



SCMS Quarterly Performance Report

FY13 Q3 April-June 2013

August 30, 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

1616 Ft. Myer Drive, 12th Floor
Arlington, VA 22209 USA
Telephone: +1-571-227-8600
Fax: +1-571-227-8601
E-mail: scmsinfo@pfscm.org
Website: www.scms.pfscm.org

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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
CMS	Central Medical Store
CENAME	Centrale Nationale d'Approvisionnement en Medicaments Essentiels
COR	Contracting Officer Representative
CPP	Coordinated Procurement Planning Initiative
DFID	Department for International Development
DRC	Democratic Republic of Congo
ETJ	Emergency Travel Justification
FDC	Fixed-dose combination
FDA	Food and Drug Administration
F&L	Freight and Logistics
HRCDD	Human Resource Capacity Development
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
JSI	John Snow, Inc.
LMIS	Logistics Management Information System
LOP	Life of Project
MIS	Management Information System
MSH	Management Sciences for Health
MMU	Materials Management Unit
MSD	Medical Stores Department
MSL	Medical Stores Limited

MOH	Ministry of Health
NFO	Non-field office
OJT	On-the-job training
OTD	On-time delivery
OI	Opportunistic infection
PAHO	Pan American Health Organization
PFSCM	Partnership for Supply Chain Management
PFSA	Pharmaceutical Fund and Supply Agency
PEPFAR	President's Emergency Plan for AIDS Relief
PMO	Project Management Office
PO	Purchase Order
PSP	Pharmacie de Sante Publique
PSM	Procurement and Supply Management
QA	Quality Assurance
RDC	Regional Distribution Center
RFP	Request for Proposal
RTK	Rapid Test Kit
RUTF	Ready-to-Use Therapeutic Food
SLA	Service level agreement
SD	Standard Diagnostics
SOPs	Standard operating procedures
STGs	Standard treatment guidelines
SC	Supply chain
SSU	Systems Strengthening Unit
TA	Technical assistance
THL	Technologia Hospitalar e Laboratorial
TWG	Technical working group
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
WiB	Warehouse in a Box
WHO	World Health Organization

Executive Summary

SCMS is pleased to submit this Quarterly Performance Report. The measures are organized by four goal areas:

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

Per feedback from the second quarter review, the following performance report reflects requested formatting changes, including the addition of a dashboard and performance measures to the executive summary and reduction of text commentary throughout the report.

This quarter, interim targets have been added for all previously outstanding PMP measures, including all health systems strengthening (HSS) measures. These targets are currently noted as “Interim” as we have not yet collected sufficient data to create a performance baseline to know if the target is correctly set to be achievable, but will result in improved performance. The calculation of forecast accuracy has also been revised, and SCMS looks forward to discussing this with the COR team.

SCMS delivered \$74.2 million dollars in commodities via 693 shipments during the quarter. Performance declined slightly in some areas, with measures such as in on-time delivery and on-time PQ turnaround time performing slightly below target. At the same time, other areas, such as leadership and partnership and operational excellence, performed well, mostly meeting or exceeding targets.

Of particular note this quarter, SCMS focused on the potential impact of new WHO treatment guidelines on the supply and demand of Tenofovir-based ARV regimens. SCMS is mitigating potential negative impacts, already noticeable in some SCMS countries, by working with global and in-country counterparts to advocate for a coordinated transition to Tenofovir, allowing manufacturing capacity to keep up with increased demand.

Key Quarterly Statistics

Key statistics	FY13 Q3	Life of project
Value of commodities delivered	\$74,274,345	\$1.48 billion delivered
Number of deliveries	693	15,367 deliveries
Countries receiving shipments	28	57 countries
Percent generic ARVs by volume	98%	95%
Counterfeit products detected	0 counterfeits	0 counterfeits

FY13 Q3 Performance

Goal	Objective	Measure	Target	FY13 Q1	FY13 Q2	FY13 Q3	Page #
Access	1.1 Security	1.1.1 Product Loss: Shipping & Storage	≤ 2.25%	0%	0.01%	0.34%	11
	1.2 Reliability	1.2.1 SCMS Related Stockout Rates	<12	0	0	0	11
		1.2.2 On-time Delivery: Core & Non-Core Products	Core: 80%	80%	79%	78%	11
			Non-core: 70%	76%	84%	65%	11
		1.2.3 On-Time PQ Turnaround PMO RTK, (RDC) ARV Orders and VMMC kits	ARV: 70%	50%	83%	61%	11
			Test Kits: 85%	84%	95%	86%	11
			VMMC Kits: 80%	100%	70%	100%	11
	1.2.4 Forecast Accuracy	70%	Annual Indicator			11	
	1.3 Quality Products	1.3.1 Pharmaceutical Product Sampling Actual Pulled vs. Flagged	88%	100%	91%	100%	11
	1.4 Strengthen Reach	1.4.1 Planned, Unplanned & Emergency Orders	Planned: NA	85.7%	77.9%	71.4%	11
Unplanned: NA			10.3%	11.6%	20.9%	11	
Emergency: NA			3.9%	10.4%	7.7%	11	

Goal	Objective	Measure	Target	FY13 Q1	FY13 Q2	FY13 Q3	Page #
Strengthen Systems	2.1 Capacity & Capability	2.1.1a Strategic Plans	50%	Annual Indicator			14
		2.1.1b FASP Country Ownership	75%	Annual Indicator			14
		2.1.1c SOPs	80%	Annual Indicator			14
		2.1.2 Competency	80%	41%	82%	86%	14
		2.1.3 Supply Chain Assessment: CMM Score	60%	Annual Indicator			14
	2.2 Performance	2.2.1 Supply Chain Performance: In-country					
		1. Facility Reporting Rates	80%	74%	79%	79%	14
		2. Expiry	1%	0.22%	0.10%	0.25%	14
		3. On-time Delivery	75%	64.3%	84.3%	93%	14
		4. Stockout Rate	5%	13%	7%	11%	14
5. Order Fill Rate		80%	91.2%	96%	97%	14	
	2.2.2 Supply Chain Assessment: KPI Score	60%	Annual Indicator			14	

Goal	Objective	Measure	Target	FY13 to Date	Page #
Leadership & Partnership	3.1 Collaboration	3.1.1 Coordinated Procurement Mechanism (in-country)	80%	Annual Indicator	17
		3.1.2 Number of CPP Country-at-Risk Schedule Submissions Per Year	4	5	17
	3.2 Knowledge Exchange	3.2.1 Publishing	4	2	17
		3.2.2 Presentations	15	23	17

Goal	Objective	Measure	Target	FY13 Q1	FY13 Q2	FY13 Q3	Page #	
Operational Excellence	Cost Effective	4.1.1 Cost Effective						
		1. Expiry RDC Stock	≤3%	0%	0%	0.31%	18	
		2. BRC Reporting Rate	4	Annual Indicator			18	
		3. Surcharge	≤5%	LOP: 4.1%			18	
		4. ACF	≤12%	LOP: 10.1%			18	
		4.1.2 ARV Price Comparison: SCMS vs. GPRM	70%	Annual Indicator			18	
	4.1.3 Ocean Freight: Percent of All Freight	≥50%	78%	65%	86%	18		
	Best Value	4.2.1 Client Satisfaction		85%	Q1-Q2: 87%		To be reported Q4	18
				85%	Q1-Q2: 90%		To be reported Q4	18
	Continuous Improvement	4.3.1 Operational Performance Management	1. Operational Performance Improvement	100%	Annual Indicator			18
			2. Percent of TA Trips Processed On Time	80%	8%	30.3%	45.2%	18
		4.3.2 Core Systems Uptime	≥95%	KT: 99.45% ORION: 98.86%	KT: 98.9% ORION: 99.9%	KT: 99.9% ORION: 99.9%	18	

Quarterly Performance

Targets have been established for all outstanding SCMS PMP measures in Q3 and can be found in the upcoming sections as well as Appendix 2. Of note, several HSS measures have received interim targets, including 1.2.4 Forecast Accuracy, 2.1.1 Country Ownership, and 3.1.1 Coordinated Procurement.

In the summary section some measures are shown as an annual indicator. Appendix 2 contains detailed information about the year-to-date performance of each of these indicators, the annual result will be included in the report's summary section in Q4.

I. Goal 1: Access

Provide quality HIV/AIDS commodities efficiently and effectively.

Goal	Objective	Measure	Target	FY13 Q1	FY13 Q2	FY13 Q3
Access	1.1 Security	1.1.1 Product Loss: Shipping & Storage	≤ 2.25%	0%	0.01%	0.34%
	1.2 Reliability	1.2.1 SCMS Related Stockout Rates	<12	0	0	0
		1.2.2 On-time Delivery: Core & Non-Core Products	Core: 80%	80%	79%	78%
			Non-core: 70%	76%	84%	65%
		1.2.3 On-Time PQ Turnaround PMO RTK, (RDC) ARV Orders and VMMC kits	ARV: 70%	50%	83%	61%
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			VMMC Kits: 80%	100%	70%	100%
	1.2.4 Forecast Accuracy	70%	Annual Indicator			
	1.3 Quality Products	1.3.1 Pharmaceutical Product Sampling Actual Pulled vs. Flagged	88%	100%	91%	100%
	1.4 Strengthen Reach	1.4.1 Planned, Unplanned & Emergency Orders	Planned: NA	85.7%	77.9%	71.4%
			Unplanned: NA	10.3%	11.6%	20.9%
Emergency: NA			3.9%	10.4%	7.7%	

Key Results and Challenges

- SCMS continues to see the scale-up of VMMC programs across a number of our client countries. Procurement of VMMC commodities is on track to more than double in 2013 versus 2012. New VMMC programs are expected in Mozambique and Namibia. Following an RFP process, SCMS began utilizing a more diversified supplier base. We placed orders with four new suppliers during the quarter that are due to be delivered in November/December 2013. As

SCMS uses these vendors for the first time, we will monitor their performance closely to assess their compliance with established requirements.

- In June, SCMS facilitated the signing of the first of many PMO-initiated service level agreements (SLAs) being introduced to improve provider performance in customs brokerage, warehousing and distribution services. The first such SLA was signed between our Nigeria office and Imperial Health Sciences (IHS) for the effective management of IHS and other F&L partners working on the country’s supply chain unification project. An SLA was also signed between our Ethiopia office and UPS agent, H. Myler, and will receive support and oversight from the PMO F&L Unit.
- Tenofovir shortage continued to be a top priority for SCMS. Several countries experienced Tenofovir product shortages throughout the quarter, most notably Côte d’Ivoire. We are seeing continued delays to current orders and long quoted lead times from ARV vendors for these products. We have also seen vendor lead times increase for the main Tenofovir fixed-dose combination (FDC) products extended to six months for air and eight to nine months for ocean. We continue to work with our client countries to plan procurements for these products with sufficient lead times to match those we are seeing in the market, particularly for the triple FDCs Efavirenz/Emtricitabine/Tenofovir and Efavirenz/Lamivudine/Tenofovir. In June, Mylan cleared its backlog of the FDC Tenofovir/Lamivudine/Efavirenz (TLE), and Aurobindo has entered the market with its (tentative) FDA approval for TLE (in April, Aurobindo received approval for its Tenofovir/Efavirenz/Emtricitabine). These two developments should improve supply in the market.
- A short-term shortage of Determine test kits negatively impacted overall OTD and RTK OTD for this quarter. Alere, the manufacturer, is usually a reliable supplier, and we expect this situation to return to normal next quarter.
- In DRC, SCMS experienced several thefts of Determine HIV test kits while the goods were held awaiting customs clearance in a customs bonded warehouse in Kinshasa operated by SDV— a private warehouse operator contracted by customs. The value of the stolen kits was \$55,106 this quarter. The total amount of the Determine thefts is around \$250,000. Among several anti-theft measures, we are working to identify another location to store the kits while awaiting customs clearance and exploring the potential to source these kits a locally to avoid theft during customs clearance and warehousing.

