performance	Trend																		
Number of CPP country-at-risk schedule submissions per year	Dominique Zwinkels	4	TBD	NA																			
<p style="text-align: center;">Context</p> <ul style="list-style-type: none"> Bi-monthly CPP Steering Committee meetings were held and a revised countries at risk schedule was submitted to CPP members on: <ul style="list-style-type: none"> November 13, 2012 – updates from Cameroon, Malawi, Mozambique, and Tanzania. 			<p style="text-align: center;">Performance</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Country</th> <th>Number of Submissions According to Schedule</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>			Country	Number of Submissions According to Schedule																
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Measure 3.2.1 Publishing

Measure Definition	Measure Owner	Target	Y8 to date	Year 7 Performance	Trend																		
Number of journal articles published	Jay Heavner	4	0	NA																			
<p>Context</p> <p>There are at least 12 papers in various stages of publication, including 2 or 3 that may be published this quarter or next.</p> <p>Challenges</p> <ul style="list-style-type: none"> Some papers are always in development and 'close to final' but never completed 			<p>Performance</p> <table border="1"> <thead> <tr> <th>Article Title</th> <th>Publication Journal</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>			Article Title	Publication Journal																
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Measure 3.2.1 Presentations

Measure Definition	Measure Owner	Target	Y8 to date	Year 7 Performance	Trend																		
Number of presentations to key constituencies	Jay Heavner	15	14	NA																			
<p>Context</p> <ul style="list-style-type: none"> ASLM provided the opportunity to make many presentations on laboratory issues, and laid the ground word for increased collaboration with CDC. The number of completed presentations is well on target, and more are scheduled. 			<p>Performance</p> <table border="1"> <thead> <tr> <th>Number of Presentations</th> <th>Audience or Event</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>UK All Party Parliamentary Group</td> </tr> <tr> <td>1</td> <td>Council of Supply Chain Management Professionals</td> </tr> <tr> <td>2</td> <td>USAID staff in DC</td> </tr> <tr> <td>1</td> <td>CHAI ARV Supplier/Buyer Summit</td> </tr> <tr> <td>6</td> <td>African Society for Laboratory Medicine (ASLM)</td> </tr> <tr> <td>1</td> <td>IAPHL – Global Health Summit</td> </tr> <tr> <td>1</td> <td>UN Inter-Agency Procurement Coordination</td> </tr> <tr> <td>1</td> <td>WHO/UNAIDS annual consultation with pharma companies and stakeholders</td> </tr> </tbody> </table>			Number of Presentations	Audience or Event	1	UK All Party Parliamentary Group	1	Council of Supply Chain Management Professionals	2	USAID staff in DC	1	CHAI ARV Supplier/Buyer Summit	6	African Society for Laboratory Medicine (ASLM)	1	IAPHL – Global Health Summit	1	UN Inter-Agency Procurement Coordination	1	WHO/UNAIDS annual consultation with pharma companies and stakeholders
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Measure 4.1.1 Cost Effective

Measure Definition	Measure Owner	Target	Y8Q1	Y7Q4	Trend																						
4.1.1a Expiry RDC Stock 4.1.1b Surcharge 4.1.1c ACF 4.1.1d BRC	Katrina Kruhm Chris Larson	4.1.1a ≤ 3% 4.1.1b ≤ 5% 4.1.1c ≤ 12% 4.1.1d 4	91%	91%	=																						
<p>Context:</p> <p>4.1.1a Expiry SCMS was within its required performance range for the quarter relative to expiry.</p> <p>4.1.1b LOP Surcharge is below target as the base (total commodity procurements) remain high and the pool (procurement-related operating costs) are within budget</p> <p>4.1.1c LOP ACF is above target as the base (total field expenses) are below budget and the pool (operating costs) were under-budgeted</p> <p>4.1.1d BRC reporting has been completed on an ad hoc basis to date. Not reported in Q1 because it is an annual measure</p>			<p>Performance</p> <p>4.1.1a Expiry: 0% to 5% (Target ≤ 3%)</p> <p>4.1.1b LOP Surcharge: 0% to 10% (3.28% current, Target ≤ 5%, Tolerance Band 5-8%)</p> <p>4.1.1c LOP ACF: 0% to 20% (12.73% current, Target ≤ 12%, Tolerance Band 12-17%)</p> <p>4.1.1d BRC Reporting: 0% to 100%</p>																								
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Measure 4.1.2 ARV Price Comparison: SCMS vs. GPRM