Key Issues

Update on FY13 Year to Date (October 2012-June 2013) Key Issues and Corrective Actions			
Key Issues	Corrective Actions	Progress	Quarter Identified
Cephied (GeneXpert) continues to ration orders.	Working with supplier and country teams to align expectations with delivery.	Guidance provided to field offices to help manage client expectations through continued delay on Cephied orders. No new orders and Cephied continues to indicate increased capacity.	Q1 & Q2
Delays in triple TDF supply.	Close cooperation with clients and vendors to determine priorities and ensure uninterrupted supply to all.	Demand continues to exceed supply, and changes in WHO treatment guideline are expected to further challenge approved manufactures to meet	Q2

		demand and deliver in a timely manner.	
Field office not getting PQs to clients within the 14-day target.	Sr Procurement to identify reasons for the delay in FO staff submitting PQs to clients within the target and to plan to adjust the current process to eliminate this delay in future orders.	Lab PQ tenders are becoming higher in value as offices procure for the quarter vs ad hoc. Per the FAR (5.1) tenders over a certain value we are required to advertise for longer period. We will monitor to see if this is a continued trend. If so, it will be addressed by GSC management	Q2
MRDT orders late	Due to poor performance, discontinued use of supplier. Future orders will be procured from an alternative source.	N/A-Use of supplier discontinued	Q3
Delays at largest VMMC kit supplier Priontex	Diversify order base using new suppliers identified to place VMMC kit orders	Updates to follow in Q4.	Q3

Key Risks

- Theft, similar to that experienced this quarter, could continue to be a problem in DRC. SCMS is working to identify preventive measures, such as ensuring the use of non-descript packaging and anti-theft tape.
- Alere is having contract disputes with its Nigeria distributor, Acouns, putting the country's supply of HIV test kits at risk. SCMS is working with the field office to identify other sources of HIV test kits until the issue is resolved.

II. Goal 2: Strengthen Systems

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

Several indicators for the Strengthen Systems goal are annual indicators. Year-to-date information can be found in the Quarterly Performance Management Review (QPMR) slides in Appendix 2.

Goal	Objective	Measure	Target	FY13 Q1	FY13 Q2	FY13 Q3
Strengthen Systems	2.1 Capacity & Capability	2.1.1a Strategic Plans	50%	Annual Indicator		
		2.1.1b FASP Country Ownership	75%	Annual Indicator		
		2.1.1c SOPs	80%	Annual Indicator		
		2.1.2 Competency	80%	41%	82%	86%
		2.1.3 Supply Chain Assessment: CMM Score	60%	Annual Indicator		
	2.2 Performance	2.2.1 Supply Chain Performance: In-country				
		a. Facility Reporting Rates	80%	74%	79%	79%
		b. Expiry	1%	0.22%	0.10%	0.25%
		c. On-time Delivery	75%	64.3%	84.3%	93%
		d. Stockout Rate	5%	13%	7%	11%
		e. Order Fill Rate	80%	91.2%	96%	97%
2.2.2 Supply Chain Assessment: KPI Score	60%	Annual Indicator				

Key Results and Challenges

- Capacity building through pre-service training continues a global trend, with examples like the health extension worker curriculum in Namibia, e-learning course in Nigeria and pharmacy curriculum in Panama.
- SCMS completed the Gauteng, South Africa medical supplies depot (MSD) re-engineering project on May 31. Key processes were handed over to MSD staff, who took full responsibility and accountability for those activities, including forecasting and planning, order management and quality assurance. However, in June, the Gauteng Department of Health suspended the MSD management team due to poor performance and approached SCMS and USAID to take over MSD management while a new management team is selected.
- Also in South Africa, SCMS began the Limpopo depot direct delivery project, processing 477 purchase orders to suppliers and tracking orders until delivery at health facilities. SCMS will implement a supplier scorecard to be used by the National Department of Health (NDOH) to assess supplier performance and compliance with contractual terms.
- Côte d'Ivoire and Panama experienced non-SCMS-related stockouts of Tenofovir-based ARV regimens:

- Côte d'Ivoire: Stockouts reported at central level for first- and second-line ARVs Tenofovir/Emtricitabine (TDF/FTC), Tenofovir/Lamivudine (TDF/3TC), Abacavir/Lamivudine 600/300 mg (ABC/3TC) and Ritonavir 100 mg (RTV). These ARVs experienced significant consumption increases during transition to new standard treatment guidelines (STGs). Following revision of the quantification that was finalized in June, SCMS will adjust ARV orders accordingly.
- Panama: A central-level stockout of Efavirenz/Emtricitabine/Tenofovir 600/200/300 mg is the result of the new medicine bidding process adopted by the MOH for 2013 that is yet to be finalized. Treatment centers have not reported stockouts or a need for emergency orders. At SCMS's suggestion, Hospital Santo Tomas, which treats a third of the country's patients, adopted an urgent measure to avoid patient treatment cuts by supplying Efavirenz 600 + Truvada instead of Atripla. The most recent information from MOH is that the stocked-out ARVs will be delivered in the third week of July.

Key Issue

Update on FY13 Year to Date (October 2012-June 2013) Key Issues and Corrective Actions			
Key Issues	Corrective Actions	Progress	Quarter Identified
Botswana: Staff motivation and transportation at CMS.	Raise issue with CMS management and outsource warehousing and distribution.	In progress	Q1
Competency tests not passed by trainees.	HRCD advisor to work with Country Directors to undertake in-depth root cause analysis of issues passing competency test in Ethiopia and Haiti.	Initial meeting with SCMS leadership completed with agreement on new framework for definition. Validation to occur with HRCD TWG in early September.	Q2
Côte d'Ivoire: Delays in reporting.	Fundamental review of supervision process and outsourced transportation planned for June.	Implementation of the decentralized supply chain activity to start Oct. 1st 2013. Proposal now under review by the Mission.	Q2
Côte d'Ivoire: Transportation delays.	Award of contract to a outsourced transporter expected in June.	Contract with local transport company, ITL, in place since June 11th 2013, with distribution on 7 routes.	Q2
Mozambique: Reporting rates.	Root cause analysis to review greater use of tools in the field to improve reporting rates.	Project assisted MOH in providing feedback to provinces, contributing to increased Q3 reporting rates.	Q2
MOH has not prioritized leadership of SC activities (GY, HT, NG). Determining National SCSP.	Work with champions in MOH/CMAM to develop, change and transfer skills (GY, HT, MZ). Follow-up with field offices.	Updates to be provided in Q4.	Q3
Policy changes, such as months of dispensed stock at SDPs (BW) and testing algorithms (ZW), affected facility management of stock	Advocate earlier alignment between policy changes and SC via performance communications with national counterparts (BW, ZW).	Updates to be provided in Q4.	Q3
Distribution delays to lower levels.	RW: Share active distribution challenges as part of strategic planning. CI: Project initiated, monitor results.	Updates to be provided in Q4.	Q3

Key Risks

- There is a risk that countries will not include the National Supply Chain Assessment (NSCA) in their workplans next year. SCMS will work with field office staff, USAID missions and partners toward implementation of the NSCA.
- SCMS supported capacity building activities in Guyana in anticipation of transition of activities to the Materials Management Unit (MMU), working with the MOH to prepare a case and engage stakeholders to secure broad acceptance of transforming the MOH/MMU management model. There is legitimate risk that if such transformation is not implemented, and if USAID/SCMS support for MMU operations winds down, SCMS could be held responsible for potential downstream system failure.

III. Goal 3: Leadership and Partnership

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

Goal	Objective	Measure	Target	FY13 to Date
Leadership & Partnership	3.1 Collaboration	3.1.1 Coordinated Procurement Mechanism (in-country)	80%	Annual Indicator
		3.1.2 Number of CPP Country-at-Risk Schedule Submissions Per Year	4	5
	3.2 Knowledge Exchange	3.2.1 Publishing	4	2
		3.2.2 Presentations	15	23

Key Results and Challenges

- SCMS helped draft policy guidance on the supply chain implications of the new WHO Treatment Guidelines currently in process of publication, an action agreed upon at the WHO AMDS annual stakeholder meeting in May.
- Published “The development and validation of a Thin Layer Chromatography densitometry method for the analysis of diclofenac sodium tablets,” by Tom Layloff and others, in the International Journal of Chemical and Analytical Science. This article brings us to two of our annual target of four publications.
- The Coordinated Procurement Planning (CPP) Initiative held its annual in-person meeting in Geneva. At the meeting, CPP demonstrated the UNITAID-funded web-based information platform to members, and a number of key decision were made:
 - Funding flows should remain the focus of CPP.
 - Scope will be expanded to include RTKs, diagnostics, viral load machines and point of care.
 - Meetings will now follow a two-tiered approach: 1) Bi-monthly Technical Working Group, and 2) Quarterly Steering Committee.
 - CPP will produce a lessons learned piece on procurement and supply management (PSM) issues and funding.
 - A yearly assessment of the CPP will be implemented.

Key Issue

Update on FY13 Year to Date (October 2012-June 2013) Key Issues and Corrective Actions			
Key Issues	Corrective Actions	Progress	Quarter Identified
Presentation to ASLM meeting in December 2012 found to contain inaccurate information.	Incident submitted to identify corrective action.	Incident investigation held, with corrective actions agreed, including reminding all staff of existing relevant SOPs and establishment of a new SOP COMM 15 01: Updating quarterly data for public consumption.	Q2

Key Risk

- The risk that articles in progress will not be published by target deadline continues. SCMS will continue to push authors to submit and speed editing of those submitted, but once submitted speed of progress to publication is not under SCMS control.

IV. Goal 4: Operational Excellence

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

Goal	Objective	Measure	Target	FY13 Q1	FY13 Q2	FY13 Q3	
Operational Excellence	Cost Effective	4.1.1 Cost Effective					
		a. Expiry RDC Stock	≤3%	0%	0%	0.31%	
		b. BRC Reporting Rate	4	Annual Indicator			
		c. Surcharge	≤5%	LOP: 4.1%			
		d. ACF	≤12%	LOP: 10.1%			
		4.1.2 ARV Price Comparison: SCMS vs. GPRM	70%	Annual Indicator			
	4.1.3 Ocean Freight: Percent of All Freight	≥50%	78%	65%	86%		
	Best Value	4.2.1 Client Satisfaction		85%	Q1-Q2: 87%		To be reported Q4
				85%	Q1-Q2: 90%		To be reported Q4
	Continuous Improvement	8.3.1 Operational Performance Management	a. Operational Performance Improvement	100%	Annual Indicator		
b. Percent of TA Trips Processed On Time			80%	8%	30.3%	45.2%	
4.3.2 Core Systems Uptime		≥95%	KT: 99.45% ORION: 98.86%	KT: 98.9% ORION: 99.9%	KT: 99.9% ORION: 99.9%		

Key Results and Challenges

- SCMS has seen significant price drops in Lopinavir/Ritonavir due to the increase in vendors available to provide the product. In the last round of issuance of restocking orders, manufacturers had reduced their prices between \$0.30 and \$2.99 per bottle. Prices are currently averaging \$20 per bottle at the manufacturers, excluding transportation costs.
- SCMS continues to struggle with submission of STTA requests to the COR team within the agreed three-week window. Performance continues to improve, up to 45 percent this quarter. SCMS will complete follow-up interventions with identified emergency travel justifications (ETJs) to continue to improve this process.

Key Issues

Update on FY13 Year to Date (October 2012-June 2013) Key Issues and Corrective Actions			
Key Issues	Corrective Actions	Progress	Quarter Introduced
Identify challenges in meeting TA concurrence processes deadline to determine best practice timeline.	Trending of ETJ causes for STTA delays to review challenges and identify corrective actions.	AD/UD and client delay codes are identified. Q3 analysis complete. Trending is now possible for reporting.	Q1
Two countries, Rwanda and Tanzania, provided low scores in response to the client satisfaction survey.	Review STTA with country support team to identify issues and corrective actions.	Matters raised are currently under discussion with clients	Q2
High number of countries did not respond to the customer satisfaction survey in Q2 implementation	Review cause of low response rate and develop plan to improve in the Q4 implementation	An incident was raised to review country participation in Customer Satisfaction surveys and the team identified mitigation actions	Q2

Key Risk

- None

Appendix 1: Key Quarterly Statistics

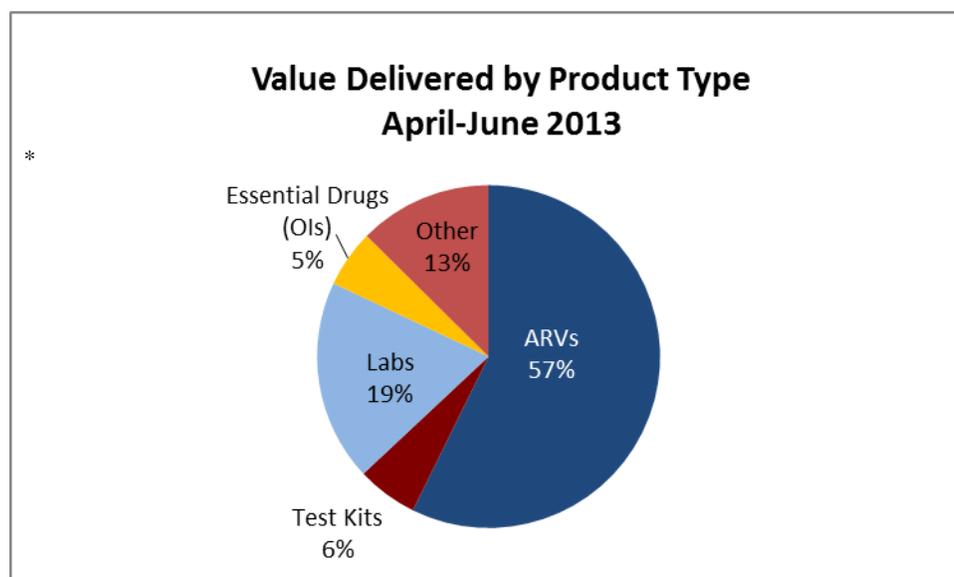
I. Value Delivered

Over the quarter, SCMS delivered \$52 million in commodities to our clients, including \$42.5 million in ARVs and \$14.1 million in lab products. The value of deliveries declined in FY13 Q3, \$74.3 exceeding the \$66 million delivered in FY13 Q2.

Value Delivered			
	April-June 2013	Y8 to date	Life of Project
ARVs	\$ 42,549,051	\$ 135,307,295	\$ 903,483,783
Test Kits	\$ 4,264,075	\$ 22,339,170	\$ 148,768,640
Labs	\$ 14,105,780	\$ 51,658,158	\$ 312,869,988
Essential Drugs (OIs)	\$ 4,011,442	\$ 10,037,307	\$ 67,520,009
Anti-malarial	\$ -	\$ 372,031	\$ 1,079,958
Food by Prescription	\$ 2,633,107	\$ 6,083,906	\$ 18,334,188
Male Circumcision	\$ 3,607,738	\$ 6,567,622	\$ 19,964,944
Other	\$ 3,103,154	\$ 6,025,449	\$ 35,757,250
Grand Total	\$ 74,274,345	\$ 238,390,937	\$ 1,507,778,760

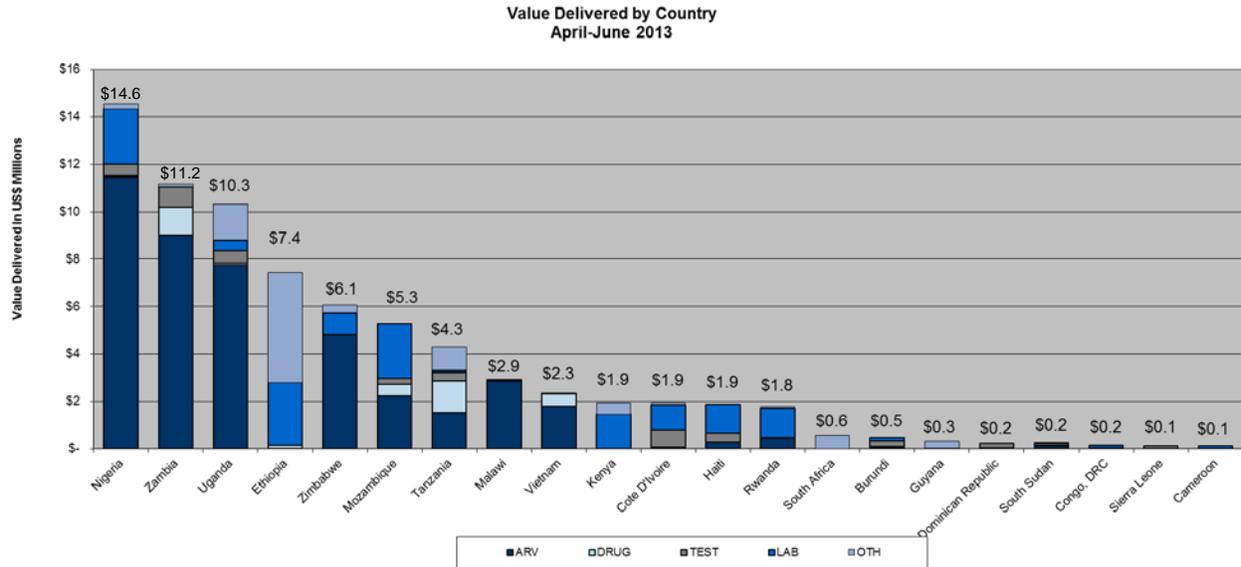
**This graph illustrates the value delivered by product category for the current quarter, year to date and life of the project.*

For the quarter, ARVs made up 57 percent of the value delivered, followed by labs and other, which accounted for 19 percent and 13 percent, respectively.



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

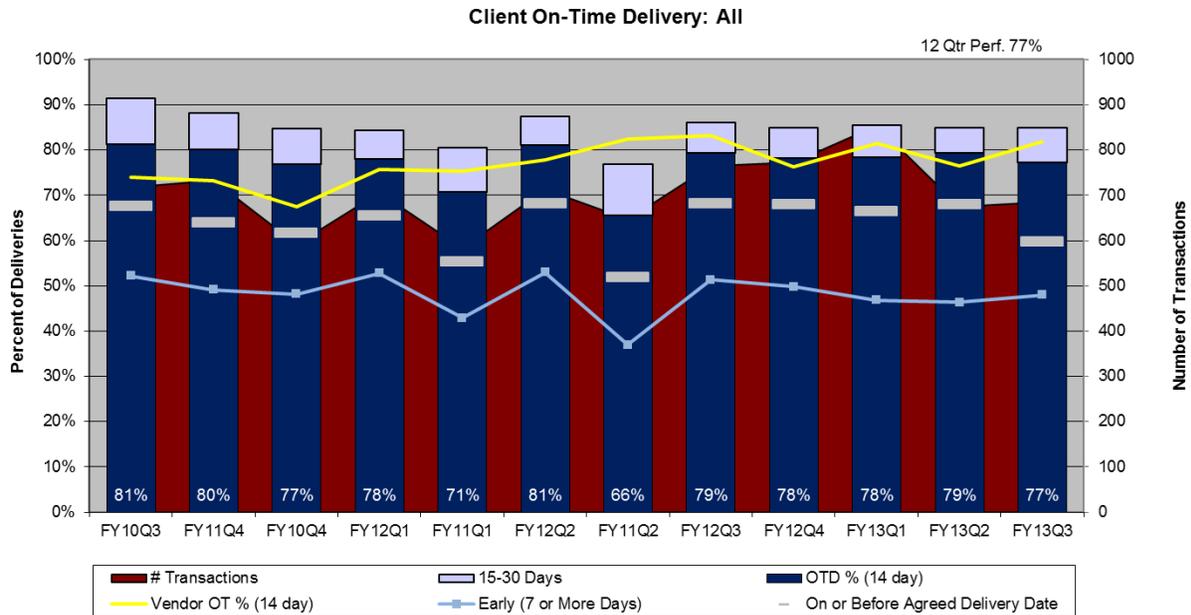
Nigeria accounted for the largest portion of the value delivered, with \$14.6 million of the \$74.3 million for FY13 Q3.



*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.

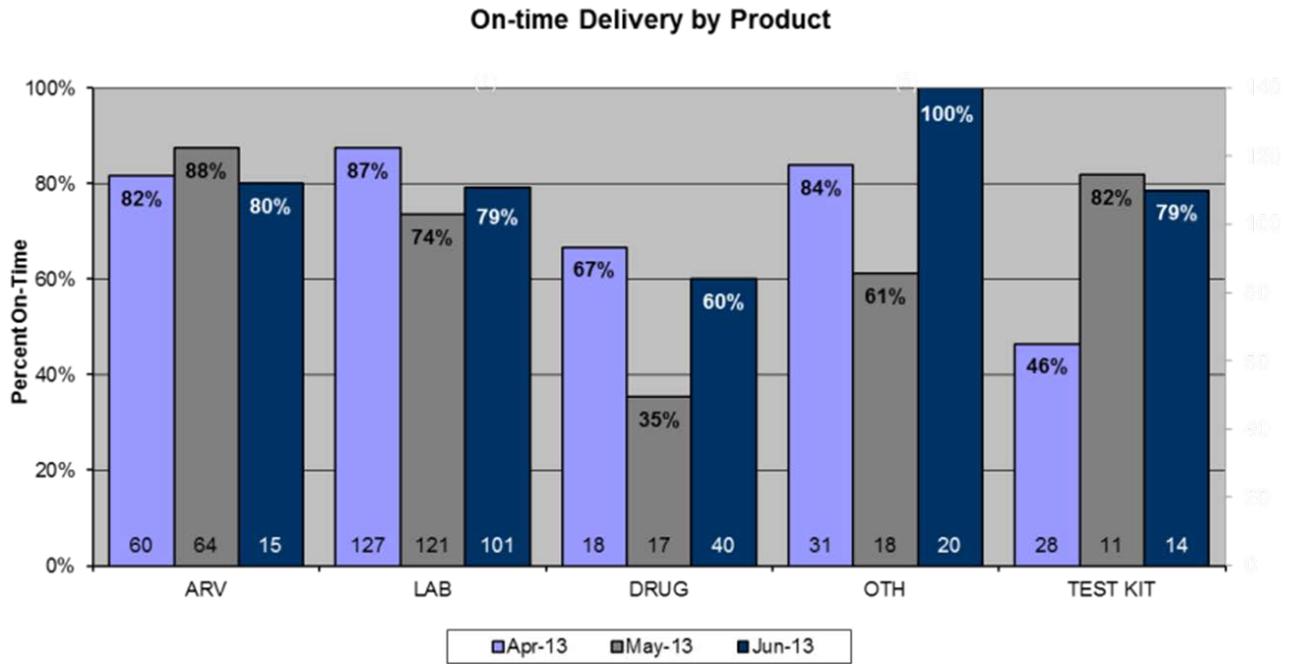
II. On-time Delivery (OTD)

On-time delivery declined slightly to 77 percent for FY13 Q3, from 79 percent in FY13 Q2. SCMS has held OTD within 3 percent of the proposed target for the last five quarters, ensuring clients receive their deliveries within 14 days of the promised date. Vendor on-time delivery improved, increasing from 76 percent in FY13 Q2 to 82 percent in FY13 Q3.