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend																		
			Y8	Y7																			
This measure compares SCMS ARV price to those in the GPRM	Ron Marroco	70%	TBD	82%																			
<p>Context</p> <p><i>This measure is an annual measure that will be reported on at the end of the SCMS fiscal year.</i></p>			<p>Performance</p> <table border="1"> <caption>ARV Price Comparison: SCMS vs GPRM</caption> <thead> <tr> <th>Year</th> <th>Percentage of SCMS ARVs with lower price than GPRM</th> </tr> </thead> <tbody> <tr> <td>Y5</td> <td>80%</td> </tr> <tr> <td>Y6</td> <td>72%</td> </tr> <tr> <td>Y7</td> <td>82%</td> </tr> </tbody> </table>			Year	Percentage of SCMS ARVs with lower price than GPRM	Y5	80%	Y6	72%	Y7	82%										
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Measure 4.1.3 Ocean Freight: Percentage of All Freight

Measure Definition	Measure Owner	Target	Y8Q1	Y7Q4	Performance Trends
Tonnage of <u>international</u> deliveries shipped by ocean as a percentage of all international freight	Gary Carle	≥50%	78%	81%	↓

Context

- In Y8Q1 Ocean volumes returned to normal volumes after the elevated seasonal volumes traditionally realized in the Q4 of 2012.
- Also ocean volumes were somewhat effected by the Holiday “Red Zone” with some shipments being held to arrive in early January of the New Year.
- Additional Ocean shipments were held at destination and not delivered due to warehouse space issues at PFSA in Addis Abba.

Performance



Risk & Mitigation

Risk	Impact	Probability	Mitigation Action	Owner

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Measure 4.2.1 Client Satisfaction

Measure Definition	Measure Owner	Target	Year 7 Performance		Trend																											
			Y7	Y6Q4																												
Rating is based on client response to "Overall Satisfaction" on Products Ordered/Products Received and Technical Assistance client survey.	GSC: Gordon Comstock	85%	91%	100%	↓																											
	FPS: Diane Reynolds	TBD	100%	100%	=																											
<p>Context</p> <ul style="list-style-type: none"> \$391M delivered shipments to 36 countries 19 clients responded down from 77 in Y6Q4 11 FO countries responded: BW, CI, ET, GT, MZ, NA, NG, RW, UG, VN, and ZW 10 FO countries did not respond : BI, DRC, GY, HN, HT, KE, PA, SA, TZ, ZM No feedback from NFO countries <p>Products Ordered & Received:</p> <ul style="list-style-type: none"> 100% of respondents would recommend SCMS for procurement needs 10 of 11 respondents indicated their overall satisfaction with SCMS procurement services. Only APIN in Nigeria responded negatively, but would recommend SCMS for procurement. <p>Technical Assistance:</p> <ul style="list-style-type: none"> 100% satisfaction 16 countries received TA in Y7 (113 STTAs) Top recipients: TZ (22), NG (9), CI (7), ET (7), GT (7) 3 countries responded: ET, GT, NA 			<p>Performance</p> <p>Note: The Client Satisfaction only takes into account respondents who answer on the Likert Scale in the categories above, a response of "Neither Agree nor Disagree" is not taken into calculation of the overall satisfaction.</p>																													
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Measure 4.3.1 Operational Performance Management

Measure Definition	Measure Owner	Target	Y8 to date	Year 7 Performance	Trend
4.3.1a Annual Partner Operational Review	Afua Ofosu-Barko Diane Reynolds	TBD	TBD	NA	
4.3.1b % of TA trips processed on-time		TBD	8%	NA	