**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 ARV, laboratory and other commodity product categories are performing on target; essential drug OTD is erratic; and test kits saw significant improvement from the beginning to the end of the quarter showing recovery from production difficulties experience by Alere the major test kit supplier.



**This graph illustrates 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.*

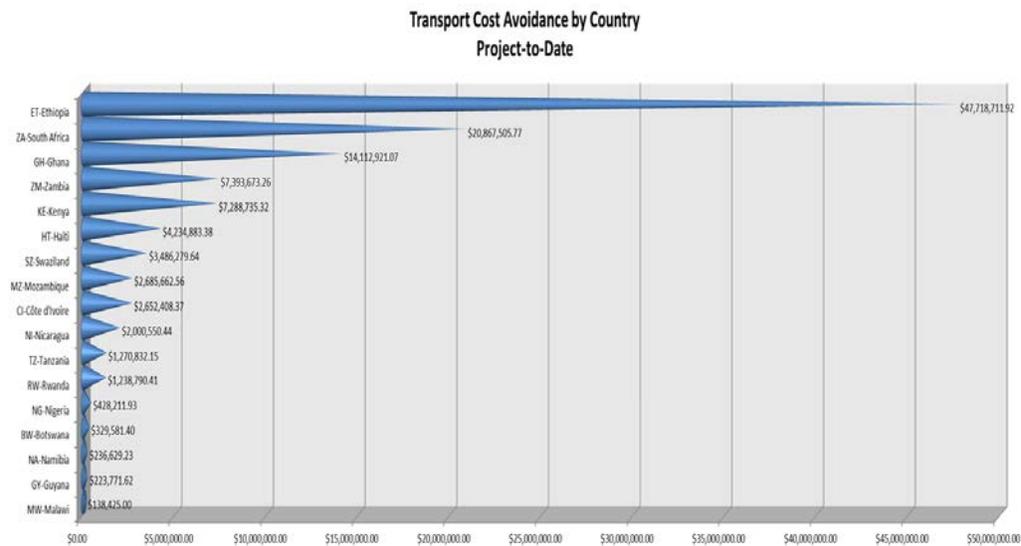
III. Freight

Ocean freight continues to make up the majority of SCMS shipment tonnage. For FY13 Q2, ocean freight accounted for 86 percent of shipments (tonnage).



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

Over the life of the project, SCMS recorded \$128.8 million in savings by using ocean freight versus air freight, and \$11.4 million in savings by using road transport.



**This graph displays the cost savings achieved by using ocean and road shipments in lieu of air freight by country for FY13 to date.*

IV. Forward Orders

New Orders Placed from April-June 2013	
Grand Total	\$102.0 million
Direct Drop Total	\$53.9 million
RDC Stock Total	\$48.1 million
Order Categories	
ARV	\$56.5 million
DRUG	\$3.5 million
TEST KITS	\$11.0 million
LAB	\$23.0 million
OTHER	\$4.6 million
MC	\$3.4 million

Appendix 2: Performance by Measure

Measure 1.1.1: Product Loss: Shipping and Storage

Measure Definition	Measure Owner	Target	LoP	FY13 Q3	Trend																								
The sum value of losses (damage, theft, diversion) from shipments controlled by SCMS as a percentage of total value delivered	Chris Larson	≤3%	0.18%	0.34%	↑																								
<p>Context</p> <p>The product losses not related to expiry include both losses due to damage and theft during the period. The damaged losses included \$90K of MC kits damaged by water pipe leak at RDC, \$63K for a shredder damaged on delivery in KE (resolution TBD may still be usable), and \$14K of ARVs flooded at the KE airport.</p> <p>The losses due to theft have all occurred in the DRC and have primarily been focused on theft of Determine HRTKs. SCMS has had multiple shipments of Determine where some product has been stolen while the goods were held in a customs bonded WH in in Kinshasa operated by SDV, a private WH operator contracted by DC Customs, while awaiting customs clearance. The value of the Determine kits stolen and reported in this period was \$55,106, but this is just some of the occurrences due to the reporting period. The total amount of the Determine thefts is around \$250,000.</p> <p>We are evaluating a local distributor option for Determine in addition to other antitheft measures.</p>			<p>Performance</p> <table border="1"> <thead> <tr> <th></th> <th>Product Loss</th> <th>Value Delivered</th> <th>Product Loss</th> </tr> </thead> <tbody> <tr> <td>FY12 Q3</td> <td>\$ 27.60</td> <td>\$88,347,218.14</td> <td>0.00%</td> </tr> <tr> <td>FY12 Q4</td> <td>\$ 203,901.31</td> <td>\$89,772,969.53</td> <td>0.23%</td> </tr> <tr> <td>FY13 Q1</td> <td></td> <td>\$91,645,385.86</td> <td>0.00%</td> </tr> <tr> <td>FY13 Q2</td> <td>\$ 7,330.89</td> <td>\$72,471,205.86</td> <td>0.01%</td> </tr> <tr> <td>FY13 Q3</td> <td>\$ 252,439.00</td> <td>\$74,274,345.48</td> <td>0.34%</td> </tr> </tbody> </table>				Product Loss	Value Delivered	Product Loss	FY12 Q3	\$ 27.60	\$88,347,218.14	0.00%	FY12 Q4	\$ 203,901.31	\$89,772,969.53	0.23%	FY13 Q1		\$91,645,385.86	0.00%	FY13 Q2	\$ 7,330.89	\$72,471,205.86	0.01%	FY13 Q3	\$ 252,439.00	\$74,274,345.48	0.34%
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Measure 1.2.1: Recipient Stockout Rates (SCMS Accountable)

Measure Definition	Measure Owner	Target	FY13 Q2	FY13 Q3	Trend																				
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	=																				
<p>Context</p> <p>There were no confirmed stock outs of core ARV drugs or HIV Rapid test kits reported by SCMS clients during the period. We seek to avoid stock outs by working with countries to generate supply plans and forecasts for commodities thereby planning the procurements better.</p> <p>We also work closely with countries to monitor the ongoing supply situations in countries relative to the larger supply plans and requirements beyond what SCMS is buying for a country.</p>			<p>Performance</p> <table border="1"> <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>0</td> </tr> <tr> <td>Q3</td> <td>0</td> </tr> <tr> <td>Q4</td> <td></td> </tr> </tbody> </table> <p>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	0	Q3	0	Q4											
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Measure 1.2.2a: On-Time Delivery: Core Products

Measure Definition	Measure Owner	Target	FY13 Q2	FY13 Q3	Trend
Percentage of orders delivered no more than 14 days after the PQ projected delivery date.	Steve Patras	Core: 80% ARV, LAB, DRUG, HIV Test Kit, VMMC Kits	79%	78%	↓

Context	Performance
<p>ARVs: RDC remained high at 100% for Q3; direct drop dropped to 67%. VOTD increased to 80%. Demand for Tenofovir based triples continues to be high. Despite improvements in supply and # of approved sources, demand continues to exceed supply resulting in order delays and longer leadtimes.</p> <p>HIV Test Kits: OTD dropped to 65% from 81% in Q2; Alere Determine supplier delays was the cause. OTD should recover in Q4.</p> <p>Lab: OTD hit 80% up from 77% in Q2. Late deliveries were split between eight countries.</p> <p>VMMC: OTD was 93%; delays due to PrionTex in SA</p> <p>Essential Drugs: OTD fluctuated over the quarter (36% to 69%). Essentials Drugs are challenging due to a lack of forecasting, absence of pooled procurement and tightening registration requirements</p>	<p>Performance Client On-Time Delivery: Core</p> <p>Note: (i) Core includes ARV, HIV Test, VMMC, Drug, Lab. Non-Core includes FP, Test, ACT, and ANTM.</p>

Risk & Mitigation						Issues & Corrective Actions			
Risk	Probability	Impact	Response Option	Mitigation Action	Owner	Issues	Corrective Actions	Owner	Deadline
Delays at largest manufacturer of MC kits (PrionTex)	High	High	Mitigate	Orders with 4 new vendors have been placed for RDC shipments with estimated delivery of Nov-Dec 2013	Juan Jaramillo	Vendor On Time Delivery	Quarterly VOTD reporting and vendor management	Ard van Dongen	On-going
Haiti field office continues to have staffing concerns.	High	High	Mitigate	Work to hire and train new staff.	Phoebe Kenney	Vendor On Time Delivery	Shifting Ocean to Air in case of delay	Ard van Dongen	On-going
Alere is having contract disputes with its Nigeria distributor Acouns. Unresolved at this time.	High	High	Mitigate	We are alerting the country team that Nigeria may need to look for alternative HIV kits until this is resolved.	Peter Smith	Vendor On Time Delivery	Expanding Carrot & Stick approach a.o. by including VOTD as evaluation criteria	Ard van Dongen	On-going
						Delays in Triple TDF supply	Close cooperation with clients and vendors & programs to determine priorities and ensure uninterrupted supply to all	Ard van Dongen	On-going

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

Measure Definition	Measure Owner	Target	FY13Q2	FY13Q3	Trend																								
Percentage of orders delivered no more than 14 days after the PQ projected delivery date.	Peter Smith	Non-Core: 70% ORDT, MRDT, ANTM, ACT, FP, OTH	78%	65%	↓																								
<p>Context</p> <p>On time performance was low this quarter at 65% (71% after 4 corrected orders process) with 18 orders late out of 63 total. The late causes are divided into three categories:</p> <p>Six orders (33%) of the late were malaria RTKs from a single supplier which had manufacturing problems and this supplier will not be used again.</p> <p>Six orders (33%) of the late orders were Ethiopia food products from one local supplier which had manufacturing difficulties. The ET field office is working with them so they can continue to procure from that supplier.</p> <p>Six orders (33%) were miscellaneous Ethiopia, Guyana and Kenya orders: the most common cause was supplier late.</p>			<p>Performance</p> <p>Client On-Time Delivery: Non-Core</p> <p>4 Qtr. Performance: 79%</p> <p>Note: (i) Core includes ARV, HIV Test, VMMC, Drug, Lab. Non-Core includes FP, Test, OTH, ACT and ANTM.</p>																										
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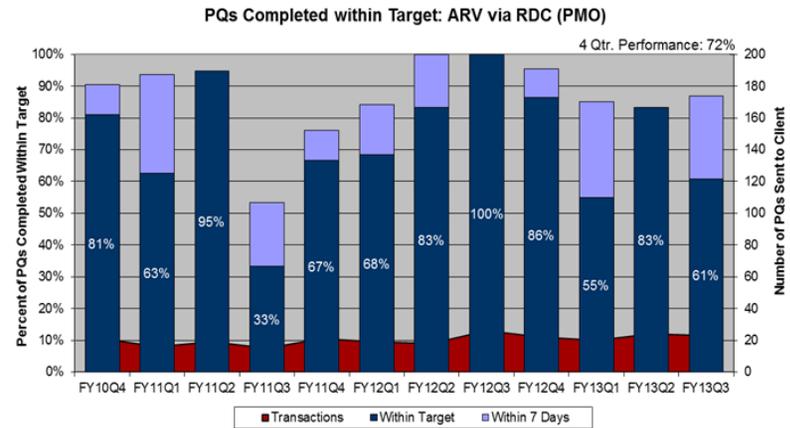
Measure 1.2.3a: On-Time PQ Turnaround: ARVs

Measure Definition	Measure Owner	Target	FY13 Q2	FY13 Q3	Trend
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	70%	83%	61%	↓

Context

ARV PQ turn around time was below the target range for the period. 14 of 23 PQs processed were completed within the target range and 6 more with in seven days of the target. And there were 3 PQs where the turn time was 14 to 30 days past the target. Of these latter 3 very delayed PQs, one was for Zim where the delay was due to ongoing discussions around transition plans for ARVs and the order quantities, and 2 were for Mozambique where there were delays processing on the FO side as import permits and registrations needed confirmation. The 6 PQs that were within seven days of the target were the result back and forth dialog with clients in the PR/PQ stage to clarify products, delivery dates, fulfillment plans (RDC or DDS) etc. to arrive at the final PQ to submit for USAID mission approval.

Performance



Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Need for clarifications causes ARV PQs to miss turn around time targets	Low	Medium	Mitigate	Focus on compliance of the quarterly SP and PQ process at the FO team level	DPIM unit

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

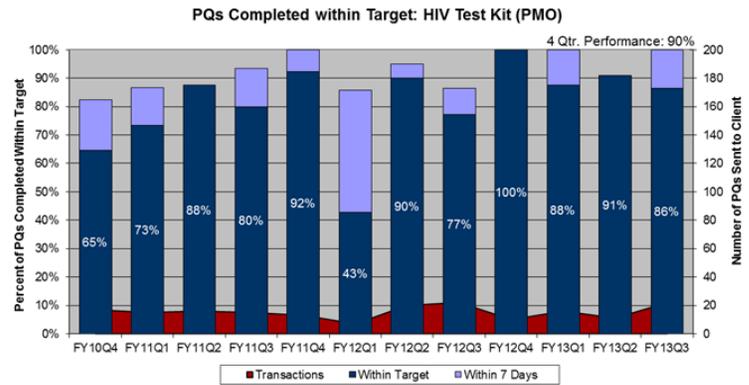
Measure 1.2.3b: On-Time PQ Turnaround: HIV Test Kits

Measure Definition	Measure Owner	Target	FY13Q2	FY13Q3	Trend
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	85%	91%	86%	↓

Context

- In FY13Q3 PQ Turnaround time for HIV Rapid Test Kits dropped to 86% but remained slightly above target.
- Total volume of PQs doubled from the previous quarter from 11 to 22 and yet only 3 PQs were late. 2 of these 3 PQs (PQ 12179 & 12180) were for the same Non-SCMS client in Zambia; and had similar reasons for delays related to funding and project code issues. The final PQ (PQ 12041 - Haiti) was delayed due to last minute client/FO requested changes, namely increase quantity and removal of some items.
- Despite all these issues, all 3 late PQ's were within 14 days of the target.
- The delays noted in this quarter are not systemic but are rather due to operational aspects that were outside SCMS control. They include delays associated with processing non-SCMS orders and the associated funding and project code issues; as well as last minute client requested changes that necessitated additional steps and processes.

Performance



Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

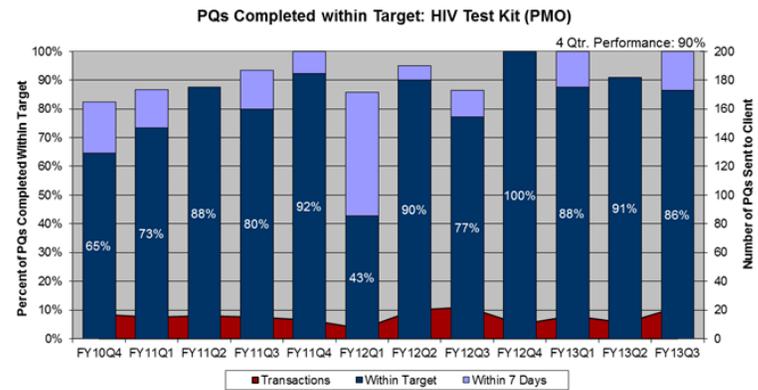
Measure 1.2.3b: On-Time PQ Turnaround: VMMC Kits

Measure Definition	Measure Owner	Target	FY13Q2	FY13Q3	Trend
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	85%	91%	86%	↓

Context

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Performance



Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Measure 1.2.4: Forecast Accuracy (in-country)

Measure Definition	Measure Owner	Target	Performance		Trend																				
			FY13Q2	FY13Q3																					
Variance between forecasted and reported consumption/issues data for a set of tracer ARVs	Alan Pringle / Robert Burn	70% (interim)	N/A	61%																					
<p>Context</p> <ul style="list-style-type: none"> • “Beta” release measure in Q3; further analysis to be conducted prior to Q4 • Caveats: data availability and quality is in question. Issues data used as proxy for consumption data. • Challenge: presenting data on an annual forecast, on a quarterly basis. Unlike most other measures the “event” is not discrete (e.g. a shipment) nor are there multiple instances in a month. • Challenge: The measure is calculated on the number of months of reported data available at the date of QPMR report which differs country to country depending upon the timing of their annual quantification exercise. • Next steps: further root cause analysis and research of data presentation 			<p>Forecast Accuracy</p> <table border="1"> <caption>Forecast Accuracy Data</caption> <thead> <tr> <th>Country</th> <th>Number of months of annual forecast assessed</th> <th>Forecast Accuracy (%)</th> </tr> </thead> <tbody> <tr> <td>ET</td> <td>3</td> <td>60</td> </tr> <tr> <td>VN</td> <td>6</td> <td>85</td> </tr> <tr> <td>NG</td> <td>6</td> <td>65</td> </tr> <tr> <td>RW</td> <td>6</td> <td>55</td> </tr> <tr> <td>CI</td> <td>6</td> <td>40</td> </tr> </tbody> </table>			Country	Number of months of annual forecast assessed	Forecast Accuracy (%)	ET	3	60	VN	6	85	NG	6	65	RW	6	55	CI	6	40		
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Issues	Corrective Actions	Owner	Deadline																						

Measure 1.3.1: Pharmaceutical Product Sampling: Actual Pulled vs. Flagged

Measure Definition	Measure Owner	Target	FY13Q2	FY13Q3	Trend																		
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%	88%	100%	↑																		
<p align="center">Context</p> <p>Samples collections were from: Tanzania (1) Burundi (2) Malawi (1) Haiti (1) Zambia (1)</p> <p>Performance improvement attributed to having contacts now established in Malawi and Burundi for assistance with sample collections, as well as sampling process discussions conducted with new Haiti staff.</p>			<p align="center">Performance</p> <p align="center">Product Sampling - Actual Pulled vs. Flagged</p> <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>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>DRUG</td> <td>6</td> <td>6</td> <td>-</td> <td>-</td> </tr> </tbody> </table>			Product Type	Flagged	Collected	In Transit	Unable to Collect	ARV	-	-	-	-	DRUG	6	6	-	-			
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			11																				

Measure 1.4.1: Planned, Unplanned and Emergency Orders

Measure Definition	Measure Owner	Target		FY13 Q2	FY13 Q3																																			
Percentage of SCMS orders that are planned, unplanned & emergency Orders	Chris Larson	N/A	Planned	77.9%	71.4%																																			
			Unplanned	11.6%	20.9%																																			
			Emergency	10.4%	7.7%																																			
<p>Context</p> <p>The level of unplanned and emergency PQs increased during the period as a percentage of the total number of PQs processed.</p> <p>On the ARV side, some countries place emergency ARVs orders as a hedge against date slippage on other planned inbound orders. This was the case in Uganda, Tanzania, and Zambia, and Mozambique. We are coordinating with the VPP on inbound orders to ensure supply continuity in Ug, TZ, and Moz especially during TDF transition.</p> <p>Regarding VMMC, we have planned orders for Uganda and Zim, while all other orders have been emergency orders. This has often been linked to funding uncertainty at the country level.</p>			<p>Performance</p> <table border="1"> <caption>Planned, Unplanned, Emergency Orders</caption> <thead> <tr> <th>Category</th> <th>Planned (%)</th> <th>Unplanned (%)</th> <th>Emergency (%)</th> <th>Number of Orders</th> </tr> </thead> <tbody> <tr> <td>ARV</td> <td>64.3%</td> <td>14.3%</td> <td>21.4%</td> <td>~10</td> </tr> <tr> <td>HRDT</td> <td>47.4%</td> <td>42.1%</td> <td>10.5%</td> <td>~100</td> </tr> <tr> <td>Lab</td> <td>81.7%</td> <td>16.7%</td> <td>1.7%</td> <td>~100</td> </tr> <tr> <td>MC</td> <td>50.0%</td> <td>25.0%</td> <td>25.0%</td> <td>~10</td> </tr> <tr> <td>Drug</td> <td>52.4%</td> <td>33.3%</td> <td>14.3%</td> <td>~10</td> </tr> <tr> <td>Other</td> <td>68.2%</td> <td>27.3%</td> <td>4.5%</td> <td>~10</td> </tr> </tbody> </table>			Category	Planned (%)	Unplanned (%)	Emergency (%)	Number of Orders	ARV	64.3%	14.3%	21.4%	~10	HRDT	47.4%	42.1%	10.5%	~100	Lab	81.7%	16.7%	1.7%	~100	MC	50.0%	25.0%	25.0%	~10	Drug	52.4%	33.3%	14.3%	~10	Other	68.2%	27.3%	4.5%	~10
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Measure 2.1.1: Country Ownership

Measure Definition	Measure Owner	Target (Interim)	FY12	FY13	Trend																														
2.1.1a-Number of SCMS-supported countries with approved national supply chain strategic plans	Alan Pringle	50%	NA	22%																															
2.1.1b-Level of country counterpart ownership FASP		75%	NA	42%																															
2.1.1c-% of supply chain functions documented in SOPs		80%	NA	NA																															
<p>Context</p> <ul style="list-style-type: none"> ➤ Baseline measure in Q3; further analysis to be conducted prior to Q4 ➤ Variance in determining availability of National Supply Chain Strategic Plans ➤ SCMS owns quantification and supply planning activities in most countries ➤ Four countries with significant involvement in quantification with LMU (RW, ZW, ET, NM) ➤ Increased engagement by the Nigeria MOH as a result of the Nigeria Unification Project. 		<p>Performance</p> <p>0% 22% 50% 100%</p> <p>2.1.1a</p> <p>2.1.1b</p> <p>2.1.1c</p> <p>— Target — Performance</p>																																	
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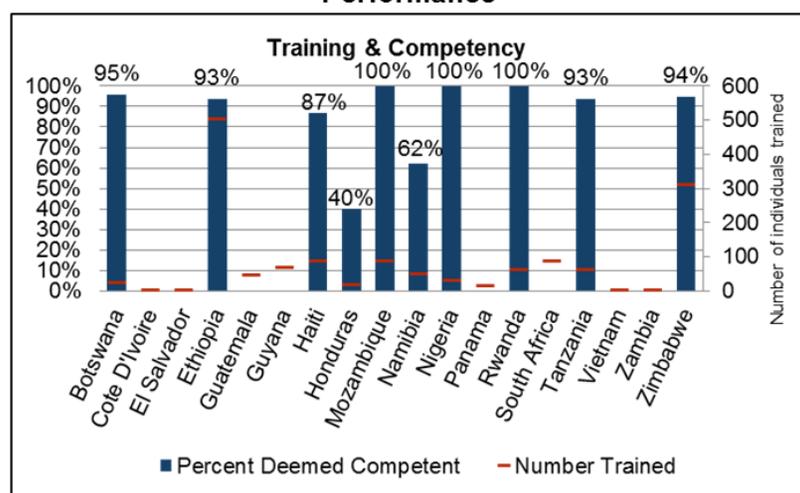
Measure 2.1.2: Competency