4.3.1a: Annual Partner Operational Review

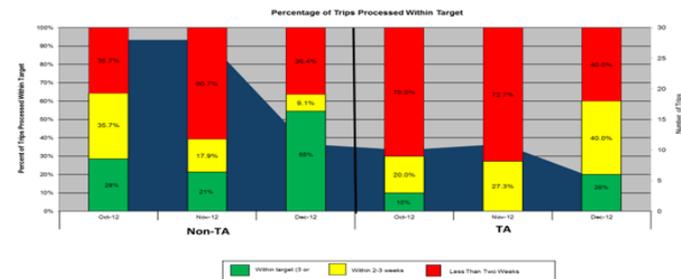
- The Operations Unit staff will conduct periodic visits during the life of the IQC to selected Subcontractors to review internal controls, contractual compliance, audit findings, indirect rates, recent reorganizations, cost accounting capability, and cost allowability.

4.3.1b % of TA trips processed on-time

- The chart reports on the performance of Non-TA and TA.
- Poor performance in meeting 3 week requirements for processing Travel Requests for TA
- Implementation of the Emergency Travel Justification (ETJ) training (01/24/13) and process implementation has brought attention to the requirement to meet 3 week travel request process
- The trending process will indicate issues being experienced in achieving deadline to enable support or change process to be implemented

Performance

Annual Partner Operational Review			
Partner	Review Complete	CAPA Complete	Follow Up Complete
Imperial			
Manoff			
Voxiva			
I+ Solutions			
Crown Agents			
31			



Risk & Mitigation

Risk	Impact	Probability	Mitigation Action	Owner
Introduction of ETJ into travel process	High	Low	Review trends and provide guidance & support to FO/PO as necessary	Diane Reynolds
Not completing reviews by 9/30.	High	Low	Contractual requirement monitored by Contracts Unit	Afua Ofosu-Barko

Issues & Corrective Actions

Issues	Corrective Actions	Owners	Deadline
INC 1021 raised 12/18/12.	Rollout of ETJ process and monthly tracking	Deputy Directors	Incident Completed
Identify challenges to determine best practice to meet timeline	Trending of ETJ causes for STTA delays to review challenges and identify corrective action.	Diane Reynolds	Quarterly
Not following up on CAPA	Establishing a Task Master to follow up on all CAPAs	Afua Ofosu-Barko	6-9 months post visit

Measure 4.3.2 Core Systems Uptime

Measure Definition	Measure Owner	Target	Y8Q1	Y7Q4	Performance Trends																						
% of time that KT & Orion are alive during stated support hours	William Lee	≥95%	98%	99%	↓																						
<p>Context</p> <ul style="list-style-type: none"> SCMS MIS systems continues to operate above the required SLA. 			<p>Performance</p> <table border="1"> <caption>Core Systems Uptime Data</caption> <thead> <tr> <th>Quarter</th> <th>ORION (%)</th> <th>KT (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Y7Q2</td> <td>98%</td> <td>99%</td> <td>95%</td> </tr> <tr> <td>Y7Q3</td> <td>100%</td> <td>100%</td> <td>95%</td> </tr> <tr> <td>Y7Q4</td> <td>99%</td> <td>100%</td> <td>95%</td> </tr> <tr> <td>Y8Q1</td> <td>98%</td> <td>100%</td> <td>95%</td> </tr> </tbody> </table>			Quarter	ORION (%)	KT (%)	Target (%)	Y7Q2	98%	99%	95%	Y7Q3	100%	100%	95%	Y7Q4	99%	100%	95%	Y8Q1	98%	100%	95%		
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Appendix 3: Progress Against the Workplan

This section will be included in the Q2 report once the annual project-wide workplan is completed and approved.

Appendix 4: Quarterly Financial Reports

Quarterly financial reports are in progress and will be added in subsequent quarters.

Appendix 5: Country Risk Matrix

Country Risk Matrix is currently being revised and will be included in upcoming quarterly report submissions.