Measure Definition	Measure Owner	Target	Year 8 Performance		Trend
			FY13 Q2	FY13 Q3	
2.1.2 Competency-Percent of non-SCMS staff trained and deemed competent in supply chain functions	Diane Reynolds	80%	82%	86%	↑

Context

- Variance in competency measures across training interventions (e.g. HN requesting “improvement plans” to achieve competency, varying pass rates)
- Some countries moving towards PST and TOT trainings, where others still require basic supply chain management trainings (ET)
- Measuring competence is a challenge in terms of:
 - Low competency of entry level staff (Central level) (HT, NM)
 - Competency levels decline as training moves to rural/SDPs
 - In-country performance management policies in certain countries restricts ability to determine competency (SA)
 - We continue to see certain SCMS trainings not included due to measure definition (GT, GY, PA)
- Zambia has reduced lab trainings due to PST intervention and has minimal attrition

Performance



Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Supportive supervision declining, reduces ability to have OJT impact	Medium	High	Mitigate	Advocacy	Country Directors

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
Non-standard definition and application of competency training	1. HRCD Principal Advisor conducts workshop to standardize definition and application	E. Hasselberg	Q4

Measure 2.1.3: Supply Chain Assessment: CMM Score

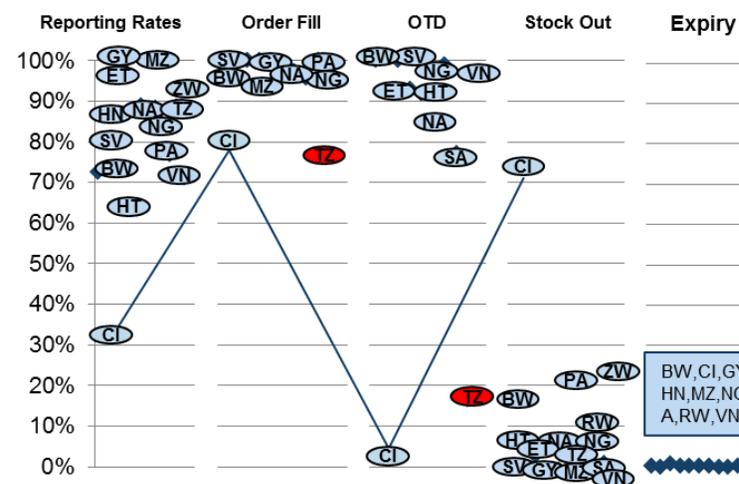
Measure Definition	Measure Owner	Target	FY12	FY13	Trend																				
2.1.3 Results of the Supply Chain Assessment CMM tool, illustrating capability maturity of in-country supply chains	Diane Reynolds	60%	NA																						
<p>Context</p> <ul style="list-style-type: none"> ➤ Base-lining measures in Q3. ➤ NSCA initiated in Botswana and El Salvador. Results expected in the following quarter. ➤ Panama, Rwanda and Namibia to initiate NSCA in Q4. 			<p>Performance</p>																						
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Measure 2.2.1: Supply Chain Performance (in-country)

Measure Definition	Measure Owner	Target	FY13 Q2	FY13 Q3	Trend
2.2.1a Facility Reporting Rates	Diane Reynolds	80%	79%	79%	=
2.2.1e Order Fill Rate		80%	96%	97%	↑
2.2.1c On-time Delivery		75%	84.3%	93%	↑
2.2.1d In-Country Facility Stockout Rates		5%	7%	11%	↑
2.2.1b Expiry		1%	0.10%	0.25%	↑

Context

- CI continues to experience challenges related to delays in reporting, report quality and transportation
- Reporting rates remain close to target, though still a fundamental focus in field offices for effective supply chains management, especially at SDP level
- Of four countries with over 1000 sites, three are reporting above target (ET, NG, ZW)
- NG increased sites significantly during period and continued to perform above target
- TZ order fulfillment and OTD rate declined during the first annual stock-take on new ERP system with central level facing most of issues and zonal activity completed in one week
- SA OTD relates to Limpopo Depot Control Tower, whereby the procurement policy is being adjusted to require delivery within 10 days (previous 45 days), hence vendors build buffer stock
- Overall stock-outs trending up with increased SDP stock-outs; noticed Tenofivir not identified as a key stock-out commodity
- Changes in policies affecting SCMS facility management (BW, ZW)



Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Switch to WHO regimen guidelines	Medium	High	Mitigate	Develop TDF forecast tool to share with countries and donor organizations	C. Larson

Issues	Corrective Actions	Owner	Deadline
Policy changes	1. Advocate earlier alignment between policy changes and SC via performance communications w national counterparts (BW, ZW)	A. Pringle, C. Healey	Q4
Distribution delays to lower levels	2. RW: Share active distribution challenges as part of strategic planning	J. Folmsbee	Q4
	3. CI: Project initiated, monitor results	Y. Jeng-Joof	Q4

Measure 2.2.2: Supply Chain Assessment: KPI Score

Measure Definition	Measure Owner	Target	FY12	FY13	Trend																				
2.1.3 Results of the Supply Chain Assessment KPI tool, illustrating performance of in-country supply chains	Diane Reynolds	60%	NA																						
<p style="text-align: center;">Context</p> <ul style="list-style-type: none"> ➤ Base-lining measures in Q3. ➤ NSCA initiated in Botswana and El Salvador. Results expected in the following quarter. ➤ Panama, Rwanda and Namibia to initiate NSCA in Q4. 			<p style="text-align: center;">Performance</p>																						
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Measure 3.1.1: Coordinated Procurement Plans (in-country)

Measure Definition	Measure Owner	Target	FY12	FY13	Trend																																																									
Percentage of SCMS-supported countries with coordinated procurement plans	Alan Pringle	80% (Interim)	NA	50%																																																										
<p>Context</p> <ul style="list-style-type: none"> ➤ Baseline measure in Q3; further analysis to be conducted prior to Q4 including country scope and influence ➤ Note: Aggregate score is based on 50% ARV, 50% RTKs, per country ➤ RW recently trained LMO (new unit) to lead coordinated procurement process moving forward 			<p>Performance</p> <table border="1"> <thead> <tr> <th>Country</th> <th>ARVs</th> <th>Test Kit</th> </tr> </thead> <tbody> <tr><td>Botswana</td><td>Yes</td><td>Yes</td></tr> <tr><td>Cote d'Ivoire</td><td>Yes</td><td>Yes</td></tr> <tr><td>El Salvador</td><td>Not Reported</td><td>Not Reported</td></tr> <tr><td>Ethiopia</td><td>No</td><td>No</td></tr> <tr><td>Guatemala</td><td>Not Reported</td><td>Not Reported</td></tr> <tr><td>Guyana</td><td>No</td><td>No</td></tr> <tr><td>Haiti</td><td>No</td><td>No</td></tr> <tr><td>Honduras</td><td>No</td><td>No</td></tr> <tr><td>Mozambique</td><td>Yes</td><td>Yes</td></tr> <tr><td>Namibia</td><td>Not Reported</td><td>Not Reported</td></tr> <tr><td>Nigeria</td><td>Not Reported</td><td>Not Reported</td></tr> <tr><td>Panama</td><td>Yes</td><td>Yes</td></tr> <tr><td>Rwanda</td><td>Yes</td><td>Yes</td></tr> <tr><td>South Africa</td><td>Yes</td><td>No</td></tr> <tr><td>Tanzania</td><td>Yes</td><td>Yes</td></tr> <tr><td>Vietnam</td><td>Not in scope</td><td>Not in scope</td></tr> <tr><td>Zambia</td><td>Yes</td><td>Yes</td></tr> <tr><td>Zimbabwe</td><td>Yes</td><td>Yes</td></tr> </tbody> </table>			Country	ARVs	Test Kit	Botswana	Yes	Yes	Cote d'Ivoire	Yes	Yes	El Salvador	Not Reported	Not Reported	Ethiopia	No	No	Guatemala	Not Reported	Not Reported	Guyana	No	No	Haiti	No	No	Honduras	No	No	Mozambique	Yes	Yes	Namibia	Not Reported	Not Reported	Nigeria	Not Reported	Not Reported	Panama	Yes	Yes	Rwanda	Yes	Yes	South Africa	Yes	No	Tanzania	Yes	Yes	Vietnam	Not in scope	Not in scope	Zambia	Yes	Yes	Zimbabwe	Yes	Yes
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Measure 3.1.2: Number of CPP Country-at-Risk Schedule Submissions

Measure Definition	Measure Owner	Target	FY12	FY13 to date	Trend																														
Number of CPP country-at-risk schedule submissions per year	Dominique Zwinkels	4	NA	5																															
<p style="text-align: center;">Context</p> <p>The yearly in-person CPP Steering Committee/Technical Working Group meeting was held on May 6th and a revised Countries At Risk Schedule was submitted to CPP members. Updates were provided from: Angola, Cote d'Ivoire, Ethiopia, Mozambique, Nigeria, Zambia, and Zimbabwe.</p>			<p style="text-align: center;">Performance</p> <table border="1"> <thead> <tr> <th>Country</th> <th>Number of Submissions According to Schedule</th> </tr> </thead> <tbody> <tr><td>Angola</td><td>1</td></tr> <tr><td>Burundi</td><td>1</td></tr> <tr><td>Cameroon</td><td>1</td></tr> <tr><td>Central African Republic</td><td>1</td></tr> <tr><td>Cote d'Ivoire</td><td>3</td></tr> <tr><td>Ethiopia</td><td>3</td></tr> <tr><td>Malawi</td><td>1</td></tr> <tr><td>Mali</td><td>1</td></tr> <tr><td>Mozambique</td><td>1</td></tr> <tr><td>Nigeria</td><td>3</td></tr> <tr><td>Swaziland</td><td>1</td></tr> <tr><td>Uganda</td><td>1</td></tr> <tr><td>Zambia</td><td>3</td></tr> <tr><td>Zimbabwe</td><td>2</td></tr> </tbody> </table>			Country	Number of Submissions According to Schedule	Angola	1	Burundi	1	Cameroon	1	Central African Republic	1	Cote d'Ivoire	3	Ethiopia	3	Malawi	1	Mali	1	Mozambique	1	Nigeria	3	Swaziland	1	Uganda	1	Zambia	3	Zimbabwe	2
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Measure 3.2.1: Publishing

Measure Definition		Measure Owner	Target	FY13	FY12	Trend						
Number of journal articles published		Jay Heavner	4	2	NA							
Context				Performance								
<p>There are at least 14 papers in various stages of publication, including 2 that may be published the fourth quarter. “AMDS: WHO Policy brief Transition to new HIV/AIDS treatment regimens – procurement and supply chain management issues” will be reported as published in the fourth quarter. There is a slight possibility that we won’t meet our target of four considering the time needed to publish once submitted to a journal. Some delays (such as COR review) are outside our control.</p>				<table border="1"> <thead> <tr> <th>Title</th> <th>Publisher</th> </tr> </thead> <tbody> <tr> <td>Antiretroviral medicines in low- and middle-income countries: Forecasts of global and regional demand for 2012–2015</td> <td>WHO/Futures Institute</td> </tr> <tr> <td>The development and validation of a Thin Layer Chromatography densitometry method for the analysis of diclofenac sodium tablets</td> <td>International Journal of Chemical and Analytical Science</td> </tr> </tbody> </table>			Title	Publisher	Antiretroviral medicines in low- and middle-income countries: Forecasts of global and regional demand for 2012–2015	WHO/Futures Institute	The development and validation of a Thin Layer Chromatography densitometry method for the analysis of diclofenac sodium tablets	International Journal of Chemical and Analytical Science
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Risk & Mitigation				Issues & Corrective Actions								
Risk	Probability	Impact	Response Option	Mitigation Action	Owner							
Risk that articles in progress will not be published by target deadline.	Medium	High	Accept	Continue to push authors to submit and speed editing of those submitted	Jay							
				Issues	Corrective Actions	Owner						

Measure 3.2.1: Presentations

Measure Definition	Measure Owner	Target	FY13 to date	FY12	Trend																																								
Number of presentations to key constituencies	Jay Heavner	15	23	NA																																									
<p>Context:</p> <p>With three presentations this quarter, we continue to move well beyond our annual target. We will continue to monitor progress against this measure.</p> <p>Risks, issues and corrective actions identified in the previous quarter have been addressed, with new and existing processes being followed.</p>			<p>Performance</p> <table border="1"> <thead> <tr> <th>#</th> <th>Audience or Event</th> <th>#</th> <th>Audience or Event</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>UK All Party Parliamentary Group</td> <td>1</td> <td>Laboratory Technical Working Group</td> </tr> <tr> <td>1</td> <td>Council of Supply Chain Management Professionals</td> <td>1</td> <td>Pittcon conference</td> </tr> <tr> <td>2</td> <td>USAID staff in DC</td> <td>2</td> <td>Market dynamics meetings</td> </tr> <tr> <td>1</td> <td>CHAI ARV Supplier/Buyer Summit</td> <td>1</td> <td>FDA in DC</td> </tr> <tr> <td>6</td> <td>African Society for Laboratory Medicine (ASLM)</td> <td>3</td> <td>WHO AMDS in-person meeting</td> </tr> <tr> <td>1</td> <td>IAPHL – Global Health Summit</td> <td></td> <td></td> </tr> <tr> <td>1</td> <td>UN Inter-Agency Procurement Coordination</td> <td></td> <td></td> </tr> <tr> <td>1</td> <td>WHO/UNAIDS annual consultation with pharma companies and stakeholders</td> <td></td> <td></td> </tr> <tr> <td>1</td> <td>PEPFAR Public-Private Partnership for ped. ART</td> <td></td> <td></td> </tr> </tbody> </table>			#	Audience or Event	#	Audience or Event	1	UK All Party Parliamentary Group	1	Laboratory Technical Working Group	1	Council of Supply Chain Management Professionals	1	Pittcon conference	2	USAID staff in DC	2	Market dynamics meetings	1	CHAI ARV Supplier/Buyer Summit	1	FDA in DC	6	African Society for Laboratory Medicine (ASLM)	3	WHO AMDS in-person meeting	1	IAPHL – Global Health Summit			1	UN Inter-Agency Procurement Coordination			1	WHO/UNAIDS annual consultation with pharma companies and stakeholders			1	PEPFAR Public-Private Partnership for ped. ART		
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Measure 4.1.1a: Cost Effective: RDC Expiry and BRC Reporting

Measure Definition	Measure Owner	Target	FY13 Q2	FY13 Q3	Trend																									
4.1.1a Expiry RDC Stock 4.1.1a BRC Reporting Rate	Chris Larson	4.1.1a ≤ 3%	0%	0.31%	↑																									
	Katrina Kruhm	4.1.1b 4	Annual Measure	Annual Measure																										
<p>Context: Expiry: The loss due to expiry for FY13Q3 date was \$229,676 worth of ARV drugs. This amount also represents the total expiry loss for the FY13 year to date while the ARV value delivered from the RDCs over the same period (FY Q1, Q2, Q3) was \$118,313,258. This makes the expiry 0.19% for the FY13 period year to date, well under targets. The majority of the ARV expiry losses were in pediatric OSs (Lam, Nev) and Zid 300 all related to regimen transitions to newer Peds and FDCs respectively. We are applying lessons learned in prior transitions to current inventory management practices to mitigate future occurrences for items like TDF, T/L, Nev200 and Efav 600. BRC Reporting: The BRC Report compares the costs pooled for freight-in and RDC operations against the 4.5% on all deliveries out of the RDCs that is billed to clients on the monthly financial summaries. SMCS is contractually required to report on Blended Rate Costs (BRC) to the USAID COR team every quarter. With the roll-out of the new GMFS, BRC reporting is now provided to the COR team monthly.</p>			<p>Performance</p> <table border="1"> <thead> <tr> <th></th> <th>Expiry Value</th> <th>Expiry Percentage</th> </tr> </thead> <tbody> <tr> <td>FY13 Q1</td> <td>\$ -</td> <td>0%</td> </tr> <tr> <td>FY13 Q2</td> <td>\$ -</td> <td>0%</td> </tr> <tr> <td>FY13 Q3</td> <td>\$229,679</td> <td>0.31%</td> </tr> <tr> <td>FY13 Q4</td> <td></td> <td></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th></th> <th>BRC Reporting</th> </tr> </thead> <tbody> <tr> <td>FY13 Q1</td> <td>0 months</td> </tr> <tr> <td>FY13 Q2</td> <td>0 months</td> </tr> <tr> <td>FY13 Q3</td> <td>3 months</td> </tr> <tr> <td>FY13 Q4</td> <td></td> </tr> </tbody> </table>				Expiry Value	Expiry Percentage	FY13 Q1	\$ -	0%	FY13 Q2	\$ -	0%	FY13 Q3	\$229,679	0.31%	FY13 Q4				BRC Reporting	FY13 Q1	0 months	FY13 Q2	0 months	FY13 Q3	3 months	FY13 Q4	
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Measure 4.1.1b: Cost Effective: Surcharge

Measure Definition		Measure Owner	Target	LOP Performance																																							
4.1.1b Surcharge		Katrina Kruhm	4.1.1c ≤ 5%	4.1%																																							
<p>Context:</p> <ul style="list-style-type: none"> ➤ 4.1.1c LOP Surcharge continues to run below LOP target utilizing the new formula calculation. ➤ The pool (operating) costs remain consistent over the past quarter at an average of \$1.2M per month (same as last quarter). ➤ The average base (total commodity procurements) for the quarter is \$35M. This is compared to \$27M last quarter, ➤ Projections show that LOP surcharge as of the end of FY will be at 3.73% if the base and pool remain at the current average. 			<p>Performance</p> <table border="1"> <caption>Surcharge Performance Data</caption> <thead> <tr> <th>Month</th> <th>Surcharge Pool (millions of US\$)</th> <th>Surcharge Costs as a % of Commodities</th> </tr> </thead> <tbody> <tr><td>Oct-12</td><td>\$0.8</td><td>2.6%</td></tr> <tr><td>Nov-12</td><td>\$1.2</td><td>4.0%</td></tr> <tr><td>Dec-12</td><td>\$1.3</td><td>6.5%</td></tr> <tr><td>Jan-13</td><td>\$1.1</td><td>4.4%</td></tr> <tr><td>Feb-13</td><td>\$1.1</td><td>3.4%</td></tr> <tr><td>Mar-13</td><td>\$1.4</td><td>5.8%</td></tr> <tr><td>Apr-13</td><td>\$1.5</td><td>3.8%</td></tr> <tr><td>May-13</td><td>\$1.0</td><td>2.4%</td></tr> <tr><td>Jun-13</td><td>\$1.1</td><td>4.0%</td></tr> <tr><td>Jul-13</td><td></td><td></td></tr> <tr><td>Aug-13</td><td></td><td></td></tr> <tr><td>Sep-13</td><td></td><td></td></tr> </tbody> </table>		Month	Surcharge Pool (millions of US\$)	Surcharge Costs as a % of Commodities	Oct-12	\$0.8	2.6%	Nov-12	\$1.2	4.0%	Dec-12	\$1.3	6.5%	Jan-13	\$1.1	4.4%	Feb-13	\$1.1	3.4%	Mar-13	\$1.4	5.8%	Apr-13	\$1.5	3.8%	May-13	\$1.0	2.4%	Jun-13	\$1.1	4.0%	Jul-13			Aug-13			Sep-13		
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Measure 4.1.1c: Cost Effective: ACF

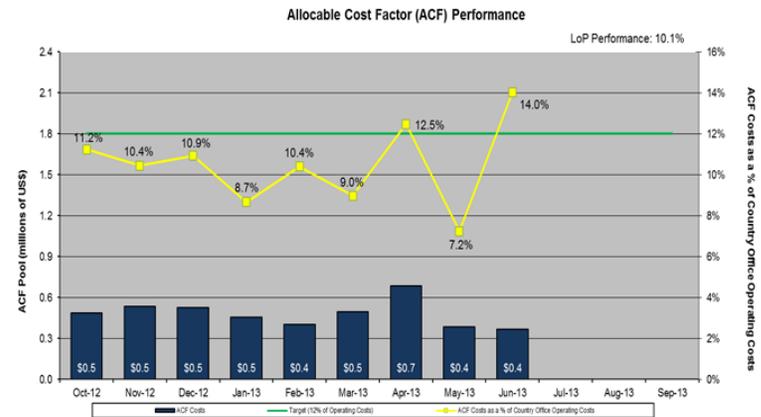
Measure Definition	Measure Owner	Target	LOP Performance
4.1.1c ACF	Katrina Kruhm	4.1.1d ≤ 12%	10.1%

Context:

4.1.1c LOP ACF is running below the LOP target utilizing the new formula calculation.

- The pool (operating) costs remain consistent over the past quarter at an average of \$478K per month up from \$452K last quarter.
- The average base (total field operating costs) for the quarter is \$4.5M which has decreased from last quarter at \$4.9 due to invoice lag in the month of June.
- Projections show that LOP ACF as of the end of FY13 will be at 10.35% if the base and pool remain at the current average.

Performance



Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
ACF does not remain within target due to lower than expected country budgets or higher operating costs	Medium	High	Mitigate	Maintain country activities per extension budget or decrease operating costs	Katrina

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Measure 4.1.2: ARV Price Comparison: SCMS vs. GPRM

Measure Definition	Measure Owner	Target	FY12	FY13	Trend																				
This measure compares SCMS ARV price to those in the GPRM	Ron Marroco	70%	82%																						
<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> <table border="1"> <caption>ARV Price Comparison: SCMS vs GPRM</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percentage of SCMS ARVs with lower price than GPRM</th> </tr> </thead> <tbody> <tr> <td>FY10</td> <td>80%</td> </tr> <tr> <td>FY11</td> <td>72%</td> </tr> <tr> <td>FY12</td> <td>82%</td> </tr> </tbody> </table>			Fiscal Year	Percentage of SCMS ARVs with lower price than GPRM	FY10	80%	FY11	72%	FY12	82%												
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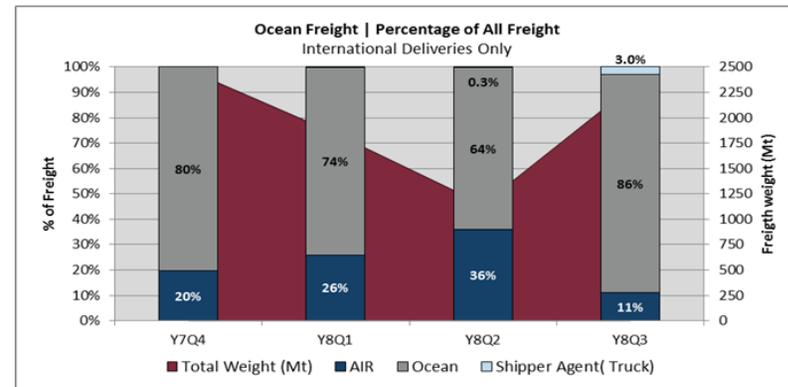
Measure 4.1.3: Ocean Freight: Percentage of All Freight

Measure Definition	Measure Owner	Target	FY13 Q2	FY13 Q3	Trend
Tonnage of <u>international</u> deliveries shipped by ocean as a percentage of all international freight	Gary Carle	≥50%	65%	86%	↑

Context

- Y8Q3 overall ocean volumes rebounded to a four quarter high of 86% of all tonnage delivered.
- We will continue to closely monitor compliance of supply plans and emergency orders which can negatively impact this metric.
- Ocean volumes delivered this quarter included several deliveries that were still in transit last quarter as well as several shipments where delivery was delayed due to lack of warehouse space in Ethiopia and Zambia.
- As expected, this metric significantly improved over YA Q2 as the volume of ocean increased to 1,480 MT (Metric Tons)

Performance



*Note: Small volumes of freight moved by shipper agent truck are not visible on the graph

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Lack of supply planning and emergency orders can limit the use of ocean freight. In addition, shortages of warehouse space at high ocean volume destinations of ET and ZM can delay delivery of ocean shipments and negatively skew results.	Medium	High	Avoid	Monitor supply plans against actual orders to see if lack of compliance resulted in use of premium air transportation. Continue to work with SCMS Field Office Staffs to improve coordination of Ocean deliveries to ET and ZM	F&L, Demand Planning and ET/ZM Field Office Staffs.

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
Increased use of air freight	Monitor supply plans and emergency orders against actual large orders that move via Airfreight instead of Ocean transportation. Work with SCMS Field Office Staffs to improve coordination of Ocean deliveries to ET and ZM	Gary Carle, Chris Larson, Ishmael Muchemenyi	Ongoing

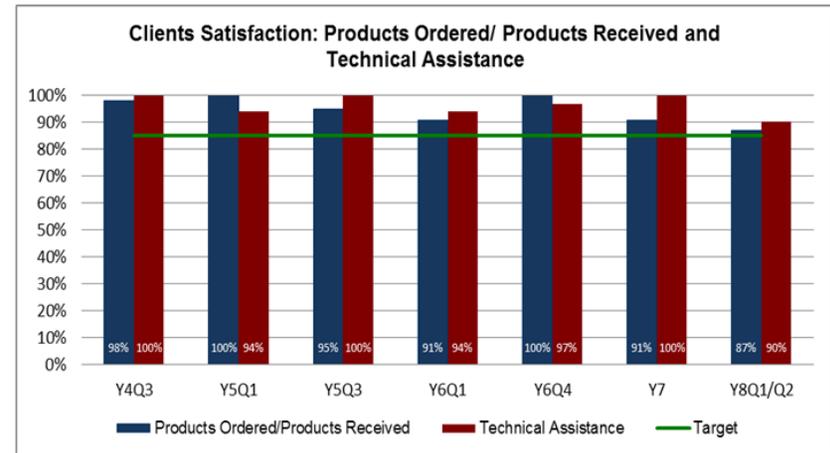
Measure 4.2.1: Client Satisfaction

Measure Definition	Measure Owner	Target	FY2012	FYQ1-Q2	Trend
Rating is based on client response to "Overall Satisfaction" on Products Ordered/Products Received and Technical Assistance client survey.	GSC: Gordon Comstock	85%	91%	87%	↓
	TA: Diane Reynolds	85%	100%	90%	↓

Context

Client Satisfaction is a semi-annual measure. Results for Q3 and Q4 will be presented in the Q4 report.

Performance



Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Measure 4.3.1a: Operational Performance Management: Annual Partner Operational Review

Measure Definition	Measure Owner	Target	FY12	FY13	Trend																																
4.3.1a Annual Partner Operational Review	Afua Ofosu-Barko	100%	100%	TBD																																	
<p>➤ 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.</p>			Performance																																		
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Measure 4.3.1b: Operational Performance Management: TA Trips Processed On-time

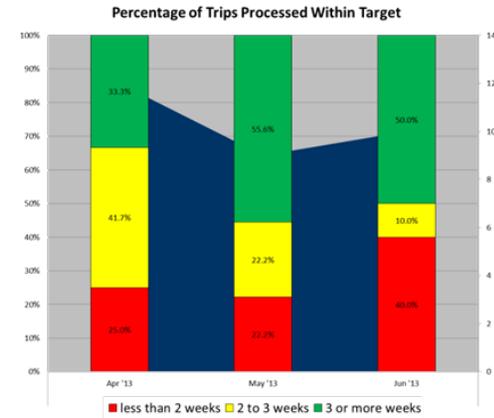
Measure Definition	Measure Owner	Target	FY13 Q2	FY13 Q3	Trend
4.3.1b % of TA trips processed on-time	Diane Reynolds	80%	30.3%	45.2%	↑

Context

ADUD and Client delay codes are identified. Q3 analysis complete. Trending is now possible for reporting.

- ETJ analysis complete for Q3.
- 38 ETJs were submitted from 19 countries.
- 3 countries submitted more than three requests, 2 countries require follow-up intervention to reiterate process.
- Root cause analysis indicates that in-country resource transition was a challenge.

Performance



Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
ETJ becomes routine travel request process	High	Low	Avoid	Signatories need to do root cause analysis at time of receipt	Deputy Director

Issues & Corrective Actions

Issues	Corrective Actions	Owners	Deadline
Lack of SCMS process understanding and poor planning	Complete follow-up interventions with identified ETJs	Unit Manager	Q4

Measure 4.3.2: Core Systems Uptime

Measure Definition	Measure Owner	Target	FY13 Q2	FY13 Q3	Trend																				
% of time that KT & Orion are alive during stated support hours	William Lee	Orion: ≥95%	98.9%	99.9%	↑																				
		KT: ≥95%	99.9%	99.9%																					
<p>Context</p> <p>SCMS MIS systems continues to operate above the required SLA.</p>			<p>Performance</p> <table border="1"> <caption>Core Systems Uptime Data</caption> <thead> <tr> <th>Quarter</th> <th>Orion (%)</th> <th>Knowledge Tree (%)</th> </tr> </thead> <tbody> <tr> <td>Y7Q4</td> <td>99%</td> <td>100%</td> </tr> <tr> <td>Y8Q1</td> <td>98%</td> <td>100%</td> </tr> <tr> <td>Y8Q2</td> <td>99%</td> <td>100%</td> </tr> <tr> <td>Y8Q3</td> <td>99%</td> <td>99%</td> </tr> </tbody> </table>			Quarter	Orion (%)	Knowledge Tree (%)	Y7Q4	99%	100%	Y8Q1	98%	100%	Y8Q2	99%	100%	Y8Q3	99%	99%					
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<p>Risk & Mitigation</p> <table border="1"> <thead> <tr> <th>Risk</th> <th>Probability</th> <th>Impact</th> <th>Response Option</th> <th>Mitigation Action</th> <th>Owner</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Risk	Probability	Impact	Response Option	Mitigation Action	Owner							<p>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				
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Appendix 3: Progress Against the Workplan

Project-wide workplan progress updates will be provided in a separate attachment each quarter. Please reference this file for third quarter updates on workplan activities.

Appendix 4: Quarterly Financial Reports

In view of the confidential nature of the financial details, this report will be provided under cover of a separate email sent coincident with this report.

Appendix 5: Risk Matrix

Risk #	Quarter Identified	Associated Measure	Risk	Probability	Impact	Response Option	Mitigating Actions	Owner
1	Q2	2.1.2 Competency & Training	Lack of standardization of what defines competency across countries	High	Medium	Mitigate	Review of competency levels across countries	Greg Miles
2	Q2	2.2.1 In Country Performance	Côte d'Ivoire-Global Fund transportation contract delay	High	High	Mitigate	Close collaboration with GFATM, PEPFAR and PR	Alan Pringle
3	Q3	1.1.1 Product Loss Shipping & Storage	Theft of commodities in the DRC	High	High	Mitigate	Nondescript packaging, antitheft tape. Antitheft measures, local source.	Procurement
4	Q3	1.2.1 Recipient Stock Out Rates	Stock levels drop below required level, could lead to stockouts	Medium	High	Mitigate	Quarterly updates of SPs to monitor stock levels	Chris Larson Robert Burn
5	Q3	1.2.2 OTD	Delays at largest manufacturer of MC kits (Priontex)	High	High	Mitigate	Orders with 4 new vendors have been placed for RDC shipments, with estimated delivery of Nov-Dec 2013	Juan Jaramillo
6	Q3	1.2.2 OTD	Haiti field office continues to have staffing concerns	High	High	Mitigate	Work to hire and train new staff	Phoebe Kenney
7	Q3	1.2.2 OTD	Alere is having contract disputes with its Nigeria distributor Acouns. Issue remains unresolved at this time.	High	High	Mitigate	We are alerting the country team that Nigeria may need to look for alternative HIV kits until this is resolved	Peter Smith
8	Q3	2.1.1 Country Ownership	Quantity of people trained vs. impact of that training	Medium	High	Mitigate	Advocacy for accountability with withdrawal strategy	Erin Hasselberg
9	Q3	2.1.1 Country Ownership	Ability to transition current SCMS responsibilities to countries effectively	Medium	High	Mitigate	Advocacy for accountability with withdrawal strategy	Erin Hasselberg
10	Q3	2.1.2 Training & Competency	Supportive supervision declining, reduces ability to have OJT impact	Medium	High	Mitigate	Advocate for more supportive supervision	Country Directors
11	Q3	2.1.3 CMM & 2.2. KPI	Workplan incorporation of NSCA	Medium	Medium	Mitigate	Work with missions and field offices	Field Office & SSU
12	Q3	2.2.1 Supply Chain Performance SCMS-Supported	Switch to WHO regimen guidelines	Medium	High	Mitigate	Develop TDF forecast tool to share with countries and donor organizations	Chris Larson

Risk #	Quarter Identified	Associated Measure	Risk	Probability	Impact	Response Option	Mitigating Actions	Owner
13	Q3	3.1.1 Number of CPP At Risk Schedule Submission	External (Steering Committee decisions)	Low	Medium	Accept	Frequent consultation with SC members	Dominique Zwinkels
14	Q3	3.1.1 Number of CPP At Risk Schedule Submission	External (Countries/PPP members providing data and information)	Medium	Medium	Mitigate	Ongoing consultative process of CPP value	Dominique Zwinkels
15	Q3	3.2.1 Publishing	Risk that articles in progress will not be published by target deadline.	Medium	High	Accept	Continue to push authors to submit and speed editing of those submitted	Jay Heavner
16	Q3	4.1.1b Cost Effective: Surcharge	Surcharge does not remain within target due to low volume of sales or unproportionate operating costs	Medium	High	Mitigate	Increase volume of commodity sales and/or decrease operating costs	Katrina
17	Q3	4.1.1c Cost Effective: ACF	ACF does not remain within target due to lower-than-expected country budgets or higher operating costs	Medium	High	Mitigate	Maintain country activities per extension budget or decrease operating costs	Katrina
18	Q3	4.1.3 Ocean Freight	Lack of supply planning and emergency orders can limit the use of ocean freight. In addition, shortages of warehouse space at high-ocean-volume destinations of ET and ZM can delay delivery of ocean shipments and negatively skew results.	Medium	High	Avoid	Monitor supply plans against actual orders to see if lack of compliance resulted in use of premium air transportation. Continue to work with SCMS field office staff to improve coordination of ocean deliveries to ET and ZM.	F&L, Demand Planning and ET/ZM Field Office Staffs
19	Q3	4.3.1a Operational Performance Management: Contractor Reviews	Not completing reviews by 9/30	Low	High	Avoid	Contractual requirement monitored by Contracts Unit. Visits to be scheduled by 9/30.	Afua Ofosu-Barko
20	Q3	4.3.1b Operational Performance Management: TA Processed on-time	ETJ becomes routine travel request process	High	Low	Avoid	Signatories need to do root cause analysis at time of receipt	Deputy Director